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June 16, 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: Adoption and Procedures of the Section 232 Steel and Aluminum Tariff Inclusions Process, Docket No. 250428-0073 (RIN 0694- AK13)

Dear Under Secretary Kessler:

The Consumer Technology Association ("CTA") appreciates the opportunity to provide comments to the Bureau of Industry and Security ("BIS") in response to its interim final rule to establish a process for including additional derivative aluminum and steel articles within the scope of the ad valorem duties.¹

CTA represents the more than \$537 billion U.S. consumer technology industry, which supports more than 18 million U.S. jobs. Our members are comprised of over 1200 companies from every facet of the consumer technology industry, including manufacturers, distributors, developers, retailers, and integrators, with 80 percent of CTA members being start-ups or small and mid-sized companies. CTA also owns and produces CES®—the most influential technology event in the world—which showcases and serves as a forum for discussion of international policies concerning existing and new technologies, international technology trade and investment, and global opportunities and challenges facing the consumer technology industry. Over 141,000 people attended CES 2025, including over 50,000 from outside the United States.

Expanding the scope of the Section 232 steel and aluminum derivative tariffs to encompass consumer technology products will cause significant disruptions to our member companies and the broader U.S. economy. CTA strongly urges BIS to use Section 232 in a targeted and narrowly-tailored manner specific to national security challenges. Broad-based tariffs on steel and aluminum derivatives will not contribute to

¹ Adoption and Procedures of the Section 232 Steel and Aluminum Tariff Inclusions Process, 90 Fed. Reg. 18,780 (May 2, 2025).

our national security goals and may lead to unintended consequences across the U.S. economy.

More, imposing tariffs of 50 percent on all the HTS codes received during the May 1st – 14th period will provoke retaliation from trading partners, thereby doubling the damage to American companies by reducing their exports to international markets. For example, the European Union's response to U.S. steel tariffs in 2018 led to significant losses in export markets for American manufacturers,² and countries have already hinted at retaliatory measures in response to the latest increases.³ Such actions will adversely affect our domestic industries – both those consuming steel and aluminum and those exporting to other markets – rendering these broad-based tariffs both ineffective to increase domestic steel and aluminum capacity and counterproductive to national and economic security objectives.

By contrast, collaborating with international partners and implementing selective, well-targeted tariffs can achieve our collective security and economic goals. CTA urges the Administration to collaborate with allies to counter the overcapacity in steel and aluminum production in U.S. adversaries. Partnering with trusted trading partners such as Canada, Mexico, the European Union, and Japan is in the national security interest of the United States. In fact, doing so strengthens our national security by providing American manufacturers with affordable and high-quality steel and aluminum products to meet the high demand in the U.S. market. Through this approach, we can maintain the stability of our manufacturing sector, support the capacity of the steel and aluminum sectors, and safeguard national security interests.

In the remainder of this comment, CTA provides several **specific recommendations to improve the proposed inclusions process**. In the annex to this comment, we identify HTS codes submitted by CTA members that BIS should **decline to include in the scope of the Section 232 derivative tariffs**.⁴

<u>nttps://www.wnitenouse.gov/presidential-actions/2025/02/adjusting-imports-of-steel-into-tne-united-states/.</u>

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² European Parliamentary Research Service, "US tariffs: EU response and fears of a trade war," European Parliament (June 21, 2018),

https://www.europarl.europa.eu/RegData/etudes/ATAG/2018/623554/EPRS_ATA(2018)623554_EN.pdf.

³ E.g., Catherine Lévesque, "Carney hints retaliation is coming after Trump's latest steel and aluminum tariffs," National Post (June 4, 2025), https://www.msn.com/en-ca/news/canada/carney-hints-retaliation-is-coming-for-trump-s-latest-steel-and-aluminum-tariffs/ar-AA1G5zGc?ocid=socialshare.

