



October 17, 2025

Julia Khersonsky
Deputy Assistant Secretary for Strategic Trade
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

RE: “Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Robotics and Industrial Machinery,” Federal Register docket number **BIS-2025-0257 (XRIN 0694-XC138)**

Dear Ms. Khersonsky:

The U.S. Chamber of Commerce (“the Chamber”) appreciates the opportunity to respond to the U.S. Department of Commerce’s request for comments cited above. The administration has stated it intends to use these comments as part of an investigation to “determine the effects on the national security of imports of robotics and industrial machinery.”

The breadth of this investigation’s scope could impact a significant range of capital goods and equipment essential to the operation and expansion of the broader U.S. manufacturing base. The investigation delineates the following items: “robots and programmable, computer-controlled mechanical systems. This equipment spans CNC machining centers, turning and milling machines, grinding and deburring equipment, and industrial stamping and pressing machines. It also includes automatic tool changers, jigs and fixtures, and machine tools for cutting, welding, and handling work pieces. Application-specific specialty metalworking equipment used to treat, form, or cut metal, such as autoclaves and industrial ovens, metal finishing and treatment equipment, EDM machinery, and laser and water-cutting tools and machinery is also included.”

The Chamber shares the administration’s objective of making the United States the best place in the world to manufacture, innovate, grow, build, and hire. The United States is already home to a significant number of cutting-edge manufacturers, and industrial output has nearly doubled over the past 30 years. Recent events around the Covid-19 pandemic, Russia’s invasion of Ukraine, and the uniquely challenging commercial relationship with China have driven home that supply chain vulnerabilities around some specific manufactured goods pose significant risks to U.S.

manufacturers. The Chamber has noted, in previous Section 232 comments and in other fora, the burden imposed by the significant increase in tariffs on the U.S. manufacturing sector, which has shed jobs every month this year except one. On the other hand, recent enactment of the One Big Beautiful Bill Act and the promise of ongoing regulatory reform have lent optimism to the Chamber's manufacturing members about the country's economic trajectory.

However, if the U.S. manufacturing sector is to grow, significant investments will be needed in industrial machinery and equipment. As a general rule, today's capital goods are becoming more sophisticated and more customized. Manufacturers today find that much of the industrial machinery needed for their operations is so specialized that only one or two producers in the world make the equipment they need. In some subsegments of the manufacturing industry, there are no U.S. producers of the specific machinery that U.S. manufacturers need to grow, innovate, and hire in the United States.

For much of the industrial machinery and robotics imported today, tariffs would significantly increase costs without providing an actionable incentive to onshore the manufacture of the machinery itself. Instead, these duties would lock in a cost disadvantage for U.S. manufacturers by forcing them to pay more for machinery than their rivals based elsewhere. In a given year, demand for advanced machines for CNC milling, laser cutting, x-ray scanning, vacuum casting, and large-scale robotic welding may be so limited that a manufacturer produces only a handful of such large pieces of equipment. Trade restrictions will not force a company that makes a handful of machines a year for global customers to move its production to the United States.

The potential impact of these duties would be broad: There is no single HTS code for industrial machinery imports, making the impact of potential restrictions difficult to assess. Indeed, U.S. manufacturers benefit from imports of industrial machinery including Japan's high-quality technology, Europe's specialized machinery (including from Germany, Switzerland, Italy, France, and other countries), Mexico's lower transportation costs, South Korea's cutting-edge innovation, and Canada's access to critical alloys and other materials not available domestically. Moreover, as the majority of high-value equipment comes from trusted allies (such as Germany, France, Canada, Netherlands, Israel, and Japan) rather than adversarial nations, and blanket restrictions could harm relationships with key partners while providing limited security benefits.

