



The Bottom Line

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RELIEF FROM SECTION 232 DUTIES FOR IMPORTS FROM THE EU

Summary

The United States has successfully concluded discussions with the EU on behalf of its member countries to address the threatened impairment of US national security posed by steel and aluminum articles imports from the EU. As a result, the United States will implement several actions, including a tariff-rate quota that restricts the quantity of aluminum articles imported into the United States from the EU without applying punitive tariffs.

Background

Section 232 of the Trade Expansion Act of 1962 gives the President the authority to impose duties on products imported to the United States if those products are considered a threat to national security. Presidential proclamations dated March 8, 2018, indicated that aluminum and steel were being imported in such quantities as to risk the domestic market being able to “satisfy existing national security needs or respond to a national security emergency.” Accordingly, tariffs of 10% on aluminum and 25% on steel were enacted. The duties applied to both rough and finished products.

Several countries have since agreed to limit their exports to the United States voluntarily and have had the duties on aluminum, steel, or both lifted.

In his 2018 report, the Secretary of Commerce advised that domestic steel and aluminum production would have to stabilize at or above 80% capacity utilization for the threat to national security to be lifted. Unfortunately, while it has improved, the desired stability in the domestic market has not been achieved.

With the imposition of tariffs, the Secretary of Commerce’s office monitored imports and noted a resultant increase in steel and aluminum derivative products, while imports of less-finished forms dropped.

The net effect of this shift was to undermine the administration’s efforts to shield national security. As a result, the duties were expanded in January 2020 to cover these derivatives. The products subject to the additional

duties were defined as containing two-thirds or more of steel or aluminum (by the cost of the materials) and saw year-over-year increases in imports since the imposition of the original section 232 duties.

Current Status

On December 27, 2021, A Proclamation on Adjusting Imports of Steel into the United States (Steel Proclamation) and A Proclamation on Adjusting Imports of Aluminum into the United States (Aluminum Proclamation) established a tariff-rate quota (TRQ) for imports of steel and aluminum articles from the EU, effective January 1, 2022. The Steel Proclamation also exempts EU countries from Section 232 duties on imports of steel and aluminum derivatives, effective January 1, 2022.

As part of this agreement, steel mill certificates, statements of metal components of aluminum, or aluminum certificates of analysis must be submitted at the time of importation.

Impact

Additional duties will not be levied on aluminum or steel products originating in the European Union, so long as the quota limit has not been filled. The EU has reached an agreement with the United States that meets the US goals of reducing imports and bolstering the domestic market. Any other duties that exist for the products, including antidumping or countervailing duties, would still be in effect.

Be sure to request steel mill certificates or aluminum mill certificates with your commercial documents to avoid Customs clearance delays. These documents are a mandatory requirement of US Customs.

RESOURCES

[GUIDANCE: European Union \(EU\) Section 232 Tariff Rate Quota on Aluminum and Steel Articles and Exempting EU from Derivative Duties](#) (Customs and Border Protection)

[A Proclamation on Adjusting Imports of Steel into the United States](#) (The White House)

[A Proclamation on Adjusting Imports of Aluminum into the United States](#) (The White House)