

February 13, 2025

President Trump to Raise Steel and Aluminum Tariffs to 25% of Product's Value

White House Proclamations Remove Prior Exemptions and Exclusions, Citing National Security

SUMMARY

On February 10 and 11, 2025, President Donald J. Trump issued two proclamations (the “Proclamations”) directing the Secretary of Commerce to broadly adjust duty rates on imported steel, aluminum, and certain downstream goods derived from those materials.¹ The Proclamations: (i) revoke country-specific exemptions from steel import tariffs for the European Union and eight additional countries, returning to the 25% tariff rate imposed during the first Trump administration; (ii) increase the tariff on aluminum imports from 10% to 25% while also eliminating associated alternative agreements and exclusions; and (iii) apply these tariff rates to additional downstream or “derivative” goods made of steel and aluminum. The measures are scheduled to take effect on March 12, 2025.

BACKGROUND AND RECENT EVENTS

In March 2018, President Trump issued proclamations imposing broad-based steel and aluminum tariffs under Section 232 of the Trade Expansion Act of 1962 (“TEA”). Those tariffs assessed duties of 25% on the value of imported steel and 10% on the value of imported aluminum. The President imposed the measures in response to investigations conducted by the Department of Commerce and related agencies, which found that foreign countries’ importation of steel and aluminum articles to the United States threatened national security.

Following the 2018 proclamations, the United States made adjustments or entered into agreements that removed or reduced steel tariffs with respect imports from the European Union and eight additional countries—Australia, Brazil, Canada, Mexico, South Korea, Japan, the United Kingdom, and Ukraine.

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Aluminum tariffs were also adjusted with respect to the European Union and five additional non-EU countries—Argentina, Australia, Canada, Mexico, and the United Kingdom.

In July 2024, after a finding that imports of steel articles from Mexico had sharply increased, the Biden administration imposed so-called “melt and pour” requirements to ensure that countries not exempted from the tariffs, like China, were not able to evade steel and aluminum tariffs by transshipping products through Mexico. The “melt and pour” requirements imposed a 25% tariff on steel and aluminum products of Mexico unless the products were originally melted and poured in Mexico, Canada, or the United States.

Since his January 2025 inauguration, President Trump has continued to aggressively pursue changes to existing U.S. trade policy, issuing a [memorandum](#) directing executive agencies to conduct systematic reviews of existing tariffs and other trade measures; imposing or drafting orders for tariffs on Colombia, [Mexico, Canada, and China](#); and signaling the possibility of further tariffs targeting other countries and industries. The Proclamations continue the administration’s aggressive approach to U.S. trade measures.

AUTHORITIES

The Proclamations primarily invoke Section 232 of the TEA, which authorizes the Department of Commerce, in consultation with the Department of Defense, to review import trends and trade practices for potential threats to U.S. national security. Section 232 requires the Department of Commerce to conduct an investigation to assess potential harms to national security resulting from particular imports before the President imposes new tariffs on such goods. Upon completion of the investigation, the Secretary of Commerce is required to make findings and recommendations to the President, including concerning potential countermeasures to mitigate any national security risks.

The President’s Proclamations also invoke Section 604 of the Trade Act of 1974, which provides various forms of potential relief from harms caused by international trade. This Section empowers the President to adjust the Harmonized Tariff Schedule of the United States (HTSUS), which specifies the precise rates of duties on goods imported to the U.S.

Unlike the previous February 1, 2025 orders concerning goods imported from Mexico, Canada, and China (the first two of which were suspended pending negotiations with the relevant countries), the Proclamations do not invoke the International Emergency Economic Powers Act of 1977 (IEEPA). In issuing the prior February 1, 2025 orders, President Trump [became the first U.S. President to invoke IEEPA](#)—traditionally used to impose economic sanctions—to implement new trade tariffs. IEEPA, unlike Section 232 of the TEA and other trade statutes, does not require formal investigations or findings by the Commerce Department or other agencies.

