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Commerce Department seeks input on supply chain resiliency, security

As we reported in October of last year, the U.S.-EU Trade and Technology Council is working to coordinate approaches to global trade matters, including supply chain security and investment screening. The Bureau of Industry and Security at Commerce is now seeking input to inform some of that work.

Here are all the details:

WHAT HAPPENED

The Bureau of Industry and Security has requested public comments on how to advance supply chain resilience and security in key sectors, including semiconductors and materials such as lithium-ion batteries. The input will inform the work of the U.S.-EU Trade and Technology Council's Secure Supply Chains Working Group.

WHAT IS THE "TTC"?

As we reported [last year](#), the U.S.-EU Trade and Technology Council is a transatlantic political forum established to coordinate trade policy between the U.S. and the European Union. [Launched](#) in June 2021 at the U.S.-EU Summit in Brussels, the TTC is primarily focused on supporting the growth of the U.S.-EU technology, economic and trade relationship. At the time of the launch, National Security Council spokesperson Emily Horne said the TTC was established "to expand and deepen trade and transatlantic investment ties and update the rules of the road for the 21st century economy."

The ultimate goal of the TTC is to coordinate approaches to key global trade, economic, and technology issues. In addition to deepening trade and cooperating on supply chain issues, the TTC intends to "facilitate cooperation on

regulatory policy and enforcement," including investment screening and export controls.

WHO CARES?

It's important to understand how the Bureau of Industry and Security is connected to the TTC, why the BIS is seeking input, and how this development is related to the foreign investment screening regime (in other words, why is Foreign Investment Watch even covering this?)

First, the Bureau of Industry and Security is seeking input because U.S. Secretary of Commerce Gina Raimondo is a member of the TTC. And as most Foreign Investment Watch readers know, the BIS is primarily responsible for ensuring an effective export control and treaty compliance system.

As such, the BIS — in coordination with other export agencies such as the Directorate of Defense Trade Controls at

State and the Defense Technology Security Administration at the DoD — has been actively reviewing new and existing technologies for additional controls; for example, new controls for biotech software were [unveiled](#) in October.

And, of course, this work is deeply connected to the foreign investment screening regime, because — as we reported back in [August 2020](#) — the BIS is the entity that is responsible for identifying “emerging” and “foundational” technologies. Those technologies are not only subject to enhanced export controls, but they are now considered “critical technologies” by CFIUS.

According to Jen Fernandez at the law firm of Sidley, this work will invariably impact the number of cases before CFIUS. “Although we rarely see Commerce as a CFIUS [co-lead agency](#),” said Fernandez in a recent [Q&A](#), “export controls have become a centerpiece of any CFIUS analysis.”

COMPOSITION

For the record, composition of the TTC includes:

- European Commission Executive Vice-President and EU Competition Commissioner, Margrethe Vestager (co-chair)
- European Commission Executive Vice-President and EU Trade

Commissioner, Valdis Dombrovskis (co-chair)

- U.S. Secretary of State, Anthony Blinken
- U.S. Secretary of Commerce, Gina Raimondo
- U.S. Trade Representative, Katherine Tai

Other members of various U.S. and EU agencies and departments are also expected to be invited “as appropriate,” which will help ensure that deeper discussions on specific issues are done with a “whole-of-government approach.”

SUPPLY CHAIN WORKING GROUP

The TTC initially created ten working groups to coordinate work and operationalize decisions. Of particular interest to Foreign Investment Watch readers are two working groups dedicated to export controls and investment screening, but the TTC also established a Secure Supply Chain Working Group, which is the one related to the BIS’s recent request for public comment.

According to the BIS, the Secure Supply Chain Working Group has four goals:

1. Increase visibility and transparency of supply and demand;
2. Map respective existing sectoral capabilities;

3. Exchange information on policy measures and research and development priorities; and
4. Cooperate on strategies to promote supply chain resilience, security, and diversification.

According to the [EU](#), lead participants for the Supply Chain Working group include EU Directorate General for Trade Rupert Schlegelmilch, Directorate General for Internal Markets Outi Slotboom, and Directorate General for AI and Digital Lucilla Sioli.

COMMENTS

The BIS is seeking input on the objectives above from all parties. But they seem particularly interested in obtaining information “from foreign and domestic entities that actively participate in semiconductors, solar photovoltaics, critical minerals and materials, and pharmaceuticals supply chains.”

Interestingly, the U.S. Chamber of Commerce already provided [comments](#) back in January regarding objectives and overarching principles. The comments were submitted by Garrett Workman, who is the Chamber’s Senior Director for European Affairs; he can be reached at gworkman@uschamber.com.

The deadline for submitting comments is May 23.

MORE INFORMATION

To submit comments, you (unfortunately) have to use the federal government's [Regulations.gov](#) website, which is absurdly cumbersome. To comment, you need to search for docket number "BIS-2021-0046," which was actually unavailable at press time (keep trying).

If you have questions, the best contact is probably Kevin Coyne at the U.S.-EU Trade and Technology Council Secure Supply Chains Working Group, using the insanely long email address of ttc_secure_supply_chains@doc.gov.

The Supply Chain Working Group actually has its own [landing page](#), although there's not much there but a login for team members.

Complete details on the BIS [request for comments](#) is available from the always-fun-to-read Federal Register.

If you'd like some more background on the TTC and what was known as the "Pittsburgh Statement," have a look at our [initial coverage](#) from Oct. 2021.