

ALERT

White House Issues Presidential Proclamations Extending Section 232 TRQs on Steel and Aluminum Imports from the EU

December 29, 2023

On December 28, 2023, the White House published presidential proclamations extending the tariff-rate quotas (TRQs) in place on imports of steel and aluminum products from the European Union (EU) until December 31, 2025.

Starting in March 2018, additional tariffs have been in place on imports of steel and aluminum products, respectively, under Section 232 of the Trade Expansion Act of 1962. Except for exempt countries, steel and aluminum imports entering the United States have been subject to additional duties of 25% and 10%, respectively.

Beginning in January 2022, steel and aluminum imports from the EU have been subject to a TRQ, whereby EU imports are not subject to additional Section 232 duties until their aggregate volume exceeds the TRQ threshold. For steel products, the annual aggregate threshold is 3.3 million metric tons (MT). For aluminum products, the threshold is 18,000 MT for semi-finished unwrought aluminum and 366,040 MT for semi-finished wrought aluminum. To be considered covered by the quota, steel products must be melted and poured in the EU and aluminum products must be accompanied by a certificate of analysis.

With these proclamations, the Administration extends the EU TRQs largely unchanged for another two years. With respect to steel, the TRQ program had included grandfathered Section 232 exclusions previously granted for certain EU imports in fiscal year 2021. Those grandfathered exclusions have been extended another two years, and additional exclusions are provided for steel products similarly excluded in Q1 2022. Regarding aluminum, previously grandfathered

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exclusions from 2021 are extended but no additional exclusions are provided.

The United States and the EU are currently negotiating a Global Arrangement on Sustainable Steel and Aluminum, which aims to address excess capacity and greenhouse gas intensity in the steel and aluminum sectors. As the proclamations note, those negotiations remain ongoing and are “anticipated to include alternative measures to prevent imports … from the EU from threatening the national security of the United States.” Those negotiations were initially scheduled to conclude by October 2023 but have been extended.

As part of the extension agreement reached between the EU and the United States, the EU published an official notice on December 18, 2023, suspending the application of retaliatory tariffs on certain U.S. imports until March 31, 2025. The suspension of these duties had been set to expire on December 31, 2023. The EU has suspended these retaliatory measures in light of the extension of the U.S. TRQs and to allow the United States and the EU to continue their Global Arrangement negotiations.

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Wiley has industry-leading expertise in the development, analysis, and enforcement of U.S. trade remedy laws and policies, including the Section 232 program. If you have any questions about this, or any other international trade issue, please contact one of the authors.