⁴ Proclamation 10895 of February 10, 2025 – Adjusting Imports of Aluminum Into The United States, 90 Fed. Reg. 9,807 (Feb. 18, 2025), https://www.whitehouse.gov/presidential-actions/2025/02/adjusting-imports-of-aluminum-into-the-united-states/; Proclamation 10896 of February 10, 2025 – Adjusting Imports of Steel Into the United States, 90 Fed. Reg. 9,817 (Feb. 18, 2025), https://www.whitehouse.gov/presidential-actions/2025/02/adjusting-imports-of-steel-into-the-united-

Now that an inclusions process has been established, BIS should exclusively use this process to consider the addition of derivatives to the scope of the tariff actions.

Numerous procedural failures manifested themselves during BIS' public comment period on this docket and during the two-week period for stakeholders to respond to inclusion requests.

Most egregiously, during this public comment period, which initially concerned a 25% tariff on steel and aluminum content of derivative articles, the President suddenly announced a doubling of that tariff rate to 50%. The President made this announcement with respect to steel during a speech on May 30, and later social media posts by the Administration added aluminum and put the effective date of the increase on the same day that the public responses to the inclusion requests were due. Guidance was not made available regarding the implementation of those changes until less than 6 hours before they went into effect, and merely 24 hours prior to the end of the comment period. This caused numerous stakeholders great hardship in finalizing their comments.

Not only did the Section 232 Steel and Aluminum tariff rate double during the comment period, but immediately thereafter, BIS issued a notice indicating that it has no intention to abide by this process. Specifically, on June 12, BIS issued a notice adding HTS codes associated with various household appliances to the scope of the derivative tariffs. These HTS codes had been requested for inclusion during the established process, and stakeholders had rebutted those requests. Yet, the BIS notice did not cite any determination under this process as the basis for its action, instead referring back to the February and March Presidential Proclamations modifying the tariff actions.

More, it became clear by way of erroneous CBP guidance that the inclusion of these appliances was premeditated even before the end of the inclusion comment period. On June 3, CBP issued two CSMS messages with accompanying non-binding "list[s] of [aluminum/steel] HTS subject to Section 232." It was widely reported in the trade press that CBP's lists included several HTSUS subheadings that had never before appeared in any presidential proclamation or in the HTSUS as subject to the Section 232 tariff actions. The HTS codes that appeared in CBP's lists on June 3 included 9 of the 10 HTS codes for household appliances that BIS included in its June 12 notice.

Stakeholders are clearly left to conclude that BIS will deliberately circumvent this process when convenient and that undue influence off the public record was exerted.

The inclusions process should determine inclusion requests objectively through clearly-established criteria.

Presuming that BIS indeed operationalizes this process and stops circumventing it, objectivity in this process is paramount, preventing unjustified bias towards inclusions and taking into consideration voices advocating for fewer inclusions. In this regard, BIS should publish and follow transparent and objective criteria for evaluating inclusion requests.

For instance, the Inclusions Proclamations clearly stated that imports eligible for inclusion must have demonstrably increased in a manner that threatens national security. Yet, over 50 percent (480) of the 945 10-digit HTS codes covered by inclusion requests submitted between May 1-May 14 exhibited <u>declines</u> in imports from 2022 to 2024. BIS should institute and follow a "ground rule" prohibiting consideration of inclusion requests for products with declining imports.

Additionally, several HTS categories proposed for inclusion as derivatives during the May 1-14 window are overly broad and encompass many products that do not contain steel or aluminum. CTA estimates that for a majority of the HTS codes listed for inclusion, less than half of the value of their imports comprises steel and/or aluminum content. Consequently, these products do not meet the Secretary's definition of a derivative article, which requires that "that an article is 'derivative' of an aluminum article or steel article if all of the following conditions are present: (a) the aluminum article or steel article represents, on average, *two-thirds or more* of the total cost of materials of the derivative article." Therefore, including such HTS codes within the scope of the derivative tariffs is unjustifiable and illogical. As above, BIS should institute and follow a "ground rule" prohibiting consideration of inclusion requests for products that do not fall within the definition of "derivative."

