



SECTION 232 STEEL AND ALUMINUM TARIFF INCREASES (February 11, 2025)

On February 10, 2025, President Trump issued two (2) Presidential Proclamations which impose, pursuant to Section 232 of the Trade Expansion Act of 1962, 25% additional tariffs on steel and aluminum products of all countries, effective March 12, 2025. The Section 232 Proclamations eliminate existing Section 232 country exemptions, product exclusions, and absolute and tariff-rate quota arrangements that were previously negotiated with certain countries, and increase the scope of covered steel and aluminum products subject to the additional tariffs. The tariffs are in addition to other tariffs including regular Normal Trade Relations (NTR) duties, China Section 301 tariffs, the IEEPA tariffs announced last week, antidumping and countervailing duties (AD/CVD), etc. Unfortunately, the Annexes which list the additional derivative “downstream” steel and aluminum products that will be covered have not yet been published. We will provide an update when Annexes with “downstream” products are available.

Specifically, President Trump issued Presidential Proclamations on Section 232 [steel](#) and [aluminum](#) from all countries. The White House [Fact Sheet](#) cites “reinvigorated” Section 232 steel and aluminum tariffs to increase domestic steel and aluminum industries capacity utilization to at least 80% and address unfair trade practices, global dumping and national security concerns. The Proclamations provide:

- **Termination of Section 232 Steel Country Exemptions, Absolute Quotas and Tariff-Rate Quotas for Argentina, Australia, Brazil, Canada, E.U. Countries, Japan, Mexico, South Korea, U.K., and Ukraine.** Effective March 12, 2025, all imports of steel and derivative steel articles from Argentina, Australia, Brazil, Canada, EU countries, Japan, Mexico, South Korea, the United Kingdom and Ukraine will be subject to the Section 232 25% additional tariffs. The measure eliminates the Section 232 exemptions for these countries, including absolute quotas and tariff-rate quotas (TRQs). In short, the Section 232 steel tariffs will apply to all countries.
- **Termination of Section 232 Country Aluminum Exemptions, Absolute Quotas and Tariff-Rate Quotas for Argentina, Australia, Canada, E.U. Countries, Mexico, and U.K.** Effective March 12, 2025, all imports of aluminum and derivative aluminum articles from Argentina, Australia, Canada, EU countries, Mexico, and the United Kingdom will be subject to increased Section 232 25% additional tariffs. The measure eliminates the Section 232 exemptions for these countries, including absolute quotas and tariff-rate quotas (TRQs), and increases the Section 232 aluminum tariffs rates from 10% to 25%.
- **March 12, 2025 Effective Date.** The effective date for the 25% additional tariffs is 12:01 a.m. Eastern Time (ET) March 12, 2025. It is possible that countries may negotiate alternative arrangements with the Trump Administration in the interim.
 - The additional derivative steel and aluminum articles classified outside HTSUS Chapters 73 and 76 ([see](#) below discussion) may not be subject to the additional tariffs on March 12. The Proclamations provide that Commerce must certify that Government systems are in place to process and collect tariff revenue before the additional tariffs go into effect for these articles.
- **Expansion of Derivative Steel Scope, with U.S. Melt and Pour Exception.** The steel Proclamation states that effective March 12, 2025 it will apply to “additional

downstream” derivative steel articles which are not included in the existing derivative steel scope. The Annexes referenced in the Proclamation are not yet available, but the steel Proclamation mentions fabricated structural steel and prestressed concrete strand as examples and some covered HTSUS provisions are not in HTSUS Chapter 73. For derivative steel articles classified outside HTSUS Chapter 73, the Proclamation provides that “the additional ad valorem duty shall apply only to the steel content of the derivative steel article.” This methodology mirrors a similar approach for some antidumping/countervailing duty merchandise.

