



SECTION 232 INVESTIGATIONS & SECTION 232 EXCLUSIONS PROCESS

**U.S. Department of Commerce
Bureau of Industry and Security (BIS)**

Oman
April 2024

Office of Technology Evaluation
Bureau of Industry and Security



Briefing Subject Areas

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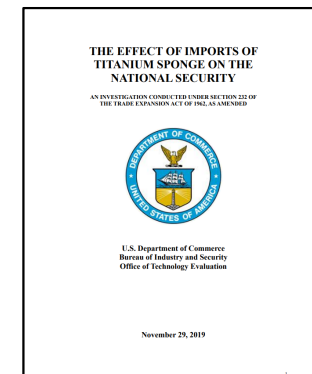
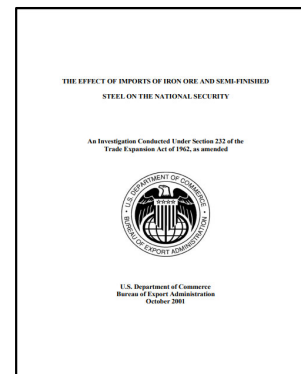
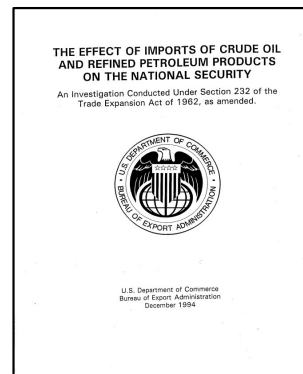
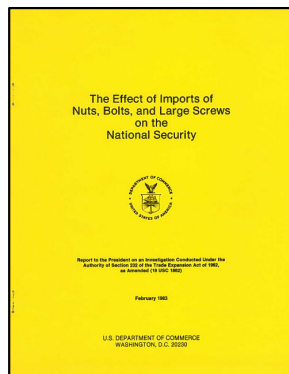


Section 232 Authority and Investigations

Section 232 Investigation - Authority

Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. §1862), provides the authority for the Secretary of Commerce to initiate investigations to determine the effects on the national security of imports of an article

- BIS administers regulations of Section 232 (15 CFR 705)
- 18 Section 232 investigations since 1980, including:
 - Machine Tools, Crude Oil and Petroleum, Antifriction Bearings, Plastic Injection Moldings, Steel, Aluminum, Uranium, Titanium Sponge, etc.





Section 232 Investigation - Process

Initiated based on an application from interested party, a request from the head of any department or agency, or may be self-initiated by the Secretary of Commerce

1. Provide notice to the Secretary of Defense of any initiated investigations
2. Consult with DOD on methodology/policy questions raised in investigation
3. Seek information/advice/consult with USG interagency
4. If appropriate, hold public hearings or afford persons an opportunity to present relevant information and advice
5. By request, DOD will provide DOC an assessment of the defense requirements of any article subject to an investigation

