

President Trump Further Adjusts Section 232 Tariffs on Aluminum, Steel, and Copper

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KEY POINTS

- President Donald Trump's June 1, 2026, proclamation modifies the Section 232 of the Trade Expansion Act of 1962 metals tariff regime established by Proclamation 11021, with temporary changes effective June 8, 2026, through December 31, 2027.
- The June 1 proclamation expands the temporarily reduced 15% *ad valorem* rate to cover agricultural equipment and certain residential HVAC systems and components that were previously subject to a 25% derivative tariff under Annex I-B.
- The June 1 proclamation creates a new Annex I-C for mobile industrial equipment and machinery, establishing temporary tiered Section 232 rates through December 31, 2027, including calibrated 15% effective rates for specified countries and special treatment for USMCA origin goods.
- The June 1 proclamation lowers the U.S.-origin metal threshold for qualifying as made "entirely" from American aluminum, steel, or copper from 95% to 85% and brings aluminum lithographic plates and steel racks within section 232 derivative tariff coverage under Proclamation 11021.
- The June 1 proclamation adopts a "lowest rate rule" for overlapping provisions and provides targeted relief within the existing 50%/25% Section 232 framework, creating a time-limited window through December 31, 2027, for importers to adjust supply chains and compliance strategies.

On June 1, 2026, President Donald Trump signed a [proclamation](#) titled "Further Adjusting the Tariff Regimes for Imports of Aluminum, Steel, and Copper into the United States" (the June 1 Proclamation), which modifies the tariff regime under Section 232 of the Trade Expansion Act of 1962 (Section 232) that was previously established and most recently overhauled by [Proclamation 11021](#). The changes take effect at 12:01 a.m. ET on June 8, 2026, with temporary modifications applying through December 31, 2027, after which products will revert to standard Proclamation 11021 rates.

THE SECTION 232 METALS TARIFF REGIME

Section 232 authorizes the president to adjust imports of articles that threaten to impair national security. President Trump first imposed Section 232 tariffs on steel and aluminum in March 2018 through [Proclamations 9704](#) and [9705](#). In July 2025, he extended Section 232 tariffs to copper imports through [Proclamation 10962](#), imposing a 50% *ad valorem* rate.

On April 2, 2026, President Trump signed Proclamation 11021, which substantially restructured the Section 232 metals tariff regime. That proclamation made several important changes, including applying Section 232 tariffs to the full customs value of imported products rather than only to the declared metal content value, and establishing

a tiered rate structure. Under Proclamation 11021, the tariff rates were organized as follows:

- A 50% *ad valorem* duty on products made entirely or almost entirely of aluminum, steel, or copper (listed in Annex I-A), such as steel coils and aluminum sheet.
- A 25% *ad valorem* duty on derivative products that are substantially composed of those metals (listed in Annex I-B), such as metal pipe fittings and structural components.
- A temporarily-reduced 15% *ad valorem* duty on certain metal-intensive industrial equipment and electrical grid equipment through December 31, 2027, to support the ongoing U.S. industrial base buildout.
- A reduced 10% rate for derivative articles made entirely with U.S.-smelted, cast, or poured aluminum, steel, or copper.
- Products made of less than 15% of the applicable metal by weight are exempt from Section 232 metals tariffs.

Proclamation 11021 also established that to qualify as made “entirely” from American metal, at least 95% of the metal content had to be U.S.-sourced.

KEY CHANGES UNDER THE JUNE 1 PROCLAMATION

The June 1 Proclamation makes six principal modifications to the existing tariff regime, based on recommendations from the secretary of Commerce. All changes take effect June 8, 2026, and the temporary rate structures remain in effect through December 31, 2027, after which the standard Proclamation 11021 rates, as outlined above, are set to resume.

Expansion of the 15% Reduced Rate Category

Under Proclamation 11021, the 15% temporarily reduced rate had applied only to fixed industrial machinery and power equipment. The new proclamation expands this category to include agricultural equipment and certain heating, ventilation, and air conditioning (HVAC) systems and components that are predominantly for residential use. These products were previously treated as aluminum or steel derivative products subject to the standard 25% rate under Annex I-B. The rationale offered is that these products serve an important role in productive domestic economic activity — American farmers rely on agricultural equipment to produce food, and residential HVAC systems are essential consumer goods.

