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25% Tariff on Steel and Aluminum Imports into the United States from All Countries Effective March 12, 2025

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February 13, 2025

The United States has reinstated a 25% tariff on all steel imports and raised the tariff on aluminum imports from 10% to 25%.

On February 10 and 11, 2025, the Trump Administration issued Presidential Proclamations entitled Adjusting Imports of Steel Into The United States and Adjusting Imports of Aluminum Into The United States respectively, directing the United States to impose tariffs on steel and aluminum and their derivative products. The proclamations were justified in the interest of national security pursuant to the President's authority under section 232 of the Trade Expansion Act, 1962. The White House also released a fact sheet entitled President Donald J. Trump Restores Section 232 Tariffs noting that the proclamations "close existing loopholes and exemptions."

The decision is expected to have far-reaching implications, not only for Canadian manufacturers and exporters and American manufacturers that rely on imported steel and aluminum, but also for global trade relations.

The tariffs apply to goods entered into the US for consumption or withdrawn from a warehouse for consumption on or after March 12, 2025.

The Proclamations:

- Impose an (i) additional 25% ad valorem rate of duty on imports of steel articles² and derivative articles³ from all from all countries; (ii) additional 25% ad valorem rate of duty on imports of aluminum articles and derivative aluminum articles⁴ from, all countries, including Canada.
 - There is a narrow exclusion for (i) derivative steel articles produced in another country from steel articles melted and poured in the United States; and (ii) derivative aluminum articles produced in another country from aluminum articles smelted and cast in the United States.
 - These duties may be extended to other derivative steel and aluminum products on requests received from producers or their industry associations that imports of such products have increased in a manner that threaten national security or undermine the United States' objectives.
- Maintain the tariffs in effect until the President decides to remove them.
- Eliminate duty drawback. This means that importers cannot claim refunds of these tariffs even if the



imported aluminum or steel is later exported.

 Terminate all existing product exclusions for steel and aluminum imports and prohibit the issuance of any new ones.

Canadian Retaliatory Tariffs

Canada has yet to announce retaliatory measures in response to the Proclamations.

In response to the Trump Administration's imposition of tariffs on steel and aluminum s in 2018, Canada imposed retaliatory tariffs ranging from 10% to 25% on imports of certain steel and aluminum products on a wide variety of other goods from the United States, as previously discussed <u>here</u>.

President Trump has indicated he will take executive action to implement a reciprocal tariff scheme, which will further complicate the tariff landscape.

With retaliatory measures already underway by Canada, EU, and other trading partners and the threat of escalations going forward, businesses should take immediate steps to determine to the effect of the tariffs on their operations, while proactively engaging with governments and business partners to mitigate long-term adverse impacts.

The Cassels International Trade Group will continue to monitor these developments.

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.

¹ Section 232 of the Trade Expansion Act of 1962 allows the president to impose import restrictions based on an investigation and affirmative determination by the US Department of Commerce that certain imports threaten to impair US national security.

² Under heading 9903.80.01 of the Harmonized Tariff Schedule of the United States.

³ The Secretary of Commerce will publish a full list of additional steel derivative articles in the Federal Register.

⁴ The Secretary of Commerce will publish a full list of additional aluminum derivative articles in the Federal Register.