**Charles Crain**

*Managing Vice President, Policy*

March 11, 2025

The Honorable Jamieson Greer
United States Trade Representative
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: USTR-2025-0001; Request for Comments to Assist in Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions to Investigate Harm from Non-Reciprocal Trade Arrangements

Dear Ambassador Greer:

The National Association of Manufacturers is the largest manufacturing association in the United States, representing 14,000 manufacturers of all sizes, in every industrial sector, and in all 50 states. Manufacturing employs nearly 13 million people, contributes $2.93 trillion annually to the U.S. economy and accounts for more than 53% of all private-sector research and development in the nation.

The NAM appreciates this opportunity to help inform the U.S. Trade Representative's approach to reviewing and identifying opportunities to achieve reciprocal trade relations. We understand USTR welcomes ongoing engagement from interested parties such as the NAM, and that Federal Register Notice USTR-2025-0001 constitutes an initial request for information to inform the agency's report pursuant to Section 2(c) of the America First Trade Policy Presidential Memorandum.

**Section One** of our comments provides a general perspective from manufacturers in the U.S. regarding their engagement in trade to compete in the global economy. Manufacturing is capital-intensive with long-term planning for major investments and expansions. Trade policy is one critical facet of a comprehensive manufacturing strategy that includes tax, regulatory, and permitting reform, among other complementary policies.

**Section Two** offers approaches to new trade negotiations to strengthen America's economic might in the world, while preserving manufacturers' ability to access inputs critical to expanding manufacturing at home.

**Section Three** provides USTR with a unique data set. The NAM conducted a survey of more than 500 manufacturers – mostly small- and medium-sized companies – on how possible new tariffs could impact their businesses. These insights are critical to shaping policies that boost

manufacturing at home, mindful of survey results such as the fact that 87% of surveyed SMMs import industrial inputs that allow them to make things in America.

**Section Four** provides illustrative stories from our diverse members who operate in all manufacturing sectors in all 50 states, demonstrating the criticality of maintaining global supply networks for the flow of essential inputs, to keep and grow global market share, and to expand production and jobs at home. Because of the variety of fact patterns, the NAM seeks to engage USTR and the administration in an iterative discussion as it embarks on negotiations toward reciprocal trade relationships.

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## Section One:

## Trade Helps Manufacturers Win in the Global Economy

### Trade policy is part of a comprehensive U.S. manufacturing strategy

President Trump's first term delivered significant wins for manufacturing in the U.S. His 2017 tax reforms were rocket fuel for manufacturing, unleashing investment and job growth, while his aggressive push to roll back burdensome regulations laid the groundwork for his second term, where he has promised to fuel even greater momentum by reining in the regulatory onslaught. Now, with a renewed focus on extending these pro-growth tax policies and a commitment to achieving American energy independence, the administration is strengthening economic resilience and national security, ensuring the U.S. remains a global manufacturing and innovation powerhouse.

Building on this strong foundation, combatting unfair trade practices and expanding access to global markets will allow U.S. manufacturers to outcompete any rival. Manufacturers in the U.S. thrive when they can reach customers wherever they are located in the world. While manufacturers benefit from strong U.S. demand, billions of customers are outside the U.S. For this reason, it is critical that the U.S. negotiate cutting-edge trade deals – while enforcing existing obligations – as part of a comprehensive U.S. manufacturing strategy.

