NEMA – National Association of State Energy Officials (NASEO): Economic Development Working Group

October 21, 2025

Membership Overview

NEMA represents over 300 electrical manufacturers that make safe, reliable, and efficient products and systems.

300+
Member companies

#2 in Exports & Imports
of all U.S. sectors

580,000
American jobs directly provided

1%
of U.S. GDP comes from our members

- Built Environment
- Grid
- Industrial
- Mobility

In-House Advocacy

NEMA's public policy advocacy moves the electroindustry forward and delivers value on key issues, including trade, tariffs, tax, efficiency regulations, grid modernization, domestic content, and workforce development. NEMA's Mexico team provides on-the-ground support for our companies doing business south of the border.

Market Data for a Competitive Marketplace

NEMA's team of world-class economists provide exclusive industry data, customized research, detailed sector analyses, economic forecasting, and modeling services to enhance business decision-making and increase your competitiveness.

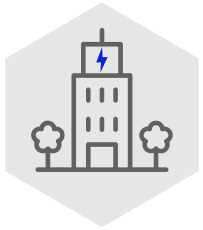
First-Class Technical Standards

NEMA's nearly 1,000 technical standards are the foundation of our electrified world. NEMA members develop these standards and other technical documents to usher in new technologies and to promote efficiency, interoperability, safety, resiliency, and sustainability.

Wherever Electricity Powers Progress, **NEMA Is There**

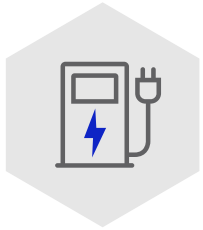
Who We Are

The National Electrical Manufacturers Association (NEMA) is proud to represent over 300 manufacturers and is an ANSI-accredited standards development organization.



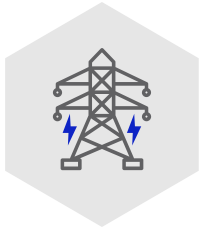
Built Environment

- Smart Lighting
- Connected Systems
- Energy Efficiency
- Health & Wellness



Mobility

- EVs and Charging Infrastructure
- EV Components
- Connected & Autonomous Transportation
- Bi-Directional Charging



Grid

- Renewable Energy Generation
- Energy Storage
- Demand Response
- Power Distribution
- Power Transmission

