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US International Tax Alert

US Department of Commerce requests public comments on several Section 232 investigations

The US Department of Commerce ("Commerce") recently initiated several investigations and published related requests for public comments on some products that were exempted from the United States's "reciprocal" tariffs in Annex II of Executive Order 14257 issued on April 2, 2025.

Commerce commenced these investigations under Section 232 of the Trade Expansion Act of 1962 ("Section 232"), the same authority used for recent tariffs on steel, aluminum, and automotive imports. The additional products currently under investigation for potential Section 232 tariffs include:

- Pharmaceuticals and pharmaceutical ingredients;
- Semiconductors and derivatives, and semiconductor manufacturing equipment;
- Critical minerals and derivatives;
- Medium- and heavy-duty trucks, parts, and derivatives;
- Timber and lumber, and derivatives; and
- Copper and derivatives.

The objective of these investigations is for Commerce to examine, for each product category, the current and possible increase of domestic manufacturing capacity, current and projected demand for materials, role of foreign supply chains in meeting US demand for materials, potential for export restrictions by foreign nations, and impact of foreign government subsidies on American industry competitiveness.

All of these investigations have had corresponding requests for public comments from interested parties. While some comment periods remain open, others have now closed.

More information on each investigation and its related public comment period follows.

Pharmaceutical and pharmaceutical ingredients

On April 1, 2025, Commerce began investigating the impacts of imports of pharmaceuticals and pharmaceutical ingredients on US national security. A Federal Register notice dated April 16, 2025, invited public comments by May 7, 2025. Commenters have been asked to provide information on demand, domestic production, import activity, foreign subsidies, trade barriers, etc., for both finished generic and non-generic drug products, medical countermeasures that may be used to respond to a public health emergency, critical inputs such as active pharmaceutical ingredients and key starting materials, and derivative products of those items.

Semiconductors and derivatives, and semiconductor manufacturing equipment

On April 1, 2025, Commerce began investigating the impacts of imports of semiconductors, semiconductor derivatives, and semiconductor manufacturing equipment on US national security. A Federal Register notice dated April 16, 2025, invited public comments by May 7, 2025. Commenters have been asked to provide information on demand, domestic production, import activity, foreign subsidies, trade barriers, etc., for semiconductors, semiconductor manufacturing equipment, and their derivative products, including semiconductor substrates and bare wafers, legacy chips, leading-edge chips, microelectronics, and semiconductor manufacturing equipment components. Derivative products have been defined to include downstream products that contain semiconductors, such as those that make up the electronics supply chain.

Critical minerals and derivatives

On April 22, 2025, Commerce began investigating the impact of imports of critical minerals and their derivative products on US national security. These include rare earth elements, critical minerals like uranium, processed critical minerals such as those that have undergone extraction from a mine through conversion into a metal, metal powder, or master alloy, and derivative products including goods that incorporate processed critical materials as inputs such as semi-finished goods (*e.g.*, semiconductor wafers, anodes, and cathodes) as well as final products (*e.g.*, permanent magnets, motors, electric vehicles, batteries, smartphones, microprocessors, radar systems, wind turbines and their components, and advanced optical devices). A Federal Register notice dated April 25, 2025, invited public comments until May 16, 2025.

Medium- and heavy-duty trucks, parts and derivatives

On April 22, 2025, Commerce also began investigating the impact on US national security of imports of medium-duty trucks (with a gross vehicle weight of more than 10,000 and under 26,001 pounds), heavy-duty trucks (with a gross vehicle weight rating of 26,001 pounds or more), medium- and heavy-duty truck parts (engines and engine parts, transmissions and powertrain parts, and electrical components), and their derivative products. A Federal Register notice dated April 25, 2025, invited public by May 16, 2025. Commenters have been asked to address demand, domestic production, import activity, foreign subsidies, trade barriers, etc.

Timber and lumber

On March 10, 2025, Commerce began investigating the impact of imports of timber and lumber, and their derivatives, on US national security. A Federal Register notice dated March 13, 2025, invited public comments until April 1, 2025.

Copper
On March 10, 2025, Commerce began investigating the impact of copper imports on US national security. This includes raw mined copper, concentrates, refined copper, alloys, scrap, and derivative products. A Federal Register notice dated March 13, 2025, invited public comments until April 1, 2025.

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