1919 S. Eads St.
Arlington, VA 22202
703-907-7600
CTA.tech

August 6, 2025

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

Re: Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Unmanned Aircraft Systems (UAS) and Their Parts and Components, Docket No. BIS-2025-0059 (XRIN 0694-XC130)

Dear Under Secretary Kessler:

The Consumer Technology Association ("CTA") appreciates the opportunity to provide comments to the Bureau of Industry and Security ("BIS") regarding its Section 232 investigation into the effect of imports of unmanned aircraft systems ("UAS"), including drones and their parts and components, on the national security of the United States.[1]

CTA represents the more than $537 billion U.S. consumer technology industry, which supports over 18 million U.S. jobs across manufacturing, retail, software, content, and services. Our membership spans over 1,200 companies, including UAS manufacturers and innovators, with more than 80 percent of our members being startups or small and mid-sized companies.

CTA also owns and produces CES®—the most influential technology event in the world—which serves as a global platform for discussions on technology policy, innovation, supply chains, and international investment. CES 2025 brought together over 141,000 attendees, including more than 50,000 international participants, showcasing cutting-edge technologies that include drone systems, navigation software, and autonomous aerial services.

CTA strongly supports the Administration's goal of enhancing U.S. national and economic security. Our member companies are building the future of unmanned aviation, creating jobs, protecting public safety, and fostering global competitiveness. As this industry is still at the evolving stages with great potential to excel as the global leader, BIS should take careful consideration of any inadvertent harm that could result from overly broad remedies under this Section 232 investigation. Therefore, the scope

[1] *Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Unmanned Aircraft Systems (UAS) and Their Parts and Components*, 90 Fed. Reg. 31,958 (July 16, 2025).

of this investigation must be narrowly targeted, evidence-based, and structured to strengthen the growth of the U.S. UAS ecosystem.

The Expanding Role of UAS in U.S. Economic and Public Interests

UAS technologies are revolutionizing modern commerce, infrastructure, and emergency services. They are already used extensively for:

- **Precision agriculture**: real-time crop health analysis, irrigation optimization, and yield forecasting.
- **Infrastructure monitoring**: including bridges, roads, ports, railways, energy networks, and wireless cellular towers.
- **Emergency response**: delivery of medical supplies, search and rescue missions, and disaster response.
- **Logistics and last-mile delivery**: particularly in hard-to-reach rural or underserved areas.

The growing integration of UAS technologies across public safety and commercial applications promises continued job creation, improved logistics, and reduced environmental impact. BIS must ensure that the scope and effect of its investigation are narrowly tailored to allow domestic UAS companies to thrive and remain competitive in the global market.

A Nascent but Strategic Domestic Industry

The Department of Commerce already found that "U.S. companies have leading positions in UAS analytics, service offerings, and software systems" and are working "to develop the manufacturing capacity, customer base, or technological prowess to fully compete with their foreign rivals."[2] Thus, while U.S. innovation in UAS is strong, the domestic industry is still developing. American companies continue to work to:

- Scale up domestic production of UAS and components;
- Compete with foreign incumbents—especially those with state-backed financing;
- Comply with evolving federal, state, and international regulations;
- Invest in R&D for autonomy, safety, and advanced battery integration.

Imposing restrictive trade measures at this stage could harm U.S. companies' ability to scale and compete globally. Blanket import restrictions or tariffs could disrupt access to critical components, many of which are not yet widely manufactured in the United States. Furthermore, UAS used in commercial capacities and regulated by the Federal Aviation Administration are evaluated by the safety regulator for airworthiness. If components are meaningfully changed, it takes time for manufacturers to implement a design change and then subsequently seek regulatory approval.

[2] *Unmanned Aircraft Systems – Civil/Commercial*, International Trade Administration (last visited Aug. 4, 2025),

Supply Chain Realities: Not All Components Are Equal

Furthermore, BIS should distinguish between: (1) commoditized parts and (2) specialized components as they pose different levels of risk to national security.

- For commoditized parts, such as standard electronic components or housings, multiple suppliers exist.
- For specialized components, such as high-performance batteries, precision motors, flight control units, and radio-frequency modules, global sourcing options are limited.

Targeted safeguards should focus on items with direct national security implications, and consider a phase-in period during which sourced alternatives can be developed. Broad restrictions can inadvertently pull in inputs vital to commercial production and may divert valuable resources from U.S. innovation toward compliance workarounds.

