

Trump administration further adjusts Section 232 tariffs on aluminum, steel, and copper imports

June 3, 2026

In brief

What happened?

President Trump issued a [Proclamation](#) on June 1 further modifying the Section 232 tariff regimes applicable to imports of aluminum, steel, copper, and certain derivative products. The Proclamation establishes a temporary tariff framework, effective June 8, 2026 through December 31, 2027, for certain products identified in Annex I-C, including a generally applicable 25% duty rate, alternative tariff treatment for products from specified trading partners, and special rules for qualifying United States–Mexico-Canada Agreement (USMCA) products.

This Proclamation also lowers the threshold for qualifying US-origin steel or aluminum content from 95% to 85%, expands eligibility for the temporary 15% tariff treatment previously available for certain fixed industrial machinery and power equipment to include specified agricultural equipment, mobile industrial equipment, and certain predominantly residential HVAC systems and components, and adds aluminum lithographic plates and steel racks to the scope of existing Section 232 measures. The White House also released a [fact sheet](#) describing the administration's rationale for the action and highlighting relief provided to certain downstream manufacturing sectors.

Why is it relevant?

This Proclamation could materially affect importers of agricultural equipment, HVAC systems and components, mobile industrial equipment, machinery, aluminum lithographic plates, steel racks, and

other covered derivative products. The action also changes the threshold for products to be treated as made “entirely” from US-originating aluminum, steel, or copper from 95% to 85% by weight, which could create new opportunities for importers to qualify for lower tariff rates where sufficient US-origin metal content can be documented.

It also highlights the administration's continued use of Section 232 authorities to modify US tariff policy. This Proclamation was issued as the Department of Justice pursues an appeal of recent court decisions involving certain tariffs imposed under the International Emergency Economic Powers Act (IEEPA), underscoring the growing importance of Section 232 as a mechanism for implementing the administration's trade agenda.

Actions to consider

Companies should identify whether imported products are covered by the new annexes and assess whether the June 8 effective date affects open purchase orders, in-transit goods, or customs entries. Importers also should evaluate whether products could qualify for reduced rates based on country of origin, USMCA preferential treatment, Column 1 duty rates, or US-origin metal content. Companies seeking to claim US-content-based treatment should consider and maintain the appropriate documentation, particularly because the Proclamation directs US Customs and Border and Protection (CBP) to issue guidance regarding the determination of US content and authorizes penalties in cases involving fraud or deliberate misrepresentation.

In Detail

Background

Section 232 of the Trade Expansion Act of 1962 authorizes the President to adjust imports where an article and its derivatives are imported in quantities or under circumstances that threaten to impair US national security. Prior actions under Proclamations 9704, 9705, and 10962 imposed Section 232 measures on aluminum, steel, and copper imports as well as certain derivative products.

On April 2, 2026, Proclamation 11021 modified the Section 232 metal tariff regimes by imposing a 50% ad valorem duty on products made of aluminum, steel, or copper; a 25% ad valorem duty on derivative products predominantly composed of those metals; and a temporarily reduced 15% ad valorem duty on fixed industrial machinery and power equipment.

Temporary tariff framework for Annex I-C products

The latest Proclamation establishes a temporary tariff framework for certain products identified in Annex I-C. The modified treatment applies to covered products entered for consumption, or withdrawn from a warehouse for consumption, on or after June 8, and remains in effect through December 31, 2027.

Under the temporary framework, Annex I-C products generally are subject to a 25% ad valorem duty. However, the Proclamation provides alternative treatment for products from certain countries. For products from Argentina, Ecuador, El Salvador, Guatemala, Japan, the Republic of Korea, Liechtenstein, Switzerland, Taiwan, the United Kingdom, and member states of the European Union, the additional Section 232 duty generally is determined by reference to the product's existing Column 1 duty rate under the HTSUS. As a result, covered products from these jurisdictions generally are subject to a minimum

effective tariff rate of 15%. The additional Section 232 duty may be reduced or eliminated where the product's existing Column 1 duty rate already equals or exceeds that threshold.

Observation: The country-specific treatment reflects the administration's continued use of negotiated trade arrangements to differentiate tariff outcomes among US trading partners. Importers sourcing covered products from the listed jurisdictions could face lower duty liabilities than importers sourcing identical products from countries subject to the default 25% tariff rate.

Special treatment for USMCA products

The Proclamation also establishes special rules for qualifying products from Canada and Mexico. Rather than applying the default 25% tariff rate to the entire value of an imported product, duties generally are assessed based only on the value of the product's non-US content. However, the Proclamation further provides that the resulting duty may not be less than a 15% effective tariff rate.