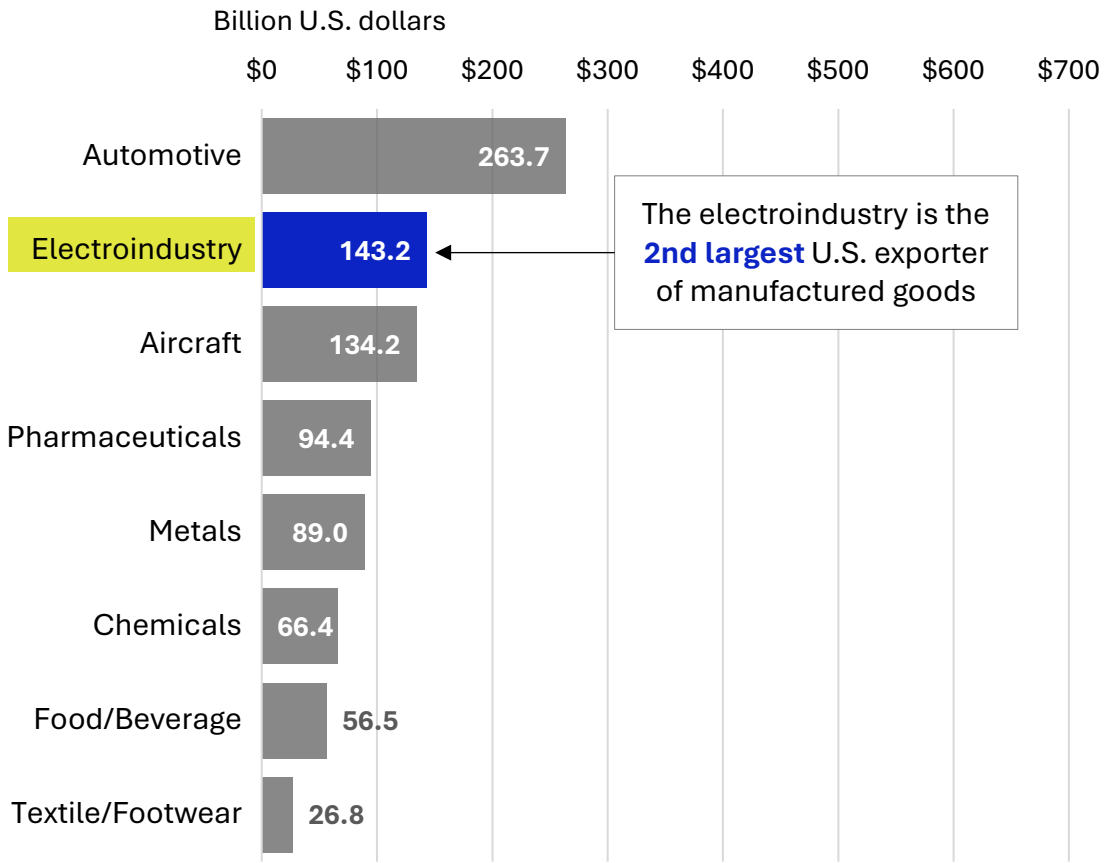
Industrial

- Industrial Automation
- Smart, Domestic Manufacturing
- E-Machinery
- Cybersecurity
- AI

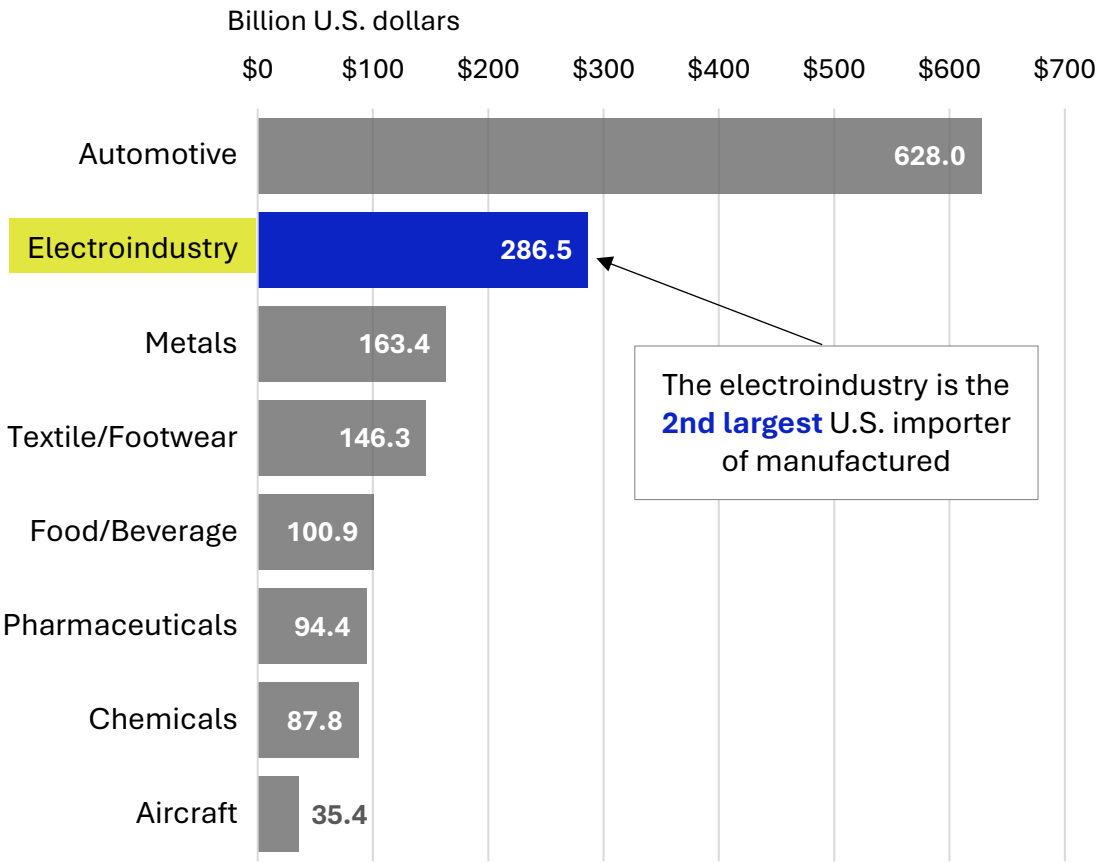
Make it Electric

U.S. Trade by Manufacturing Sector[1]