THE MEASURES

The Proclamations rely in part on findings in the January 2018 reports by the Secretary of Commerce that supported the first Trump administration’s original steel and aluminum tariffs. Those reports concluded, following comprehensive investigations, that steel and aluminum articles were being imported in such quantities and under such circumstances that they threatened U.S. national security. The reports further concluded that excess quantities of these imports were “weakening our internal economy,” leading to closures of domestic production facilities, and creating the risk that the domestic steel and aluminum industries would be “unable to . . . respond to a national security emergency.”²

According to the Proclamations, the Secretary of Commerce recently “informed” President Trump of additional facts that supported implementation of the recent tariffs—including, among others, that:

- alternative agreements and exclusions for individual countries limited the effectiveness of the 2018 tariffs and prevented the United States from adequately addressing the subsidized oversupply of steel and aluminum from nations like China;
- imports of steel and aluminum from exempted countries, including Canada and Mexico, have “remained significantly elevated” or “increased significantly to levels that once again threaten to impair” national security;
- steel and aluminum products from non-exempted countries are often re-routed to the United States through exempted countries, leading to tariff misclassification and duty evasion schemes;
- “alternative agreements with trading partners including Australia, the members of the EU, Japan, and the United Kingdom” have caused “imports of steel articles from these countries” to increase “as a share of total U.S. steel imports”; and
- the temporary exemption for imports of steel articles and derivative steel articles from Ukraine has not supported the Ukrainian steel industry as intended, but instead has benefitted “producers in EU countries[.]”

In the Proclamations, the Secretary’s observations are not cited to come from a formal investigation or report by the Commerce Department, and a basis for the Secretary’s information is not specified.

The Proclamations direct the Secretary of Commerce to remove nearly all exemptions and exclusions relating to the 2018 steel and aluminum tariffs, restoring the prior blanket 25% duties. They also expand the list of derivative steel and aluminum articles to which the tariffs will apply.

Finally, the Proclamations narrow the universe of steel and aluminum products of Mexico that are exempt under the Biden administration’s “melt and pour” provisions, making such duty waivers available only for derivative steel that is melted and poured *in the United States* (and not Canada or Mexico).

OBSERVATIONS AND IMPLICATIONS

The Proclamations reflect a continued expansion of U.S. trade measures that will likely have wide-reaching implications for affected companies’ supply chains and business operations.

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First, the broad scope of the new tariffs signals a desire by the Trump administration to continue moving swiftly and decisively in reorienting U.S. trade policy. It is notable that the President does not appear to have relied upon any new investigations or reports by the Commerce Department when implementing these measures, citing instead the prior reports issued in 2018 and recent information obtained from the Secretary of Commerce. The absence of a formal investigation or report could lead affected parties to challenge the tariffs on the grounds that they fail to meet Section 232's investigation and reporting requirements (although it is also possible that the Commerce Department has conducted a new investigation, even though it is not specifically credited in the Proclamations). Because the President relied upon the TEA—a statute historically used to impose tariffs—rather than IEEPA, any challenges to these tariffs will not raise questions regarding the scope of IEEPA's national emergency authorities that could arise in connection with, for example, the February 1, 2025 emergency tariffs imposed on goods from China.

Second, the Proclamations, when combined with other recent trade actions by the Trump administration, could have significant effects on the U.S. and on the global economy—including industries such as steel working, automobile manufacturing, and construction. Some U.S. and multinational companies have already announced plans to mitigate the tariffs by restructuring their supply chains and moving or altering their manufacturing and processing facilities.

Third, companies should bear in mind that these new trade measures almost surely will not be the administration's last action in the international trade realm, and they appear likely to be countered with "retaliatory" tariffs by some of the affected countries, potentially placing further strains on global supply chains. The European Union has already promised "countermeasures,"³ and Canadian Prime Minister Justin Trudeau indicated that Canada will resist the Proclamations "strongly and firmly if necessary."⁴ In addition, the previously-paused tariffs on goods from Mexico and Canada are scheduled to come back into force on March 4, 2025, absent negotiated resolutions. If implemented in combination with the measures announced in the Proclamations, those tariffs would appear to raise the total duty rate on some steel and aluminum products imported from Mexico and Canada to 50%. Companies should therefore take steps to assess the impact of these and any future tariffs on their business, operational, and investment decisions.

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ENDNOTES

- 1 <https://www.whitehouse.gov/presidential-actions/2025/02/adjusting-imports-of-steel-into-the-united-states/>.
- 2 <https://trumpwhitehouse.archives.gov/presidential-actions/presidential-proclamation-adjusting-imports-steel-united-states/>.
- 3 <https://www.reuters.com/markets/eu-readies-response-trump-hikes-steel-aluminium-tariffs-2025-02-11/>.
- 4 <https://www.reuters.com/world/americas/canada-will-respond-unacceptable-us-tariffs-strongly-firmly-if-needed-trudeau-2025-02-11/>.

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