

Congress of the United States
Washington, DC 20510

December 1, 2023

The Honorable Lloyd Austin
Secretary
U.S. Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301-1000

Dear Secretary Austin:

We write out of concern with regards to the installation of a battery and solar array by the Chinese Communist Party (CCP)-aligned Contemporary Amperex Technology Co. Ltd. (CATL), at Camp Lejeune, North Carolina as part of a new Battery Energy Storage System (BESS). A CCP-funded and supported firm should have no role or presence on a U.S. military installation, especially one that trains U.S. Marines for a potential conflict with China. The presence of CATL's system at Camp Lejeune also raises the question of whether CATL, or other CCP-affiliated companies, operate similar energy projects on other U.S. military installations. We urge the U.S. Department of Defense (DoD) to immediately reverse the decision to install CATL batteries at Camp Lejeune, as well as conduct a full assessment on all installations.

CATL, the world's largest manufacturer of lithium-ion batteries and a dominant actor in the global electric vehicle (EV) market, is closely linked to the highest levels of the CCP, including General Secretary Xi Jinping, who praised CATL's growth this March 2023.¹ CATL is an important component of the CCP's military-civil fusion (MCF) strategy. Moreover, CCP industrial policies have steered business towards CATL, placing the company in a position to influence supply chains globally and increasingly in the United States, where CATL operates in several states. In turn, the CCP has benefitted from CATL's record revenues and immense growth. The People's Liberation Army Navy (PLAN) may soon power its conventional submarine fleet with lithium-ion batteries provided by CATL and other Chinese companies. The CCP is well aware of how China's commercial EV industry, CATL included, benefits its military.² Further, Beijing dropped a government safety test from its inspections after a CATL rival found that the test showed CATL battery cells exploding, demonstrating its insistence to bolster CATL as its battery champion.³

CATL has striking similarities to other Chinese firms that have been deemed serious national-security threats and banned from U.S. government use. A recent report by the Foundation for Defense of Democracies (FDD) made clear that CATL's "parallels to Huawei are not difficult to see."⁴ Huawei, like CATL, was built as a champion for the CCP, and Beijing

¹ <https://www.bloomberg.com/news/articles/2023-03-07/xi-jinping-views-top-ev-battery-maker-catl-with-joy-and-worry?leadSource=uverify%20wall>

² <https://asiatimes.com/2022/10/power-play-chinas-submarines-going-lithium/>

³ <https://www.nytimes.com/2021/12/22/business/china-catl-electric-car-batteries.html>

⁴ <https://www.fdd.org/analysis/2023/10/23/beijings-power-play/>

acted to support its success. Like Huawei, the presence of CATL in U.S. energy infrastructure raises alarms about the known security risks associated with Chinese technology produced by companies operating under the direction or influence of Beijing. CATL could introduce malware into large-scale power storage stations, threatening the U.S. energy grid. Further, the significant known cyber risks to BESS systems more broadly, such as security limitations that prevent regular updates and gaps in reviewing vulnerabilities, raise several concerns that a malicious actor, or government, could seek to exploit.⁵

The growing presence of CATL and other Chinese products in U.S. infrastructure is concerning, but it is inexcusable on U.S. military installations. On April 14, 2023, the U.S. Marine Corps held a ribbon cutting for its new BESS, featuring CATL batteries, at Camp Lejeune. Less than two weeks later, the 26th Marine Expeditionary Unit (MEU) held an exercise at Camp Lejeune to practice extracting noncombatants from conflict zones. Units such as the 26th MEU, which are trained to conduct amphibious operations in crisis response situation, will be vital in a potential conflict with China over Taiwan. Our military cannot afford to subsidize the PRC's national champions by installing them on bases. The CCP's pattern of espionage leaves little room for doubt that CATL products pose a threat to national security at any base where they are installed.

We therefore implore you to address the national-security concerns with CATL's presence at Camp Lejeune and potentially other U.S. military installations. We request a full accounting of CATL batteries and other products by CCP-aligned companies on U.S. military installations. In addition, we wish to know the following:

1. When did DoD become aware that Duke Energy would be purchasing batteries manufactured in China by CATL for installation on the grounds of Camp Lejeune?
2. At the time, were the contracting officers aware of CATL's close ties with the CCP?
3. Did Duke Energy, or the DoD, consider utilizing batteries manufactured by an American company, or any allied or partner country of the United States, for this project?
4. Has DoD conducted an analysis of vulnerabilities in this system that the PRC could exploit, especially during time of war?
5. Will CATL employees perform maintenance on the batteries? Will maintenance require granting base access to CATL employees, who may be CCP members or Chinese nationals?
6. Will CATL systems installed in Camp Lejeune require any data connections to CATL-operated servers in the People's Republic of China?
7. Have CATL systems been installed on or at any joint DoD-National Security Agency facilities or locations?

We appreciate your prompt response and attention to this important matter.

Sincerely,

⁵ <https://riskandinsurance.com/battery-energy-storage-systems-can-make-companies-more-sustainable-and-more-vulnerable-to-hackers/>



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U.S. Senator



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Member of Congress



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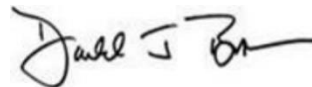
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