U.S. Exports, 2024



U.S. Imports, 2024



[1] Oil and gas are not included as they are classified as natural resources not manufactured goods

Source: U.S. Census Bureau

Electrical Equipment in Digital Substations & Data Centers

Primary Electrical Equipment

- Busbars
- Capacitor Banks
- Circuit Breakers
- Circuit Switchers
- Grounding Resistors
- High-Voltage Fuses
- Insulators
- Reactors
- Surge Arresters

Auxiliary Power & Infrastructure

- Batteries
- Battery Chargers
- Conduit
- Control Wires
- Inverters
- Rectifiers

Incoming & Outgoing Power Connections

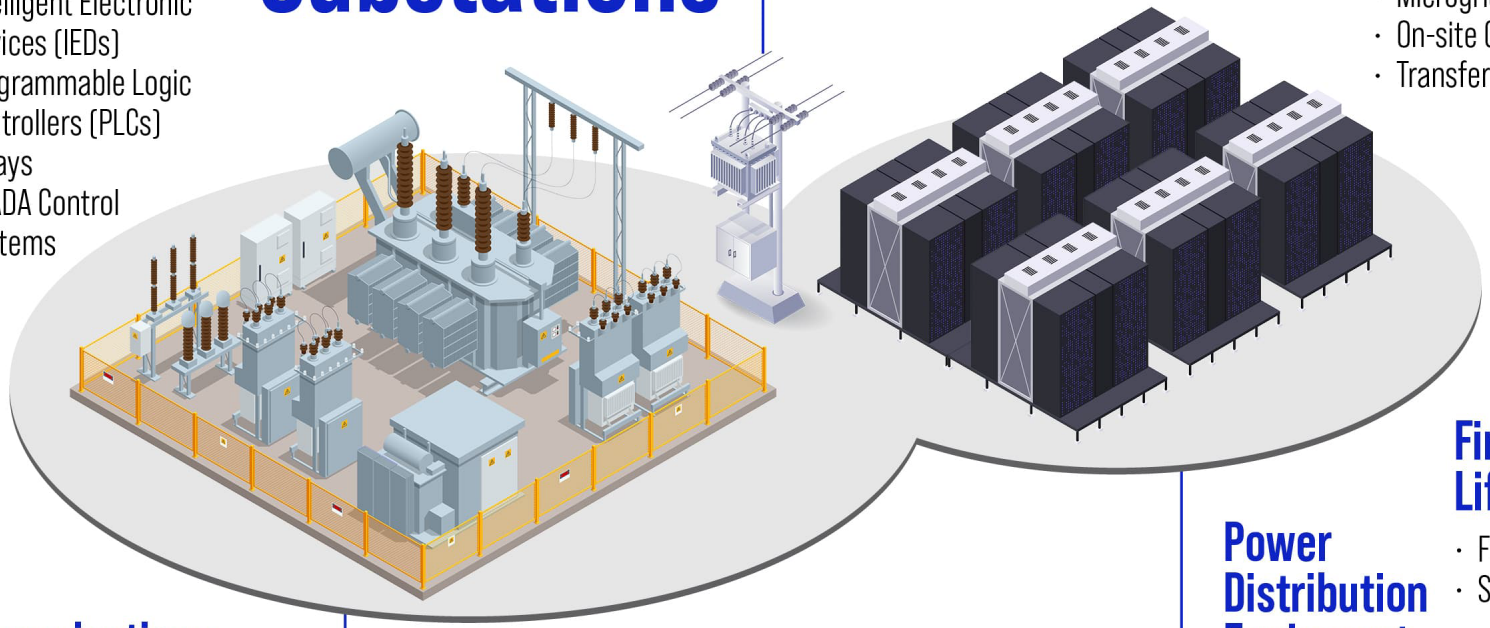
- High-Voltage Underground Cables
- Power Lines
- Reclosers

