



June 26, 2025



BCI - Serving the Industry Since 1924

Members are engaged in all battery chemistries (lead, flow, lithium, sodium, etc.) and include manufacturers, recyclers, suppliers, distributors, retail, marketers, and consultants. A focus on low-voltage vehicle; industrial; motive-power; ESS; UPS.

130+ Members

\$33 billion+
member footprint

Enduring Legacy of Manufacturing

Members operating since 1800s

206+ GWh of North American

Manufacturing Capacity (2021)

BCI Convention:

Held every year since 1924 except for World War II and COVID

SourceBCI & BCI DataBook:

Identifies the SLI battery for every mass-market vehicle since 1934



Key Policy Areas Affecting the Battery Industry

2023

Federal Environmental Regulations (EPA)

- Strategy to Reduce Lead Exposures and Disparities in U.S. Communities
- National Emissions Standards for Hazardous Air Pollutants (NESHAP)
- New Source Performance Standards (NSPS)
- National Ambient Air Quality Standard (NAAQS)
- Toxic Substances Control Act (TSCA)
- Superfund Soil Screening Levels

Federal and State OSHA

- Lead Regulations (1910.1025)
- Heat Stress (injury and illness)
- State OSHA programs
 - California
 - Washington

Policy Focus Areas

- Energy Storage Policy and Research
- Inflation Reduction Act (IRA)
- Bipartisan Infrastructure Act
- Environmental Justice

2025

Federal Environmental Regulations (EPA)

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- National Ambient Air Quality Standard (NAAQS)
- Toxic Substances Control Act (TSCA)

Federal and State OSHA

- Lead Regulations (1910.1025)
- Heat Stress (injury and illness)
- State OSHA programs
 - Minnesota
 - Oregon
 - Washington

Policy Focus Areas

- Supply chain / critical minerals
- Aggressive tariff strategies / reshoring initiatives
- Regulatory rollbacks
- Targeted incentives
- All Battery EPR, labeling, recycling best practices



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BCI Advocacy Priorities for 2025



Reduce Tax Penalties

Advocate for passage of the USA Batteries Act to eliminate punitive taxes placed on domestic lead battery manufacturers.



End of Life Responsibility

Continued engagement on state and federal efforts to force unworkable EPR models onto battery manufacturers and instead build on the success of the BCI Model Law.



Section 45X Tax Credits

Advocate to preserve the critical tax credits for U.S.-produced batteries and battery components to support expanding domestic production.



Secure Supply Chains

Protecting and growing secure supply chains through recycling, engagement with reliable and responsible trading partners, and sound trade policies.



Support for R&D

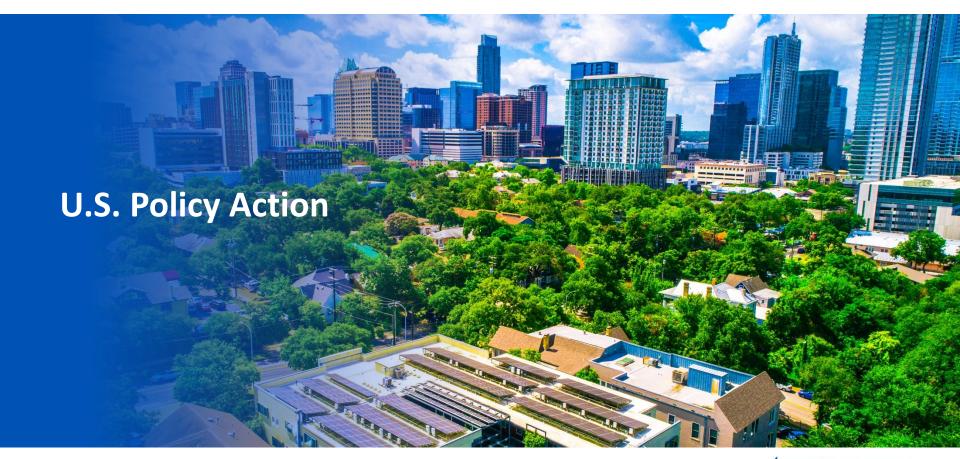
Advocate for strong federal support for key battery energy storage research programs and for partnerships with the National Laboratories.