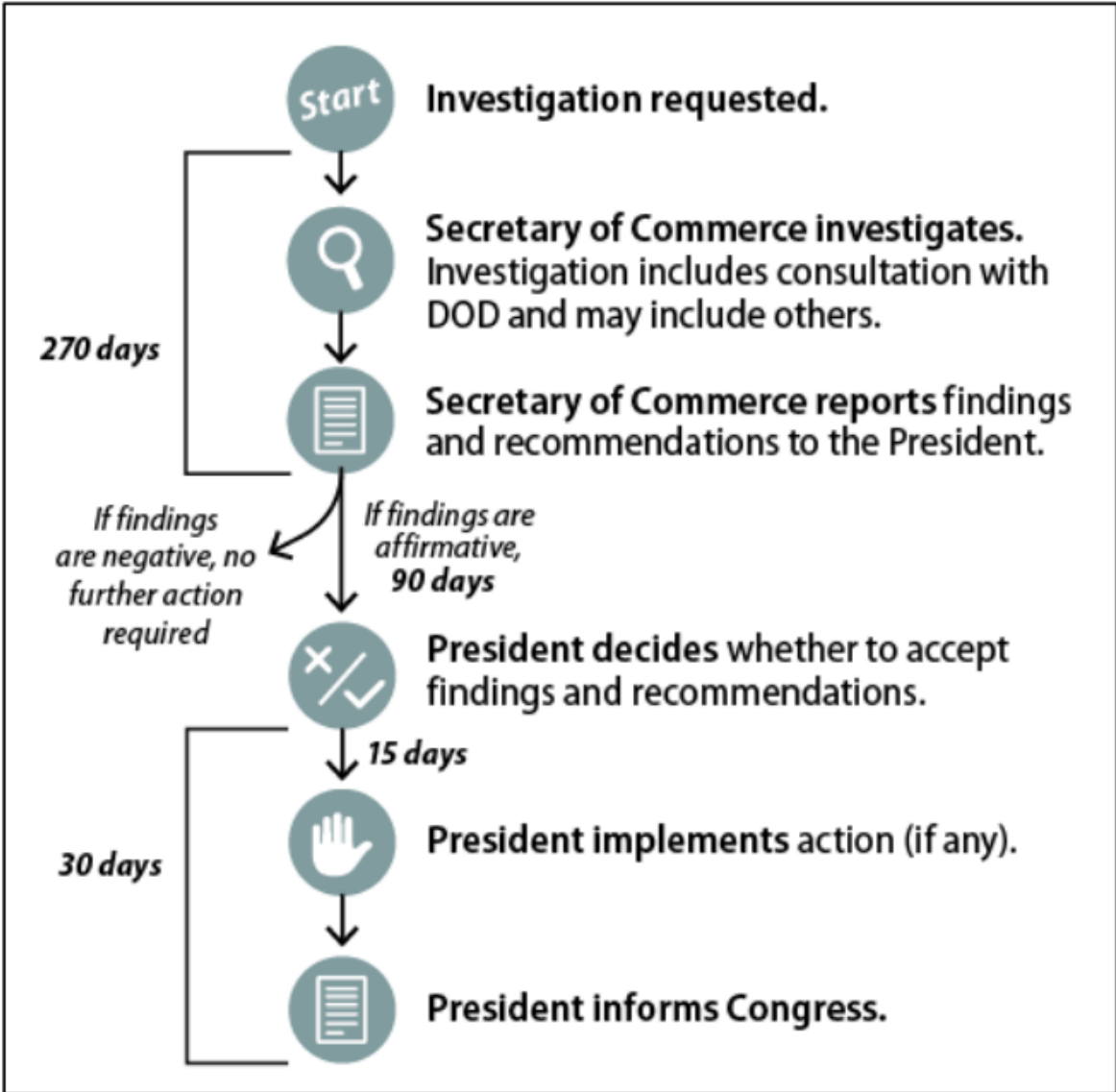


Section 232 Investigation - Process *continued*

Several time bound parameters govern the Secretary's implementation of the 232 investigation, including:

- The Secretary has 270 days to present the Department's findings and recommendations to the President
- When the Secretary finds that imports threaten to impair the national security, the President generally has 90 days to determine whether he agrees with the findings, and to determine whether to “adjust imports”
- If pursued, the President has 15 days to implement any action to adjust imports
- No later than 30 days after the President makes a determination, the President shall submit to Congress a written statement of the reasons why he has decided to take/refused to take action

Figure I. Section 232 Investigation Process



Source: CRS graphic based on 19 U.S.C. §1862.



Section 232 Investigation - Critical Factors

Section 232 recognizes close relation of the economic welfare of the nation and our national security.

Among the criteria are:

1. Domestic production needed to meet defense requirements
2. Industry's capacity/growth to meet projected requirements
3. Requisite quantity, quality, and availability of imports
4. Impact of foreign competition on domestic industry
5. Displacement of domestic products causing a weakening of the internal economy which may impair the national security:
 - i. Substantial unemployment
 - ii. Decrease in USG revenues
 - iii. Loss of investment, specialized skills, and/or productive capacity
6. Other factors relevant to unique circumstances of case



