Blogs

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The New Administration Reinstates and Expands Steel and Aluminum Tariffs



On February 10 and 11, 2025, the new administration issued two presidential proclamations—<u>Adjusting Imports of Steel into The United States</u> and <u>Adjusting Imports of Aluminum into The United States</u>—that fully reinstated and further expanded the tariffs that he had imposed pursuant to Section 232 of the Trade Expansion Act of 1964, as amended (19 U.S.C. § 1862), during his first term in office. These modifications are due to take effect on March 12, 2025.

The new administration first imposed tariffs of 25% on articles of steel and 10% on articles of aluminum on March 18, 2018. Two years later, on January 24, 2020, he extended these tariffs to cover certain "derivative" articles made from steel and aluminum, including:

- Steel nails, tacks, drawing pins, corrugated nails, and staples;
- Aluminum stranded wire, cables, and plaited bands; and
- Steel and aluminum bumper and body stampings for motor vehicles (including tractors).

These Section 232 tariffs were subject to an exclusion process, whereby importers could apply for relief from the tariffs for articles not produced in the United States in a sufficient and reasonably available amount or a satisfactory quality.

In various proclamations issued after March 18, 2018, Presidents Trump and Biden modified the reach of the Section 232 duties on primary and derivative articles of steel and aluminum, including exempting some or all imports of such articles from Argentina, Australia, Brazil, Canada, Japan, Mexico, South Korea, Ukraine, the United Kingdom, and the European Union from the tariffs in exchange for alternate commitments designed to limit imports from these jurisdictions.

The new administration's new proclamations do four things:

First, they reimpose the tariffs on primary and derivative steel and aluminum articles on the jurisdictions listed above, bringing them back into conformity with imports of such articles from the rest of the world.

Second, they raise the tariff for primary and derivative aluminum articles from 10% to 25%.

Third, they extend the tariffs to additional derivative articles of steel and aluminum (though the initial list of such additional derivative articles has yet to be made public) and instruct the Secretary of Commerce to create a mechanism whereby domestic producers of derivative articles of steel and aluminum can petition for their inclusion in the tariffs.

Fourth, they terminate any existing general exclusions (i.e., exclusions applicable to all imports of a particular type of article)[1] to the Section 232 tariffs and eliminate the exclusion application process.

[1] Specific exclusions granted to individual importers shall remain in effect until they expire pursuant to their terms.

Authors

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