BIS should also mandate that each inclusion request provide specific justification against the published criteria for each HTS code proposed. BIS should disregard submissions lacking a credible rationale for each proposed HTS code, or containing only generalized requests for inclusion encompassing numerous HTS codes.

Lastly, noting that BIS intends to administer the proposed inclusion process each May, September, and January, BIS should establish a presumption of denial of a request in future dockets if it has already considered a request for inclusion of a product in a prior docket. This will increase efficiency for the government and will prevent stakeholders from having to engage in a perpetual inclusions process.

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⁵ See Adjusting Imports of Derivative Aluminum Articles and Derivative Steel Articles into the United States, 85 Fed. Reg. 5,281, 5,282 (Jan. 29, 2020) (emphasis added).

The inclusions process should allow for longer public comment.

CTA recommends extending the public response period to <u>at least</u> 30 days to facilitate meaningful engagement from industry. An extended comment period will enable industry participants to provide more detailed and informed feedback, resulting in a balanced and effective policy outcome. The first window for submitting inclusion requests led to submissions encompassing 945 10-digit HTS codes. The 14-day comment period to respond to these proposed inclusions is insufficient for stakeholders to thoroughly assess the commercial and operational impacts of each inclusion request, particularly in light of the fact that BIS initiated that 14-day period without announcement and posted the inclusion requests on a docket that was not searchable. Stakeholders need adequate time to review the numerous lists, identify which products require comment, analyze import data, and gather insights on global sourcing patterns and internal dependencies. BIS should facilitate stakeholders' analysis by ensuring that its docket is fully searchable, at least with respect to product descriptions and HTS codes.

BIS should provide a further comment opportunity on the outcome of its decision.

CTA recommends that BIS establish a 30-day comment opportunity following the Decision Phase to allow stakeholders to submit feedback on the full list of HTS codes that BIS would add to the scope of the tariff actions. Given that tariffs will increase the costs of these products, it is crucial for BIS to hear from stakeholders about the potential impacts and their responses to BIS's rationale for approving the inclusion requests. Such a comment period will allow both the public and BIS to consider the holistic impact of the inclusions on the national security, not just the impact on a code-by-code basis.

Furthermore, when a derivative product is approved for inclusion, this designation should be applied for a limited time subject to periodic review. As such, BIS should establish a formal procedure in the Inclusions Process that allows for periodic reviews and removals of products from the derivative tariff list when factual circumstances change, or the justification for their inclusion no longer holds. This is particularly necessary when an inclusion causes undue harm to downstream industries or end users, or when no or insufficient domestic alternative exists. Ensuring a mechanism for periodic review will help maintain economic balance and fairness in the imposition of tariffs.

By enabling stakeholder feedback and periodic reviews, BIS can create a more adaptive and responsive Section 232 tariff framework that aligns with evolving economic realities and trade relationships.

BIS should limit the scope of inclusions to specific products.

Limiting the scope of inclusions for derivative products is crucial for ensuring fairness and economic efficiency. When considering new derivative products for inclusion under the Section 232 scope, BIS should avoid adding entire HTS numbers to the Section 232 annexes. Instead, BIS should narrowly specify the language in the Chapter 99 annexes, ensuring that only products actually containing steel and/or aluminum are imported using a Section 232 derivative Chapter 99 number. Even though products without steel or aluminum would not incur a Section 232 tariff, importers of such products would still face significant compliance and documentation burdens if the entire tariff number is subject to Section 232 duties.

Consider the difficulty of determining value in a derivative product

The supply chain of many technology products and their components are inherently complex and multi-layered, incorporating a variety of materials beyond steel and aluminum. Determining the specific quantity of these metals within each derivative often necessitates rigorous analysis and testing, as their presence can be minimal or mixed with other substances. Including downstream products in these Section 232 tariffs creates added regulatory burden, increased transaction costs, and greater enforcement risk—the very kinds of regulatory burdens the Administration is seeking to reduce.