Additional tariffs or other trade restrictions on imported machinery from allies, trade agreement countries, and other trusted partners would inadvertently undermine the competitiveness of U.S. manufacturers and impose a drag on efforts to strengthen the U.S. defense industrial base. The Chamber agrees that there are pressing

challenges posed by non-market economies that must be addressed by the U.S. government in partnership with U.S. industry. However, instead of global tariffs, the administration should focus on ways to enhance the country's overall competitiveness, including by ensuring any new tariff does not stack upon other measures, providing offsets that enable expanded U.S. manufacturing as well as investment and upskilling incentives to complement America's workforce needs and its formidable advantages.

Machinery Imports from Trusted Partners Enhance U.S. Competitiveness

U.S. manufacturing relies on supply chains that are integrated with those of trade agreement countries, allies, and other close partners. Tariffs on goods from these countries would increase costs in these networks, creating uncertainty in lead times and production planning. Over time, such friction would discourage capital investment in U.S. plants, reducing competitiveness relative to foreign competitors that can make capital investments with these technologies tariff-free.

By contrast, international competitors to U.S. companies face no such import barriers. If the United States imposes tariffs on industrial machinery and robotics, it will incentivize new investments and automation programs in other jurisdictions, eroding U.S. industrial employment over time. Providers of industrial machinery may well favor customers in other markets, especially if U.S. customers press them to "eat" some of the tariff costs. Such a scenario is not hypothetical: Many suppliers have a waiting list of several years to supply specialty equipment, and U.S. companies compete to procure such critical equipment for production lines.

There is no question that the United States faces international challenges to maintaining and expanding its domestic manufacturing capacity. A growing set of national security concerns with the PRC have the potential to adversely impact U.S. manufacturing, including China's industrial overcapacity, military-civil fusion, state subsidies, discriminatory treatment of American firms, and the overall absence of rule of law and transparency.

The optimal response lies in tailored national security measures that draw on a variety of tools—including targeted tariffs, export controls, and ICTS authorities—but like all such instruments, tariffs must be narrowly scoped, tied to well-defined national and economic security challenges, and designed to be the least trade-restrictive means necessary to achieve strategic objectives. One-size-fits-all global tariffs, by definition, fail to meet these criteria—they lack precision, impose broad collateral damage, and risk undermining the very economic resilience they aim to protect.

The U.S. robotics industry in particular faces significant competitive challenges, and the PRC's industrial policies mentioned above suggest that China's robotics industry is receiving significant advantages that may allow it to acquire an even more dominant position. However, the best policy is to ensure that U.S. manufacturers have continued access to imported industrial machinery, parts, and components from non-Chinese sources. Compelling U.S. companies to pay tariffs for machinery and components that are not currently available from domestic sources will make it more likely that the United States falls behind other countries in the use of robotics. Foreign-sourced robotics technology and equipment also directly supports server manufacturing in the U.S. and critical data center operations essential to position the United States as the AI leader; restricting access to international robotics technology could impair U.S. competitiveness in AI and other critical emerging technology sectors.

Finally, companies are increasingly pressing the administration to provide tariff relief—including through rebate and offset arrangements—to mitigate the financial burden, lost competitiveness, and other economic harms these taxes impose. Other companies are seeking the addition of specific imported goods to Annex III to the October 6 executive order entitled “Modifying the Scope of the Reciprocal Tariffs and Establishing Procedures for Implementing Trade and Security Agreements,” which appears to open the door to tariff elimination through bilateral negotiations. These entreaties attest to the pain tariffs are inflicting, particularly on U.S. domestic manufacturers, farmers, and ranchers. The Chamber in May called on the administration to shield small businesses from tariffs and to end tariffs for products unavailable from domestic sources in sufficient quantities or where tariffs threaten job losses. Amid this growing chorus of calls for tariff relief, the administration must engage with the business community to provide meaningful relief from these burdensome import taxes.

