



SECTION 232 DUTIES ON STEEL AND ALUMINUM DERIVATIVE PRODUCTS JANUARY 25, 2020

Late in the evening on Friday January 24, President Trump [issued](#) a Presidential Proclamation imposing Section 232 steel (25%) and aluminum (10%) duties on “derivative” products, effective February 8, 2020. The annexes with the particular merchandise subject to these new Section 232 duties have not been released. The Proclamation mentions steel nails, tacks, drawing pins, corrugated nails, and staples, aluminum stranded wire, cables, plaited bands, and aluminum and steel bumper or body stampings for motor vehicles and tractors. These expanded duties will apply to goods from all countries except Argentina, Australia, Brazil (steel), Canada, Mexico, and South Korea (steel) and are in addition to any applicable antidumping or countervailing duties.

Under Section 232 (19 U.S.C. § 1862), the President is required to act within ninety (90) days after receiving a Section 232 investigation report from the Secretary of Commerce. For the Section 232 steel and aluminum duties, that date was March 8, 2018. There is an ongoing dispute between the Court of International Trade and the Department of Justice on the President’s authority to make modifications to Section 232 duties after this ninety (90) day period. On November 15, 2019, a three-judge panel of the Court of International Trade [ruled](#) that modifications to Section 232 duties outside the Section 232’s statutory timelines violated the terms of the statute. However, on January 17, 2020, the Office of Legal Counsel [determined](#) that the President maintains the ongoing authority to modify Section 232 duties outside the statutory timelines. Expect litigation on these expanded Section 232 duties prior to February 8, 2020, which could delay implementation.

For FTZ clients, derivative merchandise subject to the expanded Section 232 steel and aluminum duties must be admitted in Privileged-Foreign (PF) status. The merchandise will be subject to the additional duties upon entry for consumption. Merchandise will not be subject to these additional duties merely by reason of manufacture in an FTZ.

Derivative products will be eligible for product exclusions and clients should begin preparing information to submit product exclusion requests.

Please contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [Ryan Thornton](#) with questions or for assistance.

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