Protection, Control, & Automation Systems

- Control Panels
- Cybersecurity Systems
- Intelligent Electronic Devices (IEDs)
- Programmable Logic Controllers (PLCs)
- Relays
- SCADA Control
- Systems

Communications & Monitoring Equipment

- Communications Equipment
- Emergency Communication Systems



Shared Components

- Breakers
- Cables
- Fiber Optics
- Insulated Wire
- Meters
- Motor Control Centers
- Panelboards
- Switchboards
- Switches
- Switchgears
- Transformers
- Uninterruptible Power Supply (UPS)

Power Generation & Energy Storage

- Battery Energy Storage Systems (BESS)
- Generators
- Microgrids
- On-site Generation
- Transfer Switches

Mechanical Support Systems

- Direct-To-Chip Cooling
- Drives
- Motors

Lighting Systems

- Bulbs
- Fixtures
- Lighting Controls

Fire & Life Safety

- Fire Alarm Systems
- Security Systems

Structured Cabling & Pathways

- Cable Trays

Power Distribution Equipment

- Busways
- Inverters
- Panelboards
- Power Distribution Units (PDUs)
- Switchgear

Power Monitoring & Control

- Emergency Systems
- Power Monitoring Systems

NEMA Trade Advocacy Efforts

Written Comments

- Submitted formal comments on Section 232 investigations:
  - Copper
  - Semiconductors
  - Critical Minerals
  - 232 inclusions
  - Robotics

Advocacy Meetings

- Department of Commerce
- United States Trade Representative
- National Economic Council
- Senate and House Offices

Industry Promotion

- Alignment with Trump administration priorities
- Data analysis and information
- Electrical equipment infographics
- Involving key partners in advocacy

Section 232 overview

- In February 2025, the Trump Administration issued two Presidential Proclamations: (1) Proclamation 10895, “Adjusting Imports of Aluminum into The United States” (Aluminum Proclamation), and (2) Proclamation 10896, “Adjusting Imports of Steel into the United States” (Steel Proclamation).These “Inclusions Proclamations”, created several changes:

1. It ended the previous product *exclusion* process;
2. Directed the Department of Commerce to create a new *inclusion* process for derivative aluminum and steel products;
3. Required the Bureau of Industry and Security (BIS) to draft an interim final rule (IFR);
4. And established a new system for adding products under Section 232 of the Trade Expansion Act.

- Under this new rule, steel and aluminum derivative articles may become subject to 232 tariffs in one of three ways:
  1. Through action by Commerce;
  2. At the request of U.S. producers of steel or aluminum articles and derivative articles; or
  3. At the request of an industry association representing one or more U.S. producers.

- The rule states that requesting parties must demonstrate that “imports of a derivative article have increased in a manner that threatens to impair the national security of the United States or otherwise undermine the objectives” of the 232 tariff measures.

Steel and Aluminum Derivative Product Inclusion Decisions – August 15

- **Commerce expanded tariffs:** Commerce added 407 tariff lines of derivative steel and aluminum products to the scope of the steel and aluminum tariffs.
  - 407 tariff lines added, only 60 rejected (87% approval rate)

- **Timing:** Notice released 8/15, effective 8/18.
  - No exemption for "goods on the water"
  - Most approvals signed Aug. 1 (2 weeks before public release)

- Only criteria Commerce gave for rejecting an inclusion application was that the product was already covered by a separate Section 232 or 301 investigation.

Section 232 Inclusions Open

What's new (Sept 16): Commerce issued for public inspection the second steel & aluminum inclusion process and the first auto-parts process.

Steel & Aluminum:

- **Window: Opened Sept 15** → **Requests due Sept 29**.After close: Commerce posts requests; public comment follows.

Context: First S/A round (concluded Aug) added 400+ products (est. up to $300B import value).