- **Expansion of Derivative Aluminum Scope, with U.S. Smelt and Cast Exception.** The aluminum Proclamations state that effective March 12, 2025 it will apply to “additional downstream” derivative aluminum articles which are not included in the existing derivative aluminum scope. The Annexes referenced in the Proclamation are not yet available, but some HTS provisions are not in HTSUS Chapter 76. For derivative aluminum articles classified outside HTSUS Chapter 76, the Proclamation provides that “the additional ad valorem duty shall apply only to the aluminum content of the derivative article.”
 - **Russia Aluminum.** Derivative aluminum articles that are the product of Russia or “where any amount of primary aluminum used in the manufacture of the derivative aluminum articles is smelted in Russia, or the derivative aluminum articles are cast in Russia,” shall be subject to the 200% *ad valorem* duty rate provided in Proclamation 10522.
- **Elimination of Section 232 Product Exclusions.** The steel and aluminum Proclamations eliminate the Section 232 product exclusion process “effective immediately” on February 10, 2025. Accordingly, no new Section 232 steel or aluminum product exclusion requests may be submitted, and Commerce has indicated that pending Section 232 Exclusion Requests should be assumed void pending their rejection and/or denial by Commerce.
 - **Impact on Existing Section 232 Product Exclusions.** The Proclamations provide that “[g]ranted product exclusions shall remain effective until their expiration date or until excluded product volume is imported, whichever occurs first.”
 - **General Approved Exclusions.** All Section 232 steel and aluminum general approved exclusions will be terminated as of March 12, 2025. There will be a separate [Federal Register](#) notice to this effect.
- **Possible Additional Scope Expansion.** The Proclamations provide Commerce within 90 days to establish a process for U.S. trade associations and producers to request additional derivative steel and aluminum articles to be included.
- **HTSUS Chapter 98.** The Proclamations do not explicitly mention existing HTSUS Chapter 98 exemptions.
- **Additional Tariffs.** These Section 232 tariffs are in addition to NTR duties, any Section 301, IEEPA tariffs, and antidumping/countervailing duties (AD/CVD), etc.
- **Customs HTS Enforcement and Maximum Penalties.** The steel and aluminum Proclamations provide unprecedented language requiring CBP to “prioritize reviews” of the HTSUS classification of imported steel and aluminum articles and derivative steel and aluminum articles and if misclassifications result in revenue loss, CBP “shall assess monetary penalties in the maximum amount permitted by law.” The steel Proclamation also states CBP “shall not consider any evidence of mitigating factors in its determination.”
 - The Proclamations require CBP to notify the Secretary of evidence of any efforts to evade payment of Section 232 duties “through processing or alteration” of steel and aluminum articles or derivative articles prior to importation. In such circumstances, the Secretary shall consider expanding the scope of covered products to include processed or altered steel or aluminum articles.
- **No Duty Drawback.** The Proclamations provide that Section 232 tariffs are still ineligible for duty drawback. Use of FTZs for exports is not restricted.

- **FTZ Privileged Foreign Status Admission Requirement.** Privileged Foreign (“PF”) status is required on all steel and aluminum products and derivative steel and aluminum products admitted into FTZ effective on the date additional duties are imposed.
 - The PF status requirement eliminates FTZ Board tariff-inversion benefits for such goods used in FTZ Board-authorized FTZ production, except for any FTZ scrap benefits.
- **PF Status On-Hand Inventory.** The steel Proclamation provides that steel and derivative steel articles admitted in PF status, “prior to 12:01 a.m. eastern daylight time on March 12, 2025 , will likewise be subject upon entry for consumption to any ad valorem rates of duty related to the classification under the applicable HTSUS subheading added by this proclamation.” PF-status aluminum articles should be treated similarly.
- **Clarifications.** Expect additional clarification once Federal Register notices and CBP CSMS administrative messages are issued.

Separately, President Trump has [indicated](#) that he will announce reciprocal tariffs on products from foreign countries in the next 2 days.

Contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [David Ostheimer](#) with questions.

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