First Look: Trump Administration's Imposition of Tariffs on Steel and Aluminum

Establishes import tariffs on steel and aluminum in order to protect US manufacturers from overseas competition.

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WHAT IT DOES

On March 8th, 2017, President Trump issued two proclamations placing tariffs on steel and aluminum imports to the United States. The tariffs were issued under Section 232 of the Trade Expansion Act of 1962. The steel tariffs are set at a 25% ad valorem rate and the aluminum tariffs are set at 10%. This means that, for example, a length of imported steel pipe that would have previously cost $100 would now cost $125. The new tariffs affect imports from all countries except Canada and Mexico. Canada is the largest source of imported steel and aluminum to the US.

The tariffs follow an investigation by the Secretary of Commerce Wilbur Ross, who declared that steel imports "threaten to impair the national security of the United States" given the necessity of steel and aluminum for infrastructure and military projects. The US is currently the world’s largest importer of steel. Protectionist trade policies have been part of President Trump’s policy agenda since his campaign.

The tariffs have been roundly criticized by the energy industry due to their potential to raise raw material costs for products like pipelines, solar arrays, and wind turbines. Criticism has come both from the fossil fuel sector and from advocates of renewables.

STATUS

The tariffs went into effect on March 23, 2018 and will continue indefinitely unless reduced, modified, or terminated.

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