

U.S. International Trade Commission Opens Investigation into Impact of Section 232 and Section 301 Duties

May 6, 2022

On May 5, 2022, the U.S. International Trade Commission (the ITC) issued a draft *Federal Register* notice detailing the schedule for a new general fact-finding investigation into the economic impact of Section 232 and Section 301 duties on U.S. industries.

Pursuant to the investigation, the ITC will conduct a public hearing on July 21, 2022. Requests to appear at the hearing are due by July 6, 2022. Parties selected to testify at the hearing will be able to submit both pre-hearing and post-hearing comments. All other parties wishing to submit comments to the ITC will be able to do so by August 24, 2022. The ITC will issue its final report by March 15, 2023.

Under Section 332 of the Tariff Act of 1930, and upon a request from the President and/or certain congressional committees, the ITC conducts general fact-finding investigations into matters involving tariffs or trade. In its draft *Federal Register* notice, the ITC explains that the investigation into the economic impacts of the Section 232 and Section 301 tariffs arises from a statement accompanying the Consolidated Appropriations Act.

The focus of the investigation will be on U.S. industries affected by the Section 232 and Section 301 tariffs that were in place as of March 15, 2022.

- Beginning in early 2018, the United States has levied additional import duties, under Section 232 of the Trade Expansion Act of 1962, on various steel and aluminum articles.

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Practice Areas

International Trade
Trade Policy and Trade Negotiations

- The Section 232 duties apply broadly to covered articles, but products of certain countries (such as Australia, Canada, and Mexico) are exempted completely.
- Covered products from certain other countries may enter duty-free subject to an absolute quota limit on the total quantity of annual imports (*e.g.*, Argentina, Brazil) or are subject to tariff-rate-quotas that allow a certain quantity of goods to enter the United States duty-free each year, after which duties are imposed on imports above the quota limit (*e.g.*, EU countries).
- The Section 232 duties for steel articles are 25%, while the duties on aluminum articles stand at 25%.
- Beginning on July 6, 2018, the United States has imposed additional import duties, under Section 301 of the Trade Act of 1974, on four successive groups of Chinese goods.
 - The Section 301 duties range from 7.5% - 25%, and cover hundreds of billions of dollars worth of goods.

Section 332 investigations are primarily intended to assist policymakers in understanding trade-related issues. As such, while they cannot result in changes to duties themselves, they offer an opportunity for stakeholders in the trade community to present relevant information that can shape policy debates on a going-forward basis.

Wiley has a robust International Trade practice that is well-versed in assisting clients with providing comments, participating in hearings, and other issues arising from both the Section 232 and Section 301 duties. For more information on these issues, please contact one of the attorneys listed in this article.