

Trade Alert:

Duty Assessment Under Section 232: How Duties are Assessed (as of July 18, 2025) to Industry Split on How to Assess Section 232 Duties on Steel Items

July 21, 2025

DUTY ASSESSMENT UNDER SECTION 232: How Duties are Assessed (as of July 18, 2025) to Industry Split on How to Assess Section 232 Duties on Steel Items

Recent changes to the Section 232 steel tariffs have generated conflicting interpretations to calculating duties on items made entirely of steel—such as fasteners, bolts, and similar products, where the cost of the steel content may be a small portion of the value of the item and the vast majority of cost relates to the production of the item. The confusion centers on whether the current 50% ad valorem duty (25% for United Kingdom origin goods) should be assessed on the value of the steel content alone or on the total value of the finished article, including all manufacturing costs and other costs included in the value of the imported product. **Based on the U.S. Customs and Border Protection (“CBP”) guidance and the analysis of customary industry practice, duties for pure steel imports and for items made of 100% steel should be assessed on the items’ full entered value declared at time of entry. For items subject to Section 232 tariffs (“Mixed Media Goods”), all input items are reviewed and Section 232 Tariffs are charged only on the percentage portion of value attributable to the steel. That means that if the steel content is equal to 100% of the input items, the Section 232 tariffs are imposed on the entire value of the import. as if the item were raw steel.¹**

This conclusion is based on the analysis of the following regulations and guidance:

- [Adjusting Imports Of Aluminum And Steel Into The United States \(“Proclamation”\)](#);
- [Fact Sheet: President Donald Trump Increases Section 232 Tariffs on Steel and Aluminum](#) (“Fact Sheet”);
- [CSMS # 65236374 - UPDATED GUIDANCE: Import Duties on Imports of Steel and Steel Derivative Products \(“CBP Guidance”\)](#); and
- the usual practice by the CBP.

¹ Only CBP can issue a binding ruling regarding the classification, valuation, or tariff treatment of merchandise under U.S. law. For a definitive determination on your particular circumstances, you should seek a formal ruling from CBP or consult with the Dentons International Trade Team. The information contained herein is not intended to be a substitute for professional advice or a binding determination on any specific set of facts. This Alert is provided for general informational purposes only and does not constitute legal advice or establish an attorney-client relationship.

Background: Expansion and Increase of Section 232 Steel Tariffs

On June 3, 2025, with an effective date of June 4, 2025, President Trump issued a proclamation raising Section 232 tariffs on steel and derivative steel products from 25% to 50% (with UK products remaining at 25%). The scope of Section 232 covered products was also expanded to include a broad range of downstream manufactured goods, including over 150 items classified in Harmonized Tariff Schedule of the United States (“HTSUS”) Chapter 73. Here are some examples:

- Structural steel products, such as sheet piling, bridges, bridge sections, towers, and prefabricated structures
- Fasteners and hardware, including tube and pipe fittings, nails, screws, nuts, and bolts
- Household and industrial steel items, such as cookware, sinks, stoves, and metal furniture
- Construction materials, including scaffolds, containers, pressure tanks, stranded wire, and cables
- Miscellaneous steel articles, such as sewing needles, springs, grinding balls and rods, and metal lamps

In addition, a number of products outside of the Chapter 73 classification were added, where duties are to be assessed on the steel content and other duties being assessed on non-steel content (such as reciprocal and other tariffs). For more information, please see the Dentons Pittsburgh team’s prior Alert on Tariff Stacking ([Link](#)).

Inconsistent Duty Assessment

The confusion over the proper duty assessment under Section 232 stems from vague language of the Proclamation and the Fact Sheet. While both clearly state that the duties on the derivative steel articles not classified in Chapter 73 should be applied only to the value of the steel content, they are less clear about how to treat items within Chapter 73—typically composed entirely of steel—leaving importers uncertain about whether apportionment is permitted.

CBP Guidance and Industry Practice Eliminate Ambiguity

The recent CBP Guidance directly addresses and resolves any confusion regarding how Section 232 duties should be assessed for items made entirely of steel—such as fasteners, bolts, and other hardware—classified in Chapter 73 of the HTSUS. When the steel content of an imported article constitutes essentially the entire value of the item—such as with raw steel or goods composed entirely of steel—the Section 232 duty is assessed on the full entered value.² The reporting instructions contained in the CBP Guidance clarify that the duty applies only to the steel content, and

- “if the value of the steel content is the same as the entered value or is unknown, the duty must be reported under the Chapter 99 classification based on the entire entered value, and report on only one entry summary line,” as opposed to cases where:
- “if the value of the steel content is less than the entered value of the imported article, the good must be reported on two lines. The first line will represent the non-steel content while the second line will represent the steel content.”

² Similarly to steel, Section 232 tariff on aluminum is assessed only on the value of the metal content within the imported item—not on the full entered value—unless the product is composed entirely (or nearly entirely) of the metal. Aluminum, however, is typically classified under HTSUS Chapter 76 and has a different rate of duty.

Below is a quick visual guide:

Scenario	Steel Content	Duty Applied To	CBP Reporting Requirement
Fully steel item (e.g., bolts, nails)	100%	Full entered value	Report on one line (Chapter 99)
Mixed-material item (e.g., tool w/ plastic)	Partial (less than 100%)	Steel portion only	Report on two lines: one for steel (Chapter 99), one for rest
Steel content unknown	Assumed 100%	Full entered value	Report on one line (Chapter 99)

The expanded Section 232 tariff notices further reinforced that for Chapter 73 products, the full value is typically dutiable due to their all-steel composition, while derivative goods outside Chapter 73 require a documented breakdown of steel content for accurate duty calculation. This approach aligns with industry practice and streamlines CBP entry processing for 100% steel goods, eliminating the need for complex value apportionment or additional documentation, while derivative goods outside Chapter 73 require a documented breakdown of steel content for accurate duty calculation. It also simplifies compliance for importers, ensures consistency and predictability, and facilitates efficient electronic processing and enforcement.

Practical Takeaways for Importers

- Review product classifications and ensure correct HTSUS codes are used.
- For 100% steel items (e.g., fasteners), assess Section 232 duties on the full entered value of the item, as the steel content and the entered value are the same.
- For mixed-material items, develop and document a methodology for steel content valuation. Duties are assessed only on the steel portion of the import, with the remainder of the value subject to other applicable tariffs.
- For all imports, robust documentation must be maintained to support the declared value of steel content, especially for items not wholly made of steel.
- Update internal compliance procedures and train staff on new reporting requirements.
- Monitor for further CBP guidance or clarifications as implementation continues.

For further guidance on Section 232 compliance, duty assessment, or to discuss strategies for mitigating the impact of the new tariffs, please contact your Dentons International Trade Team.

Because these changes are ongoing, Dentons will continue to monitor these developments and provide additional updates. We provide our clients access to resources in Canada, Mexico, China, and globally to help navigate these rapidly changing trade measures.

Key Contacts



V. Susanne Cook

Shareholder

D +1 412 297 4741

susanne.cook@dentons.com



Sasha V. Phillips

Counsel

D +1 412 297 4788

sasha.phillips@dentons.com



Bruce H. Chiu

Shareholder

D +1 412 297 4933

bruce.chiu@dentons.com



Jacob Clark

Associate

D +1 412 297 4795

jacob.clark@dentons.com



Megan Finkelstein

Customs and Trade Consultant

D +1 412 297 4846

megan.finkelstein@dentons.com



Rick Laurel

Customs Specialist

D +1 412 297 4845

rick.laurel@dentons.com