

# Publications

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## New National Security Probes on Imports of Polysilicon and Drones

### Key Takeaways

- The U.S. Department of Commerce has launched national security investigations into imports of polysilicon and drones under Section 232 of the Trade Expansion Act.
- The investigations aim to assess the risks posed by foreign supply chains, unfair trade practices, and import concentration, while exploring the feasibility of strengthening domestic production.
- These probes add to a growing list of Section 232 actions under President Trump, who has already imposed or proposed high tariffs on steel, aluminum, autos, copper, and pharmaceuticals.

On July 1, 2025, the Secretary of Commerce (Secretary) initiated investigations under Section 232 of the Trade Expansion Act of 1962 (Section 232) regarding (1) imports of polysilicon and its derivatives (collectively, polysilicon) and (2) unmanned aircraft systems (UAS) and their parts and components (collectively, drones). Section 232 investigations are undertaken to determine whether imports of certain goods threaten U.S. national security.

The Secretary is requesting public comments as well as submissions of other data, analyses or other information pertinent to the investigation. Information and argument provided should aid the government's assessment of the factors set forth in 19 U.S.C. § 1862(d) such as domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, and the availability of the resources essential to the national defense.

In addition to these statutory factors, Commerce will evaluate the criteria listed in 15 C.F.R. § 705.4 as they affect national security and are soliciting information and arguments from the public to do so. For the investigation on polysilicon imports, such criteria include the following ten factors:

1. The current and projected demand for polysilicon and its derivatives in the United States;
2. The extent to which domestic production of polysilicon and its derivatives can meet domestic demand;

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### Related Capabilities

- Trade Law Remedies
- International Trade
- Customs
- International
- Export Controls, Economic Sanctions & Compliance
- Executive Orders

3. The role of foreign supply chains, particularly of major exporters, in meeting United States demand for polysilicon and its derivatives;
4. The concentration of U.S. imports of polysilicon and its derivatives from a small number of suppliers and the associated risks;
5. The impact of foreign government subsidies and predatory trade practices on the competitiveness of the polysilicon and its derivatives, in the United States;
6. The economic impact of artificially suppressed prices of polysilicon and its derivatives due to foreign unfair trade practices and state-sponsored overproduction;
7. The potential for export restrictions by foreign nations, including the ability of foreign nations to weaponize their control over supplies of polysilicon and its derivatives;
8. The feasibility of increasing domestic capacity for polysilicon and its derivatives to reduce import reliance;
9. The impact of current trade policies on domestic production of polysilicon and its derivatives, and whether additional measures, including tariffs or quotas, are necessary to protect national security; and
10. Any other relevant factors.

For the investigation on drone imports, such criteria include the following 11 factors:

1. The current and projected demand for unmanned aircraft systems (UAS) and their parts and components in the United States;
2. The extent to which domestic production of UAS and their parts and components can meet domestic demand;
3. The role of foreign supply chains, particularly of major exporters, in meeting United States demand for UAS and their parts and components;
4. The concentration of U.S. imports of UAS and their parts and components from a small number of suppliers or foreign nations and the associated risks;
5. The impact of foreign government subsidies and predatory trade practices on the competitiveness of the UAS and their parts and components industry, in the United States;
6. The economic impact of artificially suppressed prices of UAS and their parts and components due to foreign unfair trade practices and state-sponsored overproduction;
7. The potential for foreign nations and companies to weaponize their control over supplies of UAS and their parts and components;
8. The potential for foreign nations and companies to weaponize the capabilities or attributes of foreign-built UAS systems and their parts or components;
9. The feasibility of increasing domestic capacity for UAS and their parts and components to reduce import reliance;
10. The impact of current trade policies on domestic production of UAS and their parts and components, and whether additional measures, including tariffs or quotas, are necessary to protect national security; and
11. Any other relevant factors.

Section 232 requires the Secretary of Commerce to complete an investigation and submit a report to the President within 270 days of initiating any investigation; the President then has up to 90 days to decide whether to concur with the report and take action. Action may include import tariffs, quotas or other measures as needed to address the threat.

With these new investigations, President Trump has initiated a total of nine Section 232 investigations this year. Currently, there are Section 232 tariffs on three groups of products: steel and aluminum, which President Trump increased from 25 to 50 percent on June 3, and on automobiles and certain auto parts, which took effect on April 3 and May 3, respectively, at 25 percent. In addition to these products, President Trump has recently indicated plans to impose a 50 percent tariff on copper and a 200 percent tariff on

pharmaceuticals.

If your business needs strategic guidance or anticipates potential impacts resulting from these announcements, contact Deanna Okun, Lydia Pardini, Polsinelli's Executive Action Working Group or your Polsinelli contact.