

Alert | International Trade



March 2018

The White House Announces Tariffs for Steel and Aluminum Imports

On March 8, 2018, President Trump signed two proclamations imposing tariff rates of 25 percent and 10 percent on imports of certain steel and aluminum products, respectively, pursuant to Section 232 of the U.S. Trade Expansion Act of 1962. These tariff rates will come into effect March 23, 2018, and will be applied in addition to any other duties, fees, and charges applicable to covered products.

Country Exemptions

President Trump's proclamations provide for the temporary exclusion of steel and aluminum imports from North American Free Trade Agreement (NAFTA) partners Mexico and Canada. Although the proclamations do not establish a specific timeframe for these exclusions, they do provide that their continuation depends on "satisfactory outcomes in ongoing negotiations" of a renewed NAFTA.

Additionally, countries with which the U.S. has a "security relationship" may apply for special exclusions by discussing with the United States Trade Representative (USTR) alternative ways to address the Trump Administration's national security concerns. The expectations for individual country arrangements are still uncertain, but the resulting agreements will be considered for a possible removal or partial reduction of tariffs.

Representatives from the European Union (EU), Australia, and Japan are already taking steps to discuss exemptions from these tariffs. However, after meeting with USTR Robert Lighthizer, EU Trade Commissioner Cecilia Malmström has reportedly stated that she was not provided with guidelines on how the U.S. plans to weigh exemptions to its global steel and aluminum tariffs.

Product Exclusions

In addition to country exemptions, the proclamations provide for the implementation of a process by which affected U.S. parties may seek an exclusion from the tariffs for specific products. No details have been announced on the procedure to request individual product exclusions, but the proclamations state that they may be requested for any steel or aluminum product determined not to be produced in the United States in a “sufficient and reasonably available amount or of a satisfactory quality.” Special exclusions may also be granted based upon specific national security considerations. The product exclusion process will be handled by the Department of Commerce, in consultation with the USTR and the Departments of State, Treasury, and Defense. The Department of Commerce has been directed to issue guidelines to request product exemptions by March 18, 2018.

Current Scope

The steel products identified in the proclamations are defined at the Harmonized Tariff Schedule (HTS) 6-digit level as follows:

- HTS 7206.10 through 7216.50 (iron and nonalloy steel in ingots; semi-finished products of iron or nonalloy steel; certain flat-rolled products of iron or nonalloy steel; and certain angles, shapes, and sections of iron and nonalloy steel, not further worked than hot-rolled, hot-drawn, or extruded; among others),
- HTS 7216.99 through 7301.10 (drilled, notched, punched, or cambered angles, shapes, and sections of iron and nonalloy steel; certain sheet piling of iron or steel, whether or not drilled, punched, or made from assembled elements),
- HTS 7302.40 through 7302.90 (certain railway or tramway track construction material of iron or steel), and
- HTS 7304.10 through 7306.90 (tubes, pipes, and hollow profiles, seamless, of iron or steel).

The products identified in the proclamation of tariffs on aluminum imports are defined in the HTS as (a) unwrought aluminum (HTS 7601); (b) aluminum bars, rods, and profiles (HTS 7604); (c) aluminum wire (HTS 7605); (d) aluminum plate, sheet, strip, and foil (flat-rolled products) (HTS 7606 and 7607); (e) aluminum tubes and pipes and tube and pipe fitting (HTS 7608 and 7609); and (f) aluminum castings and forgings (HTS 7616.99.51.60 and 7616.99.51.70), including any subsequent revisions to these HTS classifications.

Greenberg Traurig’s International Trade group will continue to monitor developments regarding these new tariffs.

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Greenberg Traurig’s [International Trade Group](#) provides continual consultation and advice to clients on expanding trade opportunities and the impact of U.S. governmental action on global trade.

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