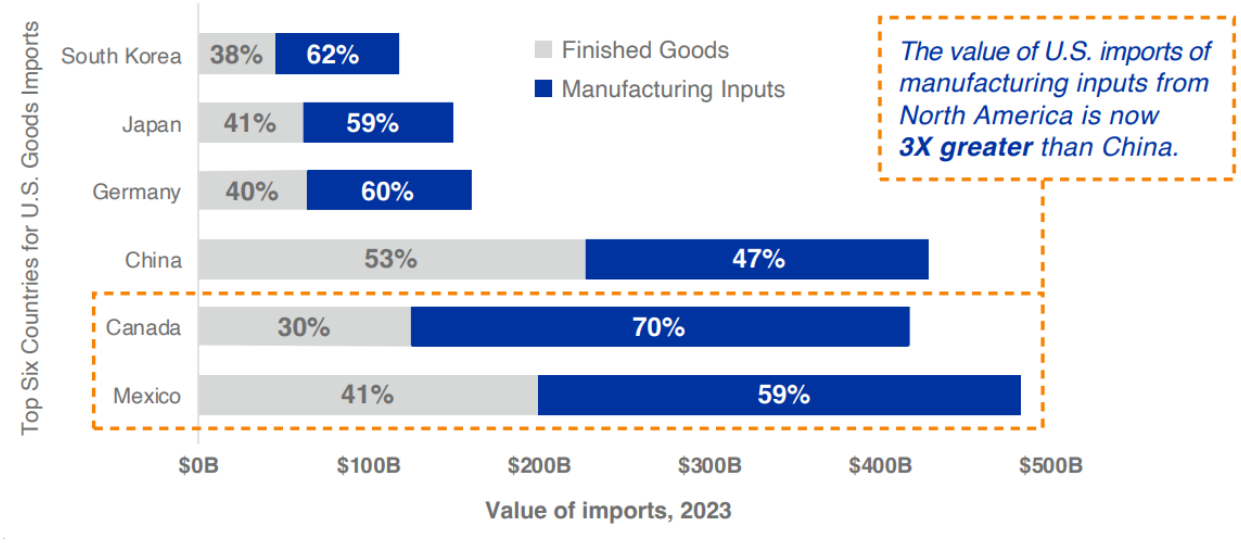
### Manufacturers of all sizes compete in the global economy

Expanding manufacturers' reach through global trade has been pivotal to expanding U.S. manufacturing production to record levels, to promoting manufacturing innovation, and to enabling businesses of all sizes to raise wages and create more high-skilled U.S. jobs.

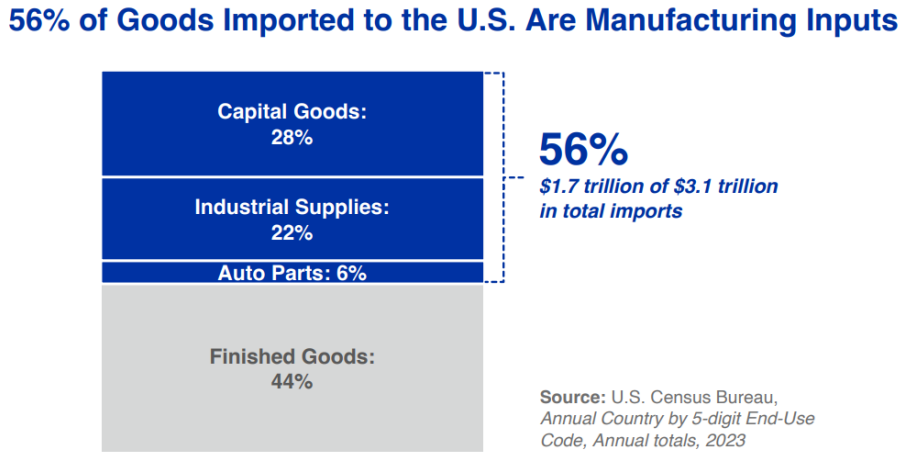
In the face of growing overseas competition, foreign government distortions, and trade barriers by trading partners – including by countries that prefer to play by their own rules – the NAM believes that strong U.S. global economic policy leadership is necessary to address these challenges, ensure supply chain resiliency, and promote more U.S. manufacturing exports and the well-paying jobs they support.

**Beneficial trading arrangements enable diverse manufacturing supply networks**

One of President Trump's signature first term achievements was the U.S.-Mexico-Canada Agreement. USMCA boosted North American manufacturing supply chains and succeeded in shifting manufacturing imports away from China to North America in order to support manufacturing in the U.S.




A commonsense approach to beneficial trading arrangements for the U.S. recognizes that manufacturers in the U.S. are well-situated as the anchor of globally diverse supply networks. Today, half of all goods imported into the U.S. each year are industrial supplies (manufacturing inputs) and capital equipment that manufacturers use to make things here in America.




