

### **NEWS IN BRIEF**

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### **Steel and Aluminum Tariffs**

President Trump decided that the current Section 232 tariffs on aluminum and steel were not accomplishing their goals. He issued two executive orders to adjust the 232 tariffs on steel and aluminum. The orders include instructions to adjust the additional duty to 25% tariff on both aluminum products and 25% on steel products. Both orders removed all current exemptions for all countries. The additional duties will go into effect on March 12.

The new assessments will also apply to steel and aluminum derivatives listed in Annex I for aluminum and Annex II for steel. Derivatives are articles made partly of steel or aluminum. In the orders, there are HTS numbers named that will treat the derivative article with the duty assessed on the product's full value that will be subject to the additional duty as if the article were made entirely of steel or aluminum. The orders also include that there will be a process to assess duty on unlisted steel and aluminum products.

The additional duty will be assessed on derivatives of aluminum or steel that are not listed in Annex I and Annex II. The additional duty will be assessed on the value of the content of the steel or aluminum in the product. The additional duty for these derivatives will not go into effect until the Secretary of Commerce compiles a process on how to make the calculations.

The two Federal Register Notices with the orders that include annexes can be found at: 2025-02832.pdf and 2025-02833.pdf

The orders also include instructions that articles made partly with steel and aluminum derivative material will be assessed the additional duties based on the steel or aluminum content. The instructions on how to calculate the content have not been issued and are expected after March 12, 2025, and the additional duties will not be assessed until the instructions are published.

## ILA Members Have Ratified the Union Contract

The contract agreed upon by the International Longshoreman's Association (ILA) and the United States Maritime Alliance (USMX) was ratified by the rank-and-file members of the ILA.

# Additional Fees for Chinese Ships are Being Reviewed

As part of an investigation into China's growing domination of global shipbuilding and maritime sectors, the Office of U.S. Trade Representative is reviewing a proposal of charging additional fees of up to \$1.5 million for Chinese-owned or operated ships entering U.S. ports. This is part of a Section 301 investigation started in April of 2024. The USTR is reviewing claims that China's growth in global shipbuilding was due to massive government subsidies that were unfair to the private sector shipbuilding and ship operating. The fees would also apply to Chinese maritime vessel operators, and also vessels operated by maritime companies using Chinese-built vessels. A copy of a USTR press release can be found at: USTR Seeks Public Comment on Proposed Actions in Section 301 Investigation of China's Targeting of the Maritime, Logistics, and Shipbuilding Sectors for Dominance | United States Trade Representative. We will watch this development closely.

By **Todd Boice**, *President*