Recycled Materials Association

Sustainable. Resilient. Essential.

April 22, 2024

The Honorable Katherine Tai
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Re: Request for Comments on Promoting Supply Chain Resilience
Docket Number USTR-2024-0002

Dear Ambassador Tai:

The Recycled Materials Association (ReMA) is pleased to provide written comments to the Office of the U.S. Trade Representative (USTR) in order to inform the development of trade and investment policy initiatives that promote supply chain resilience.

ReMA is the world's largest trade association representing private recyclers, with our membership of more than 1,700 companies consisting predominantly of small- and medium-sized companies, operating at over 4,000 locations across the U.S. and globally. ReMA members process, broker and consume metals, such as steel and aluminum, as well as paper, plastics, glass, textiles, rubber and electronics, whether sourced from commercial, industrial or residential operations. ReMA and our members play a vital role in combatting climate change by promoting safe, economically sustainable and environmentally responsible recycling.

Until last week, ReMA was known as ISRI, the Institute of Scrap Recycling Industries, which was the voice of the Recycled Materials Industry. Our new identity more clearly and accurately describes our association, our membership and our critical role in the manufacturing supply chain.

Our industry is defined by sustainability, as the materials processed by our members dramatically reduce environmental impacts. We are also resilient, as our members provide the materials that strengthen the economy and manufacturing supply chains. Finally, the recycled materials industry is essential, since the materials our members recycle ensure the availability of products people around the world rely on every day.

Without recycled materials, manufacturers in the U.S. and worldwide would be uncompetitive, particularly as global industries decarbonize, so it is crucial that policymakers develop trade and investment strategies that recognize the critical role recycled materials play in ensuring resilient domestic and global supply chains.

Background on the Recycled Materials Industry

The recycled materials industry is a crucial link in the global manufacturing supply chain and is an essential component of the U.S. and global economies. Recycling in the United States supports over 506,000 U.S. jobs and in 2021, the industry generated $117 billion in total economic activity. On a volume basis, the U.S. recycling infrastructure processes 135-140 million metric tons of recyclable products each year, approximately 30 percent of which is exported to meet the demands of manufacturers and consumers worldwide. These products are valuable commodities that are sought after and sold by industrial consumers.

Recycling combats climate change by providing a sustainable alternative to extracted materials, such as mined metals and minerals or fossil fuels, while lowering energy consumption and carbon emissions. Without the use of recycled materials as inputs, manufacturers would continue to demand more of the earth's finite resources, accelerating resource depletion and environmental harm. Recycled commodities reduce our nation's annual carbon dioxide emissions by nearly 400 million metric tons, equivalent to the energy consumption of 48 million homes each year.

The recycled materials industry is much broader than the consumer-facing, residential recycling program that is traditionally thought of as "recycling." These residential streams are the most visible part of the U.S. recycling infrastructure, but only constitute approximately 15 to 20 percent of materials processed for recycling. The vast majority of products recycled domestically are from commercial and industrial sources, which tend to be cleaner and can be processed into higher grade feedstocks with greater marketability.

Role of Recycled Materials in Sustainable, Resilient Supply Chains

The recycled materials industry is the first link in the U.S. and global manufacturing supply chain. It is estimated that worldwide, approximately 40 percent of manufacturers' raw material needs are met through the recycling of obsolete, end-of-life products and materials. As global industries decarbonize, it is important for governments worldwide to recognize the key role that recycled materials play in reducing carbon emissions, particularly as supply chain resilience, trade and climate concerns converge during policy discussions and negotiations.

Many recycled materials, such as steel, aluminum, glass, and other metals products, are infinitely recyclable, so no matter how many times a product is recycled, the material does not lose its strength or integrity. Recycled steel, most of it from used automobiles, is the largest product processed by ReMA members and our industry broadly, with a domestic recycling rate between 80 and 90 percent over the past decade. Meanwhile, it is because of recycling that approximately 75 percent of all aluminum ever produced remains in use today. The use of recycled materials in place of raw materials reduces energy consumption for manufacturers, as the remelting of steel, aluminum and other recycled products, requires less energy than those produced using extracted materials and minerals.

However, U.S. recyclers process more materials than domestic manufacturers can consume each year, so approximately one-third of all U.S. recyclables enter global commerce. Without access to export markets, many U.S. recyclables would not reach foreign manufacturers that need our products. Because many national governments do not distinguish between certain waste streams and end-of-life products processed by recyclers, our materials are not always treated as other key manufacturing inputs in trade policy discussions and negotiations.

ReMA and its membership have long supported efforts to remove trade barriers and implement policies that ensure free and fair trade in recyclable products. We urge you to prioritize the reduction of barriers to the free movement of recycled materials, which will make our supply chains more resilient, ensure the competitiveness of the recycled materials industry, and benefit the broader manufacturing economy. As industries worldwide decarbonize, foreign governments must be discouraged from invoking environmentalism or sustainability to disguise measures that disrupt the free flow of recycled materials to where they are needed most. Such shortsighted measures harm downstream manufacturing consumers worldwide, while also creating adverse climate impacts.

Import restrictions that distort the flow of recyclable products cause both environmental and economic harm. Over the last decade, many foreign governments have imposed bans on imported recycled products in an effort to eliminate the dumping of certain types of waste. Many of these bans have inadvertently prevented trade in high-value recyclable materials, reducing the circularity of products and ultimately weakening global supply chains.

Our industry has also seen a significant rise in export control measures implemented by many foreign governments, such as onerous licensing requirements, burdensome tariffs, quotas, or outright bans, which limit the global supply of recycled materials. Artificial supply constraints create price volatility, which disincentivizes investments in recycling technology by recyclers and processors. Without key investments in new technologies, recycling collection declines, which will adversely impact governments' ability to meet climate change goals.

ReMA and its members welcome this opportunity to comment and look forward to working with the USTR and other federal agencies to ensure trade negotiations, enforcement mechanisms and other trade policy initiatives result in resilient supply chains both at home and abroad.

Sincerely,

Adam Shaffer
AVP, International Trade and Global Affairs
Recycled Materials Association (ReMA)