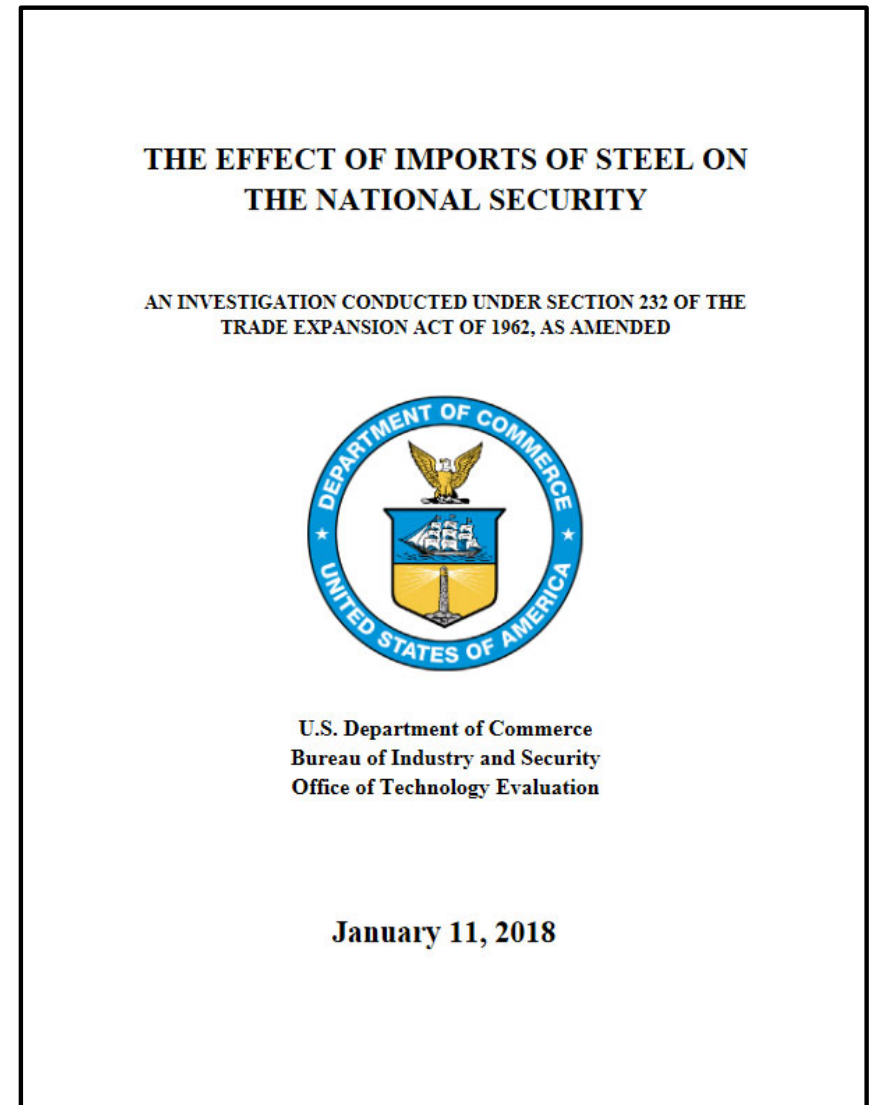
Section 232 Steel & Aluminum Investigations

- In April 2017, the Secretary of Commerce self-initiated Section 232 Investigations whether imports of steel and aluminum posed a threat to the national security.
- In January 2018, Commerce submitted its Steel and Aluminum 232 Reports, recommending tariffs be placed on imports of steel and aluminum to the United States.
- On March 8, 2018, the President issued Presidential Proclamations 9704 and 9705, imposing tariffs of 25% on imports of steel and 10% on imports of aluminum.
- Proclamations 9704 and 9705 also authorized the Secretary to provide relief from the additional duties for any steel or aluminum articles determined “not to be produced in the United States in a sufficient and reasonably available amount or ... based upon specific national security considerations” otherwise identified by Commerce.



232 Steel Report

- **Findings:** The “displacement of domestic steel by excessive quantities of steel imports and the consequent adverse impact of those quantities of steel imports on the economic welfare of the domestic steel industry, along with the circumstance of global excess capacity in steel, are ‘weakening our internal economy’ and...‘threaten to impair’ the national security as defined in Section 232.”
 - Imports accounted for over **30%** of domestic demand for steel
 - U.S. steel producers operated at roughly **72%** capacity utilization
- **Recommendation:** Commerce found that a tariff of 24% would achieve a desired **80% capacity utilization rate** for domestic steel producers.