Auto Parts:

- Window: **Oct 1–Oct 15** → Commerce decision within 60 days of each request.

Recurring Inclusion Windows → Jan / Apr / Jul.

June 16, 2025, Inclusions Process Comment Letter

- On June 16, NEMA responded to the Notice of Request for Public Comments on the Interim Final Rule regarding the Adoption and Procedures of the Section 232 Steel and Aluminum Tariff Inclusions Process.

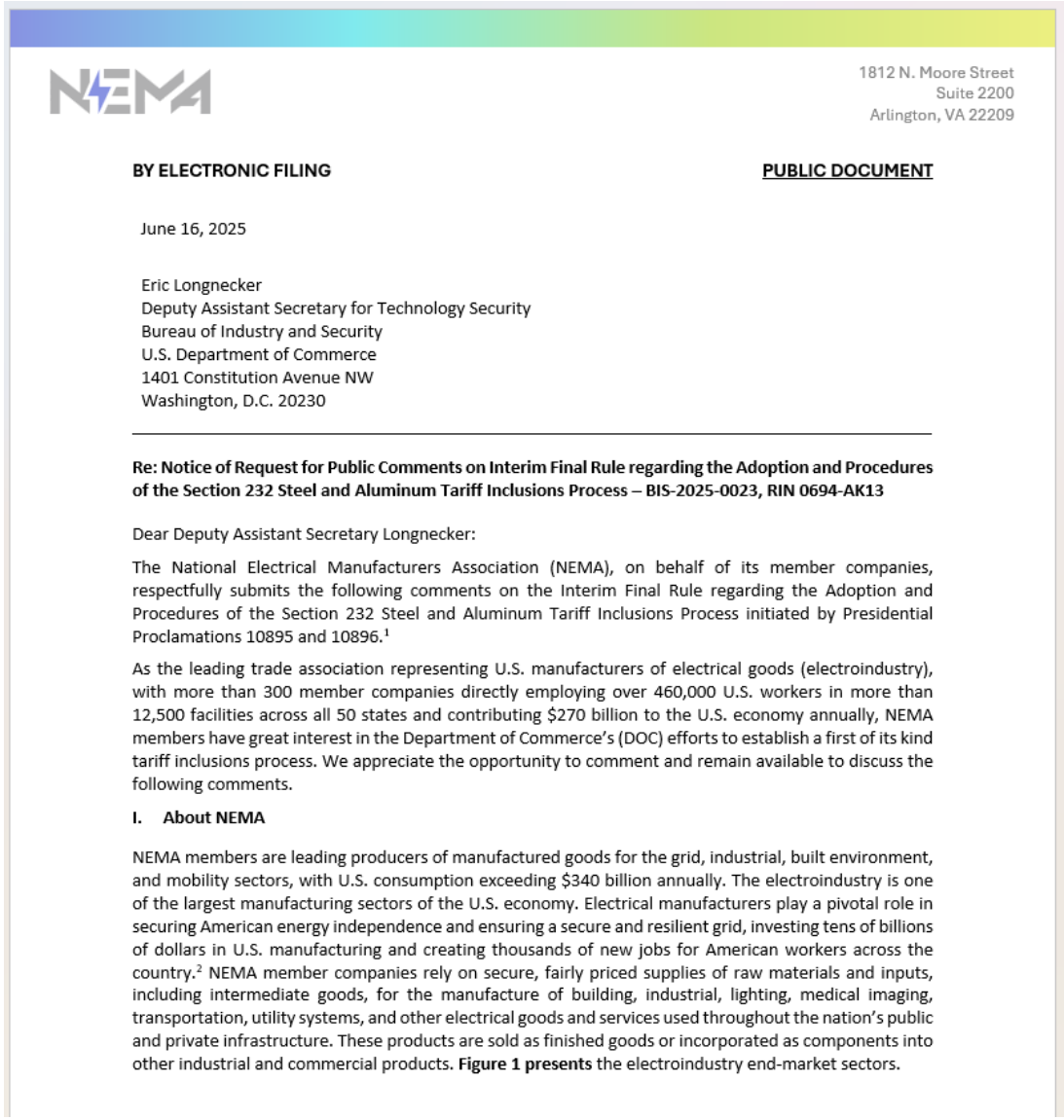
- **Broadly, the Comment Letter asked for:**

1. **Extend comment periods** & expand stakeholder engagement on inclusion reviews.

