Recycled Materials Association

October 21, 2025

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

Re: Request for Public Comments on September 2025 Inclusions Window for the Section 232 Steel and Aluminum Tariff Inclusions Process (XRIN 0694-XC139; BIS-2025-0023)

Dear Secretary Lutnick:

On behalf of our more than 1,700 member companies, the Recycled Materials Association (ReMA) is pleased to provide the following comments to the Department of Commerce (DOC), as part of the September 2025 inclusions window for the Section 232 steel and aluminum tariff inclusions process.

ReMA strongly supports the Administration's goals of enhancing domestic manufacturing supply chains. However, we are very concerned about the negative impact of imposing new tariffs on steel and aluminum derivative and downstream products, such as machinery, components and equipment, which are necessary for the operations of U.S. recyclers and manufacturers alike.

Many of the products requested for inclusion by domestic stakeholders – including those requested during the first round earlier this year and the selected products this submission will focus on – are not produced domestically. We focus our comments on 11 HTS codes where specialized new tariffs may inadvertently reduce the competitiveness of U.S. manufacturers and drive inflationary pressure.

As the industry association that represents the U.S. recycled materials industry in the United States, ReMA appreciates DOC's consideration of its position in this investigation.

<u>Overview</u>

ReMA, formerly the Institute of Scrap Recycling Industries (ISRI), is the Washington, DC-based trade association representing the U.S. recycled materials industry. ReMA is the world's largest trade association representing recyclers, including producers, processors, consumers, traders, and brokers of recycled materials, as well as the associated equipment and service providers that keep U.S. recycling infrastructure running. ReMA members make possible the recycling of ferrous and non-ferrous metals, recovered fiber and paper, plastics, tires and rubber, electronics, glass, and textile products.

Recyclers in the U.S. are the first link in our nation's vast and resilient supply chain that supports American manufacturing and, as a result, U.S. economic and national security. Recyclers supply high-quality, renewable resources for everything from essential national infrastructure, like bridges and buildings, to consumer products, such as laptops, soda cans, boxes, and cars. ReMA members consist of both small, family-owned businesses, including many that have been in continuous operation for 100 years or more, and large, publicly traded corporations. But what they have in common is their critical role in supplying more than 40 percent of the input needs for manufacturers.

In 2024, U.S. recyclers processed 135 million metric tons of materials, including approximately 65 MMT of steel, 42 MMT of recovered paper and fiber, nearly 9 MMT of non-ferrous metals and approximately 6 MMT of recycled and reused electronic products. In the U.S., recycled iron and steel, commonly known as ferrous scrap, is the single most important raw material input for domestic steel production, and is the primary feedstock for approximately 70 percent of steel output nationwide each year. Similarly, recycled aluminum is the primary feedstock for approximately 85 percent of U.S. aluminum output annually.

The U.S. recycled materials industry is a vital component of the American economy and manufacturing supply chains, generating nearly $170 billion in total economic impact each year, including more than $47 billion in wages to U.S. workers. The industry also contributes nearly $19 billion in federal, state, and local tax revenues, while supporting nearly 600,000 American jobs. Recycling operations can be found in each of the 435 Congressional districts nationwide, with these direct industry jobs paying on average $90,000 each year in wages and benefits going directly to American workers and communities.

Recycling is Essential for U.S. National Security

Recycling operations are a critical part of U.S. manufacturing supply chains, providing approximately 40 percent of the raw material needs each year across all recycled materials. For U.S. steel production, EAF steelmaking, which relies almost exclusively on recycled steel, now accounts for almost 70 percent of domestic output, while primary production from extracted materials constitutes just 30 percent. Globally, these numbers are reversed, but new steelmaking capacity additions in the U.S. utilize the EAF steelmaking method. This displays how important recycling operations in the U.S. are to the success of the broader U.S. steelmaking and manufacturing sectors domestically. Similarly, approximately 85 percent of aluminum production in the U.S. utilizes recycled content as its main input material.

