



THE ASSISTANT SECRETARY OF WAR
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INDUSTRIAL BASE POLICY

MEMORANDUM FOR THE FEDERAL COMMUNICATIONS COMMISSION

SUBJECT: National Security Determination on the Threat Posed by Foreign-Produced Power Inverters

Last month, an Executive Branch interagency body, which included appropriate national security expertise, transmitted a National Security Determination regarding the threat posed by certain power inverters (First Power Inverter National Security Determination) to the Federal Communications Commission (FCC).¹ Specifically, the interagency body determined that foreign-produced power inverters pose an unacceptable risk to the national security of the United States and to the safety and security of U.S. persons and should be included on the FCC's Covered List, unless the Department of War (DoW) or the Department of Homeland Security makes a specific determination to the FCC that a given power inverter or class thereof does not pose such risks.²

This memorandum constitutes a specific determination by DoW, pursuant to the First Power Inverter National Security Determination, that certain foreign-produced power inverters that are eligible for certain clean energy tax credits do not pose unacceptable risks to the national security of the United States and to the safety and security of U.S. persons. DoW has also determined, pursuant to the First Power Inverter National Security Determination and the Secure and Trusted Communications Networks Act, 47 U.S.C. § 1601(c)(4), that the definition of "power inverters" should be revised to accurately reflect which foreign-produced power inverters the Executive Branch interagency body and the DoW have determined pose unacceptable risks to the national security of the United States or the security and safety of United States persons.

As a result of these specific determinations, the FCC should update the Covered List as it relates to foreign-produced power inverters and amend the definition of power inverter.

Advanced Manufacturing Production Tax Credit

On Friday, July 4, 2025, President Trump signed The One Big Beautiful Bill Act into law, which, among other things, modified and established certain conditions on access to the Advanced Manufacturing Production Tax Credit for domestic production of certain energy-related components (codified at 26 U.S.C. § 45X)(section 45X).³ Specifically, section 45x(c)(1)(C) prevents any "eligible component" (including certain power inverters) from

¹ *Public Safety and Homeland Security Bureau Announces Addition of Foreign-Produced Power Inverters and Advanced Robotic Devices to FCC Covered List*, WC Docket No. 18-89, Public Notice DA 26-786, Appx. B (July 28, 2026) ("First Power Inverter National Security Determination.").

² *Id.* at 2.

³ The One Big Beautiful Bill Act, Pub. L. No. 119-21, § 70514, 139 Stat. 72 (2025) (codified at 26 U.S.C. § 45X).

including any property which includes any material assistance from a prohibited foreign entity (as defined in section 7701(a)(52)). . . .”⁴

The United States Congress and President Trump, as part of the Trump Administration’s efforts to reshore and secure critical supply chains, through The One Big Beautiful Bill Act clearly determined that foreign-produced power inverters that comply with section 45X should be eligible for a tax credit for domestic production. Therefore, President Trump and the United States Congress determined that such power inverters should be considered domestically produced. For these reasons, DoW assesses that foreign-produced power inverters that are eligible for the Advanced Manufacturing Tax Credit in 26 U.S.C. § 45X for domestic production are not properly considered “foreign produced” and do not pose unacceptable risks to the national security of the United States or the security and safety of United States persons.

DoW therefore determines that foreign-produced power inverters that are eligible for the section 45X tax credit do not pose the unacceptable national security risks identified in the First Power Inverter National Security Determination and should be removed from the FCC’s Covered List as not “foreign-produced.”

Types of Power Inverters

A. Wired Power Inverters

The First Power Inverter National Security Determination concerned foreign-produced power inverters that “[c]ontain[ed] components that enable remote communication, control, sensing, data collection, or monitoring through Wi-Fi, cellular, Bluetooth, or other similar connection”.⁵ The interagency body, including DoW, interpret the term “similar connection” to include components with wired connectivity and understand the First Power Inverter National Security Determination to have included power inverters designed, equipped, or configured to contain these connected components.