Rational EHS Regulation

Advocate for sound policies to promote strong EHS performance through practices that are costeffective, efficient, and based on real-world data.







Trump Administration Policy Focus Areas





TO: Battery Council International Members

FROM: Battery Council International & Wiley Rein LLP

U.S. Tariff Impacts for the Lead Acid and Lithium-Ion Battery Supply Chain¹

Background

The United States maintains overlapping tariff regimes affecting lead acid batteries, lithium-ion batteries, and inputs such as parts, lead, antimony, tin, cobalt, lithium, and graphite. These tariff regimes include:

- "Reciprocal" duties on goods of nearly all countries, at varying rates and with certain carveousi, imposed pursuant to the International Emergency Economic Powers Act (IEEPA):
- Duties on certain automotive components and steel and aluminum goods from all countries, imposed under Section 232 of the Trade Expansion Act of 1962 (Section 232);
- Additional duties on products of China, Canada, and Mexico, imposed under IFEPA.
- Further duties on products of China, imposed under Section 301 of the Trade Act of 1974 (Section 301):
- · Duties imposed under Section 201 of the Trade Act of 1974 (Section 201); and
- · Standard import duties.

The United States may also impose further duties in the future or after the scope and rate of current duties.

This document discusses individual, existing U.S. tariffs in reverse chronological order, from most recent to oldest, before previewing potential additional tariff regimes, and retaliation from major trading partners. **Appendix A** provides an up-to-date snapshot of existing tariffs as applied to tariff codes for lead acid batteries, lithium-ion batteries,

Aggressive tariff strategies

 BCI providing members with weekly "tariff backgrounder memo"

Reshoring initiatives

Regulatory rollbacks

Targeted incentives



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Tariffs Developments in 2025

Feb. 18, 2025

232 Duties

Expansion of duties on steel/aluminum to additional downstream goods from all countries; aluminum tariffs increased to 25%; termination of all exclusions

Apr. 2, 2025

232 Duties

25% duties imposed on passenger vehicles (sedans, minivans, light trucks) from all countries; duties on non-USMCA compliant parts went in place May 3

Apr. 22, 2025

232 Investigation

180-day analysis of "tariffs,... import restrictions, ... policies to incentivize domestic production, processing, and recycling, and ... any additional measures..." of critical minerals (not including lead).

Ongoing

Trade Negotiations

Engagement with trading partners to potentially reduce tariffs on both sides. Notable developments so far: UK framework agreement; China reciprocal tariff reduction

Feb. 4, 2025 IEEPA Duties

Additional 10% duties on virtually all **Chinese** products; subsequently raised to 20%

Mar. 4 - 6, 2025 IEEPA Duties

Additional 25% duties on virtually all **Canadian/Mexican** products; USMCAcompliant goods exempted

Apr. 2, 2025

Reciprocal Duties

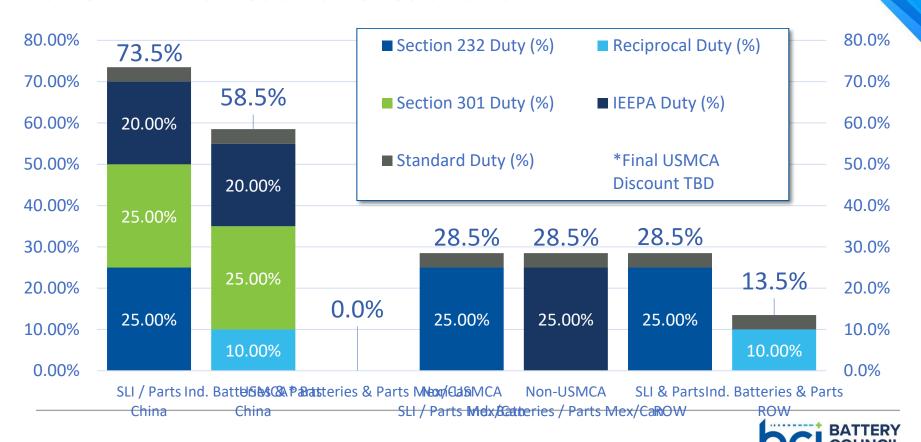
A 10% tariff on all countries; certain countries targeted for increased duties, but increases delayed to July 9, with exception of China, at 125% rate through May 14