232 Aluminum Report

- **Findings:** The “displacement of domestic aluminum by excessive quantities of aluminum imports and the consequent adverse impact of those quantities of aluminum imports on the economic welfare of the domestic aluminum industry, along with the circumstance of global excess capacity in steel, are ‘weakening our internal economy’ and...‘threaten to impair’ the national security as defined in Section 232.”
 - Imports accounted for over **90%** of domestic demand for primary aluminum
 - U.S. aluminum producers operated at roughly **43%** capacity utilization
- **Recommendation:** Commerce found that a tariff of 8% would achieve a desired **80% capacity utilization rate** for domestic aluminum producers.

THE EFFECT OF IMPORTS OF ALUMINUM ON THE NATIONAL SECURITY

AN INVESTIGATION CONDUCTED UNDER SECTION 232 OF THE
TRADE EXPANSION ACT OF 1962, AS AMENDED



U.S. Department of Commerce
Bureau of Industry and Security
Office of Technology Evaluation

January 17, 2018



Section 232 Exclusions Process

232 Exclusion Process: Key Actors



Bureau of Industry and Security (BIS)

- BIS is the agency within the Department of Commerce responsible for performing an Initial ER Review and final National Security Review of each submitted Exclusion Request. BIS also issues the final approval or denial decision on all Exclusion Requests.



Customs and Border Protection (CBP)

- CBP is the agency within the Department of Homeland Security responsible for performing an initial HTS Administrability Review of each submitted Exclusion Request.

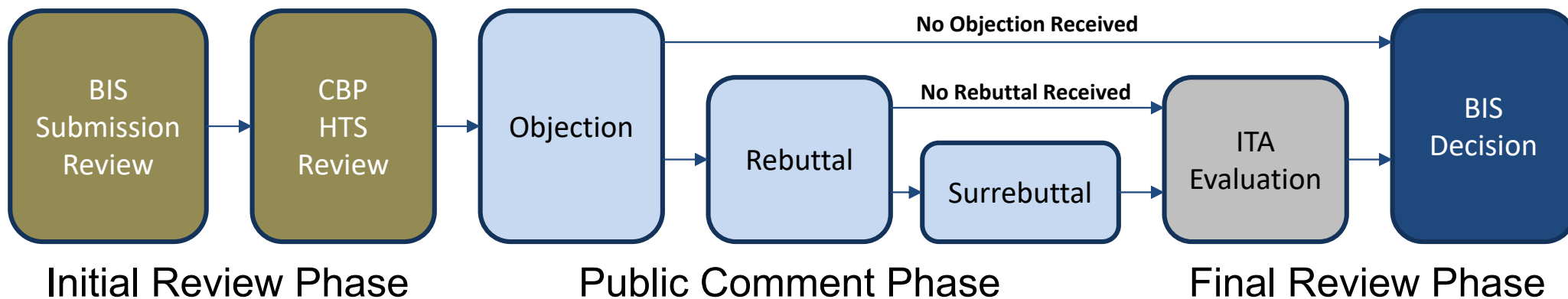


International Trade Administration (ITA)