For the avoidance of doubt, DoW determines that power inverters that contain, or are designed, equipped, or configured to accept, a component that enables remote communication, control, sensing, data-collection, or monitoring through Ethernet or other similar connections pose the same unacceptable national security risks described in the First Power Inverter National Security Determination as power inverters with wireless connectivity.⁶ These unacceptable risks include (i) facilitating a supply chain vulnerability that could disrupt U.S. economic security, including sectors critical to national security, and (ii) creating a cybersecurity risk that threatens the security of critical infrastructure and the safety of U.S. persons.⁷

B. Power Inverters Meeting the Definition of Underwriters Laboratory Standard UL 1741

⁴ 47 U.S.C. § 45X(d)(4)(A).

⁵ *Id.* at 4.

⁶ First Power Inverter National Security Determination.

⁷ *Id.* at 2.

DoW further determines that certain classes of power inverters do not pose unacceptable risks to the national security of the United States or the security and safety of United States persons and should be removed from the FCC's Covered List.⁸ These classes of power inverters are those that are not electronic devices that "changes dc power to ac power, to include bidirectional devices, that is intended for use in parallel with an electric utility to supply common loads and sometimes deliver power to the utility, i.e. a utility-interactive inverter as that term is defined in UL 1741 [Underwriter Laboratories Standard UL 1741, Inverters, Converters, Controllers and Interconnection System Equipment for Use with Distributed Energy Resources] sections 2.1.23, 2.1.52."⁹

DoW determines that power inverters described in the First Power Inverter National Security Determination, but which do not meet the definition set forth in UL 1741, do not pose unacceptable risks to the national security of the United States or the security and safety of United States person. Power inverters that are incapable of connection to the utility grid (i.e., non-utility-interactive inverters) generally do not pose risk to the public utility grid. The risk of such power inverter systems is thus limited to local impacts which can generally be managed on a local system level and do not threaten the interconnected power system.

The FCC should include on its Covered List only foreign-produced power inverters that are defined to be an electronic device that:

- (a) Changes dc power to ac power, to include bidirectional devices, that are intended for use in parallel with an electric utility to supply common loads and sometimes deliver power to the utility, *i.e.*, a utility-interactive inverter as that term is defined in UL 1741 sections 2.1.23, 2.1.52 and
- (b) Contains, or is designed, equipped, or configured to accept, a component that enables remote communication, control, sensing, data-collection, or monitoring through Ethernet, Wi-Fi, cellular, Bluetooth, or other similar connections, whether wired or wireless.



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Attachment:
Annex A – Definitions

⁸ *Id.* at 2.

⁹ National Electrical Code (NFPA 70), Article 100 (Definition of Inverter, Power).

Annex A – Definitions

Definitions:

For purposes of this determination:

FCC: The term “FCC” means the Federal Communications Commission.

Covered List: The term “Covered List” shall mean the list of covered communications equipment or services published on the FCC’s website pursuant to 47 U.S.C. 1601(a).

For purposes of the listing of “foreign-produced power inverters” on the FCC’s Covered List:

Power inverters: The term “power inverters” shall mean—

- (a) Changes dc power to ac power, to include bidirectional devices, that is intended for use in parallel with an electric utility to supply common loads and sometimes deliver power to the utility, *i.e.*, a utility-interactive inverter as that term is defined in UL 1741 sections 2.1.23, 2.1.52; and
- (b) Contains, or is designed, equipped, or configured to accept, a component that enables remote communication, control, sensing, data-collection, or monitoring through Ethernet, Wi-Fi, cellular, Bluetooth, or other similar connections, whether wired or wireless.

Foreign-produced power inverters: The term “foreign-produced power inverters” shall mean power inverters as defined above that are not either—

- (a) Eligible for the Advanced Manufacturing Tax Credit in 26 U.S. Code § 45X for domestic production or
- (b) A domestic end product as defined in 48 CFR § 25.101(a) because they are manufactured in the United States and the cost of domestic components exceeds 65% of the total component cost for items delivered in calendar years 2024 through 2028 or 75% for items delivered starting in calendar year 2029.