Temporary Reduced Rates for Mobile Industrial Equipment and Machinery (Annex I-C)

The June 1 Proclamation creates a new product category (Annex I-C) covering mobile industrial equipment and machinery, which includes items such as construction equipment, material-handling equipment, and related mobile machinery. These products are subject to a new temporary rate structure through December 31, 2027, with the following tiered rates:

- A general rate of 25%, unless a lower rate applies.
- For products from Argentina, Ecuador, El Salvador, Guatemala, Japan, the Republic of Korea, Liechtenstein, Switzerland, Taiwan, the UK, or EU member states, the rate is calibrated so that the sum of the product’s Column 1 most favored nation duty rate and the Section 232 duty equals 15%. If the Column 1 duty rate already equals or exceeds 15%, no additional Section 232 duty applies.
- For products where the metal content is composed entirely of U.S.-origin aluminum or steel, a 10% rate applies (calculated in the same manner described above).

- For products from Canada and Mexico qualifying under the United States-Mexico-Canada Agreement (USMCA), a 25% duty applies only to the non-U.S. content of the product (*i.e.*, total value minus the value of parts produced in the U.S.), with a floor of 15% effective *ad valorem* duty.

Effective January 1, 2028, products listed in Annex I-C will revert to the standard rates set out in Proclamation 11021.

Lowered US-Origin Metal Threshold (95% to 85%)

Under Proclamation 11021, imported products qualified as made “entirely” from American aluminum, steel, or copper only if at least 95% of the metal content was U.S.-sourced. The new proclamation lowers this threshold to 85%. The stated intent is to incentivize increased use of American metals in downstream derivative products by making the reduced-rate benefits accessible to a broader range of manufacturers that use predominantly — but not exclusively — U.S.-sourced metals.

Addition of Aluminum Lithographic Plates and Steel Racks

Aluminum lithographic plates and steel racks, which previously fell outside the scope of Section 232 coverage, are now included as derivative products subject to the applicable derivative tariff under Proclamation 11021. This addition is intended to prevent circumvention of the tariff regime and ensure these aluminum and steel products are subject to appropriate tariff treatment.

USMCA-Specific Treatment for Mobile Industrial Equipment

As noted above, the June 1 Proclamation provides a special mechanism for USMCA-qualifying products from Canada and Mexico within Annex I-C. The 25% duty applies only to the “non-U.S. content” of the product, defined as the total value minus the value attributable to parts produced in the U.S. This is subject to a 15% floor, meaning the total effective duty cannot fall below 15% *ad valorem*. The secretary of Commerce will issue guidance to U.S. Customs and Border Protection (CBP) on assessing U.S. content, and importers that engage in fraud or deliberate misrepresentation regarding U.S. content will face penalties.

Lowest Rate Rule

Where a product qualifies under multiple rate provisions of the June 1 Proclamation, the lowest applicable rate governs.

PRACTICAL IMPLICATIONS AND CONSIDERATIONS

The June 1 Proclamation represents a partial recalibration of the aggressive tariff expansion that took effect on April 6, 2026, under Proclamation 11021. While the overall 50%/25% framework remains intact for most metal products and derivatives, the new proclamation provides targeted relief for certain categories of goods (particularly agricultural equipment, residential HVAC, and mobile industrial machinery) that the administration recognizes play a critical role in domestic economic productivity.

Companies importing products that may fall within Annex I-C or the newly expanded 15% category should take immediate steps to:

- Review the specific Harmonized Tariff Schedule of the U.S. classifications in the Annexes to determine whether their products qualify for reduced rates.
- Assess whether products sourced from USMCA partners may benefit from the non-U.S. content methodology and prepare documentation establishing the value attributable to U.S.-produced parts.
- Evaluate whether the lowered 85% U.S.-origin metal threshold enables qualification for reduced rates that were previously inaccessible under the 95% rule.
- Monitor forthcoming guidance from the secretary of Commerce and CBP on implementation, including the assessment of U.S. content for USMCA products.
- Update internal compliance systems and entry filings in the Automated Commercial Environment to reflect the new Chapter 99 headings and rate changes effective June 8, 2026.

Importers should note that the June 1 Proclamation does not provide any exception for goods already in transit, consistent with prior Section 232 actions. The temporary nature of many of these provisions (expiring December 31, 2027) means that businesses should treat the relief as a window for supply chain adjustment rather than a permanent reduction.

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