As a general matter, the growth in value-added production through global supply networks has led to a substantial increase in trade in intermediate goods, often characterized by intra-company and intra-industry trade. For example, a large volume of U.S. trade with Mexico is intra-industry trade, reflecting the integrated nature of production with Mexico. Imports of

components or intermediary goods complement and support U.S. domestic production and help expand the volume and variety of U.S. manufacturing exports. According to the Bureau of Economic Analysis, imports of intermediate goods from Mexico are highly correlated with total U.S. exports.[1]

This reality is not accurately captured by standard trade data (something the administration could seek to change) and therefore does not offer a nuanced view of the true nature of trade in manufactured goods. Our trade profile on a country-by-country basis – both import interests and export interests – should inform, along with ongoing consultations with affected stakeholders, whether any new or increased tariff is put into place.

**Certainty drives long-term manufacturing investment strategies**

Manufacturing is a capital-intensive industry. By necessity, manufacturers plan years or even decades in advance. New manufacturing facilities often take a year or more to plan and four or more years to construct. Previous and recent long-term investment decisions were based on the trade rules in effect at the time the investment was committed. As the administration considers strategies that involve tariffs, manufacturers in the U.S. need transition periods to adjust plans, investment, and expansion strategies – as well as policies that incentivize rather than penalize long-term, job-creating manufacturing investments that drive the American economy.

Results from a recent NAM member survey and anecdotes from NAM member companies we share later in this submission illustrate the real-world challenges and opportunities that a new direction in trade policy presents for manufacturers. We hope these insights are helpful as USTR considers how to shape and implement President Trump's trade agenda.

**Effectively address unfair trade practices**

The NAM supports negotiation of robust, market-opening trade agreements with major U.S. trading partners and other U.S. allies. Manufacturers benefit from agreements that promote certainty in the global marketplace, that create opportunities for exports of, imports of, and investments in U.S. manufactured and remanufactured goods, that protect and enforce intellectual property rights, that eliminate unfair barriers to trade and that set strong, enforceable rules on key issues of importance to manufacturers. Manufacturers believe that bilateral, regional agreements – and a creative approach to sector-specific trade deals – have a critical role in opening markets and improving U.S. competitiveness.

As the administration considers how to approach potential trade agreements and/or unfair trade practices that need to be addressed, crucial issues include: high standards for the protection of U.S. intellectual property, commitments to liberalize cross-border data flows of information and access to digital products and services to support manufacturing, and high-quality ongoing engagement with trading partners to remove unnecessary standards, regulatory, and testing and certification requirements that particularly harm access for small- and medium-sized manufacturers seeking to do business globally.

[1] https://www.dallasfed.org/~/media/documents/research/swe/2017/swe1702b.pdf

Furthermore, although tariffs on China may act to counterbalance some unfair practices, they are not sufficient to more directly combat systemic, non-market practices and behaviors by China's state-owned enterprises, including industrial subsidization that continues unabated to generate overcapacity and distort global markets in key manufacturing sectors. The NAM seeks to work with the administration on more effective approaches to discipline the non-market practices of state-owned enterprises.

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## Section Two:

## Key Opportunities to Boost Manufacturing in America

As he did successfully in his first term, President Trump has yet another opportunity to boost manufacturing in America. As an initial matter, the NAM offers ideas for some ways to approach new trade negotiations to strengthen America's economic might in the world – while preserving the predictability and certainty that powers U.S. manufacturers' ability to access the inputs they need to expand manufacturing at home. This can be achieved by preserving reciprocity manufacturers have today under our FTAs, by scoping tariff initiatives to avoid increasing the cost of inputs not available sufficiently in the U.S. today, by negotiating zero-for-zero tariffs in the manufacturing sector with non-FTA key trading partners, and by providing opportunities for manufacturers to offset any tariff costs as they invest in their operations in the U.S.

### 1. Maintain reciprocal zero tariff treatment with current FTA partners, including for inputs to manufacturing in the U.S.