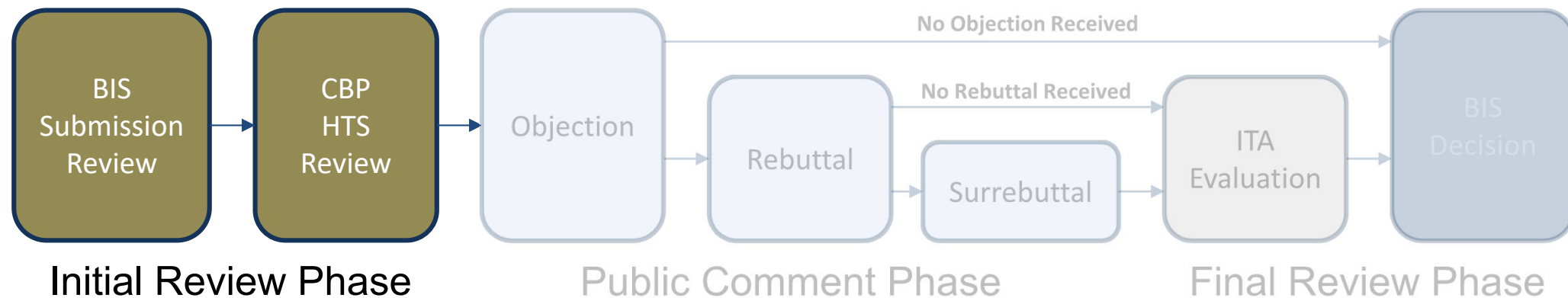
- ITA is the agency within the Department of Commerce responsible for analyzing a case file to determine whether an objector can meet a requestor's quality, quantity and timeliness requirements. ITA recommends whether to approve or deny the Exclusion Request.



Overview of the 232 Exclusions Process



Overview of the 232 Exclusions Process

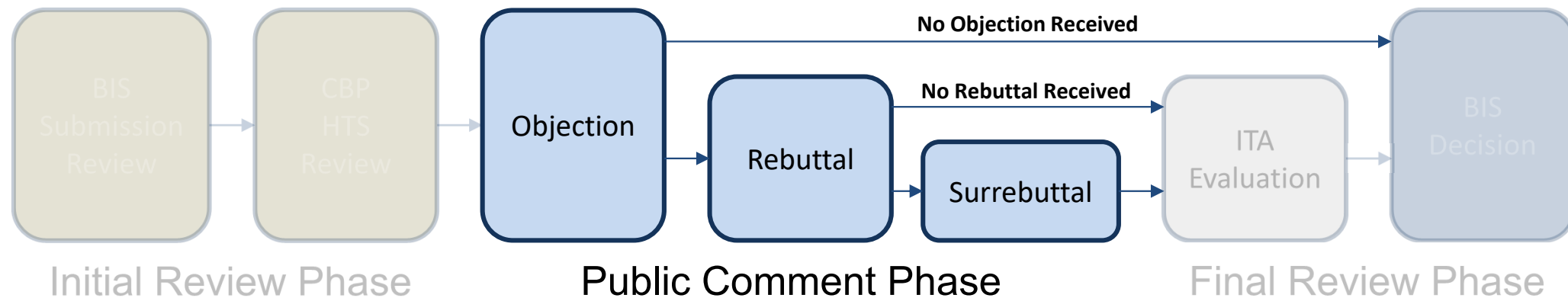


Initial Review Phase

- BIS and CBP review cases prior to posting to ensure all necessary information is provided and the HTSUS Classification provided is consistent with the product listed on the Exclusion Request Form.
- Proper filings are posted for public comment, while filings with issues are rejected and a notification sent to the Requestor.



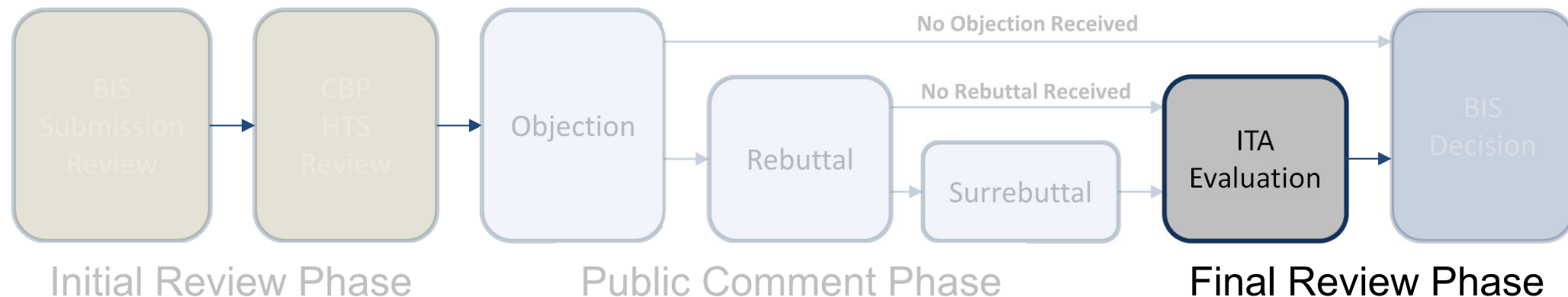
Overview of the 232 Exclusions Process



Public Comment Phase

- Posted Requests move into a thirty-day Objection Window in which industry can object to individual Exclusion Requests.
- Requests with Objections then move into seven-day Rebuttal and Surrebuttal Windows, which were added in September 2018 to allow further opportunities to respond to the involved parties.