Tariffs on Specialized Machinery Will Not Meaningfully Incentivize Onshoring

U.S. manufacturers often rely on imported industrial machinery inputs, including robotics, CNC machinery, and industrial automation systems. As noted, many of these systems are not produced domestically; indeed, global production of some systems is so limited that it is concentrated in a single location, and tariffs will not incentivize creation of a second production line in the United States. Instead, tariffs on robotics and industrial machinery from trusted partners would raise the cost of U.S. manufacturers' capital investments, delaying equipment upgrades and slowing modernization initiatives. The following examples illustrate these points:

- *Gear Machines:* There are currently no gear grinding or gear metrology machines manufactured in the United States that meet the technical

requirements for handling gears with diameters of 1.25 meters or greater. The only U.S.-based manufacturer in this subsector does not produce equipment that meets these specifications, capacity, or precision. A German-based manufacturer offers one of the few commercially available solutions capable of inspecting gears up to 3 meters in diameter with operational efficiency, product quality, and future-readiness.

- *Semiconductor Manufacturing Equipment:* While the United States is home to a number of cutting-edge manufacturers of such equipment, some critical machinery is not made domestically. Likewise, certain equipment in the extreme ultraviolet lithography domain, for instance, is only available from a single, non-U.S. source, and tariffs will not alter this. Imposing Section 232 restrictions on imports of robotics and industrial machinery from trusted sources could undermine the very domestic semiconductor manufacturing capacity the administration seeks to build.
- *Consumer Electronics:* Major manufacturers of industrial equipment for the consumer electronics industry rely on non-U.S. companies such as Japan's Fanuc, which provide advanced capabilities, quick delivery, and competitive pricing at scale. No U.S. manufacturer provides similar large-scale production equipment, instead focusing on specialized niche applications.
- *Automated Manufacturing:* Products for the U.S. market are highly dependent on automated equipment (e.g., pacemakers). Tariffs on these capital goods put at risk the ability to supply products to the healthcare system.
- *Logistics Networks:* U.S. logistics companies import large quantities of industrial machinery and related parts from trusted partners to build and maintain their national networks for the sortation and movement of goods. Alongside the large U.S. workforces employed by the logistics sector, these networks distribute goods within the United States and abroad. Of note, these are the same networks that enable U.S. exporters to ship their goods abroad more efficiently, supporting growth and employment at home. In other words, for national logistics providers, there are not separate networks for imports, exports, and domestic movements. Instead, integrated networks, built on widely deployed industrial machines, make this all possible. Such industrial machinery includes sortation equipment, programmable logic controllers, camera tunnels, and other electronic sensors. Since these machines run 24/7 in many settings, maintenance is a constant requirement. As a result, replacement parts are always in high demand. Broad-based tariffs could stifle the ability to procure specific parts as well as broader innovation.

- *Small to Mid-Size Suppliers:* Small to mid-size fabricators and machine shops have been increasing automation to expand capacity and agility while increasing quality. These suppliers are often family-owned with limited access to capital. Broad-based tariffs would potentially price robotics out for these smaller players, extend paybacks that exceed small/medium size companies' ability to float cash, and reduce automation capacity that would in turn slow existing modernization efforts reducing capability and competitiveness while reducing the opportunity for upskilled automation engineering jobs.

Pro-Innovation, Workforce Policies Will Strengthen Domestic Manufacturing

The administration should continue to work with the private sector to develop policies that support domestic manufacturing. This includes workforce development, innovation, and measures that facilitate access to capital for startups.

Shortages of engineers, mechatronics specialists, and other trained technicians in the United States have been a brake on the manufacturing sector. The administration should work with industry to develop a more robust supply of engineers and technicians. To this end, promoting robotics and machinery innovation hubs across the country can accelerate development by bringing together researchers and manufacturers. Education and technical training programs in such hubs would help to build a skilled workforce. Such hubs can bring together capital with startups and help turn their ideas into market-ready solutions.

Further, by working with reliable U.S. partners on funding research, developing industry-wide standards, and exchanging technology, U.S. companies can remain at the forefront of innovation in these critical manufacturing fields. Such holistic efforts can also help ensure that U.S. products are aligned with market trends around the world.

The Chamber appreciates the opportunity to submit these comments and looks forward to working with the Department of Commerce to address these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "John Murphy", with a stylized, flowing script.

John Murphy
Senior Vice President and Head of International
U.S. Chamber of Commerce