Manufacturers in the U.S. trade to a high degree with existing U.S. trade agreement partners. In the case of North American trade, approximately 56.8% of imports from Canada and Mexico represents trade among related parties, according to Census Bureau data.[2]

Below is a selective list of top categories of inputs (by value) used in manufacturing in the U.S. For many of these categories, a significant portion of imports are sourced from U.S. trade agreement partners on a reciprocal duty-free basis today.

Affordable access to these imports is crucial to maintaining manufacturing activity and expanding investment and jobs in America. Maintaining reciprocal zero tariff treatment with FTA partners also supports increased exports of American-manufactured goods so we preserve the market access for U.S. goods already built into our existing FTAs.

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[2] https://www.census.gov/foreign-trade/Press-Release/related_party/rp22.pdf

| Selected Top Inputs for Manufacturing in the U.S. by Value | % of Imports from U.S. FTA Partners |
|---|---|
| Machinery | 31.4% |
| Electronics and Electrical Machinery | 28.5% |
| Transportation Equipment | 56.0% |
| Chemicals | 19.5% |
| Fuels | 63.7% |
| Metals | 44.7% |
| Stone and Glass | 36.6% |
| Plastics and Rubber | 37.2% |
| Mineral Products | 51.0% |

*Source: Census data*

2. **As a priority for the manufacturing sector, negotiate reciprocal zero-for-zero tariff terms.**

In 2023, the manufacturing sector accounted for 79.4% of the value of all U.S. commodities exported. Improving the terms of trade for manufacturing exports, therefore, is vital for overall U.S. economic health.

The zero-for-zero tariff terms in President Trump's USMCA enable manufacturers' strong export relationships with Canadian and Mexican trading partners. By export value, Canada and Mexico are by far the largest buyers of goods manufactured in the U.S. In 2023, Canadian firms purchased more than $307 billion and Mexican firms purchased nearly $287 billion in U.S. products from the NAICS categories 31-33, which encompass manufactured food, textiles, wood and paper, chemicals, plastics, machinery, primary metals, electrical equipment, precision instruments and much more.

However, manufacturers in the U.S. do not enjoy reciprocal tariffs in these NAICS categories with some key non-FTA partners. Negotiations toward reciprocity would be a benefit to manufacturers in the U.S. that export to these top trading partners and that import certain key components and manufacturing inputs from these trading partners.

Below are sample average tariff rates for industrial inputs, illustrating discrepancies between U.S. rates and those of our non-FTA trading partners—highlighting opportunities to negotiate more fair, reciprocal treatment for important manufacturing inputs.

| HS | Description | U.S. | EU | Japan | India |
|---|---|---|---|---|---|
| 391722 | Polypropylene Tubes, pairings, hoses and fittings | 1.6% | 6.5% | 4.8% | 10.0% |
| 842959 | Self-propelled mechanical shovels, excavators and shovel loaders | 0.0% | 0.0% | 0.0% | 7.5% |

| | | | | | |
|---|---|---|---|---|---|
| 854239 | Electronic integrated circuits | 0.0% | 0.0% | 0.0% | 7.5% |
| 854159 | Semiconductor devices | 0.0% | 0.0% | 0.0% | 20.0% |
| 870880 | Suspension systems and parts for tractors, motor vehicles for the transport of and/or goods | 0.9% | 3.8% | 0.0% | 15.0% |
| 391000 | Silicones in primary forms | 1.5% | 6.5% | 3.9% | 10.0% |
| 841122 | Turbopropellers of a power > 1.100 kW | 0.0% | 2.7% | 0.0% | 7.5% |
| 850760 | Lithium-ion batteries | 1.7% | 2.7% | 0.0% | 20.0% |
| 2814 | Ammonia | 0.0% | 5.5% | 2.5% | 5.0% |
| 8704 | Motor vehicles for the transport of goods | 22.3% | 13.0% | 0.0% | 40.0% |

Zero-for-zero tariffs with our top 20 non-FTA partners would improve the terms of trade for some $650 billion in U.S. manufacturing exports. (This excludes U.S. FTA partners who offer zero tariffs reciprocally on U.S. manufacturing exports.) For example, in 2023, nearly 67% of U.S. exports to China were manufactured goods. More than 82% and nearly 74% of U.S. exports to Germany and the UK, respectively, were manufactured goods. Negotiating zero-for-zero tariffs on manufacturing exports to these non-FTA partners, therefore, would power manufacturing in the U.S. and expand our nation's economic reach. NAM members would seek to work with the administration to identify these opportunities as the above examples do not cover the interests of our many and diverse companies.

