

September 16, 2025

Jeffrey Kessler
Under Secretary for Industry and Security
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

Dear Under Secretary Kessler,

We write to express concern over the Commerce Department's new Section 232 steel and aluminum "Inclusions Process" and the subsequent expansion of 50% tariffs on 407 Harmonized Tariff Schedule (HTS) codes comprising roughly \$240 billion of imports. While we support the Administration's objectives of safeguarding national security and promoting American manufacturing, we urge the Department to eliminate further unpredictable expansions, provide comprehensive guidance, ensure a transparent stakeholder consultation process and make targeted determinations with a clear nexus to national security. The recent expansion was implemented without adequate notice and creates significant unintended costs, complexity, and uncertainty for U.S. businesses.

The sudden expansion of tariffs with limited industry consultation increases costs by generating significant compliance burdens for businesses of all sizes, including those that do not produce steel and aluminum products. Manufacturers account for more than half of all U.S. imports, and these imports are very often products that are not available from domestic sources in sufficient quantities or supplied quickly enough to meet operational timelines. The harm to U.S. employment among downstream producers of items now covered will ultimately be significant, including with respect to those that are key to powering critical industries and the broader U.S. economy.

In addition to the complex task of determining which types of tariffs apply to specific parts of goods, importers are now responsible for reporting information and value calculations that often extend well beyond Tier 1 suppliers and end manufacturers. This includes determining where the steel was melted and poured, where the aluminum was smelted and cast, the value¹ and weight of the metals in the products, and the percentage of the value those metals represent. Many of the provisions classified as "derivatives" include HTS "parts provisions" that require companies to spend time on administrative compliance steps to verify the content of items lacking any steel or aluminum content. Any misstep or delay in reporting risks

¹ https://content.govdelivery.com/bulletins/gd/USDHSCBP-3e36d96?wgt_ref=USDHSCBP_WIDGET_2

the imposition of a 50% tariff on the value of the entire product. For aluminum, the inability to trace sourcing results in a 200% tariff on the value of the entire product.

The abrupt expansion of the steel and aluminum tariffs also undermines the predictability manufacturers need for investment and production planning. At a time when many are dealing with fragile supply chains, global competition, and inflationary pressures, this process creates additional uncertainty that risks slowing growth and deterring investment in the United States.

Given these challenges, importers need reasonable time to implement changes and clear guidance on how to comply. While U.S. Customs and Border Protection issued guidance on steel² and aluminum³ derivatives on August 15, more clarity on the valuation criteria as well as analyses on inclusion approvals is needed. The interim final rule⁴ outlining the process states that the Bureau of Industry and Security (BIS) would publicly post a memo that “[s]ummarizes the rationale” for making determinations. The memos posted to date⁵ offer no such analyses.

We urge your teams to work to significantly improve the Inclusions Process, consider processes to allow for rebuttal of an inclusion request and for the removal of a product from the derivatives list, even if under certain circumstances removal is for a limited period to permit manufacturers to adjust. It is critical that improvements are made to the process before considering its application to other sectors. Our organizations look forward to engaging with your team to secure strong policy outcomes that will advance our shared goals of fostering economic growth and strengthening American manufacturing.

Sincerely,

Advanced Medical Technology Association
(AdvaMed)
American Automotive Policy Council (AAPC)
American Chemistry Council (ACC)
American Clean Power Association (ACP)
Associated Equipment Distributors (AED)
Association of Equipment Manufacturers
(AEM)

² https://content.govdelivery.com/bulletins/gd/USDHSCBP-3ee1cba?wgt_ref=USDHSCBP_WIDGET_2

³ https://content.govdelivery.com/bulletins/gd/USDHSCBP-3ee1ce7?wgt_ref=USDHSCBP_WIDGET_2

⁴ <https://www.federalregister.gov/documents/2025/05/02/2025-07676/adoption-and-procedures-of-the-section-232-steel-and-aluminum-tariff-inclusions-process>

⁵ <https://www.regulations.gov/docket/BIS-2025-0023/document>

Air-Conditioning, Heating, and Refrigeration
Institute (AHRI)
Aerospace Industries Association (AIA)
Automotive Body Parts Association (ABPA)
Autos Drive America
Business Roundtable (BRT)
Consumer Technology Association (CTA)
Energy Workforce & Technology Council
Experiential Designers and Producers
Association (EDPA)
Global Business Alliance (GBA)
Information Technology Industry Council (ITI)
MEMA, The Vehicle Suppliers Association
Motorcycle Industry Council
National Foreign Trade Council (NFTC)
National Retail Federation (NRF)
National Waste and Recycling Association
North American Association of Food
Equipment Manufacturers (NAFEM)
Outdoor Power Equipment Institute
Outdoor Power Parts and Accessories
Association
Performance Racing Industry (PRI)
Precision Machined Products Association
Precision Metalforming Association
PRINTING United Alliance
Recreational Off-Highway Vehicle Association
Recycled Materials Association (ReMA)
Retail Industry Leaders Association (RILA)
Semiconductor Industry Association (SIA)
Solar Energy Industries Association (SEIA)
Specialty Equipment Market Association
(SEMA)
Specialty Vehicle Institute of America
TechNet
Technology Trade Regulation Alliance (TTRA)
The Pet Food Institute
United Motorcoach Association
United States Council for International
Business (USCIB)
U.S. Chamber of Commerce
VDMA America

cc: Senate Finance Committee Chairman Mike Crapo, Ranking Member Ron Wyden
and House Ways & Means Committee Chairman Jason Smith, Ranking Member
Richard Neal