Each stage of the supply chain may handle materials differently, making it challenging to trace the exact content from raw material to the finished product. This complexity is amplified by inconsistent reporting and documentation standards, which can vary significantly between countries and companies.

In addition, derivative products frequently undergo various modifications and customizations, further complicating the determination of their original material composition. Processes such as coatings, treatments, and other manufacturing steps can alter the amount and form of steel or aluminum present in the final product.

Small technology businesses and startups face heightened challenges in determining the value and precise content of steel or aluminum in derivative products. Unlike larger companies, these smaller entities often operate with limited financial and human resources including the lack of a dedicated compliance team. Smaller businesses typically have less influence over upstream suppliers and rarely have access to detailed material composition data or proprietary information necessary to accurately assess the presence and value of metals within finished products.

Conclusion

CTA urges BIS to craft this inclusion process with care and avoid decisions that would harm American manufacturers and consumers. Thank you for considering these comments as part of the ongoing process to implement the Inclusions Proclamations. We welcome continued dialogue with BIS and all stakeholders to support both U.S. national security and the continued growth and competitiveness of the consumer technology industry.

Respectfully submitted,

Ed Brzytwa

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Annex
HTS Codes BIS Should Decline to Include in the Section 232 Tariffs

HTS Code	USITC Description	Product Examples (if avail.)
3402.50.5100	Surface-active, washing & cleaning preparations, whether or not containing soap, put up for retail sale, not elsewhere specified or included	Household and industrial cleaning products
6805.30.1000	Articles wholly or partly coated with abrasives in the form of sheets strips disks belts sleeves or similar forms	
8202.91.6000	Straight saw blades for working metal base metal, other than hacksaw	Saw blades
8202.99.0000	Other saw blades and parts, base metal	Saw blades
8207.50.2030	Masonry drills, not for rock drilling, with cutting parts over 0.2 pct chromium, molybdenum, tungsten, or over 0.1 pct vanadium by weight	Masonry drills
8207.50.6000	Handtools for drilling other than for rock drilling and for cutting metal; parts thereof	Drills
8207.90.6000	Other interchangeable tools for handtools not for cutting metal, parts, nesoi	Interchangeable parts for handtools
8207.90.7585	Other interchangeable tools, other than router bits and cutterheads, not for handtools, not for cutting metal, and parts thereof, nesoi.	Interchangeable parts for handtools
8302.42.30	Iron or steel, aluminum, or zinc mountings, fittings & similar articles, suitable for furniture, and base metal parts thereof	Furniture parts
8302.49.60	Iron or steel, aluminum, or zinc, mountings, fittings & similar articles nesoi, and base metal parts thereof	
8305.20.00	Base metal staples in strips (e.g., for offices, upholstery, packaging)	Collated steel staples
8407.21.00	Marine propulsion spark-ignition reciprocating or rotary internal-combustion piston engines for outboard motors	Boat engines

