

August 31, 2026

The Honorable Gus Bilirakis
Chairman
Subcommittee on Commerce,
Manufacturing and Trade
Committee on Energy & Commerce
Washington, DC 20515

The Honorable Jan Schakowsky
Ranking Member
Subcommittee on Commerce,
Manufacturing and Trade
Committee on Energy & Commerce
Washington, DC 20515

Re: Support for ANS to H.R. 9385, the PROTECT USA Act

Dear Chairman Bilirakis and Ranking Member Schakowsky:

On behalf of manufacturers in America, the National Association of Manufacturers (“NAM”) writes in support of H.R. 9385, the Prevent Regulatory Overreach from Turning Essential Companies into Targets Act of 2026 (“PROTECT USA Act”). This legislation, introduced by Rep. Scott Fitzgerald (R-WI), seeks to shield companies that are integral to U.S. national interests from the enforcement of adverse court judgments based on the European Union’s Corporate Sustainability Due Diligence Directive (“CSDDD”).

The NAM is the voice of the manufacturing community and the leading advocate for a policy agenda that supports and empowers the 13 million people who make things in America. The NAM’s membership includes businesses of all sizes, across all industrial sectors, and in all 50 states. Manufacturers collectively contribute \$2.93 trillion to the U.S. economy—and already are subject to extensive environmental and labor regulations in the United States.

The European Union’s CSDDD would extend the EU’s environmental and labor standards deep into U.S. manufacturers’ supply chains, including business conducted within the U.S. and around the world. This would directly impact many small and medium-sized firms.

While EU lawmakers have partially scaled back the scope of this law, large U.S. companies would still be responsible for the actions of business partners throughout their supply chains—including for activities outside the EU. U.S. companies could also be exposed to lawsuits in multiple EU countries, even when their businesses have no direct nexus to Europe. A recent analysis estimates that U.S. businesses could incur between \$637 billion and \$1.093 trillion to initially comply with CSDDD requirements—followed by billions of dollars in annual recurring costs.¹

While manufacturers were pleased to see U.S. and EU negotiators make progress to reduce tariffs, more work needs to be done to address the EU’s non-tariff barriers, including CSDDD. Manufacturers commend Rep. Fitzgerald for his efforts to shield U.S. manufacturers from European regulatory overreach, but we sincerely hope that the EU will reverse course and repeal CSDDD, which threatens economic competitiveness and trade on both sides of the

¹ See Harold Furchtgott-Roth, Senior Fellow and Director, Center for the Economics of the Internet, Hudson Institute, “The EU’s December 2025 Changes to CS3D: Quantifying Costs to US Industry” (January 2026), *available at* https://s3.us-east1.amazonaws.com/media.hudson.org/012826_Furchtgott_EU_CS3D_Memo_v2+dsa+Jan+30.pdf

Atlantic. The NAM encourages the Trump Administration to continue to push for a full exemption for U.S. companies from the costly requirements of CSDDD. The United States currently exempts European companies that trade shares on American stock exchanges and qualify as foreign private issuers from many of the disclosure and accounting requirements that apply to U.S.-based companies. The EU should provide similar relief to U.S. companies that sell products to Europe.

If the EU does not agree to roll back CSDDD or exempt U.S.-based companies (or business activities in the United States) from this directive, manufacturers believe that Congress should act to shield U.S. companies from foreign court judgments obtained by European regulators, labor unions, and non-governmental organizations. The PROTECT USA Act would provide such protection, while also allowing U.S. companies to respond to informational requests from investors or European business partners that are subject to CSDDD. There will be some U.S. companies with significant operations in Europe that may have no choice but to comply with CSDDD, so manufacturers welcome the bill's streamlined approval process for hardship exemptions.

America's manufacturers respectfully encourage the Committee to pass the ANS to H.R. 9385, which hopefully will help persuade the EU to exempt U.S. companies from this costly mandate. The NAM looks forward to working with lawmakers to pass this bill and other legislation to reduce costly compliance burdens on U.S. manufacturers—advancing a more prosperous, secure, and economically strong America..

Sincerely,



C. Edward Allen
Senior Director, Corporate Finance Policy



Jake Kuhns
Vice President, Domestic Policy

cc:
Rep. Fitzgerald
Chairman Guthrie
Ranking Member Pallone