

President Trump Considering Global Tariffs and Quotas on Steel and Aluminum Products

February 16, 2018

International Trade

On February 16, 2018, Secretary of Commerce Wilbur Ross announced the Department of Commerce’s recommendations in the ongoing national security investigations of [steel](#) and [aluminum](#). These investigations were initiated in April 2017, pursuant to Section 232 of the Trade Expansion Act of 1962.

In both investigations, the Department of Commerce has found that imports threaten U.S. national security within the meaning of Section 232, and has recommended that the president consider the following three alternative remedies:

| Proposed Remedy Type | Details of Proposed Remedy for Aluminum | Detail of Proposed Remedy for Steel |
|---|---|---|
| 1. Global tariff | <ul style="list-style-type: none"> Global tariff of at least 7.7% on all aluminum imports from all countries. | <ul style="list-style-type: none"> Global tariff of at least 24% on all steel imports from all countries. |
| 2. Tariffs on imports from a subset of countries, plus quotas on imports from other countries | <ul style="list-style-type: none"> A tariff of 23.6% on all products from China, Hong Kong, Russia, Venezuela, and Vietnam; plus All other countries would be subject to quotas equal to 100% of their 2017 exports to the United States. | <ul style="list-style-type: none"> A tariff of at least 53% on all steel imports from 12 countries (Brazil, China, Costa Rica, Egypt, India, Malaysia, Republic of Korea, Russia, South Africa, Thailand, Turkey, and Vietnam); plus A quota by product on steel imports from all other countries equal to 100% of their 2017 exports to the United States. |
| 3. Global quota | <ul style="list-style-type: none"> All countries are subject to a global quota of 86.7% of 2017 imports. | <ul style="list-style-type: none"> All countries are subject to a global quota of 63% of 2017 imports. |

The Department of Commerce's reports on [steel](#) and [aluminum](#)—which contain these recommendations and more detailed findings—are now under consideration by the president. By statute, the president must make a decision in the steel investigation by April 11, 2018, and in the aluminum investigation by April 19, 2018. The president has discretion to follow the Department of Commerce's recommendations, take other action, or take no action.

In its reports, the Department of Commerce suggests that the president could exempt imports from specific countries from remedies ultimately imposed. Such exemptions could be granted based on an overriding economic or security interest of the United States, which could include these countries' willingness to work with the United States to address global excess capacity and other industry challenges. The Department of Commerce's reports propose that any such exemptions should be put in place at the time the president imposes a remedy in these investigations. In addition, if such exemptions are granted, the Department of Commerce suggests that the president should make corresponding adjustments to the tariff or quota levels imposed on imports from other countries, to ensure the desired benefit to U.S. industry.

The Department of Commerce has also recommended an appeal process by which affected U.S. parties could seek an exclusion from the tariff or quota imposed. According to the Department of Commerce's reports, exclusions would be granted based on: (1) a demonstrated lack of sufficient U.S. production capacity of comparable products; or (2) specific national security based considerations. The Department of Commerce has recommended that this appeal process would include a public comment period on each exclusion request, and in general, would be completed within 90 days after an application was filed.

We would be pleased to assist clients in responding to these recommendations and, if restrictions are imposed, in petitioning for exclusions. Our team includes former senior trade and defense officials who are well placed to represent clients in this matter.

If you have any questions concerning the material discussed in this client alert, please contact the following members of the firm:

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|-------------------------------|-----------------|--|
| John Veroneau | +1 202 662 5034 | jveroneau@cov.com |
| Roger Zakheim | +1 202 662 5959 | rzakheim@cov.com |
| Kate Gibson | +1 202 662 5191 | cgibson@cov.com |
| Jeff Bozman | +1 202 662 5829 | jbozman@cov.com |

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