

---

# *Trump Increases Tariffs on Steel and Aluminum*

FEBRUARY 14, 2025

By [David Ross](#), [Jeffrey I. Kessler](#), [Lauren Mandell](#), [Neena Shenai](#) and [Lindsey A. Ricchi](#)

President Donald Trump issued two presidential proclamations on Monday, February 10, 2025, that make significant changes to the tariffs on steel (25%) and aluminum (10%) that the president initially imposed in his first term pursuant to Section 232 of the Trade Expansion Act of 1962 (Section 232).<sup>i</sup> The revised measures, which are slated to become effective on March 12, 2025, eliminate country exemptions and product exclusions; expand the tariffs to include certain downstream products; establish new processes to include additional downstream products; direct US Customs and Border Protection (CBP) to prioritize enforcement; and, in the case of aluminum, increase the existing tariff rate from 10% to 25%. In short, the proclamations significantly expand the scope of the prior steel and aluminum tariffs, and they remove flexibilities that the first Trump and Biden Administrations had built into them.

## **1. Elimination of Country Exemptions**

The original Section 232 measures imposed tariffs on steel and aluminum imports generally, regardless of country of origin.<sup>ii</sup> The Trump Administration later subjected derivative products (i.e., products made with steel and aluminum) to the tariffs as well. Over time, however, the Trump and Biden Administrations negotiated country-specific exemptions and tariff-rate quotas (TRQs) in return for various commitments, such as limits on export volumes.<sup>iii</sup> In addition, the Trump Administration established a product exclusion process, discussed below, which the Biden Administration maintained.

According to the US Department of Commerce's International Trade Administration's (ITA) US Steel Import Monitor, six of the countries covered by exemptions—Canada, Mexico, South Korea, Japan, Germany and the Netherlands—were among the top 10 exporters of steel to the United States in 2024, collectively accounting for approximately 55% of total US imports of steel products. Table 1 shows in greater detail the quantities of exports in metric tons (MT) to the United States by countries that had previously been subject to some form of exemption:

Country	Exemption Type	Quantity Imports 2022 (MT)	Quantity Imports 2023 (MT)	Quantity Imports 2024 (MT)	% of Total Imports for 2024
Argentina <sup>iv</sup>	Exemption; quantitative limitation	81,024.94	168,459.95	133,847.13	0.51%
Australia <sup>v</sup>	Exemption	273,806.89	306,457.33	242,166.06	0.92%
Brazil <sup>vi</sup>	Exemption; quantitative limitation (limits reduced in subsequent proclamation)	2,330,533.58	3,576,001.59	4,080,695.07	15.57%
Canada <sup>vii</sup>	Exemption	6,224,986.62	6,248,392.85	5,951,920.08	22.70%
European Union <sup>viii</sup>	TRQ	4,005,025.64	3,635,373.31	3,892,632.40	14.85%
Japan <sup>ix</sup>	TRQ	1,143,696.85	1,078,221.59	1,070,666.31	4.08%
Mexico <sup>x</sup>	Exemption (melt and pour requirements later imposed)	4,813,539.46	3,799,057.44	3,194,747.03	12.19%
South Korea <sup>xi</sup>	Exemption under quota	2,555,254.22	2,392,320.10	2,548,019.60	9.72%
Ukraine <sup>xii</sup>	Suspension (extended)	132,130.30	114,770.28	124,093.85	0.47%
United Kingdom <sup>xiii</sup>	TRQ	265,967.26	203,587.09	240,395.07	0.92%

Table 1: Source, US Department of Commerce International Trade Administration, US Steel Import Monitor.

In the case of aluminum, the ITA US Aluminum Import Monitor shows that four of the top 10 exporters of aluminum to the United States in 2024 were covered by exemptions: Argentina, Australia, Canada and Mexico. In 2024, these four countries accounted for approximately 64% of total US imports of aluminum products. Canada was by far the largest exporter. Table 2 shows in greater detail the quantities of exports to the United States by countries that had previously been subject to some form of exemption:

Country	Exemption Type	Quantity Imports 2022 (MT)	Quantity Imports 2023 (MT)	Quantity Imports 2024 (MT)	% of Total Imports for 2024
Argentina <sup>xiv</sup>	Exemption; quantitative limitation	171,078.2	159,249.6	176,165.5	3.24%
Australia <sup>xv</sup>	Exemption	207,712.0	210,194.7	82,801.3	1.52%
Canada <sup>xvi</sup>	Exemption (periodic tariffs imposed on specific products)	3,011,424.7	3,076,921.6	3,153,058.8	58.07%
European Union <sup>xvii</sup>	TRQ	283,010.0	238,166.5	257,761.4	4.75%
Mexico <sup>xviii</sup>	Exemption (smelt and cast requirements later imposed)	114,127.2	104,905.1	81,484.9	1.50%
United Kingdom <sup>xix</sup>	TRQ	25,018.6	16,292.4	21,941.6	0.40%

Table 2: Source, US Department of Commerce International Trade Administration, US Aluminum Import Monitor.

