Aluminum Imports Exempt from Section 232 Duties

July 11, 2022
Fiscal Year 2021 Report to Congress

U.S. Customs and Border Protection
Message from the Deputy Commissioner of CBP

July 11, 2022

I am pleased to submit the following report, “Aluminum Imports Exempt from Section 232 Duties,” which was prepared by U.S. Customs and Border Protection (CBP).

The report was compiled pursuant to direction set forth in House Report 116-458, which accompanies the Fiscal Year 2021 Department of Homeland Security Appropriations Act (P.L. 116-260). The report provides analysis on whether duties on importers of recycled, scrap, and primary aluminum exempt from the Section 232 tariff are being assessed properly, along with whether assessed tariffs have been remitted to the U.S. Government.

Pursuant to congressional requirements, this report is being provided to the following Members of Congress:

The Honorable Lucille Roybal-Allard  
Chairwoman, House Appropriations Subcommittee on Homeland Security

The Honorable Chuck Fleischmann  
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable Chris Murphy  
Chair, Senate Appropriations Subcommittee on Homeland Security

The Honorable Shelley Moore Capito  
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

I would be pleased to respond to any questions that you may have. Please do not hesitate to contact my office at (202) 344-2001.

Sincerely,

Troy A. Miller  
Deputy Commissioner  
U.S. Customs and Border Protection
Executive Summary

This report analyzes whether duties on imports of recycled, scrap, and primary aluminum exempt from the Section 232 tariff are being assessed properly, along with whether assessed tariffs have been remitted to the U.S. Government. The report provides an overview of the recycled, scrap, and primary aluminum imports exempt from the Section 232 tariff and data on CBP’s reviews of such imports.
Aluminum Imports Exempt from Section 232 Duties

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I. Legislative Language

This document was compiled pursuant to direction set forth in House Report 116-458, which accompanies the Fiscal Year (FY) 2021 Department of Homeland Security Appropriations Act (P.L. 116-260).

House Report 116-458 states:

*Trade Remedy Enforcement.*—The Committee directs CBP to review whether duties on importers of recycled, scrap, and primary aluminum exempt from the Section 232 tariff are being properly assessed, along with whether assessed tariffs have been remitted to the government. Not later than 120 days after the date of enactment of this Act, CBP shall submit a report to the Committee of the findings of this review and any actions taken to address inappropriate assessments.
II. Background

On March 23, 2018, President Trump issued Proclamation 9704 under Section 232 of the Trade Expansion Act of 1962 (P.L. 87-794) imposing increased duties on imports of aluminum, which became effective March 23, 2018. As of May 20, 2019, imports of aluminum from four countries—Argentina, Australia, Canada, and Mexico—were exempted from the Section 232 import duty on aluminum.

The Harmonized Tariff Schedule of the United States (HTSUS) aluminum classifications under the following headings are subject to Section 232 duties: 7601, 7604, 7605, 7606, 7607, 7608, 7609, and 7616.99.51.


The report requirement specifically directs U.S. Customs and Border Protection (CBP) to review duties on “importers of recycled, scrap, and primary aluminum” exempt from the Section 232 tariff. Recycled and primary aluminum could be imported in any form and be classified under the HTSUS anywhere in Chapter 76 without regard to having been primary or recycled aluminum. HTSUS classification 7602.00.00 covers aluminum waste and scrap.

For purposes of this report, CBP included in its analysis any aluminum import (whether recycled or primary aluminum) classified under any of the HTSUS classifications covered by Section 232 (i.e., HTSUS headings 7601, 7604, 7605, 7606, 7607, 7608, 7609, and subheading 7616.99.51) and exempt from Section 232 duties. These include:

- Aluminum imports from Argentina, Australia, Canada, and Mexico exempt from the Section 232 aluminum duties; and
- Those classified in the 11 HTSUS subheadings of aluminum excluded from the Section 232 measures beginning on December 29, 2020, and continuing after December 27, 2021.

In addition, CBP included imports of aluminum waste and scrap classified under HTSUS subheading 7602.00.00, which never were covered by Section 232 duties.

The normal (non-Section 232) duty rates on the imports included in this analysis range from 0 to 6.5 percent ad valorem.

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1 Section 232 duties were reimposed on unwrought aluminum products from Canada for a short period in Calendar Year 2020.
CBP did not include in its analysis the importer-specific and product-specific exclusions in this report because they are effective for only limited quantities and limited periods. Also, they are significantly more limited than the country and HTSUS subheading-level exclusions to the Section 232 aluminum duties, which are available for use by any importer without any quantity restrictions.
III. Results

CBP reviewed the past 2 fiscal years (FY 2020 and FY 2021) of data on CBP’s reviews of aluminum imports. CBP’s review of recycled, scrap, and primary aluminum exempt from Section 232 tariffs in FY 2020 and FY 2021 resulted in duty refunds of $18,005,631 and duty assessments of $7,200. More than $17,300,000 of these refunds relate to the termination of the Section 232 duties on imports of unwrought aluminum from Canada on October 27, 2020 (see 85 FR 68709). The termination of Section 232 duties was retroactive to September 1, 2020, and CBP was required to refund Section 232 duties to importers of unwrought aluminum from Canada that previously had been paid between September 1, 2020, and October 27, 2020. CBP has taken all appropriate actions to refund the $18,005,631 of duty refunds and to collect the $7,200 of duty assessments.
IV. Conclusion

CBP will continue to enforce trade laws, including import duties, on imported aluminum and to facilitate legitimate aluminum imports.
V. Appendix - List of Abbreviations

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<td>CBP</td>
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