

Publications

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CBP Guidance Regarding Section 232 Dutiable Metal Content Valuation

Key Takeaways:

- **CBP has informally outlined its position on how importers should calculate Section 232 duties for derivative goods made of steel, aluminum and copper.**
- **Importers should prepare to document and support their metal content valuations.** CBP is issuing notices that reflect this approach, despite the lack of formal guidance.

The U.S. Customs and Border Protection (CBP) Base Metals Center of Excellence and Expertise (CEE) has provided oral guidance to customs brokerages and the trade community regarding its interpretation of how importers must value and calculate base metals in derivative products subject to Section 232 duties.

The specific guidance varies slightly depending on the base metal at issue (*i.e.*, steel, aluminum, copper or its alloys), but CBP has informally directed importers to calculate base metal values in the Section 232 derivative tariff regimes as follows:

- For goods, including derivatives, manufactured entirely of a subject metal, the entire entered value will be subject to Section 232 duties.
- For mixed material goods, the Section 232 duties should be applied to the full entered value of the good minus the cost of materials other than those in the applicable Section 232 duty regime (*e.g.*, for steel derivatives, Section 232 duties are owed on the full entered value minus the cost of non-steel components).
- Costs related to fabrication, machining, labor, coating, surface treatments and all other production-related processes cannot be deducted, even for mixed material products. Subtractions are only allowed for the cost of a separate, non-covered part or component of a mixed material derivative good.
- Costs attributable to both metal and non-metal components of a mixed material good should be apportioned between the content subject to the Section 232 duty and the content not subject to duty.
- If the metal content of a derivative product cannot be determined, the Section 232 duty will be assessed on the total entered value of the product.
- Importers must be able to provide documentation sufficient to support the importer's

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claimed base metal content and value if requested by CBP.

Background

In 2025, President Trump signed Proclamations 10895 and 10896, imposing Section 232 tariffs on steel and aluminum derivative products and Proclamation 10962 imposing Section 232 tariffs on copper, alloy and derivative products. The proclamations, as amended, and subsequent Department of Commerce Bureau of Industry and Security (BIS) notices, specify that the Section 232 tariffs on derivative products will be assessed only on the metal content in those goods but did not provide instructions to importers on how to calculate the value of the metal content subject to the tariffs.

Base Metal-Specific Guidance

The calculation and valuation of steel, aluminum and copper/alloy and their derivative products depends on the classification of the imported good and whether the good is made wholly of the base metal or is of mixed material content.

In addition to the general guidelines outlined above, the Base Metals CEE provided guidance specific to each of the base metal products subject to Section 232 duties.

- **Steel and Steel Derivative Articles:**
 - Articles of Chapter 72: Treated as 100% steel and the Section 232 duty is assessed on the full entered value of the article.
 - Wholly steel articles of Chapter 73 and other chapters: Section 232 duty is assessed on the full entered value of the article.
 - Mixed material (steel and non-steel) articles: Section 232 duty is assessed on the steel content value of the article.
- **Aluminum and Aluminum Derivative Articles:**
 - Articles of Chapter 76 and wholly aluminum articles of other chapters: Section 232 duty is assessed on the full entered value of the article.
 - Mixed material (aluminum and non-aluminum) articles: Section 232 duty is assessed only on the aluminum content of the article.
- **Copper, Alloy (e.g., Brass) and Derivative Articles:** Products of copper and its alloys are not broken down by chemistry to calculate a copper-only value; the value of alloying elements is not deducted.
 - Articles of Chapter 74 and products of other chapters made wholly of copper and its alloys: Section 232 duty is assessed on the full entered value of the article.
 - Mixed material (copper/alloy and non-copper/alloy) articles: Section 232 duty is assessed on the copper/alloy content only.

For all of the above Section 232 tariff regimes, the base metal content of a mixed material good subject to the Section 232 derivative tariffs is calculated by subtracting the cost of the non-base metal components (*i.e.*, non-steel, aluminum, copper/alloy) from the full entered value of the good. Manufacturing, labor and surface treatments are not deductible when determining the content value for Section 232 duties, even for mixed material goods; subtractions are only allowed for the cost of separate, non-base metal parts or components of the imported article.

The above interpretations have been informally shared by the CBP Base Metals CEE to the trading community, and CBP has also issued CF-28s and CF-29s to certain importers that generally reflect the above interpretation. However, importers' application of the guidance above is necessarily business- and product-specific, and CBP has not issued formal written guidance.

If your business needs strategic legal guidance or anticipates potential impacts resulting from the above interpretations and guidance, contact Deanna Okun, Lydia Pardini, Polsinelli's Executive Action Working Group or your Polsinelli contact.