2. **Consolidated HTS list** and clear guidance on rebuttal scope and evaluation.

3. **Assess domestic production** capacity before imposing tariffs.

4. **Clarify** how Section 232 interacts with **other trade remedies** to guide industry compliance.



NEMA

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BY ELECTRONIC FILING **PUBLIC DOCUMENT**

June 16, 2025

Eric Longnecker
Deputy Assistant Secretary for Technology Security
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, D.C. 20230

Re: Notice of Request for Public Comments on Interim Final Rule regarding the Adoption and Procedures of the Section 232 Steel and Aluminum Tariff Inclusions Process – BIS-2025-0023, RIN 0694-AK13

Dear Deputy Assistant Secretary Longnecker:

The National Electrical Manufacturers Association (NEMA), on behalf of its member companies, respectfully submits the following comments on the Interim Final Rule regarding the Adoption and Procedures of the Section 232 Steel and Aluminum Tariff Inclusions Process initiated by Presidential Proclamations 10895 and 10896.[1]

As the leading trade association representing U.S. manufacturers of electrical goods (electroindustry), with more than 300 member companies directly employing over 460,000 U.S. workers in more than 12,500 facilities across all 50 states and contributing $270 billion to the U.S. economy annually, NEMA members have great interest in the Department of Commerce's (DOC) efforts to establish a first of its kind tariff inclusions process. We appreciate the opportunity to comment and remain available to discuss the following comments.

I. About NEMA

NEMA members are leading producers of manufactured goods for the grid, industrial, built environment, and mobility sectors, with U.S. consumption exceeding $340 billion annually. The electroindustry is one of the largest manufacturing sectors of the U.S. economy. Electrical manufacturers play a pivotal role in securing American energy independence and ensuring a secure and resilient grid, investing tens of billions of dollars in U.S. manufacturing and creating thousands of new jobs for American workers across the country.[2] NEMA member companies rely on secure, fairly priced supplies of raw materials and inputs, including intermediate goods, for the manufacture of building, industrial, lighting, medical imaging, transportation, utility systems, and other electrical goods and services used throughout the nation's public and private infrastructure. These products are sold as finished goods or incorporated as components into other industrial and commercial products. **Figure 1 presents** the electroindustry end-market sectors.

Distribution Transformers

Severe transformer shortages: U.S. supply meets ~20% of demand; applying 232s would worsen the gap.

Extraordinary lead times: 115–130 weeks (distribution) and 120–210 weeks (large/GSU).Workforce constraint: ~30,700 total transformer workforce with a ~13,400 shortfall (~30%)—limits rapid capacity ramp-up.

GOES bottleneck: U.S. relies on a single GOES producer; tariffs heighten single-point-of-failure risk and weaken resilience.

System & cost impacts: Longer lead times raise costs, delay grid modernization/industrial growth, strain rural customers, and weaken disaster resilience.

AI/data centers: 232 would further constrain transformer supply, delaying data-center buildout and undermining the Trump Administration's AI innovation objectives.

Investment timing: Decisions are being made now; higher import costs will dampen U.S. jobs and capex going forward.

Coalition Letter on Transformer Tariffs (June 4 2025)

Broad coalition (NEMA, NECA, NAED, LBA, GridWise) urges **Commerce to reject Section 232 tariff inclusions** on transformers and components.

- **Tariffs would worsen grid shortages** — only ~20% of U.S. demand met domestically; transformer lead times > 2 years.
- **Higher costs & delays** would slow grid modernization, data-center buildouts, and AI infrastructure, undermining national-security and innovation goals.
- **Transformer parts are precision-engineered**, not raw steel — applying 232 tariffs misclassifies products and penalizes downstream U.S. manufacturing.
- **U.S. GOES capacity insufficient** — single domestic producer can't meet demand; imports essential to avoid single-point-of-failure risk.
- **USMCA supply chains critical** — Canada/Mexico supply chain supports U.S. grid reliability; restricting these imports violates North American energy-security cooperation.
- **Policy alternative:** support domestic transformer capacity via incentives (e.g., CIRCUIT Act / 45X credit) rather than punitive tariffs.

