CLIENT ALERTS & INSIGHTS

Sectoral Tariff Update - Section 232 National Security Investigations

AUGUST 1, 2025

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Sectoral tariffs are emerging as a preferred tool for the White House that leaves targeted industries, and those reliant on their import supply, subject to appreciably higher customs duties on imported goods. A wide range of sectors are now facing Department of Commerce ("Commerce") investigations including the pharmaceutical, semiconductor, heavy duty truck, commercial aircraft, and jet engine industries. The White House has also increased existing Section 232 tariffs on steel and aluminum from the prior Trump 45 Administration, which you can read about here: Sect. 232 Steel and Aluminum Tariffs. This article outlines the status of key sectoral investigations.

Generally, resolution of investigations and announcement of duty rates occur between nine to twelve months from initiation of investigations. Each of these Section 232 investigations apply broadly to all imports of the subject items into the United States regardless of the country of origin. Each investigation will examine current and future supply and demand, import concentration risk, foreign unfair trade practices, trade policy impact, and feasibility of domestic capacity increases. Certain of these investigations are focal points for Trump 47 Administration policy as demonstrated by the frequency of activity focusing on pharmaceuticals, semiconductors, critical minerals, and transportation equipment.

Copper - On March 10, 2025, Commerce initiated an investigation on imports of all forms of including raw mined copper; copper concentrates; refined copper; copper alloys; scrap copper; and derivative products. President Trump signed a Proclamation on July 30, 2025, imposing a 50% tariff on imports of semi-finished copper products and copper-intensive derivative products. The tariff takes effect on August 1, 2025. If a product is subject to both copper and auto tariffs, then only the auto tariff will apply.

Timber and Lumber - On March 10, 2025, Commerce initiated an investigation on imports of wood products, including timber, lumber, and their derivative products. Commerce commenced its review of public comments on April 1, 2025.

Pharmaceuticals - On April 1, 2025, Commerce initiated an investigation on imports of all forms of pharmaceuticals including pharmaceutical ingredients and their derivatives (the "Pharma Investigation"). Commerce commenced its review of public comments on May 7, 2025.

Semiconductors - On April 1, 2025, Commerce initiated an investigation on imports of semiconductors, semiconductor manufacturing equipment ("SME"), and their derivatives ("Semiconductor Investigation"). Derivatives include downstream electronics that contain semiconductors. Commerce commenced its review of public comments on May 7, 2025.

Processed Critical Minerals and Derivatives - On April 22, 2025, Commerce initiated an investigation on imports of processed critical minerals and their derivatives. The processed "critical minerals" subject to investigation are those that have undergone any activity after extraction from the mine through conversion into a metal, metal powder, or master alloy. The critical minerals are those included in the "Critical Minerals List" published by the United States Geological Survey ("USGS") pursuant to section 7002(c) of the Energy Act of 2020 (30 U.S.C. 1606) at 87 FR 10381, and any subsequent such lists, including uranium. The investigation also includes "rare earth elements" as identified by the Department of Energy ("DOE"). The investigation also includes any additional elements that either the USGS or DOE determines in any subsequent official report or publication should be considered rare earth elements. The investigation also includes any "derivative products" of the processed critical minerals that incorporate them as inputs, including semi-finished goods. Commerce commenced its review of public comments on May 16, 2025.

Trucks - On April 22, 2025, Commerce initiated an investigation on imports of medium-duty trucks, heavy-duty trucks, and medium- and heavy-duty truck parts, including engines and engine parts, transmissions and powertrain parts, and electrical components, and their derivative products. Commerce commenced its review of public comments on May 16, 2025.

Commercial Aircraft and Jet Engines - On May 1, 2025, Commerce initiated an investigation on imports of commercial aircraft and jet engines, and parts for commercial aircraft and jet engines. Commerce commenced its review of public comments on June 3, 2025.

Polysilicon and its Derivatives - On July 1, 2025, Commerce initiated an investigation on imports of polysilicon and its derivatives. Commerce has issued a request for public comments, which must be submitted by August 6, 2025.

Unmanned Aircraft Systems (UAS) and Their Parts and Components - On July 1, 2025, Commerce initiated an investigation on imports of UAS and their parts and components. Commerce has issued a request for public comments, which must be submitted by August 6, 2025.

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