HTS Code	USITC Description	Product Examples (if avail.)
8409.91.92	Parts nesoi, used solely or principally with spark-ignition internal-combustion piston engines for marine propulsion	Parts of boat engines
8412.21.00	Hydraulic power engines and motors, linear acting (cylinders)	
8413.70.2005	Centrifugal pumps for liquids, single- stage, single suction, closed-coupled, with discharge outlet under 5.08 cm in diameter	Centrifugal pumps
8413.81.00	Pumps for liquids, not fitted with a measuring device, nesoi	Pumps for liquids not fitted with a measuring device nesoi
8414.60.0000	Hoods having a maximum horizontal side not exceeding 120 cm	
8414.90.41	Parts of air or gas compressors, nesoi	Parts of air or gas compressors nesoi
8415.10.30	Window or wall type air conditioning machines, self-contained	Window or wall type air conditioning machines
8415.10.60	Window or wall type air conditioning machines, split-system, incorporating a refrigerating unit & valve for reversal of cooling/heat cycle	Window or wall type air conditioning machines
8415.81.01	Air conditioning machines incorporating a refrigerating unit and valve for reversal of cooling/heat cycle, nesoi	Air conditioning machines with refrigerating unit and valve
8415.82.01	Air conditioning machines incorporating a refrigerating unit, nesoi	Air conditioning machines with refrigerating unit nesoi
8415.90.40	Chassis, chassis bases and other outer cabinets for air conditioning machines,	Chassis, chassis bases, and other outer cabinets for air conditioning machines
8415.90.80	Parts for air conditioning machines, nesoi	Parts for air conditioning machines nesoi
8418.10.00	Combined refrigerator-freezers, fitted with separate external doors, electric or other	Combined refrigerator-freezers
8418.21.00	Refrigerators, household compression- type, electric or other, other than those of subheading 8418.10	Refrigerators, household compression-type
8418.30.00	Freezers of the chest type, not exceeding 800 liters capacity, electric or other	Chest-type freezers
8418.40.00	Freezers of the upright type, not exceeding 900 liters capacity, electric or other	Freezers of the upright type
8418.50.0080	Refrigerating display counters, cabinets, showcases and the like	Refrigerating display counters

HTS Code	USITC Description	Product Examples (if avail.)
8418.99.40	Certain door assemblies for refrigerators, freezers and other refrigerating or freezing equipment	Door Assy for refrigerators
8419.50.10	Brazed aluminum plate-fin heat exchangers	Automotive parts and components, heat exchangers
8419.50.50	Heat exchange units, nesoi	Heat exchange units, nesoi
8421.29.0065	Filtering or purifying machinery and apparatus for liquids, nesoi	
8421.29.0065	Filtering or purifying machinery and apparatus for liquids, nesoi	Water filters and purifyers
8422.11.00	Dishwashing machines of the household type	Dishwashing machines of the household type
8427.10.80	Self-propelled works trucks powered by an electric motor, fitted with lifting and handling equipment, nesoi	Electric motor work trucks, fitted with lifting and handling equipment nesoi
8428.39.00	Continuous-action elevators and conveyors, for goods or materials, nesoi	Continuous-action elevators and conveyors nesoi
8433.11.0010	Electric mowers, including battery operated, powered, with the cutting device rotating in a horizontal plane	Electric lawn mowers
8450.11.00	Household- or laundry-type washing machines, each of a dry linen capacity not exceeding 10 kg, fully automatic	Household- or laundry-type washing machines
8450.20.00	Household- or laundry-type washing machines, each of a dry linen capacity exceeding 10 kg	Household- or laundry-type washing machines (exceeding 10kg)
8451.21.00	Drying machines, each of a dry linen capacity not exceeding 10 kg	Drying machines for textiles (less than 10kg)
8451.29.00	Drying machines for yarns, fabrics or made up textile articles, each of a dry linen capacity exceeding 10 kg	Drying machines for textiles (exceeding 10kg)
8465.91.0047	Miter saws,woodworking machines,new	Miter saws
8467.22.0040	Electric hand saws, chain type	Power-driven hand saws
8467.22.0070	Electric hand saws, reciprocating and jig types	Electric hand saws
8467.22.0090	Electric hand saws, nesoi	Electric hand saws
8467.29.0010	Electric hand angle grinders, sanders & polishers	Electric sanders
8467.29.0040	Electric hand screwdrivers, nut-runners, impact wrenches	Electric screwdrivers and impact wrenches
8467.29.0055	Electric hand routers	Electric hand routers
8467.29.0070	Electric hand grass and weed trimmers/edgers	Electric hand grass and weed trimmers/edgers
8467.29.0080	Electropneumatic hand rotary & percussion hammers	Hammer drills