Apr. 29 - June 3, 2025

"De-Stacking," Auto Duty Credit, and Steel/Aluminum EOs: Clarify how 232 duties on automotive goods, non-USMCA-compliant goods of Canada/Mexico, and steel/aluminum 232 duties interact; provides partial duty credit to OEMs importing non-USMCA compliant parts



Current Tariffs: Lead Batteries and Parts

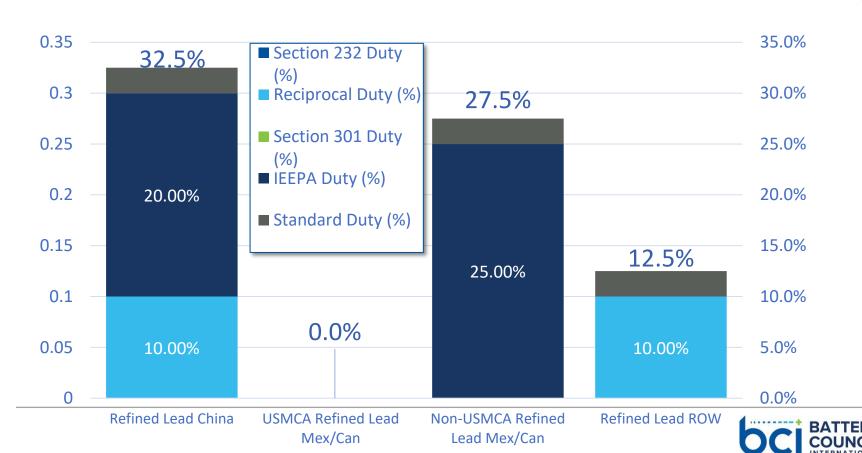


Canada and Mexico: Strategic Advantages

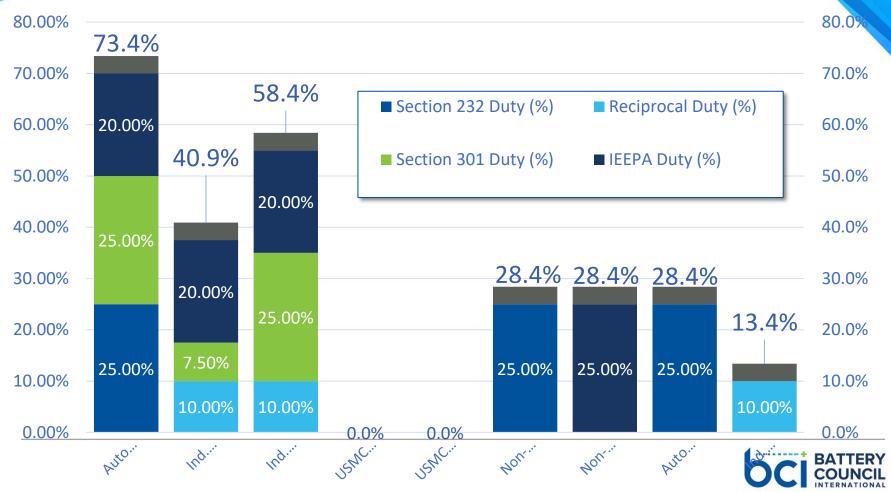
- All products of Mexico and Canada are free from reciprocal tariffs
- USMCA-compliant products of Canada and Mexico are free from
 - 25% IEEPA duties
 - 25% 232 duties on automotive parts
 - Most Favored Nation duties
- Section 232 duties on steel/aluminum continue to apply to USMCA-compliant goods, but tariff code coverage of these duties is limited
- Lead-acid batteries qualify as USMCA-originating if
 - Made with North American components,
 - Non-North American parts fall outside tariff heading 8507 or
 - Have regional value content of 60-75% (transaction value) or 50-65% (net cost)