The proclamations end, effective immediately, all exemptions and TRQs with these and other trading partners, ensuring global application of the tariffs.

**2. Elimination of Product Exclusions**

The original Section 232 measures authorized the Secretary of Commerce to exclude a steel or aluminum article from the tariffs upon a determination that the article lacked “sufficient U.S. production capacity of comparable products,” or for “specific national security-based considerations.”<sup>xx</sup> The Commerce Department’s Bureau of Industry and Security subsequently established a process for affected parties to request exclusions, and it has granted nearly half a million exclusions to date.<sup>xxi</sup> The proclamations remove the Secretary’s authority to issue such exclusions, effective immediately. Although the revised measures permit existing exclusions to expire upon their existing timeline (or until existing quotas have been fulfilled, whichever occurs first), they prohibit new exclusions and direct the Secretary to take all necessary actions to eliminate the respective exclusion processes.

### **3. Other Notable Aspects of the Revised Measures**

Application of Duties to Additional Derivative Products: The proclamations assert that foreign producers of steel and aluminum have been able to evade the tariffs by processing covered articles into downstream “derivative” products that are outside the scope of the original measures. Consequently, the proclamations adjust the tariffs to apply to additional derivative products, as set out in each proclamation’s Annex I. The tariffs will not apply to such products, however, if they are processed in another country from steel or aluminum articles that were melted and poured (in the case of steel) or smelted and cast (in the case of aluminum) in the United States.

In the case of a derivative product identified in Annex I that is not itself a steel or aluminum product,<sup>xxii</sup> the additional duty will apply only to the steel or aluminum content of the product. To facilitate the administration of this rule, the proclamations require importers of steel and aluminum derivative products to provide CBP with “any information necessary” to identify the steel or aluminum content used in the manufacture of the product in question. The proclamation directs CBP to publish regulations or guidance implementing this requirement as soon as practicable.

Establishment of a “Product Inclusion” Process: The proclamations direct the Secretary to establish a process to include additional derivative steel and aluminum products within the scope of the measures. The process will enable producers and industry associations to request the inclusion of such products where the request establishes that imports of the product in question have increased in such a manner as to threaten to impair the national security or otherwise undermine the relevant Section 232 action. The Secretary must issue a determination regarding such requests within 60 days of receipt.

Crackdown on misclassification and duty evasion schemes: The proclamations direct CBP to “prioritize” reviews of the classification of imported steel and aluminum articles and derivatives and, if CBP discovers misclassification resulting in nonpayment of tariffs, to assess monetary penalties “in the maximum amount permitted by law and . . . not consider any evidence of mitigating factors in its determination.” Notably, the aluminum proclamation omits the language regarding consideration of mitigating factors. In practice, this direction to CBP means that if a company

imported a product under an HTS classification that did not implicate the Section 232 steel or aluminum duties, and CBP later determined that the classification was incorrect and that Section 232 duties should have been paid, the company would be at risk of facing maximum applicable penalties. 19 U.S.C. § 1484 provides a “safe harbor”—i.e., no penalties—for entries made under classifications determined with “reasonable care.” Nevertheless, the language of the Section 232 steel proclamation prohibiting consideration of “mitigating factors” calls into question how CBP will ultimately enforce these measures.

Ineligibility for Duty Drawback: Duties imposed pursuant to the proclamations will not be eligible for duty drawback, consistent with the original measures.<sup>xxiii</sup>

#### **4. Reactions From US Trading Partners**

When President Trump imposed the original Section 232 measures, US trading partners responded by imposing countermeasures of their own targeting US exports. The European Union, for example, imposed retaliatory tariffs on iconic products such as Harley-Davidson motorcycles and Kentucky bourbon,<sup>xxiv</sup> while Canada similarly imposed retaliatory surtaxes on US products.<sup>xxv</sup> The same countries are already vowing to respond to the expanded tariffs with a new set of countermeasures. For example, President of the European Commission Ursula von der Leyen stated that “unjustified tariffs will not go unanswered—they will trigger firm and proportionate countermeasures.”<sup>xxvi</sup> Prime Minister Justin Trudeau of Canada stated that Canada will give a “firm and clear” response.<sup>xxvii</sup>

\* \* \*

The Trump Administration is moving quickly to disrupt the status quo in international trade—in some cases moving into uncharted legal territory.