Observation: The non-US content methodology could reduce the tariff burden for products with significant North American content. Companies seeking to benefit from the provision should evaluate origin determinations, valuation methodologies, and supporting documentation to substantiate the amount of qualifying US content.

Reduced rates for products containing US-origin metal

The Proclamation modifies the preferential treatment available for products containing significant amounts of US-origin steel, aluminum, or copper. Under Proclamation 11021, a product generally had to contain at least 95% of qualifying US-origin metal by weight to be treated as made entirely from US-origin steel or aluminum. The new Proclamation lowers this threshold to 85%.

As a result of the Proclamation, products containing US produced metal content that is smelted and cast or melted and poured in certain steel and aluminum derivative products could now qualify for preferential treatment. Covered products that meet this updated threshold may be eligible for a reduced 10% tariff rate. The Proclamation directs CBP to administer these provisions and authorizes penalties for importers that fraudulently or intentionally misrepresent the amount of qualifying US-origin content in their products.

Observation: Reducing the threshold from 95% to 85% could significantly expand the population of products eligible for preferential treatment. Companies that previously concluded they could not satisfy the US-content requirements may wish to revisit those analyses and assess whether existing sourcing arrangements now qualify for the reduced tariff rate.

Expanded relief for downstream products

The Proclamation expands the list of products eligible for temporary reduced tariff treatment through December 31, 2027. According to the accompanying White House fact sheet, certain agricultural equipment, including combines and harvesters, will be subject to a 15% tariff rate rather than the otherwise applicable 25% rate. The Proclamation also broadens eligibility for the reduced rate to include certain mobile industrial equipment, such as bulldozers and forklifts, from countries that qualify for this treatment. In addition, certain predominantly residential HVAC systems and components are included within the scope of the temporary relief measures.

Observation: The relief provisions appear designed to address concerns from downstream manufacturers and equipment producers that rely on steel, aluminum, and copper inputs. Companies

that import machinery, agricultural equipment, or HVAC products should review product classifications and annex descriptions carefully to determine whether reduced rates are available.

Additional derivative products subject to Section 232 duties

The Proclamation expands the scope of products subject to the Section 232 metals tariff by adding additional derivative products. Specifically, aluminum lithographic plates are added to the aluminum tariff program and steel racks are added to the steel tariff program. As a result, imports of these products could become subject to applicable Section 232 duties beginning on the effective date of the Proclamation.

Observation: Importers of newly covered derivative products could face increased duty costs and new compliance obligations beginning June 8. Businesses should confirm whether affected products are covered by the new annexes and evaluate the impact on existing supply arrangements and customer contracts.

Looking ahead

The temporary tariff modifications adopted by the Proclamation are scheduled to remain in effect through December 31, 2027. Unless the administration takes further action, the tariff treatment established under Proclamation 11021 is expected to resume on January 1, 2028. Importers may wish to evaluate the impact of the revised tariff framework on sourcing decisions, customs compliance procedures, and documentation supporting claims for preferential tariff treatment.

This Proclamation also comes amid continued uncertainty regarding the administration's broader tariff agenda. On June 2, the Department of Justice announced its intent to appeal recent court decisions addressing certain tariffs imposed under IEEPA and related refund obligations. Although these Section 232 measures are based on a separate statutory authority, future developments in the IEEPA litigation could affect the administration's approach to trade policy and tariff actions.

Observation: Because the modified tariff framework is temporary, companies may need to evaluate both near-term opportunities to benefit from reduced rates and the potential impact of a return to the prior tariff structure after December 31, 2027. Long-term sourcing and investment decisions therefore may need to account for the possibility of further action by the administration before the temporary provisions expire.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

Customs and International Trade

Chris Desmond

christopher.desmond@pwc.com

Kristin Bohl

kristin.m.bohl@pwc.com

Anthony Tennariello

anthony.tennariello@pwc.com

Mark Truchan

mark.truchan@pwc.com

Everson Ascencio

everson.ascencio@pwc.com

Sharon Martin

sharon.martin@pwc.com

Maytee Pereira

maytee.pereira@pwc.com

Craig Pinkerton

craig.i.pinkerton@pwc.com

Helen Xiao

helen.xiao@pwc.com

Washington National Tax Services - Customs and International Trade

Sarah Kafka

sarah.kafka@pwc.com

Global Trade Policy

Scott McCandless

scott.mccandless@pwc.com

© 2026 PwC. All rights reserved. PwC refers to the US member firm or one of its subsidiaries or affiliates, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

This content is for general information purposes only and should not be used as a substitute for consultation with professional advisors.

Solicitation