HTS Code	USITC Description	Product Examples (if avail.)
8467.29.0090	Other electromechanical hand tools	Other power-driven hand tools
8479.89.65	Electromechanical appliances with self- contained electric motor, nesoi	Miscellaneous home appliances
8479.90.95	Parts of machines and mechanical appliances having individual functions, not specified or included elsewhere in chapter 84, nesoi	Parts of appliances
8482.10.50	Ball bearings other than ball bearings with integral shafts	Ball Bearing
8483.10.50	Transmission shafts and cranks other than camshafts and crankshafts	
8483.30.80	Bearing housings nesoi; plain shaft bearings	
8483.40.90	Gears and gearing, other than toothed wheels, chain sprockets and other transmission elements entered separately	
8483.50.60	Flywheels, nesoi	
8483.50.90	Pulleys, including pulley blocks, nesoi	
8483.90.50	Parts of gearing, gear boxes and other speed changers	
8503.00.65	Stators and rotors for electric motors & generators of heading 8501, nesoi	Rotor / Stator Assembly
8503.00.95	Other parts, nesoi, suitable for use solely or principally with the machines in heading 8501 or 8502	Parts for electric motors, electric generators and electric generator sets
8504.31.40	Electrical transformers other than liquid dielectric, having a power handling capacity less than 1 kVA	Electrical components, electrical transformers
8507.60.0020	Lithium-ion storage batteries, nesoi	
8507.90.80	Parts of storage batteries, including separators therefor, other than parts of lead-acid storage batteries	Automative parts and components, batteries
8516.29.00	Electric space heating apparatus and electric soil heating apparatus, other than storage heating radiators	Space heaters and soil heaters, other than storage heating radiators
8516.50.0090	Microwave ovens having a capacity exceeding 31.0 liters, for domestic use	Microwave ovens
8516.60.40	Electrothermic cooking stoves, ranges and ovens (excluding microwave ovens) of a kind used for domestic purposes	Electrothermic cooking stoves, ranges, and ovens
8516.71.0020	Automatic drip and pump type electric coffee makers,domestic	Automatic electric coffee makers

HTS Code	USITC Description	Product Examples (if avail.)
8517.62.0090	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, nesoi	Smartwatches, modems, smart displays
8537.10.9170	Bases equipped w gt=2 apparatus from heading 8535 or 8536, for electrical control/distribution of electricity,not exceeding 1,000 v, nesoi	
8538.90.8180	Parts suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537 nesoi	
8544.42.9010	Extension cords as defined in statistical note 6 to this chapter, for a voltage not exceeding 1000 volts, fitted with connectors	Extension cords
8544.42.9090	Insulated electric conductors, for a voltage not exceeding 1000 volts, fitted with connectors, nesoi	Harness, Power cord assembly
8708.40.11	Pts. & access. of mtr. vehic. of 8701.2, 8702, 8703 or 8704, gear boxes	
8708.40.75	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for gear boxes, nesoi	
8711.60.0090	Motorcycles (including mopeds) and cycles fitted with electric motors for propulsion, nesoi	Motorcycles/mopeds with electric motors
8716.39.00	Trailers and semi-trailers, not mech. propelled, nesoi, for the transport of goods	Car trailers
9015.10.4000	Electrical rangefinders	
9031.49.9000	Other optical instruments and appliances,nesoi	
9403.20.00	Furniture (o/than seats) of metal nesoi, o/than of a kind used in offices	Die casting for metal-framed furniture (excluding seats)
9403.99.90	Parts of furniture (o/than seats or o/than of 9402) nesoi	
9506.91.0010	Exercise cycles	Stationary cycles
9506.91.0020	Exercise rowing machines	Rowing machines
9506.91.0030	Gymnasium, or other exercise articles and equipment, parts and accessories thereof, nesoi	Exercise equipment