WilmerHale continues to monitor these developments closely and is prepared to advise clients on how to respond to these latest developments.

---

## Contributors



**David J. Ross**  
PARTNER

[david.ross@wilmerhale.com](mailto:david.ross@wilmerhale.com)

+1 202 663 6515



**Jeffrey I. Kessler**  
PARTNER

[jeffrey.kessler@wilmerhale.com](mailto:jeffrey.kessler@wilmerhale.com)

+1 202 663 6612



**Lauren Mandell**  
PARTNER

[lauren.mandell@wilmerhale.com](mailto:lauren.mandell@wilmerhale.com)

+1 202 663 6212



**Neena Shenai**  
PARTNER

[neena.shenai@wilmerhale.com](mailto:neena.shenai@wilmerhale.com)

+1 202 663 6316



**Lindsey A. Ricchi**  
SENIOR ASSOCIATE

[lindsey.ricchi@wilmerhale.com](mailto:lindsey.ricchi@wilmerhale.com)

+1 202 663 6883

---

<sup>i</sup> Proclamation, “Adjusting Imports of Steel Into the United States” (Feb. 10 2025), <https://www.whitehouse.gov/presidential-actions/2025/02/adjusting-imports-of-steel-into-the-united-states/>; Proclamation, “Adjusting Imports of Aluminum Into the United States” (Feb. 10, 2025), <https://www.whitehouse.gov/presidential-actions/2025/02/adjusting-imports-of-aluminum-into-the-united-states/>.

<sup>ii</sup> Proclamation 9705 of March 8, 2018, “Adjusting Imports of Steel Into the United States,” 83 Fed. Reg. 11625 (Pres. Documents, Mar. 15, 2018) (“Proclamation 9705”); Proclamation 9704 of March 8, 2018,

---

“Adjusting Imports of Aluminum Into the United States,” 83 Fed. Reg. 11619 (Pres. Documents, Mar. 15, 2018) (“Proclamation 9704”). Proclamation 9704 originally exempted Mexico and Canada from the aluminum tariffs pending ongoing discussions with those countries. *See* nn. xvi, xviii.

<sup>iii</sup> In the original steel and aluminum proclamations, President Trump invited “[a]ny country with which we have a security relationship . . . to discuss with the United States alternative ways to address the threatened impairment of the national security caused by imports from that country.” *See, e.g.*, Proclamation 9705, para. 9; Proclamation 9704, para. 8. As identified in the tables above, the Trump and Biden Administrations ultimately did negotiate such agreements.

<sup>iv</sup> Proclamation 9759 of May 31, 2018, “Adjusting Imports of Steel Into the United States,” 83 Fed. Reg. 25857 (Pres. Documents, June 5, 2018) (“Proclamation 9759”).

<sup>v</sup> Proclamation 9759.

<sup>vi</sup> Proclamation 9759; Proclamation 10064 of August 28, 2020, “Adjusting Imports of Steel Into the United States,” 85 Fed. Reg. 54877 (Pres. Documents, Sept. 2, 2020).

<sup>vii</sup> Proclamation 9894 of May 19, 2019, “Adjusting Imports of Steel Into the United States,” 84 Fed. Reg. 23987 (Pres. Documents, May 23, 2019) (“Proclamation 9894”).

<sup>viii</sup> Proclamation 10328 of December 27, 2021, “Adjusting Imports of Steel Into the United States,” 87 Fed. Reg. 11 (Pres. Documents, Jan. 3, 2022); Proclamation 10691 of December 28, 2023, “Adjusting Imports of Steel Into the United States,” 89 Fed. Reg. 227 (Pres. Documents, Jan. 3, 2024).

<sup>ix</sup> Proclamation 10356 of March 31, 2022, “Adjusting Imports of Steel Into the United States,” 87 Fed. Reg. 19351 (Pres. Documents, Apr. 1, 2022).

<sup>x</sup> Proclamation 9894; Proclamation 10783 of July 10, 2024, “Adjusting Imports of Steel Into the United States,” 89 Fed. Reg. 57347 (Pres. Documents, July 15, 2024).