The Trump Administration has prioritized strengthening U.S. manufacturing, which includes the imposition of tariffs under Section 232 to address national security threats of imports of steel and aluminum products. While these investigations determined that steel and aluminum imports threaten to impair U.S. national security, new tariffs requested as part of the inclusions process that impact imports of machinery, components and equipment not produced domestically would be counterproductive to achieving President Trump's goals.

The U.S. steel and aluminum industries depend on recycled materials as their main source of feedstock, while they also rely heavily on imported machinery, components and equipment, to maintain their operations. It is concerning that this inclusions process has been expanded beyond the initial national security concerns related to steel and aluminum imports and into broader categories of steel and aluminum-containing goods, particularly for products not manufactured domestically.

The products that ReMA objects to in this submission, in conjunction with other submissions during the first round of the inclusions process earlier this year, should provide BIS with the context that these imported products are not manufactured domestically. While the U.S. recycled materials industry benefits from increased domestic steel and aluminum production, rising costs for recyclers hinder their ability to invest in new technologies that will ensure that the domestic steel and aluminum sectors have the highest-quality feedstock.

Effective U.S. trade policy must evaluate the potential adverse impacts of tariffs on the full steel and aluminum supply chains, including the U.S. recycled materials industry and the industrial machinery and equipment sectors more broadly. These risks are particularly acute for small- and medium-sized recyclers, who have outsized impacts in local communities nationwide and will be unable to pass the additional burden of higher costs onto the steel and aluminum producers.

Objections to Inclusion Requests for Key Machinery, Components and Equipment Used by U.S. Recyclers and Manufacturers

The rationale provided by domestic stakeholders in these inclusion requests fails to address the lack of domestic availability or capacity to produce the machinery, components and equipment, and instead only focus on the increases in imports of steel or aluminum derivative products. While most equipment and machinery required by the U.S. recycled materials industry is sourced from abroad, U.S.-based machinery manufacturers are also reliant on imports of critical material inputs to manufacture the machinery and equipment domestically. In fact, domestic steel and aluminum producers are heavily reliant on many of the same components that are imported to the U.S. market and will also be harmed by the inclusion of these products in the Section 232 steel and aluminum tariffs program.

Tariff uncertainly will reduce the competitiveness of U.S. recyclers and the broader manufacturing sector that need these critical components to help secure U.S.

national security. Many machinery manufacturers are unlikely to invest in new and enhanced technologies to produce recycling equipment in the U.S., and even if new manufacturers emerge, it will take between 3-5 years before any new facilities could be built, the product quality tested and ready for production.

For those reasons, ReMA respectfully objects to the following list of inclusion requests. Based on our analysis, most of these products are not currently produced domestically or are not available in the necessary quantities for use by the U.S. recycled materials industry.

Regulations.gov (BIS-2025-0023-)	**HTS Code**	**Product**
0651	8428.90.03	Liftgates and material handlers
0655	8466.20.8020	Jigs and fixtures for metalworking machine tools
0655	8479.90.9596	Other parts of machines and mechanical appliances having individual functions, not specified or included elsewhere in Chapter 84
0662	8412.90.9005	Linear acting hydraulic cylinder parts
0688	8479.81.0000	Metal treating machines, including electric wire coil-winders (shredders)
0694	8466.94.20	Certain specified cast-iron parts not advanced beyond cleaning and specifically machined, for machines of heading 8462 and 8463 (Shears, balers, hydraulic presses)
0694	8466.94.40	Other cast-iron parts not advanced beyond cleaning and specifically machined, for machines of heading 8462 or 8463 (Shears, balers, and hydraulic presses)
0694	8474.10.00	Sorting, screening, separating or washing machines for earth, stones, ores or other mineral substances in solid form
0695	8426.41.00	Derricks, cranes and other lifting machinery, self-propelled, on tires
0695	8501.40.60	AC motors nesoi, single-phase, of 746 W or more
0695	8502.52.40	AC motors nesoi, multi-phase, of an output exceeding 750 W but not exceeding 14.92 KW
0719	8479.81.0000	Metal treating machines, including electric wire coil-winders (shredders)