3. **Ensure tariff-free access to foundational manufacturing inputs – particularly energy, energy products, critical minerals, chemicals and manufacturing equipment not widely produced in the U.S. – until major U.S. investments in production of these items bear fruit.**

The administration's strategy should seek to achieve reciprocity while not impairing the ability to expand manufacturing in the U.S. To deconflict these objectives, it will be important to take out of scope products and sectors of interest from new tariffs.

There are a variety of critical minerals and other industrial inputs, like chemicals and energy products, that simply cannot be sourced in the U.S. Preserving access to these inputs on a tariff-free basis would prevent supply chains from being disrupted and manufacturers from being penalized for using inputs that simply do not exist domestically. Avoiding tariffs on such industrial inputs would mitigate unnecessary scarcity and shortages as manufacturers in the U.S. take steps to ramp up domestic production.

Below are examples of categories of key industrial inputs that many manufacturers in the U.S. need to retain low-cost access to. This is not a comprehensive list. For example, many of our members would seek to preserve access to critical health inputs and other inputs.

- **Critical minerals not available in the U.S.:** For many mineral commodities, the U.S. either uses more than it produces, or simply does not produce them domestically. Today, China controls nearly half of the global metal and mineral refining market. In other words, imports are the only way for manufacturers to access these inputs.

  The U.S. needs comprehensive permitting reform and incentives to ramp up discovery and domestic production of critical minerals to reduce reliance on imported materials. However, even if the President and Congress move swiftly, it will still take anywhere from seven to 25 years (the average to develop a copper mine) for U.S. production to come online in adequate supply. And for some minerals, there are simply not sufficient natural sources domestically. In the meantime, choked off access or steep price increases would jeopardize U.S. production of a wide variety of industrial products, including those critical to the nation's defense.

  The Department of the Interior prepares a Critical Minerals List that now includes 50 resources deemed essential to the economic and national security of the U.S., the supply chain of which is vulnerable to disruption, and that serve an essential function in the manufacturing of a product. They include tungsten, lithium, rare earths, cobalt, antimony, and graphite. **A temporary exemption from China tariffs for those critical mineral inputs that are not easily obtained outside of China at this time, coupled with a proactive approach to securing or preserving preferential access to these resources from trading partners such as Australia, Canada, Mexico, Ukraine, Peru and Chile, among others, would ensure manufacturers in the U.S. can continue to access foundational critical minerals.**

- **Chemicals not made in the U.S.:** The U.S. International Trade Commission evaluates goods that are not available in the U.S. A significant portion of these goods include chemicals, many of which are intermediate materials used in key domestic supply chains like health, agriculture, food production, information and communication technologies, energy and automotive goods. They also help manufacturers produce highly advanced, organic and bio-based chemicals here at home, improving our competitive position with respect to China and other countries. **There is no reason to maintain a tariff on inputs that are currently not available in the U.S., which the ITC can evaluate on an ongoing basis. NAM members also have interest in maintaining access to foundational pharmaceuticals such as active pharmaceutical ingredients not produced in the U.S.**

- **Energy and energy products needed to enable manufacturing in the U.S.:** A third of energy use in the U.S. is by manufacturers. The U.S. is producing record amounts of oil and gas. As the President negotiates deals to increase energy exports and advance America's energy dominance, the U.S. will need to import crude oil to refine into

petroleum products that are then exported. Much of U.S. refining capacity, and a significant amount of pipeline capacity, is designed to handle heavier crude oils than are produced domestically. For instance, heavy crude from Canada is critical to Midwest and Gulf Coast refineries. The President enabled the U.S. to become a net exporter of natural gas for the first time since the late 1950s, and the U.S. remains a net coal exporter. **As imports decrease relative to exports, the administration should take energy and energy products out of the tariff equation and focus on unlocking more opportunities to replace overseas purchases with U.S.-produced energy.**

