

# PUBLICATION

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## President Trump Orders Tariffs on All Steel and Steel Derivative Imports and Increases Tariffs on Aluminum: What You Need To Know

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President Trump issued two Proclamations wherein he reinstated 25 percent tariffs on all steel imports subject to the original Section 232 action and subsequent steel derivatives action and increased the Section 232 duties on aluminum products from ten percent to 25 percent. These Proclamations also terminate prior alternative agreements providing relief to Argentina, Australia, Brazil, Canada, EU countries, Japan, Mexico, South Korea, Ukraine, and the United Kingdom and terminate the exclusion process. Barring any further action, all steel, steel derivative products, and aluminum products previously included in the Section 232 action will be subject to a 25 percent tariff beginning March 12, 2025, without the possibility of exclusions. Affected companies should take steps to understand exposure and consider mitigation strategies.

### Steps Companies Can Take

Importers and affected companies will have to act to address the newfound challenges posed by these tariffs. Such actions could include proactively reaching out to members of Congress to influence any decisions made between now and March 12th. Importers and affected companies may also review supply chains and formulate mitigation strategies. This can be accomplished by communicating with any foreign producers to evaluate exposure to potential price increases and examining the duration of contractual relationships. Moreover, examining customs and general import compliance is essential, as the Proclamations specifically instruct government bodies to more strictly enforce existing rules.

### Overview of Proclamations

Just a week after [announcing](#) country-specific, blanket tariffs on Canada, Mexico, and China, President Trump has taken the second step in implementing his America First Trade Policy. On February 10, 2025, President Trump signed two Proclamations styled Adjusting Imports of Steel into the United States and Adjusting Imports of Aluminum into the United States.

The Proclamations revise previous Proclamations related to steel, aluminum, and derivative steel and aluminum articles made during the first Trump administration.

Since 2018, Presidents Trump and Biden entered into alternative agreements that relieved the tariff obligations imposed by the Proclamations. Pursuant to the agreements, steel, aluminum, and derivative steel and aluminum articles imported from Argentina, Australia, Brazil, Canada, EU countries, Japan, Mexico, South Korea, Ukraine, and the United Kingdom were generally not subject to these tariffs. The new Proclamations rescind these agreements.

As of March 12, 2025, the blanket 25 percent tariff on all imported steel, aluminum, and certain derivative steel and aluminum articles does not discriminate as to country of origin.

### Specific Provisions

#### *Exclusions*

As it stands, importers can no longer seek to be excluded or qualify for exceptions for importing steel, aluminum, and certain derivative steel and aluminum articles. Granted product exclusions shall remain effective until their expiration date or until the excluded product volume is imported. However, all existing general approved exclusions must be terminated as of March 12, 2025.

### ***Additional Products Included***

Beyond reimposing the previously applicable tariffs, the Proclamations also impose an additional 25 percent ad valorem rate of duty on certain additional derivative steel and aluminum articles from all countries. The Proclamations state that these articles are identified in their respective Annex I, which we expect to be published soon.

In addition to Annex I, the Secretary of Commerce must establish a process for including additional derivative steel and aluminum articles and likely articles within the scope of the ad valorem duties within 90 days. The process must allow for domestic producers or industry associations to request certain items be subject to tariffs. Such a request must be addressed within 60 days.

### ***CBP Enforcement Expected***

United States Customs and Border Protection (CBP) is directed to prioritize investigating potential instances of misclassification and assess monetary penalties in the maximum amount permitted by law and shall not consider any evidence of mitigating factors in its determination.

### ***Other Provisions***

- Steel and aluminum entering into a Foreign Trade Zone (FTZ) must be entered with "privileged foreign status," demonstrating that duties will apply even to goods entering an FTZ within the United States.
- No drawbacks shall be available with respect to the duties imposed pursuant to this proclamation.
- The Proclamations do not discuss Temporary Import Under Bond (TIB), which suggests importers using TIBs may not be required to pay the duty so long as the merchandise is ultimately exported pursuant to the provisions of the bond.
- Strict "melted and poured" standards will be enforced as to imports of steel, aluminum, and derivative steel and aluminum articles

Our International Trade and National Security team will continue to monitor developments and provide updates as warranted. If you have any questions or would like to discuss this in further detail, please reach out to [P. Lee Smith](#), [Matthew "Matty" McGee](#), or any member of Baker Donelson's [International Trade and National Security](#) team.