

Charles Crain

*Managing Vice President,
Policy*

December 4, 2025

The Honorable Howard W. Lutnick
Secretary
United States Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

The Honorable Jamieson Greer
Ambassador
Office of the U.S. Trade Representative
607 17th Street, NW
Washington, D.C. 20549

Re: Corporate Sustainability Due Diligence Directive

Dear Secretary Lutnick and Ambassador Greer:

On behalf of the National Association of Manufacturers (“NAM”) and the 13 million people who make things in America, thank you for your continued advocacy on behalf of U.S. manufacturers regarding the European Union’s Corporate Sustainability Due Diligence Directive (“CSDDD”).

Manufacturers appreciate your efforts to persuade the European Parliament and EU member states to limit the scope of the CSDDD and to remove a costly climate transition plan requirement from the Directive. Despite this progress, we still have concerns about the Directive’s extraterritorial reach and its potential impact on American manufacturers and their suppliers. Under the Parliament’s version of the Directive, large U.S. companies would be responsible for the actions of business partners throughout their supply chains—including for activities outside the EU. The Directive’s scope would stretch the EU’s authority deep into manufacturers’ supply chains, to include business conducted within the U.S. and around the world, directly impacting many small and medium-sized firms. U.S. companies could be exposed to lawsuits in multiple EU nations, even when their businesses have no direct nexus to Europe. American manufacturers already face hundreds of billions of dollars in regulatory costs here at home, something the Trump administration is working hard to fix. Manufacturers believe your ongoing engagement with the EU on CSDDD is an opportunity to further cut red tape—and to prevent it from being imported from Europe.

Notwithstanding the recent changes adopted by the European Parliament, we still believe that the CSDDD would not comply with the United States-European Union Framework on an Agreement on Reciprocal, Fair, and Balanced Trade, in which the EU agreed to “commit to undertake efforts to ensure that the Corporate Sustainability Due Diligence Directive ... do not pose undue restrictions on transatlantic trade.” We are not optimistic that the ongoing Trilogue negotiations will address the CSDDD’s restrictions on transatlantic trade, and we remain concerned that some European negotiators will seek to reinstate a climate transition plan mandate.

We encourage you to continue to push for a full exemption for U.S. companies from the costly requirements of CSDDD. The United States currently exempts European companies that trade shares on American stock exchanges and qualify as foreign private issuers from many of the disclosure and accounting requirements that apply to U.S.-based companies. The EU should provide similar relief to U.S. companies that sell products to Europe. Such an approach also

would be consistent with the spirit of Europe's Blocking Statute (Council Regulation No. 2271/96), which disfavors the extraterritorial application of foreign laws against EU citizens.

If your European counterparts are not willing to support an accommodation for U.S. companies, we recommend that you suggest that the reach of the CSDDD's due diligence requirements should be limited to business activities occurring within the borders of the European Union and that relate to products or services sold within the EU. Such a compromise would significantly reduce compliance costs for all companies and limit the Directive's extraterritorial reach.

We also request that you reiterate to your European counterparts the importance of not reversing the Parliament's commonsense efforts to reduce the staggering compliance costs associated with the CSDDD. U.S. negotiators should strongly oppose any attempt to reimpose a duplicative climate transition plan mandate to address greenhouse gas emissions that occur outside the European Union's jurisdiction. Most developed nations, including the United States, already have extensive national regulations on emissions. It makes no sense to impose additional European requirements on companies that already are subject to robust oversight within their own countries.

Finally, we support the Council's position to push back the CSDDD compliance deadline to July 2029. Companies will need that additional time to analyze their supply chains and prepare for the Directive's far-reaching requirements.

As the EU finalizes the text of the CSDDD in the coming months, American leadership is critical at this moment. We appreciate the advocacy of U.S. diplomats abroad—including our ambassadors to the EU and France—in communicating to our European allies on the unworkable nature of the CSDDD and its threat to transatlantic trade.

As you engage with your counterparts in Europe, we urge you to stand strong for U.S. companies and keep up the pressure against those in Europe that want to impose a costly regulation that would discourage trade and harm economic growth on both their continent and ours.

Sincerely,

A handwritten signature in black ink that reads "Charles F. Crain". The signature is written in a cursive, slightly slanted style.

Charles Crain
Managing Vice President, Policy