

## Nucor Public Affairs Update

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### Section 232 Steel Tariffs

The Section 232 steel tariffs implemented by the Trump Administration in March 2018 continue to have a beneficial impact on the U.S. steel industry, including by reducing import surges into the U.S. market and allowing the domestic industry to achieve higher capacity utilization rates. Nucor is working diligently to ensure that the Section 232 measures remain as robust and effective as possible. Below is an update on the status of these measures.

#### Are the Section 232 steel measures still in place?

Yes, the measures are still in place as they were at the end of the Trump Administration. This means that imports from most sources remain subject to a 25% tariff. Argentina, Brazil, and South Korea are subject to binding import quotas. Imports from Australia, Canada, and Mexico are not subject to Section 232 tariffs or quotas, but U.S. authorities are monitoring imports from these countries for surges in excess of historical norms.



While it remains unchanged, the Section 232 program is currently under review by the Biden Administration, as are other trade policy actions taken under President Trump. The Biden Administration has made no commitments regarding the future of the Section 232 program. However, Administration officials have recognized the program's positive effects on the domestic steel industry. They also recognize the need for action in response to growing excess steel capacity in countries like China and around the world. According to recent announcements, it is not likely that major changes to the Section 232 program will occur before the end of 2021.

#### What is the Administration's position regarding the Section 232 steel measures?

Administration officials have said that the Section 232 program has been beneficial for U.S. steel producers. U.S. Trade Representative Katherine Tai said at a recent hearing that, despite some costs, the Section 232 measures "have had an impact on steel production here in the United States, a positive one." Secretary of Commerce Gina Raimondo said that "there is a place for tariffs" in U.S. trade policy, and that the Section 232 measures "helped save American jobs" in the steel industry. The Administration has also suggested that changes to the program are possible, in particular with respect to U.S. allies. Ambassador Tai recently told the Senate that the United States needs updated tools to deal with 21<sup>st</sup> century trade issues. The Administration also recently agreed to enter discussions with the European Union that could result in modifications to the Section 232 measures on imports from the EU.

### **What is the status of negotiations with the European Union?**

On May 17, 2021, the United States agreed to enter into discussions with the European Union on the Section 232 tariffs on steel and aluminum imports from the EU. The EU agreed to delay increasing its retaliatory tariffs on U.S. products like whiskey and motorcycles. The Section 232 program, however, remains unchanged pending the outcome of the talks. The timing of any outcomes is unclear, although the United States and the EU hope to complete the negotiations by the end of the year. The Biden Administration has said that addressing global overcapacity in the steel industry is central to the discussions. In a recent hearing, Ambassador Tai emphasized that any “solutions that we come to with our trading partners . . . really have to address the larger issue around the overcapacity in the market.”

Nucor will continue to work with Congressional leaders and the Biden Administration to advocate for a strong Section 232 program and other policies that benefit domestic steel producers and workers.