<sup>xi</sup> Proclamation 9740 of April 30, 2018, “Adjusting Imports of Steel Into the United States,” 83 Fed. Reg. 20683 (Pres. Documents, May 7, 2018).

<sup>xii</sup> Proclamation 10403 of May 27, 2022, “Adjusting Imports of Steel Into the United States,” 87 Fed. Reg. 33407 (Pres. Documents, June 2, 2022); Proclamation 10588 of May 31, 2023, “Adjusting Imports of Steel Into the United States,” 88 Fed. Reg. 36437 (Pres. Documents, June 5, 2023); Proclamation 10771 of May 31, 2024, “Adjusting Imports of Steel Into the United States,” 89 Fed. Reg. 48233 (Pres. Documents, June 5, 2024).

<sup>xiii</sup> Proclamation 10406 of May 31, 2022, “Adjusting Imports of Steel Into the United States,” 87 Fed. Reg. 33591 (Pres. Documents, June 3, 2022).

<sup>xiv</sup> Proclamation 9758 of May 31, 2018, “Adjusting Imports of Aluminum Into the United States,” 83 Fed. Reg. 25849 (Pres. Documents, June 5, 2018) (“Proclamation 9758”).

<sup>xv</sup> Proclamation 9758.

<sup>xvi</sup> Proclamation 9893 of May 19, 2019, “Adjusting Imports of Aluminum Into the United States,” 84 Fed. Reg. 23983 (Pres. Documents, May 23, 2019) (“Proclamation 9893”); Proclamation 10106 of October 27, 2020, “Adjusting Imports of Aluminum Into the United States,” 85 Fed. Reg. 68709 (Pres. Documents, Oct. 30, 2020).

<sup>xvii</sup> Proclamation 10327 of December 27, 2021, “Adjusting Imports of Aluminum Into the United States,” 87 Fed. Reg. 1 (Pres. Documents, Jan. 3, 2022); Proclamation 10690 of December 28, 2023, “Adjusting Imports of Aluminum Into the United States,” 89 Fed. Reg. 223 (Pres. Documents, Jan. 3, 2024).

<sup>xviii</sup> Proclamation 9893; Proclamation 10782 of July 10, 2024, “Adjusting Imports of Aluminum Into the United States,” 89 Fed. Reg. 57339 (Pres. Documents, July 15, 2024).

<sup>xix</sup> Proclamation 10405 of May 31, 2022, “Adjusting Imports of Aluminum Into the United States,” 87 Fed. Reg. 33583 (Pres. Documents, June 3, 2022).

<sup>xx</sup> Proclamation 9705, para. 4; Proclamation 9704, para. 3.

<sup>xxi</sup> *See* U.S. Dep’t of Commerce Section 232 Exclusions Portal, <https://232app.azurewebsites.net/>.

<sup>xxii</sup> That is, a product that is not classified in Chapter 73 (in the case of steel) or 76 (in the case of aluminum) of the Harmonized Tariff Schedule of the United States.

<sup>xxiii</sup> US Customs and Border Protection, Drawback Frequently Asked Questions, available at <https://www.cbp.gov/trade/automated/news/drawback/drawback-ace-frequently-asked-questions-faqs>.

<sup>xxiv</sup> *See, e.g.*, US Dep’t of Commerce, Press Release, “Raimondo, Tai Statements on 232 Tariff Agreements” (Oct. 31, 2021), <https://www.commerce.gov/news/press-releases/2021/10/raimondo-tai-statements-232-tariff-agreements>.

<sup>xxv</sup> Gov’t of Canada, Global Affairs, “Joint Statement by Canada and the United States on Section 232 Duties on Steel and Aluminum” (May 17, 2019), <https://www.canada.ca/en/global-affairs/news/2019/05/joint-statement-by-the-united-states-and-canada-on-section-232-duties-on-steel-and-aluminum.html>.

<sup>xxvi</sup> The New York Times, “Europe Vows to Respond to Trump’s Tariffs, but Holds Back on Details” (Feb. 11, 2025), <https://www.nytimes.com/2025/02/11/business/trump-tariffs-steel-european-union.html>.

<sup>xxvii</sup> BBC, “Canada vows swift retaliation to ‘unjustified’ Trump tariffs” (Feb. 11, 2025), <https://www.bbc.com/news/articles/ckgxcg9g85no>.