Current Tariffs: Refined Lead



Current Tariffs: Li-Ion Batteries/Parts



Advanced Manufacturing Production Tax Credits (Section 45X)

- Already stimulating significant changes and growth
 - BCI members have announced major capacity expansions leveraging credits
 - Rewards leveraging / upgrading existing manufacturing assets through 2033
- Trump's "One Big Beautiful Bill Act": 45X Preserved, but Reduced
 - Currently still under negotiation between Senate and House of Representatives

Tax Credit	Claimant	Description
Advanced	Manufacturer operating	10% for electrode active materials
Manufacturing	in the United States	10% for critical mineral production
Production Credit (45X)		\$35/kWh for battery cells
		\$10/kWh for battery modules (or \$45/kWh
		for modules without cells)

USA Batteries Act (H.R. 1264)

- Initially introduced in 2023
- Would repeal the Superfund chemical tax implemented in the IIJA, which affects substances used in battery manufacturing.
- Lead oxide, antimony, and sulfuric acid
- Superfund taxes on impacts domestic battery manufacturing, but not imported competition



119TH CONGRESS H. R. 1264

To amend the Internal Revenue Code of 1986 to eliminate lead oxide, antimony, and sulfuric acid as taxable chemicals under the Superfund excise taxes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2025

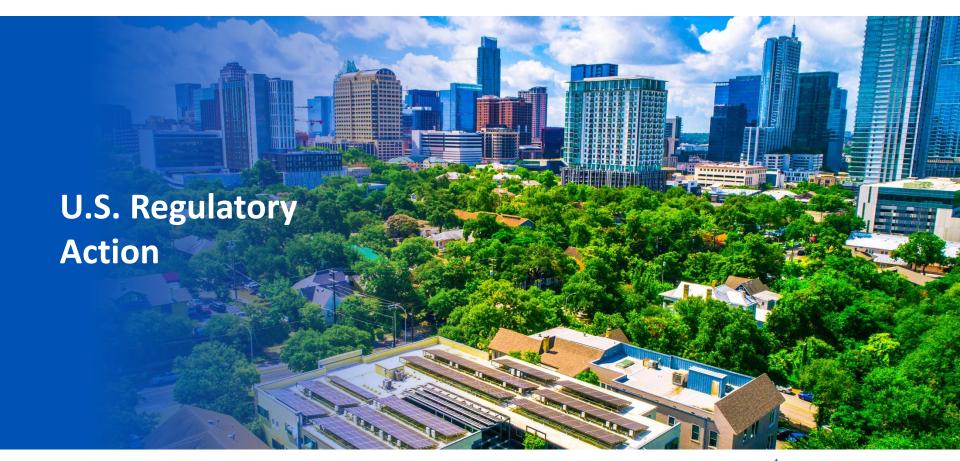
Mr. MEUSER (for himself, Mr. MOOLENAAR, Mr. NEHLS, Mr. FITZPATRICK, Ms. MALLIOTAKIS, and Mr. PERRY) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

- To amend the Internal Revenue Code of 1986 to eliminate lead oxide, antimony, and sulfuric acid as taxable chemicals under the Superfund excise taxes.
- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- This Act may be eited as the "USA Batteries Act".
- 5 SEC. 2. FINDINGS.
- 6 Congress finds the following:
- (1) The Superfund fee established in Public
- 8 Law 117-58 makes American manufacturing less
- 9 competitive by imposing a tax on chemicals used in



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Many regulatory efforts continuing ... and ending...