When domestic manufacturers and recyclers absorb the associated tariff costs, it reduces these companies' ability to invest in new equipment, new workers, and local communities. These risks are greater for small- and medium-sized recyclers who have outsized impacts in local communities nationwide and will feel the acute burden of any new tariffs imposed. With increased costs and uncertainty created by new tariffs, the processing of valuable materials could shift overseas if it is no longer economically feasible to do so in the U.S. market.

While ReMA supports the Trump Administration's efforts to reshore manufacturing jobs back to this country, the current U.S. manufacturing base simply cannot support the mass specialization that some countries have spent decades investing in the necessary equipment for recyclers. Given the lack of support for the inclusion of these pieces of machinery, components and equipment by domestic manufacturers, BIS should carefully consider the national security implications of imposing new tariffs on key pieces of equipment and machinery that are not produced domestically.

Limited U.S. Capacity for Manufacturing of Specific Recycling Equipment

U.S. manufacturing of many types of machinery, components and equipment for recyclers largely ended between 30 and 40 years ago, as technology improvements abroad in Japan and Europe, for example, outpaced investment in the U.S. By the 1980s, most U.S. manufacturers of recycling equipment had exited the market, either through insolvency, or through acquisition, and eventually shut down U.S. operations. Similarly, approximately 30 years ago, the manufacturing of many components critical for recycling operations shifted from the U.S. to China, as many U.S.-owned foundry manufacturers forged partnerships with foreign companies. This resulted in the last remaining U.S. shredder wear parts manufacturer ceasing production in 2022.

According to industry estimates, approximately 90 percent of recycling equipment and machinery needs are met by imports. The supply chains supporting U.S. recyclers and manufacturers are extremely complex and highly specialized, which oftentimes makes it difficult to find alternative sourcing of key pieces of machinery and equipment. Most of this equipment is sourced from key U.S. allies including, Canada, Mexico, EU member states, Japan, and South Korea.

While the U.S. may have sufficient domestic steel and aluminum capacity to meet increased demand resulting from import restrictions, there is currently no domestic manufacturing base capable of producing the specialized industrial machinery needed by U.S. recyclers and manufacturers at scale. The countries from which the U.S. recycled materials industry imports machinery or equipment have specialized the products produced and do not compete with U.S. manufacturers for most recycling equipment. As with many capital-intensive, low margin industries, such as recycling, increases in costs for equipment and machinery in the form of new tariffs cannot be passed through to manufacturers that consume recycled materials.

Conclusion

To maintain their operations and provide ample recycled steel and aluminum to domestic manufacturers, the U.S. recycled materials industry respectfully opposes the list of 11 products requested for inclusion in the Section 232 steel and aluminum derivatives inclusions process. Our industry is dependent upon reliable access to highly specialized machinery, equipment and components, the vast majority of which is not produced domestically.

While U.S. recyclers support the Trump Administration’s efforts to revitalize domestic manufacturing and bring jobs back to American workers, the Bureau of Industry and Security must be sure to evaluate the potential negative impacts of tariffs on the full steel and aluminum value chains, including the recyclers that provide the valuable feedstock to domestic steel and aluminum producers. The inclusion of recycling equipment, components and machinery will adversely impact U.S. recyclers, manufacturers and the U.S. workforce. Instead, ReMA and its membership urge the Trump Administration to focus on policy efforts that will enhance and bolster competitiveness across domestic manufacturing supply chains.

Please do not hesitate to contact me if you have any additional questions.

Sincerely,

Adam Shaffer
Vice President, International Trade and Global Affairs
Recycled Materials Association