

Congress of the United States
Washington, DC 20515

February 28, 2023

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

Re: Proposed Revisions to EU Waste Shipment Regulations Threaten American Steel Competitiveness and Impede Global Climate Ambitions

Dear Ambassador Tai:

We write to you expressing serious concerns with the European Commission's (EC) proposed revisions to the EU's Waste Shipment Regulations. Should they become law, the proposed revisions would negatively impact the global competitiveness of American steel producers through unwarranted restrictions on the trade of steel scrap. The EC's proposal also likely violates EU obligations before the Organization for Economic Cooperation and Development (OECD) and the World Trade Organization (WTO).

As you may know, the EC introduced a proposal to amend its Waste Shipment Regulations, which would restrict EU exports of steel scrap to both member and non-member countries of the OECD. While the proposal ostensibly seeks to further environmental goals, it fails to meaningfully distinguish between problematic (*e.g.*, plastics) and non-problematic (*e.g.*, steel scrap) waste. The EC proposal would also establish burdensome monitoring and reporting requirements for scrap exports. Such measures would distort global scrap markets and steel supply chains, increasing costs and reducing the supply of scrap for American steel producers.

Based on our understanding, there is no environmental rationale for the EC's proposed restrictions on steel scrap. In fact, by distorting global scrap flows, the proposal would likely lead to higher global greenhouse gas emissions. In this regard, the EC's proposal appears to be a form of protectionism for EU producers, who are 37% more carbon intensive than American producers. Further, due to the lack of a legitimate environmental justification, the EC proposal raises serious legal concerns regarding the EU's WTO and OECD commitments.

We urge USTR to engage with the EU to ensure that these onerous restrictions are not adopted. Since steel scrap is not a problematic waste, it should be excluded entirely from these measures. Alternatively, the restrictions should be lessened, a sufficient transition period adopted, and a self-certification mechanism established based on an international standard. We appreciate and thank you for your attention to this important matter.

Sincerely,



Todd Young
United States Senator



Thom Tillis
United States Senator



Joe Manchin
United States Senator