OSHA Standards for Workplace Heat

- Federal Rulemaking continues, for now
- Multiple state efforts

Lead NAAQS

- Sets area air limits that then drive permit limits and conditions EPA finished the Integrated Science Assessment
- Final Decision previously expected in 2026

TSCA Review of Pb (TBD)

• ABR, BCI, ILA engaged consultant to conduct gap analysis

U.S. Environmental Protection Agency

- Battery Manufacturing NESHAP Litigation
- NGO's sued over fenceline monitoring, currently remanded for re-review of key elements

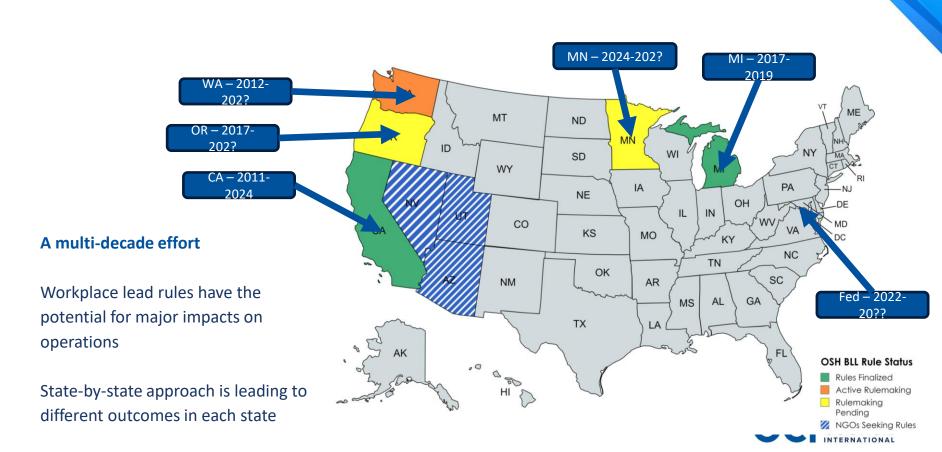
DOE's Battery Charger Standard

- Proposed rule was formally withdrawn January 17, 2025
- Trump Administration proposing major changes to the entire energy efficiency program

10-for-1 Deregulatory Agenda



Federal & State OSHA Activity



Key OSHA Programs to Watch

Federal OSHA

Federal Lead Standard: Under review since 2016

Formal Process started in 2022 with ANPRM

Looking at "most aspects of the standard"

OSHA Priorities still not clear under Trump DOL

RFK eliminated NIOSH lead programs

BCI fully engaged – long term, this rulemaking will move forward

- Technical Feasibility Analysis
- Health science studies and other industry analyses
- Engagement with senior staff and advisors

Oregon DOSH

Proposed Rule now expected ~July 2025

Minnesota OSHA

2024 legislation to lower BLLs in the state (SB4600 / HF4713)

Washington DOSH

Process started in ~2016

BCI present at all stakeholder meetings since

Complete rewrite of the federal lead rule framework

Abandons all existing structures



California OSHA – A new standard

Trigger	Threshold	
Removal	20 μg/dL (2025) 30 μg/dL (2024)	
Return to Work	15 μg/dL (2024)	
PEL	10 μg/m³ (2024)	
Action Level	2 μg/m³ (2024) >10 days / year "Presumed Hazardous" Tasks	
PEL Exception	SECAL 40 μg/m³ (2029) 30 μg/m³ (2029)	

- Final Rule adopted February 15, 2023
 - Took effect January 1, 2025
- BCI and ABR successfully negotiated Separate Engineering Control Air Limits (SECALs)
- New Standard sweeps in several additional industries
- BCI filed <u>extensive</u> comments
 - ILA and ABR filed as well
 - BCI and coalition with 10+ industries filed
 - BCI-led coalition filed letters in Nov. 2022 and April 2023
 - Pushing for rational phase-in schedule and other non-substantive/technical issues



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Member Involvement is Key

- **BCI** Members are key to shaping our positions and making our efforts successful
- **Engage** in a relevant committee!
- Environmental Health and Safety
- **m** Government Relations
- **Communications**
- Sustainability
- ✓ Just email <u>info@batterycouncil.org</u> to join.



Thank you!



Susan Bernard
Vice President, Government
Relations & Sustainability
Battery Council International
sbernard@batterycouncil.org