Takeaway: 232 tariffs on transformers = higher costs + longer delays + weaker grid resilience — contradicting Administration's energy-security and AI-infrastructure priorities.

NEMAs Follow Up Letter to Commerce (Sept 25 2025 — Debra Phillips, President & CEO)

- NEMAs follow up letter to **Undersecretary Kessler** urges **Commerce to reconsider Section 232 tariffs** imposed on Aug 18 on ~40 HTS codes tied to grid, manufacturing, and AI/data-center infrastructure (≈ $2 B annual impact).
- **Tariffs threaten energy security and AI growth**, worsening lead times and domestic shortfalls for critical grid components.
- Requests **exclusion of grid- and AI-critical products** from 232 derivative tariffs.
- **Proposes NEMAs tariff incentive framework** — time-limited tariff relief for companies investing in U.S. manufacturing and power infrastructure that meet federal content rules.
- **Key message:** Support reshoring & energy dominance through strategic tariff incentives — not broad tariffs that raise costs and delay critical infrastructure.

Section 232 Investigation on Robotics and Industrial Machinery

Commerce initiated Section 232 probe on imports of robotics & industrial machinery; may result in tariffs or quotas by Spring 2026.

Scope: Includes CNC machining, milling, stamping, welding, EDM, laser/water-cutting, autoclaves, ovens; excludes unmanned aircraft systems.

Timeline: Up to 270 days (May 2026), though Administration aims to move faster; no public hearing planned.

Public Comment: Open until **Oct. 17, 2025,** on *Regulations.gov*; BIS seeks input tied to national security criteria.

Key Issues for Comment:

- Domestic capacity vs. demand
- Import reliance & concentration risks
- Foreign subsidies/trade practices
- Potential for supply chain “weaponization”
- Employment & competitiveness impacts

Takeaway: Section 232 probe signals potential new trade restrictions on robotics/industrial machinery.

New 232 Tariff: Medium & Heavy Vehicles (Effective Nov. 1)

On **October 17**, President Trump signed a proclamation imposing Section 232 tariffs on imports of **medium- and heavy-duty vehicles, parts, and buses**.

- Class 3–8 trucks, engines, transmissions, tires, chassis, and bus types (school, transit, motor coach), 25-year-old vehicles exempt, commerce to establish process to add more parts later.

Tariff Structure:

- 25% tariff on medium- and heavy-duty trucks; 10% on buses.
- Tariffs apply only to non-U.S. content in USMCA-compliant vehicles/parts.
- Commerce to create process for parts tariffs by content share (no set timeline).

Offsets & Relief (Through 2030):

- 3.75% offset for eligible truck/auto parts assembled in U.S. (expires Nov. 2030).
- Auto part offset program extended to Apr. 2030 to align with truck rules.
- Offset excludes knockdown kits; CBP will administer border adjustments.
- Relief available for Canadian/Mexican steel & aluminum meeting USMCA origin (tariffs cut from 50% → 25%).

NEMAs Supply Chain Work and Engagement

- New tariffs + domestic manufacturing push = unclear supply chain impacts.
- NEMA goal: engage members over next 6 months to identify impacts + shape proactive solutions.

Legislative Opportunities

Possible new legislation:

- Improve Section 232 inclusion process.
- Require research on business impacts of supply chain disruptions.

Active bills supported:

- *Promoting Resilient Supply Chains Act* (bipartisan).
- *Critical Mineral Consistency Act* (bipartisan).
- Both have viable paths to passage this Congress; address systemic supply chain risks.