- **Machinery and capital equipment needed to manufacture goods in the U.S.:** Manufacturers large and small seeking to maintain and modernize existing facilities and to invest in new, greenfield manufacturing production typically purchase capital equipment both domestically and overseas based on a variety of needs and factors. These investments underpin all manufacturing production and growth in the U.S. Manufacturers must be able to access this equipment in a timely and competitive manner to ensure our country remains the best place in the world to manufacture goods. **Manufacturers could certify or provide demonstration of intent to maintain or expand production for the importation of machinery in HS chapters 84 and 85 as well as chapter 82 to ensure, for example, that parts and components to maintain or repair machinery may be imported duty-free.**

4. **Provide opportunities for manufacturers to offset any new tariff costs as they invest in their operations in the U.S.:** Established manufacturers seeking to expand operations, nascent businesses starting production, and firms considering relocating operations to the U.S. all need access to capital. The administration could also consider a general license process available to manufacturers that invest above a certain threshold for larger manufacturers or scaled to the size of the firm to address the needs of SMMs, covering investments planned for the next three years and/or involving equipment contracted but not received prior to 2025 tariff modifications. A more complex approach could undertake creation of an importer-specific tariff “rebate” scheme. The NAM stands ready to work with the administration to further develop these options.

## Section Three:

## More than 500 Manufacturers, Large and Small, Provide Input on Tariff Impacts

The NAM conducted a survey of manufacturers on how possible new tariffs could impact their business. Conducted in the span of a week, January 31 to February 7, the survey was responded to by 549 manufacturers, 336 of which are small- and medium-sized manufacturers (SMMs). The median annual revenue of SMM respondents to this survey is less than $500 million.

The survey results show that as manufacturers face higher costs due to tariffs, lacking alternative sources for manufacturing inputs, they must make hard choices impacting growth and jobs. Many manufacturers are not able to substitute imports of manufacturing inputs domestically at this time and therefore plan to absorb or pass along higher costs. Manufacturers are also holding back on further investments, growth and job creation in anticipation of such higher costs.

1. **Manufacturers large and small import manufacturing inputs from suppliers overseas.**

   More than 91% of respondents import manufacturing inputs from another country, with more than 74% of respondents importing from Canada or Mexico. That high proportion is the nearly the same for SMMs, 87% of which said that they import goods from another country, with more than 63% importing from Canada or Mexico.

2. **Many manufacturers are not in a position to find domestic substitutes.**

   When asked about whether these inputs are substitutable from domestic sources, 75% of SMMs that import manufacturing inputs (industrial supplies or capital goods) from Canada or Mexico stated that they cannot source domestic substitutes at comparable prices, underscoring their inability to rapidly find alternative suppliers within the U.S. or absorb the heightened costs of inputs. Many larger manufacturers face the same challenge.

3. **Without alternative sources for manufacturing inputs, faced with higher costs, manufacturers must make hard choices impacting growth and jobs.**

   Nearly 87% of SMMs stated that they may need to raise product prices to mitigate the impact of increased costs from tariffs. Less than 1% anticipated lowering prices as a result of increased tariffs.

   Additionally, nearly one-third of SMMs said increased tariffs on imports from Canada and Mexico could force them to slow hiring or make workforce reductions. One-third of SMMs also said that increased tariffs would limit capital investment opportunities, impeding the growth of manufacturing here in the United States. Finally, 15% of SMMs said that increased tariffs on Canada and Mexico would delay expansions or shutter U.S. facilities, compared to 6% that would expand U.S. facilities.

## Section Four:

## Illustrative Manufacturing Stories

As NAM member companies responded to the survey, many provided stories about the nature of their supply chain networks and the potential impacts of additional tariffs. We highlight nearly a dozen below.