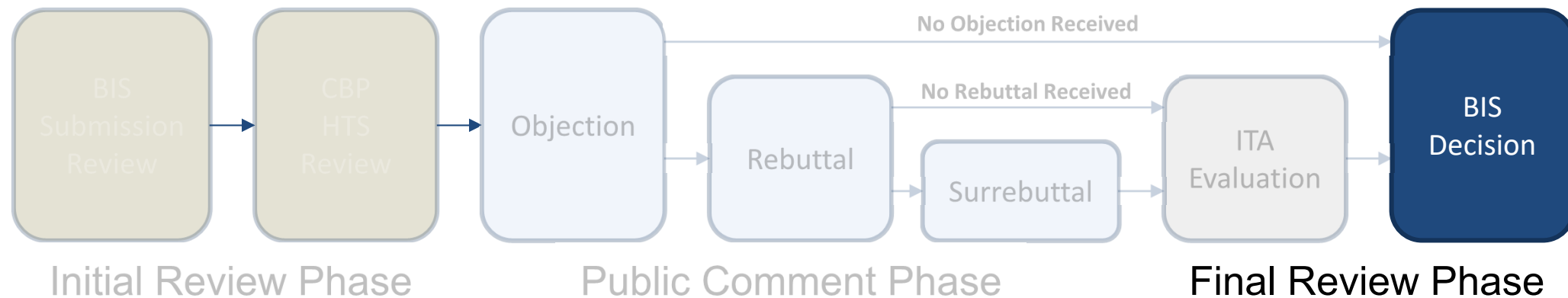
Overview of the 232 Exclusions Process



ITA Evaluation

- Exclusion Requests with Objection(s) move to Package Analysis with ITA, which reviews the merits of the Objection(s) and issues a Recommendation to BIS
- When reviewing the Administrative Record, ITA evaluates them on three criteria:
 - Can the Objector make the product in the **quantity** asked for?
 - Can the Objector make the product to the **quality** asked for?
 - Can the Objector make the product in a **timely manner**?
 - Defined as eight weeks, or sooner than the supplier of the Requestor.

Overview of the 232 Exclusions Process



BIS Evaluation and Decision

- Exclusion Requests ultimately enter final National Security Review, in which BIS considers the ITA Recommendation (if provided) as well as any other relevant national security information.
- BIS also conducts reviews of provided certifications and may flag cases for additional review – for example, volume certification review.
- BIS issues a final Approval or Denial Decision and generates Approved or Denied Decision Memorandums that are posted publicly to the 232 Exclusions Portal.
- BIS also transmits Granted Exclusions to U.S. Customs and Border Protection.



232 Exclusions Portal

- In June 2019, the Department launched the 232 Exclusions Portal as the new system for submitting and processing Exclusion Requests, Objections, Rebuttals, and Surrebuttals.
- The 232 Exclusions Portal has streamlined the Section 232 Exclusions Process and results in faster decisions for industry on their Exclusions.
 - Currently, Commerce on average issues Decisions on Exclusion Requests with No Objections in 45 Days and Decisions on Exclusion Requests with Objections in 90 Days.
- Registered Portal Users maintain a personal dashboard to easily view all of their filings in a single centralized web-based system.
- Portal Users can filter exclusion requests and related filings by key search criteria such as company name or HTSUS Classification.
- Parties can download a Public Data Extract of all filings posted publicly in the Section 232 Exclusions Process, enabling further analysis by Users.
 - Public Data Extract Guide: https://www.commerce.gov/sites/default/files/2019-12/232_Exclusion_Portal_Public_Data_Extract_Guide.pdf