NEMA Leadership in Advanced Manufacturing

- Comments to OSTP's Advanced Manufacturing RFI. Key focus areas:
  - **Enabling tech** - AI, digital twins, cloud/edge, IIoT, advanced sensing, robotics, reconfigurable automation, cybersecurity.
  - **Adoption realities** - resource/integration/workforce/regulatory constraints; highlighted NEMA workforce programs (Academy, Emerging Leaders, veteran transition).
  - **Supply-chain vulnerabilities** - emphasized *Make It American* program to boost U.S. content + compliance.
  - **Trade standards** - pushed for interoperability, transparency, certainty to scale investment.
  - **Strategic reviews** - called for review before trade actions; tied to NEMA's *Tariff Incentive Proposal* as a tool to align trade policy with U.S. manufacturing/energy/AI goals.

NEMA Make It American Program

Resources, Tools, Government/Key Partner Outreach, and Certification

Resource Center

- Resources
- Advocacy Documents
- BABA On-Demand Legal Resource Center
  - 1:1 Legal Consultation

Certification

- Option for organizations to obtain:
  - Process Certification
  - NEMA BABA Product License
- NEMA-licensed "NEMA Domestic Content" marks for facility and products

Process Standard & Product Specifications

- NEMA 70901-2024 Process Standard: BABA Supply Chain Evaluation & Assurance Process *(applies to all manufacturers)*
  - NEMA BABA Product Specifications:
    - Connected Building Systems & Controls
    - Grid Management & Automation
    - Low Voltage Distribution Equipment
    - High- and Medium- Voltage Distribution Equipment
    - Variable Frequency Drives
    - Wire & Cable

Government & Key Partner Outreach

- Federal and State agency officials
- Significant support and encouragement
- Industry leadership and government efficiency
- Public listing of NEMA-certified companies, facilities, and products

NEMA Make It American Program

Navigating BABA and Other Domestic Content Rules

Supporting & Leading Industry – leveraging role as SDO to provide clarity and performance-based approach.

Defining Good Practices – shaping what good looks like in supply chain evaluation, BABA domestic content determinations, and manufacturing through flexible, non-prescriptive standards.

Aligning with Policy Goals – supporting the administration's push for efficiency by **enabling industry-led leadership in domestic manufacturing**.

Leveling the Playing Field – Independent, third-party verification for companies demonstrating and investing in BABA compliance.

NEMAs Tariff Incentives for U.S. Energy & Manufacturing

Aligning trade policy with grid and manufacturing goals:

Challenge: Meet surging electricity demand and accelerate domestic manufacturing to build an AI-ready, reliable grid.

Problem: Some essential imports are not domestically available today; sudden, sweeping tariffs raise project costs and slow timelines.

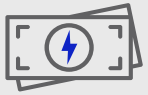
Solution: Targeted, time-limited tariff incentives that reward U.S. production and grid build-out while supply chains onshore.

Outcomes: Protect and grow jobs (electroindustry ~1.5M), improve grid reliability, and keep private investment flowing to U.S. facilities and infrastructure.

Tariff Incentives for U.S. Energy, AI and Manufacturing

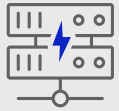
Meeting the Administration's manufacturing, energy, and AI goals requires trade policy that accelerates progress. A suite of targeted incentives will strengthen U.S. manufacturing and supply chains.

Capital Investment in U.S. Manufacturing Capacity



A tariff offset equal to any capital investments made to build or renovate U.S. manufacturing facilities—three years after facility is operational

Power + AI Infrastructure



A tariff offset for power and AI infrastructure, including generation, transmission, distribution, storage and data centers

Domestic Content

A tariff offset for manufactured goods that meet federal domestic content requirements

How the Three Tariff Incentives Work

Domestic Manufacturing Incentive

- Provides a tariff offset for finished goods that meet federal domestic-content thresholds—encouraging U.S. production and sourcing.

Grid/AI Infrastructure Incentive

- Applies a tariff offset to inputs and equipment used to build, expand, or operate power infrastructure (e.g., transformers, switchgear, substations, distribution equipment, data-center interconnects).

Capital Investment Incentive

- Offers a tariff offset tied to capital invested in U.S. manufacturing facilities (new builds/expansions), available for a defined window after the facility becomes operational—accelerating onshoring.

Design Principles

- Targeted, measurable, time-limited, and focused on bottleneck imports not available domestically today.