

Publications

February 11, 2025 • Updates

Expanded Section 232 Tariffs on U.S. Imports of Steel and Aluminum Articles

Update (as of March 3): The *Federal Register* notices implementing the President's February 10 Proclamations through modifications to the Harmonized Tariff Schedule of the United States (HTSUS) for imports of steel and aluminum are now available, setting for the Chapter 99 classifications to be used for items subject to the revised and expanded duties.

UPDATE (as of 11:30 a.m. ET, February 14): The *Federal Register* notices for the steel and aluminum proclamations are now available, including the initial list of covered derivative products. The new lists go well beyond the products addressed in the 2020 Section 232 derivative actions impacting nails, wires and some auto parts. Section 232 duties will now be collected on imports of:

- certain items classifiable under Chapter 66;
- a variety of articles of iron and steel classified under Chapter 73 of the Harmonized Tariff Schedule of the United States (HTSUS);
- a variety of aluminum structures classified under Chapter 76 of the HTSUS, including window frames, ladders, and venetian blinds;
- certain metal mountings, fittings, and fasteners under headings 8302 and 8305, HTSUS;
- certain vacuum pumps, air conditioning machines, and refrigerators under headings 8414, 8415, and 8418, HTSUS;
- certain machinery, plant, or laboratory equipment under heading 8419, HTSUS;
- certain machinery parts under headings 8431 and 8432, HTSUS;
- certain insulating fittings for electrical machines, appliances or equipment under 8547.90.00, HTSUS;
- certain motor vehicle parts and accessories under 8708, HTSUS;
- various items classifiable under Chapter 90;
- certain articles classifiable under Chapter 94, including certain metal light fixtures and furniture;
- certain prefabricated building structures classifiable under heading 9406, HTSUS;
- a variety of articles for sports, gymnastics, swimming pools and accessories thereof under 9506, HTSUS; and

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- certain fishing reels and parts thereof classifiable under 9507, HTSUS; and
- various items classifiable under Chapter 96.

Section 232 duties will be collected on the value of articles classified under Chapter 73 (for steel) or Chapter 76 (for aluminum), or on the value of the steel or aluminum content in derivatives classified outside of Chapters 73 and 76, imported on or after March 12, 2025, as set forth in the original proclamations. Commerce is directed to publish Federal Register notices implementing changes to the HTSUS as needed for administrability of these actions.

On February 10, 2025, President Trump signed proclamations expanding the existing 25% tariffs on steel articles and increasing the tariffs on aluminum imports from 10% to 25% under Section 232 of the Trade Expansion Act of 1962, as amended (Section 232). The proclamation revokes all current alternative arrangements under the Section 232 regime and reimposes tariffs on imports of steel and aluminum articles from all countries, including Canada, Mexico and the European Union (EU), effective March 12, 2025. In addition, the proclamations immediately terminate the product-specific exclusion process set forth in the prior actions.

If your business may be impacted by these actions, please reach out to Deanna Okun or Lydia Pardini.

The February 10 proclamation generally takes effect March 12, 2025, with some immediate interim impacts:

- Aluminum Duties Increase: The proclamation directs an **increase in aluminum import tariffs to 25%** for all U.S. imports as of 12:01 ET on March 12, 2025.
- Alternative Arrangements Revoked: The proclamation **revokes the alternative arrangements, including absolute quotas, tariff rate quotas and country exemptions**, made with respect to countries and regions including Argentina, Australia, Brazil, Canada, Mexico, the EU, the United Kingdom, Japan and Korea for all U.S. imports as of 12:01 ET on March 12, 2025. As of that date, imports of steel articles from all countries will be subject to the Section 232 tariffs that were imposed during President Trump's first term.
- No Exclusions: **The Section 232 product-specific exclusion process is terminated, effective immediately (11:59 PM ET on February 10, 2025), with the portal currently deactivated.** Commerce is directed not to consider or grant any exclusion requests as of February 11, 2025. However, **granted product exclusions will remain effective until their expiration date or until excluded product volume is imported, whichever occurs first.** Commerce is directed to terminate all existing general approved exclusions (GAEs) as of March 12, 2025.
- Subject Products: **As of March 12, 2025, certain derivative steel and aluminum products (not yet defined) will become subject to Section 232 tariffs** in addition to upstream steel and aluminum products covered in the original proclamations implementing the Section 232 tariffs. The lists of the derivative products will be published in the *Federal Register* and are not yet available, so the scope as it relates to prior actions on steel and aluminum derivatives is unclear. **Derivative products produced with steel melted and poured in the United States or aluminum extruded in the United States will not be subject to the expanded Section 232 tariffs**, and for all other derivative products, the new tariffs will be assessed on the value of the underlying steel.
- Inclusion Process: Within 90 days after the date of the proclamation (*i.e.*, no later than mid-May 2025), **Commerce is directed to establish a process for including**

additional derivative steel products within the scope of the Section 232

tariffs. When Commerce receives a request from a domestic producer/industry association, Commerce is directed to determine whether to include the derivative products within the scope of the Section 232 tariffs within 60 days of receiving the request.

- CBP's Enhanced Oversight: The proclamation **directs U.S. Customs and Border Protection (CBP) to enhance oversight to prevent tariff evasion through the misclassification** of steel products. Should CBP discover misclassification resulting in non-payment, **CBP is directed to assess monetary penalties in the maximum amount permitted by law and to not consider any evidence of mitigating factors.**
- No Drawback: **No drawback will be available** with respect to the expanded Section 232 tariffs.
- FTZ: For steel and aluminum articles or derivative articles that are admitted into a U.S. foreign trade zone (FTZ) on or after 12:01 AM ET on March 12, 2025, those products must be admitted in either domestic status or privileged foreign status, and articles that were admitted into a U.S. FTZ under privileged foreign status prior to, on, or after 12:01 AM ET on March 12, 2025, will be subject to the Section 232 tariffs imposed under this February 10 proclamation upon entry for consumption.

The White House Fact Sheet accompanying the proclamation highlighted that the expanded Section 232 action is to protect and restore fairness for the U.S. critical steel and aluminum industries harmed by unfair trade practices and global excess capacity. According to the Fact Sheet, the expanded Section 232 action is designed to eliminate loopholes that facilitated circumvention and diminished the effectiveness of the original Section 232 actions under previous proclamations.

The Polsinelli International Trade team will be posting updates on this action as more information becomes available. In the meantime, if you have any questions or need assistance, contact a member of the Polsinelli International Trade team.