232 Exclusions Portal

Website: www.trade.gov/232/steelalum

The screenshot displays the 'Published Exclusion Requests' page on the U.S. Department of Commerce website. The page includes a navigation bar with 'Home', 'Help Guides', and 'Login'. A 'Create New Exclusion Request' button is visible in the top right. Below the header, there is a search and filter section with a 'Show 25 entries' dropdown and several filter buttons: ID, Company, Product, HTSUS, Status, Days, Posted Date, and Details. The main content is a table listing 25 entries, each with columns for ID, Company, Product, HTSUSCode, Status, Days Remaining, Posted Date, and Details.

ID	Company	Product	HTSUSCode	Status	Days Remaining	Posted Date	Details
385316	Aaris LLC	Steel	7306305015	Pending-Objection Window Open	29	7/20/2023	Details
385312	Aaris LLC	Steel	7306305015	Pending-Objection Window Open	29	7/20/2023	Details
385311	Alloy tool steel Inc	Steel	7222200001	Pending-Objection Window Open	29	7/20/2023	Details
385307	Alloy tool steel Inc	Steel	7228501060	Pending-Objection Window Open	29	7/20/2023	Details
385303	Alloy tool steel Inc	Steel	7228601060	Pending-Objection Window Open	29	7/20/2023	Details
385299	Aaris LLC	Steel	7306305015	Pending-Objection Window Open	29	7/20/2023	Details
385295	Aaris LLC	Steel	7306305015	Pending-Objection Window Open	29	7/20/2023	Details
385238	American Piping Products, Incorporated	Steel	7304390028	Pending-Objection Window Open	29	7/20/2023	Details
385176	Arconic Architectural Products LLC	Aluminum	7606123091	Pending-Objection Window Open	29	7/20/2023	Details
385167	Arconic Architectural Products LLC	Aluminum	7606123096	Pending-Objection Window Open	29	7/20/2023	Details
385140	American Piping Products, Incorporated	Steel	7304316050	Pending-Objection Window Open	29	7/20/2023	Details
385110	Alloy Tool Steel Inc.	Steel	7222200041	Pending-Objection Window Open	29	7/20/2023	Details
385106	Alloy Tool Steel Inc.	Steel	7222200062	Pending-Objection Window Open	29	7/20/2023	Details
385102	Alloy Tool Steel Inc.	Steel	7222200064	Pending-Objection Window Open	29	7/20/2023	Details
385098	Alloy Tool Steel Inc.	Steel	7228308041	Pending-Objection Window Open	29	7/20/2023	Details
385094	Alloy tool steel Inc	Steel	7228501060	Pending-Objection Window Open	29	7/20/2023	Details
385090	Alloy tool steel Inc	Steel	7228601060	Pending-Objection Window Open	29	7/20/2023	Details
385086	Alloy tool steel Inc	Steel	7228501080	Pending-Objection Window Open	29	7/20/2023	Details
385078	Alloy tool steel Inc	Steel	7228601060	Pending-Objection Window Open	29	7/20/2023	Details
385074	Alloy tool steel inc.	Steel	7222200001	Pending-Objection Window Open	29	7/20/2023	Details



232 Alternative Arrangements

General Approved Exclusions

- GAEs are issued for ten-digit HTSUS Classifications on the basis of a sustained lack of successful Objections, which indicates limited or nonexistent availability from producers in the United States.
- GAEs provide a general exemption to all Importers from the 232 Tariffs for the products under the indicated HTSUS Classification.
- As of March 2024, Commerce maintains 93 GAEs on its GAE List.
 - Please see the current GAE List in the Supplement to the December 2021 Interim Final Rule on the Section 232 Exclusions Process:
 - <https://www.govinfo.gov/content/pkg/FR-2021-12-09/pdf/2021-26634.pdf>

Country-Level Arrangements

- The Proclamations included authority to lift tariffs for any country which “arrives at a satisfactory alternative means to address the threat to the national security”.
- The United States currently holds multiple alternative arrangements for steel and aluminum under Section 232:
 - Exemptions: Australia, Canada, Mexico, Ukraine
 - Absolute Quotas: Brazil, Argentina, South Korea
 - Tariff-Rate Quotas: European Union, Japan, United Kingdom
- The United States based on national security has also increased the tariff on aluminum from Russia to 200%.