More importantly, disruptions in the availability of certain UAS inputs can significantly impact the UAS industry's ability to innovate and compete globally, creating more national security risks and challenges. For example, outside of China, the global supply of high-density lithium-ion and lithium-polymer batteries used in commercial drones are scarce. While U.S. companies are exploring alternative suppliers, they face two structural barriers:

1. ***High Costs***: Non-Chinese batteries are substantially more expensive, eroding competitiveness.
2. ***Limited Availability***: Non-Chinese production capacity is insufficient to meet current or forecasted demand.

If tariffs, forced sourcing mandates, or withdrawal of market supports are applied to battery imports, the cost of producing drones in the United States could spike dramatically — cutting off scale before it can be reached and threatening the economic viability of U.S. drone manufacturing. As such, CTA encourages BIS to consider alternative mechanisms when evaluating remedies, as laid out in the next section.

Strategic Recommendations: Security Through Collaboration and Targeting

To truly strengthen national security without weakening the U.S. UAS industry, we urge BIS to consider the following policy principles:

- **Consult Industry and Classify Risk-Based Components**: Engage with the private sector to identify components with real national security implications, and apply narrow, evidence-based trade tools after assessing the availability of domestic or allied-sourced alternatives to ensure U.S. drone manufacturers can remain competitive in the global marketplace.
- **Avoid Blanket Tariff or Quota Remedies**: Recognize that indiscriminate actions can disrupt entire ecosystems and benefit competitors abroad.

- **Support Trusted Supplier Programs**: Focus procurement and investment incentives on vetted, secure sources rather than restricting trade across-the-board.
- **Consider Timing:** To the extent tariffs are imposed, build in a phase-in time to allow for finding alternative parts, redesign of certified aircraft systems, and recertification of the aircraft so as to not undermine U.S. leadership in this sector.
- **Increase Domestic Capacity**: R&D support and permitting reform will grow U.S. production capacity for critical UAS components—including batteries and advanced electronics.
- **Work with Allies**: Coordinate with trading partners on parallel security safeguards to avoid retaliation and align market incentives.
- **Provide Case-by-Case Analysis for Certain Inputs**: Any potential tariffs should not apply on imports of certain UAS parts and components for which adequate supply to meet demand does not exist in the United States or sourced from jurisdictions whose policies align with U.S. security and foreign policy interests.

Tariff Stacking: A Compounding Threat to U.S. Manufacturing Competitiveness

As BIS considers possible remedies under this investigation, we urge caution against stacking additional tariffs on top of existing Section 232 or other trade-related measures already affecting inputs used in UAS manufacturing.

Many UAS components are already subject to tariffs due to previous actions on steel, aluminum, semiconductors, critical minerals, and batteries. Imposing yet another layer of tariffs under this investigation could compound cost pressures for U.S. manufacturers and undermine the very supply chain resilience the Administration seeks to promote.

Key examples include:

- ***Batteries***, including lithium, cobalt, and graphite—minerals currently impacted by critical minerals tariffs or export restrictions.
- ***Motors and powertrain components***, including rare earth magnets or aluminum castings subject to Section 232 tariffs.
- ***Flight controllers, sensors, and cameras***, containing semiconductors and electronic assemblies subject to tariffs from multiple regimes.
- ***Airframes and propellers***, which often require carbon fiber and aerospace-grade aluminum.

CTA has reminded the Administration in past BIS investigations that stacking tariffs leads to cascading cost increases and compliance burdens, particularly for small- and medium-sized U.S. manufacturers. Stacked tariffs reduce competitiveness, disincentivize domestic investment, and shift production offshore. In the case of drones, this would mean fewer U.S.-made aircraft, fewer U.S. jobs, and higher prices for essential services that rely on UAS.

As such, we strongly encourage BIS to avoid stacking of any potential Section 232 tariff actions for this investigation with tariffs arising from other investigations.

Conclusion: Preserve the Momentum of the U.S. Drone Ecosystem

The domestic UAS sector is building the future of flight, logistics, and emergency response. BIS has an opportunity to protect U.S. national security while fostering innovation and economic growth. That outcome will be best achieved through targeted, strategic, and consultative measures, not blunt trade tools, such as broad-based tariffs.

CTA appreciates the opportunity to provide these comments and stands ready to support the Department's continued efforts to strengthen U.S. capabilities in this strategically important domain.

Sincerely,

Ed Brzytwa

Vice President of International Trade

Consumer Technology Association

Michael Petricone

Senior Vice President of Government Affairs

Consumer Technology Association