

BURR • ALERT

Trump Administration Expands Tariffs Affecting Automobile, Construction & Electrical Companies

By Jim Denning and Allen Sullivan

February 2020

New Tariffs on Imported Steel and Aluminum Derivative Products

On February 8, 2020, the United States expanded tariffs on steel and aluminum raw material imports to include finished product imports from all but a select few countries. The Trump Administration first imposed steel and aluminum tariffs on June 1, 2018, in response to cheap raw material imports flooding the U.S. The Administration viewed the negative impact on U.S. steel and aluminum producers from those imports as a threat to U.S. national security.

New Covered Imports

On January 24, 2020, the Administration announced findings that importers were circumventing its 2018 tariffs by importing increased quantities of steel and aluminum parts and finished goods (derivative products) instead of raw materials. The expanded tariffs (25% for steel, 10% for aluminum) therefore cover these products (the "Covered Products"). Steel Covered Products include certain steel nails, tacks, drawing pins, corrugated nails, staples, and similar products. Aluminum Covered Products include stranded wire, cables, plaited bands, slings, and similar products. Covered Products also include aluminum or steel bumper and body stampings for motor vehicles and tractors.

Exempted Countries

Steel Covered Products from Argentina, Australia, Brazil, Canada, Mexico, and South Korea are expressly exempted from tariff expansion at this time. As are aluminum Covered Products from Argentina, Australia, Canada, and Mexico. These exemptions can change at any time should the Administration find evidence of circumvention or dumping.

Exclusion Requests

Affected U.S. importers can seek an exclusion from these tariffs under soon-to-be published Department of Commerce ("Commerce") guidance. Based on prior exclusion parameters, we expect Commerce to provide relief to applicants who (1) show that specific products are not produced in sufficient quantity or quality in the U.S. to meet demand, or (2) demonstrate a national security-related reason for exclusion.

Affected Importers

U.S. importers that are part of the construction, automobile, or electrical industry supply chains may be particularly affected by the tariff expansion. For those potentially affected, Burr & Forman can analyze their situation and, if prudent, prepare related exclusion requests.

To discuss further, please contact the authors:

Jim Denning at jdenning@burr.com or (864) 552-9349

Allen Sullivan at asullivan@burr.com or (205) 458-5108

or the Burr & Forman attorney with whom you regularly work.

No representation is made that the quality of legal services to be performed is greater than the quality of legal services performed by other lawyers.