Derivative Articles

- Presidential Proclamation 9980 of January 24, 2020 extended the 232 Duties to imports of certain steel and aluminum derivative products.
- The derivative products included certain HTSUS Classifications for:
 - Aluminum stranded wire, cables, plaited bands, and similar products
 - Steel nails, tacks, drawing pins, corrugated nails, staples, and similar articles
 - Steel and aluminum bumper stampings for motor vehicles
 - Steel and aluminum body stampings for agricultural tractors
- Proclamation 9980 also authorized the Secretary to provide relief from the additional duties for any steel or aluminum articles determined “not to be produced in the United States in a sufficient and reasonably available amount or ... based upon specific national security considerations” otherwise identified by Commerce.
- Commerce to date has elected not to establish a Section 232 Exclusions Process for steel and aluminum derivative articles.



Oman Section 232 Exclusions Data

232 Processing Statistics - Oman, as of 04/12/24				
	Steel		Aluminum	
Status	Number of Cases	Volume (metric tons)	Number of Cases	Volume (metric tons)
<i>Pending</i>	0	0	11	24,437
Objection Period	0	0	1	2,722
BIS Final Review	0	0	10	21,715
<i>Granted</i>	30	13,500	240	1,335,245
<i>Denied</i>	21	10,500	268	665,110
Total	51	24,000	519	2,024,791



Oman Section 232 Exclusions Data

- As of April 12, 2024, there have been 51 Section 232 Exclusion Requests filed and posted for steel originating from Oman. BIS granted 30 Requests (59%) for roughly 13,500 MT and denied 21 Requests (41%) for roughly 10,500 MT.
 - Top Manufacturers: Al Jazeera Steel Products
- **98.8%** of imports of steel by volume from Oman between 2018 and YTD 2024 were products under HTSUS Classifications **730630** for iron or non-alloy steel tubes, pipes, and hollow profiles, welded, circular cross-section, external diameter not exceeding 406.4 millimeters, not line pipe of a kind used for oil or gas pipelines or casing and tubing of a kind used in drilling for oil or gas (87.7%); and **721420** for concrete reinforcing bars and rods (11.1%).
- From Q1 2022 through Q4 2023, **0.1%** of steel imports from Oman were excluded from the 232 Tariffs under General Approved Exclusions.



Oman Section 232 Exclusions Data

- As of April 12, 2024, there have been 519 Section 232 Exclusion Requests filed and posted for aluminum originating from Oman. BIS granted 240 Requests (46%) for roughly 1,335,200 MT and denied 268 Requests (52%) for roughly 665,100 MT. 11 Requests (2%) remain pending with the Department.
 - Top Manufacturers: Oman Aluminum Rolling Company (OARC); Oman Aluminum Processing Industries (OAPIL); United Metal Coating
- **95.8%** of imports of aluminum by volume from Oman between 2018 and YTD 2024 were products under HTSUS Classifications **760612** for alloy aluminum plates, sheet, and strip, thickness exceeding 0.2 millimeters, rectangular (68.3%); **760711** for aluminum foil, thickness not exceeding 0.2 millimeters, not backed, rolled but not further worked (12.0%); **760110** for non-alloy unwrought aluminum (7.3%); and **760611** for non-alloy aluminum plates, sheet, and strip, thickness exceeding 0.2 millimeters, rectangular (8.2%).
- From Q1 2022 through Q4 2023, **48.1%** of aluminum imports from Oman were excluded from the 232 Tariffs under 232 Exclusions or General Approved Exclusions.



LINKS

BIS Section 232 Page: <https://www.bis.doc.gov/index.php/232>

BIS 232 Steel Page: <https://www.bis.doc.gov/index.php/232-steel>

BIS 232 Aluminum Page: <https://www.bis.doc.gov/index.php/232-aluminum>

Commerce 232 Exclusions Page: <https://www.commerce.gov/page/section-232-investigations>



BIS/OTE Contact Information

232 Exclusions Portal Help Desk

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