



News & Types: Client Advisories

Status of U.S. Import Tariffs on Steel and Aluminum

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The United States will assess import duties of 25% and 10%, respectively, of the value of all steel and aluminum imported on or after March 23, 2018. The new tariffs will apply to:

- Steel and aluminum bars, rods, pipes, sheets, plates, ingots and similar raw manufacturing materials and parts;
- Originating from all countries except Canada and Mexico.

The tariffs should not affect most finished products that happen to be made of steel or aluminum. In addition, President Trump's Proclamations 9704 and 9705, state that U.S. importers of foreign steel and aluminum will be able to obtain exemptions from the tariffs due to limited domestic supplies or national security concerns. The President's Proclamations do not spell out the criteria for granting exemptions from the tariffs. The cost to U.S. importers of these tariffs will be significant since the affected steel products currently have zero duty levels, and the duty on aluminum imports is currently very low. It is understood that a more detailed set of Executive Orders will follow, which may include exemptions for steel and aluminum from Australia. The U.S. Trade Representative has also been in talks with the European Union and Japan on possible exemptions. U.S. importers should be aware that country-based exemptions will relate to the origin of the steel and aluminum, not the nationality of the overseas exporter or seller.

As of today, no new Executive Order has been signed and no new regulations from the Department of Commerce have been proposed, to provide more detailed guidance to importers.

Many news reports focus on the possibility that the new U.S. import tariffs are illegal or will result in retaliation by other countries. However, these possibilities will not affect the tariffs for the foreseeable future. U.S. importers of steel and aluminum should plan to pay the increased steel and aluminum tariffs until a new Presidential order or act of Congress changes them.