**Story 1: Certain critical minerals for advanced electronics materials today can only be sourced from abroad, including China, until domestic opportunities can be realized.**

**This manufacturer** makes advanced electronics materials that are used in lasers, 5G, GPS, Wi-Fi, Bluetooth, advanced semiconductors, AI chips, satellites, and lithium batteries. Its customers include semiconductor manufacturers, aerospace OEMs, telecommunications OEMs, and electric vehicle manufacturers, including Tesla. It has planned to onshore advanced manufacturing and bring jobs back to the U.S. from Asia.

**According to the manufacturer: "**Tariffs on imports of critical minerals from China are extremely concerning to our company because we are unable to procure critical minerals such as gallium, indium, germanium, and tin from alternative sources strictly because of geographic constraints. These critical metals are used in semiconductor manufacturing and can only be sourced from foreign origin locations. Tariffs make it very difficult for our final products to remain competitive in a global marketplace."

**Key U.S. Factories:** Illinois and New York

**Story 2: The American textile industry relies on imports to make products in the U.S.**

**This manufacturer** is a family-owned business started in 1887 and is one of the last remaining U.S. textile companies. It makes specialty performance textiles that are used in the automotive, aerospace, and defense industries.

**According to the manufacturer:** "The textile industry is now almost non-existent in the U.S. Sourcing our products from a U.S. source is almost impossible and when available is cost prohibitive. Most of what we import allows our operations to continue converting the inputs into a higher value product. Tariffs would force us to curtail employment or close facilities if our customers would not accept higher prices. We rely on imports of textile component products such as fabric, thread, yarn and fiber. We use all of these as inputs into our manufacturing and conversion processes."

**Key U.S. Factories:** South Carolina and North Carolina

**Story 3: Small manufacturers may be forced to pass the cost of tariffs onto customers.**

**This manufacturer** is a small company but an industry leader in the design and manufacture of telescopic boom and lattice boom cranes for the construction industry worldwide. Its products, which rely on imports of large hydraulic cylinders, large iron castings, transmissions, heavy-duty axles, and wire rope from abroad, are used by manufacturer in all sectors across the U.S.

**According to this manufacturer:** “As a manufacturer of specialized lifting equipment, the global supply base for the unique components and steels required is very limited. We source inputs from suppliers in Canada, Mexico, Japan, and Europe. As a small OEM, it is not feasible for us to fabricate internally all the inputs that we buy from international suppliers. We expect to have to pass the costs from these tariffs directly onto our customers.”

**Key U.S. Factories:** Kentucky, Virginia, Maryland, and Delaware

**Story 4: Tariffs could increase the cost of food production.**

**This manufacturer** is a 70-year-old company that specializes in robotic packaging solutions for the food industry. They pride themselves on helping customers in the food industry deal with labor shortages.

**According to this manufacturer:** “We rely on imports from Europe and Canada that are not easily sourced in the U.S. or have no U.S.-based availability. Finding substitutes for these inputs would take years and in some ways is not commercially or technically feasible. Our only option is to pass increased costs from tariffs on to the food industry.”

**Key U.S. Factories:** Pennsylvania, Illinois, Missouri, and Texas

**Story 5: Paints and coatings manufacturers in the U.S. depend on key inputs from abroad.**

**This manufacturer** is over 150 years old and makes paints and coatings used on residential and commercial buildings, infrastructure such as roads, bridges and pipelines, and in industrial uses such as agricultural and on manufacturing equipment.

**According to this manufacturer:** “We import key inputs from Canada and Mexico that are not widely available in the United States. These inputs include flax seed, pigments, chlorine, nepheline syenite, zinc oxide, and titanium dioxide that are then used at our manufacturing sites nationwide. Tariffs on Canada and Mexico could cost us $35-$40M annually in new expenses.”

**Key U.S. Factories:** North Carolina, Pennsylvania, Texas, and Kentucky

**Story 6: North American trade helps enable the safe, reliable buildout of the electrical grid in the U.S.**

**This manufacturer** is an employee-owned business that makes products and systems to control, monitor and protect utility and industrial electric power systems worldwide. This company's products are critical for the coming buildout of new power generators (nuclear, natural gas, and renewables) and the electrical grid that will be necessary to meet the demand for AI datacenters; it employs more than 5,000 workers in the U.S.

