

President Trump Expected to Impose Section 232 Tariffs on Steel and Aluminum Imports

MARCH 6, 2018

President Trump stated on March 1 that his administration would impose a 25 percent tariff on steel imports and a 10 percent tariff on aluminum imports for an indefinite period. This was a preview of formal determinations expected this week or next. The formal determinations will represent the culmination of proceedings that began in April 2017 under Section 232 of the Trade Expansion Act of 1962, a provision concerning the effects of imports on US national security. In January 2018, the US Department of Commerce found that imports of steel and aluminum threaten to impair national security and proposed a range of actions that, in the agency's view, the President could take to address those threats. The President's March 1 statements indicate that he will apply global tariffs at levels greater than those recommended by Commerce, but significant uncertainty persists. While Trump Administration officials have indicated in recent days that country-specific exclusions are unlikely, the precise terms of the tariffs and the scope of covered countries and products will not be known for certain until the President's decisions are formalized.

Interested parties should monitor the Trump Administration's forthcoming Section 232 tariff determinations. The determinations will likely direct US Customs and Border Protection to begin applying import tariffs within 15 days, and instruct Commerce to institute processes by which interested parties may request that specific products be excluded from the broader categories of steel and aluminum subject to the tariffs. In its recommendations to the President, Commerce suggested that product exclusions would be granted "based on a demonstrated (1) lack of sufficient US production capacity of comparable products; or (2) specific national security based considerations." However, the details of any product exclusion criteria and procedures will not be known at least until the President issues his determinations, and possibly not until Commerce (or other responsible agency) publishes guidance sometime later.

Interested parties should also monitor possible US court challenges by affected companies, as well as countermeasures by foreign governments, including World Trade Organization disputes and retaliatory tariffs.

WilmerHale will provide supplemental information about the tariffs on steel and aluminum imports,

including details on any product exclusion processes, once the Trump Administration formalizes its decisions. We have been closely following these proceedings since their inception and would be happy to explore ways we might assist you in this matter.

Authors



Ambassador Charlene Barshefsky

+1 202 663 6000



David J. Ross

Chair, International Trade, Investment and Market Access Practice Group

david.ross@wilmerhale.com

+1 202 663 6515