



Recycled Materials
Association

October 16, 2025

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

Re: Request for Further Extension of Exclusion for Shredder Wear Parts in the Section 301 Investigation into China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation Note 20(vvv)(i)(20) – Statistical Reporting number 8479.90.9596

Dear Ambassador Greer:

The Recycled Materials Association (ReMA) is pleased to provide the following comments to the Office of the United States Trade Representative (USTR) in conjunction with its evaluation of whether to further extend particular product exclusions in the Section 301 investigation of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation.

As outlined below, several factors justify the continued extension of the exclusion from this action for shredder wear parts, which are industrial components that are critical to ensuring the viability of the U.S. recycling and steelmaking sectors.

Overview of U.S. Recycled Materials Industry

ReMA is the world's largest trade association representing recyclers, with more than 1,700 members, including producers, processors, consumers, traders, and brokers of recycled materials, as well as the associated equipment and service providers that keep U.S. recycling infrastructure running. ReMA members make possible the recycling of ferrous and non-ferrous metals, recovered fiber and paper, plastics, tires and rubber, electronics, glass, and textile products. Recyclers in the U.S. are the first link in our nation's manufacturing supply chain and meet more than 40 percent of the input needs for manufacturers.

In 2024, U.S. recyclers processed 135 million metric tons of materials, including approximately 65 MMT of steel, 42 MMT of recovered paper and fiber, nearly 9 MMT of non-ferrous metals and approximately 6 MMT of recycled and reused electronic products. In the U.S., recycled iron and steel, commonly known as ferrous scrap, is

the single most important raw material input for domestic steel productions, and is the primary feedstock for approximately 70 percent of steel output nationwide each year.

The U.S. recycled materials industry is a vital component of the American economy and manufacturing supply chains, generating \$170 billion in total economic impact each year. The industry also contributes nearly \$19 billion in federal, state, and local tax revenues, while supporting nearly 600,000 American jobs. Due to continuous innovation, U.S. recyclers process more recyclables than U.S. manufacturers can consume, resulting in exports of \$28 billion of recycled materials each year. As global demand for recycled materials has risen, U.S. exports reduce the U.S. trade deficit, as approximately 30 percent of U.S.-processed recycled materials are exported each year.

Essential Role of Recycling for U.S. National Security

Materials processed by recyclers serve as continuous, high-value resource inputs that support manufacturers' sustainable production needs. For example, metals can be remelted and reshaped into new products an infinite number of times, benefiting the U.S. economy, the environment, and national security. Recycled steel, for example, is used in basic oxygen furnaces (BOF), blast furnace (BF), and electric arc furnace (EAF) steelmaking operations. Since all steel is recyclable at the end of its useful life, an automobile could become an appliance that is eventually recycled into the materials to build a bridge.

The U.S. steel industry is a global leader in low-carbon steel production, and one key reason is the use of recycled steel in its production processes. EAF steelmaking now accounts for the vast majority of steel production in the U.S. – approximately 70 percent – while primary production from extracted materials constitutes just 30 percent. Globally, these numbers are reversed, but new steelmaking capacity additions in the U.S. utilize the EAF steelmaking method, which show how critical recycling operations in the U.S. are to the success of the broader U.S. steelmaking and manufacturing sectors domestically.

Shredder Operations Crucial to Operations of Many U.S. Recyclers

Key to ensuring the competitiveness of U.S. recyclers is the ability to process a wide range of recycled materials, particularly in an efficient and effective manner. Metal recycling shredders are a key technology that ensures recyclables are processed and not landfilled, providing valuable feedstock to U.S. manufacturers, such as steel mills, aluminum producers, and the copper industry. Without shredders, domestic steel mills would be unable to produce the volumes of steel demanded by American consumers and U.S. national security would be adversely impacted by a lack of supply of recycled steel.

In North America, there are approximately 350 automotive shredders, as the shredding of autos makes up the primary source of recycled steel each year. In fact, the U.S. recycles nearly 100 percent of its retired automobiles each year,

sourcing 15 million tons of steel annually. Once the metal has been shredded, these recycled metals are shipped to steel mills across the U.S. market to manufacture new steel products that power the U.S. manufacturing sector and meet consumer needs.

