

ALERT

Commerce Seeks Comments on UAS Imports in New Section 232 Investigation

July 18, 2025

On July 16, 2025, the U.S. Department of Commerce published a Federal Register notice soliciting public comments on an investigation into the national security impacts of imported unmanned aircraft systems (UAS or drones) and their parts and components. Interested parties are invited to submit comments by August 6, 2025.

Background

The Commerce Department self-initiated this investigation on July 1, 2025, pursuant to Section 232 of the Trade Expansion Act of 1962, as amended, a statute authorizing Commerce to investigate the national security implications of imported products and adjust imports as necessary, among other measures. Within 270 days of launching an investigation, Commerce must issue a report to the President detailing its findings and provide its recommended measures to mitigate the national security threats. The President must then determine within 90 days whether to concur with Commerce's investigation findings and whether to take action, potentially including the imposition of tariffs, quotas, or tariff-rate-quotas (TRQ). Given the relatively short 21-day comment period, we note that this report could be issued, and subsequent Presidential determination and measures implemented, in significantly less time than the full 270 days.

This new investigation follows other recent Section 232 investigations launched this year, including investigations on imports of copper, lumber/timber products, pharmaceuticals, semiconductors, critical minerals, and medium and heavy-duty trucks. The Section 232 measures currently in effect arising from investigations conducted in President Trump's first term are steel, aluminum, and automobiles (passengers and light trucks) and certain parts.

Authors

Hon. Nazak Nikakhtar
Partner
202.719.3380
nnikakhtar@wiley.law
Sara M. Baxenberg
Partner
202.719.3755
sbaxenberg@wiley.law
Tracye Winfrey Howard
Partner
202.719.7452
tward@wiley.law
Maureen E. Thorson
Partner
202.719.7272
mthorson@wiley.law
Joshua S. Turner
Partner
202.719.4807
jturner@wiley.law
Matt Lapin
Of Counsel
202.719.3435
mlapin@wiley.law

Practice Areas

National Security
Strategic Competition & Supply Chain
Tariffs & Trade Policy
Trade Policy and Trade Negotiations
Uncrewed Aircraft Systems (UAS)

We note that imports of UAS and their parts and components, including software, were the subject of a January 2025 advance notice of proposed rulemaking (ANPRM) by the Department of Commerce, Bureau of Industry and Security (BIS), seeking public comments on potential restrictions on transactions with foreign adversary nations. Action is pending and may be similar to the approach BIS took earlier this year related to restrictions on connected vehicle technologies.

Commerce's investigation also follows two Executive Orders issued on June 6, 2025, aimed at bolstering the American drone industry and promoting airspace security. In particular, the Executive Order on "Unleashing American Drone Dominance" (the Drone Dominance EO) directs the Departments of Commerce and Defense and the Federal Acquisition Security Council to implement regulatory and policy measures to facilitate exports of U.S.-made civil UAS, prioritize procurement of U.S.-made drones, discourage the procurement of drones made by foreign adversaries, and expand the domestic market for U.S. drones. Additionally, the Drone Dominance EO directs Commerce to "take actions, including proposing rulemaking and conducting investigations, to secure the United States drone supply chain against foreign control or exploitation." Finally, on July 10, 2025, the Secretary of Defense released a memorandum stating that the Department of Defense "is going above and beyond" the Drone Dominance EO to "unleash the combined potential of American manufacturing and warfighter ingenuity." The expectation is that drone policy will be a centerpiece of the Trump Administration's industrial base priorities.

Drone competitiveness has also been a focus in Congress, as the 2025 National Defense Authorization Act (NDAA) introduced a requirement to minimize the People's Republic of China's influence in the domestic UAS market by ordering a national security assessment of drone manufacturers Shenzhen Da-Jiang Innovations Sciences and Technologies Company Limited (DJI) and Autel Robotics. The NDAA also mandated that those companies' UAS products be placed on the Federal Communications Commission's Covered List within one year if no assessment is completed. That deadline is December 23, 2025.

Public Information Requested

In the Section 232 investigation regarding UAS and their parts and components, the Commerce Department is particularly interested in comments addressing the criteria set forth in 15 C.F.R. § 705.4, including the following:

- The current and projected demand for UAS and their parts and components in the United States;
- The extent to which domestic production of UAS and their parts and components can meet domestic demand;
- The role of foreign supply chains, particularly of major exporters, in meeting United States demand for UAS and their parts and components;
- The concentration of U.S. imports of UAS and their parts and components from a small number of suppliers or foreign nations and the associated risks;
- The impact of foreign government subsidies and predatory trade practices on the competitiveness of the UAS and their parts and components industry, in the United States;

- The economic impact of artificially suppressed prices of UAS and their parts and components due to foreign unfair trade practices and state-sponsored overproduction;
- The potential for foreign nations and companies to weaponize their control over supplies of UAS and their parts and components;
- The potential for foreign nations and companies to weaponize the capabilities or attributes of foreign-built UAS systems and their parts or components;
- The feasibility of increasing domestic capacity for UAS and their parts and components to reduce import reliance;
- The impact of current trade policies on domestic production of UAS and their parts and components, and whether additional measures, including tariffs or quotas, are necessary to protect national security; and,
- Any other relevant factors.

Given the complexity of the UAS market and supply chain, it is important that public comments appropriately shape the scope of the Section 232 investigation and recommend measures that advance U.S. economic and national security interests while not undermining the competitive positions of U.S. firms.

Wiley's International Trade, National Security, and Strategic Competition/Supply Chain practices have deep expertise to help clients navigate the growing complexity of the trade and national security landscape while growing their competitive positions in the domestic and global markets. For any questions about the instant Section 232 investigation or any of the measures referenced above, please contact the listed attorneys.

Zachary Roten, an International Trade Specialist at Wiley Rein LLP, contributed to this alert.