**According to this manufacturer: "**We import over $100 million in components and products from Mexico and Canada annually. As a major supplier to the U.S. utility and industrial market, tariffs could directly impact the ability for domestic utilities and industrial customers to maintain a safe, efficient, and secure power grid."

**Key U.S. Factories:** Idaho, Illinois, Indiana, and North Carolina.

**Story 7: Tariffs on Canada and Mexico would advantage a diversified industrial manufacturer's competitors.**

**This manufacturer** is a 100-year-old Wisconsin company specializing in custom-designed thermal solutions and large-scale HVAC cooling systems used in agriculture, mining, oil and gas, data centers, infrastructure, food storage, distribution and supply, and general industrial manufacturing. It employs 3,500 Americans.

**According to this manufacturer:** "Tariffs on Canada and Mexico could cause us to take cost-cutting measures, including workforce reductions. Moreover, we sell to many customers abroad and many of our direct competitors are either owned by or heavily subsidized by foreign governments. These competitors already benefit from cheaper material costs and labor rates, and tariffs would impair our ability to provide competitively priced goods to our global customers."

**Key U.S. Factories:** Wisconsin, Texas, Tennessee, Michigan, Virginia, and Kentucky

**Story 8: A family-owned defense contractor needs imports to make components for the Department of Defense.**

**This manufacturer** is a 75-year-old small, family-owned-and-operated manufacturer of precision machined components for aerospace and other high technology industries. As a U.S. DOD approved vendor, their products are used in hundreds of aerospace, defense, power generation, and motorsport (F1) applications.

**According to this manufacturer:** "We need lots of inputs (e.g. raw materials, equipment, tooling, supplies, etc.) in order to make our parts. We import raw materials including aluminum, steel, titanium, nickel, cobalt, and a variety of other alloys, polymers/plastics, capital equipment

for metalworking, tooling (carbide and other), and aerospace components. Tariffs will harm our bottom line and impede our ability to serve the U.S. military."

**Key U.S. Factory:** Connecticut

**Story 9: Tariffs may slow investments by specialty chemistry companies in the U.S. to support semiconductor manufacturing.**

**This manufacturer** has made chemicals in the U.S. since the late 1800s. Today, the chemistries it makes go into the processes used by semiconductor fabricators, the agrochemical, feed, and food industries, and the treatment of air, water, and soil.

**According to the manufacturer:** "Our company has been planning to expand our operations in North America (which is already five times more expensive for us than in Asia and three times more expensive than in Europe), including to support semiconductor manufacturing. Tariffs will slow our investment plans, and they may even cause us to shutter business lines that are low margins in the USA."

**Key U.S. Factories:** Ohio, Wyoming, Texas, and Illinois

**Story 10: PPE and uniforms for law enforcement and first responders rely on imports.**

**This manufacturer** has made durable clothing for emergency service providers, civilian responders, and the U.S. military since World War II, providing gear to the largest fire departments in the U.S. It is the largest supplier of chem-bio protective garments for the U.S. military. Its manufacturing operations rely on goods from Canada, Mexico, and Asia.

**According to this manufacturer:** "Our customers are state local and federal government agencies. Tariffs will cause us to increase prices on many uniforms and some PPE to first responders and police. If cities and states can't buy enough of the PPE and uniforms they need, the safety of first responders could be put at risk."

**Key U.S. Factories:** Ohio, Kentucky, New York, Georgia, Texas, and Illinois

**Story 11: Farmers rely on grain equipment that utilizes imported components from abroad.**

**This manufacturer** is the world's largest family-owned and operated manufacturer of grain storage, drying, and handling equipment They make the bins and handlers for grain that is relied on by industrial farmers across the Midwest.

**According to this manufacturer:** "Tariffs on imports from Mexico and Canada will be the most damaging for us, and they will limit our workforce expansion, capital investments, and global competitiveness. Tariffs on steel, electrical cable, electrical motors and electrical boards cause our costs to increase, which will make it more difficult to produce cost-effective, high-quality

grain storage and handling equipment. Higher material costs raise equipment prices for farmers, ultimately contributing to food inflation at a time when grocery prices are already high.

**Key US Factory:** Iowa