REDWOOD MATERIALS

September 30, 2025

Mr. Shane Kelley
Director, Standards and Rulemaking Division
U.S. DOT/PHMSA (PHH-10)
1200 New Jersey Avenue, SE, East Building, 2nd Floor
Washington, DC 20590

Dear Director Kelley,

Thank you for your time regarding this matter. Redwood Materials is requesting a letter of interpretation regarding damaged, defective, and recalled ("DDR") lithium-ion cells and batteries. Specifically, we are seeking clarification on the designation of lithium-ion batteries as "recalled," and the shipper's responsibility to class and describe a hazardous material.

To realize the Trump Administration's goals for American energy dominance, the U.S. must fully harness critical minerals already on our shores by ensuring end-of-life batteries can be safely transported and recycled domestically. Redwood recycles over 20 GWh of lithium-ion batteries each year, recovering 60,000 tons of critical minerals annually and returning them to our supply chain. We are the largest lithium-ion recycler outside Asia, processing 90% of all batteries and battery materials recycled in North America.

Recalls originate from multiple sources, such as the Consumer Product Safety Commission (CPSC) or the National Highway Traffic Safety Administration (NHTSA). These recalls may be a result of issues with a product in its application in a consumer-use environment or interactions between the battery and onboard software. In some instances, recalls are voluntary.

The requirements to offer for transportation a DDR lithium-ion battery, especially of the size of those found in electric vehicles (EVs) or energy storage systems (ESS) are restrictive and costly. This designation as recalled – and the associated cost to transport, create an environment that may discourage recycling of the battery. In many cases, these batteries no longer pose an elevated transportation risk when removed from their original application or are no longer in consumer use.

In the Hazardous Materials Regulations (49 CFR Parts 171-180, "HMR"), it is the shipper's responsibility to class and describe a hazardous material.[1] In the *UN Recommendations on the Transport of Dangerous Goods – Model Regulations*, Special Provision 376 describes that an assessment by a battery or product manufacturer, or technical expert with knowledge of the cell's or battery's safety features can evaluate the following criteria:[2]

(a) Acute hazard, such as gas, fire, or electrolyte leaking;
(b) The use or misuse of the cell or battery;
(c) Signs of physical damage, such as deformation to cell or battery casing, or colors on the casing;
(d) External and internal short circuit protection, such as voltage or isolation measures;
(e) The condition of the cell or battery safety features; or
(f) Damage to any internal safety components, such as the battery management system

In accordance with 49 CFR § 173.22, can a shipper with sufficient technical expertise (e.g., knowledge of the cell or battery, its safety features, and testing capability) make an assessment that a lithium-ion battery

[1] 49 CFR § 173.22(a)(1) – Shipper's Responsibility
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that was part of a recall does not pose a transportation risk on the level of a damaged or defective lithium-ion battery and offer it for transportation as non-DDR?

We appreciate your attention on this. Please let me know if you require any additional information.

Regards,

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Reference documents: 49 CFR §§ 173.22, 173.185, PHMSA Interpretations