Shredder wear parts are essential to the operation of industrial shredders and include a wide range of components including, but not limited to, rotors, rotor end caps, rotor assemblies, feed rolls, shafts, shredder grates, infeed, side liners, roof covers, grates, break bars, anvils, hammermills, and other castings. These parts routinely wear out, as they break down and shred thousands of pounds of recyclable metals into materials that can then be sold to steel mills and foundries. These products are generally imported under HTS 8479.90.9596.

Beginning approximately 30 years ago, the manufacturing of shredder wear parts shifted from the U.S. to China, as many U.S.-owned foundry manufacturers forged partnerships with entities in China and elsewhere. This resulted in the last remaining U.S. shredder wear parts manufacturer ceasing production in 2022. Despite efforts by recyclers to source domestically, no new manufacturers of these critical components have emerged in recent years. ReMA members have sought to import these parts from foundries in Australia, India, Malaysia, and Mexico, seeking to diversify U.S. purchases away from China, but factors, such as quality concerns and scalability, prevented these foundries from supplanting China as the primary source for these critical products.

It is the industry's established practice to identify available sources of shredder wear parts and evaluate whether those sources can meet the industry's quality, quantity, and delivery requirements. The production of these components reflects a mature industry that is well established in China and generally provides greater economies of scale, delivery efficiencies and a higher level of quality. With relatively high barriers to entry, transitioning from China to the U.S. or key trading partners is not favorable under those circumstances at this time. Meeting the industry's quality, quantity, and delivery requirements remains a significant hurdle to overcome and would likely require billions of dollars of investment in manufacturing supply chains that are already overstressed with recent trade challenges.

By the time this Section 301 investigation began in 2017, and tariffs were ultimately imposed beginning in 2018, the technology transfer that facilitated large-scale Chinese production of shredder wear parts had almost entirely taken place. With no domestic manufacturing of these components, U.S. recyclers are fully dependent on foreign sources, and particularly China, which it is estimated accounts for 90 percent of global production.

Additionally, most U.S. recyclers must allow for significant lead times to purchase these parts before existing supplies are exhausted. The continued uncertainty of whether this exclusion will be extended – in addition to reciprocal trade negotiations and the recently expanded Section 232 steel and aluminum derivatives tariff program, which now imposes a 50 percent duty on shredder wear parts – has put U.S. recyclers at a comparative disadvantage globally. This combination of

overlapping tariffs erodes our industry's ability to source recycled steel to U.S. steelmakers who need these critical material inputs to help secure U.S. national security.

Impact of Tariffs on U.S. Recycled Materials Industry

While the exclusion from the China Section 301 tariffs has continually been renewed since 2018, the uncertainty of short-term renewals has, in turn, created uncertainty for U.S. recyclers that rely upon key component imports for operations. The recycled materials industry, like many manufacturers in the U.S., is highly capital-intensive and operates under very tight margins. U.S. recyclers cannot pass on the additional costs associated with tariffs to steelmakers and instead, are forced to absorb any tariff for components, equipment, and machinery. When domestic manufacturers and recyclers absorb the associated tariff costs, it reduces these companies' ability to invest in new equipment, new workers, and local communities. These risks are greater for small- and medium-sized recyclers who have outsized impacts in communities nationwide and will feel the acute burden of any new tariffs imposed.

Conclusion

The U.S. recycled materials industry relies on a steady supply of shredder wear parts to maintain their operations and provide ample recycled steel as the primary input for the majority of U.S. steel production. U.S. recyclers support the Trump Administration's efforts to revitalize domestic manufacturers and bring jobs back to American workers, but the continued uncertainty regarding tariffs for shredder wear parts has reduced the competitiveness of the U.S. recycled materials industry and the manufacturers that rely on our materials as crucial inputs.

ReMA and its members urge the Trump Administration to permanently exclude shredder wear parts from the China Section 301 action, while also undertaking an Administration-wide review of tariff policies for certain equipment, machinery and components, such as shredder wear parts, that disadvantage U.S. recyclers and manufacturers. Permanently removing these products from this action will provide some certainty for U.S. recyclers and the U.S. steelmakers that depend on recycled content for their industry-leading EAF steel production, which is setting the standard for 21st century global steel production.

Please do not hesitate to contact me if you have any additional questions.

Sincerely,



Adam Shaffer
Vice President, International Trade and Global Affairs
Recycled Materials Association