



Tri Star Metals

Delivering Stainless, Aluminum & Nickel Solutions

Subject: Important Update: Revised Section 232 Tariff Program Effective March 12, 2025

Dear Valued Partners,

We want to bring to your attention critical changes to the Section 232 tariff program which will significantly impact material imports. Below are the key points regarding this revision:

1. **Effective Date** – The revised tariff program applies to all materials imported with a Customs Entry Date of March 12, 2025 and beyond.
2. **Major Policy Shift** – This is not a new policy but a stringent revision of the original Section 232 action initiated in 2018. The revised program eliminates all prior exclusions, exemptions, duty drawbacks, and quota agreements, effectively closing previous circumvention loopholes.
3. **Scope Expansion** – The scope remains largely unchanged but now includes Chapter 73 products - finished products such as Fasteners, Screw Machine Products, Springs, Belting etc....To be clear this part of the program has not been clearly defined yet. Chapter 75 (Nickel Alloys) remains excluded.
4. **Government Objectives** – The administration aims to achieve 80% domestic utilization while keeping imports below 30%. This policy also serves as a broader negotiation tool beyond steel trade. Notably, U.S. stainless wire currently has a 65% import penetration.
5. **Global Trade Impact** – This move is part of a worldwide negotiation strategy, not just a steel trade adjustment. A key aspect of the proclamation states:
“The United States will monitor the implementation and effectiveness of these actions in addressing our national security needs, and I may revisit this determination, as appropriate.”
6. **Eliminating Circumvention Tactics** – The revision closes loopholes where products were shifted between countries to obscure their origin. More importantly, it now includes **derivative products**, meaning downstream steel and aluminum products are also covered. This addresses a significant past failure in both Section 232 and Section 301 tariffs.
 - o *Example:* Previously, tariffs applied to Chinese stainless bar but not to machined parts made from that bar, encouraging production shifts toward value-added work while penalizing end-users. With this update, imported parts made from covered materials will also face tariffs, likely impacting pricing.
7. **Derivative Tariffs Effective Date** – The new tariffs covering derivative products take effect on **March 12, 2025**.

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8. As of **11:59 p.m. eastern time on the date of this proclamation**, the Secretary shall not consider any **product exclusion requests or renew any product exclusion requests in effect as of that date**. The Secretary shall take all necessary action to rescind the product exclusion process, including publication in the Federal Register. All generally approved exclusions “GAEs” have been extinguished as well.
9. **Granted product exclusions shall remain effective until their expiration date or until excluded product volume is imported, whichever occurs first**. The Secretary shall terminate all existing general approved exclusions as of March 12, 2025.
10. **Potential Import Process Changes** – U.S. Customs and Border Protection (CBP) may introduce new steel content requirements for imported goods to better detect and prevent circumvention attempts.
11. **Implementation Timeline** – The policy includes a **150-day process** to refine derivative classifications:
 - Trade associations (e.g., PMPA) will have **90 days** to review and ensure relevant products are covered.
 - The Department of Commerce will then have **60 days** to finalize and implement the measures.

This marks a **significant tightening** of prior policies, particularly in addressing the longstanding issue of downstream product loopholes. We anticipate major shifts in OEM component sourcing, potential disruptions, and an increase in domestic manufacturing demand. To reiterate, this tariff declaration applies to **ALL** countries exporting to the US with no exceptions.

This summary reflects our current interpretation of the proclamation. We will continue to provide updates as we receive further clarification from our legal teams and industry associations.

Please feel free to reach out to your TSM Salesperson to arrange a call to discuss further.

Sincerely,

COMPANY VIDEO [Tri Star Metals LLC – YouTube](#)

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