OMB Control Number: 0625-0285
Expiration Date: 10/31/2026

Instrument:

Procedures for Submissions by Certain Steel and Aluminum Producers Committing to New U.S. Steel or Aluminum Production to Obtain Tariff Adjustments Under Proclamation 10984

Introduction:

Only applicants that produce steel and aluminum in Canada or Mexico and that supply, directly or indirectly, U.S. producers of automobiles and MHDVs are eligible for tariff adjustment based on new production commitments (Qualified Companies). Only new production commitments from Qualified Companies that will expand U.S. primary steel and primary aluminum production capacity for key products (automobiles and automobile parts and MHDVs and MHDVPs) are eligible for consideration under these procedures (Qualifying Commitments). Only imports of steel and aluminum that qualify for preferential tariff treatment under the USMCA and that were melted and poured or smelted and cast in Mexico or Canada are eligible for a tariff adjustment (Qualifying Imports). Any tariff adjustment granted pursuant to these procedures will be limited to quantities of Qualifying Imports equal to the projected annual new production capacity, as determined by the Department. Tariff adjustment will be limited to a fixed period of time, as determined by the Department, that reflects the resources committed, the national security benefits of the commitment, the commercially reasonable time period necessary to complete the project and begin production using the new capacity, and any other factor the Department considers appropriate.

Application Requirements

Qualified Companies making Qualifying Commitments may submit documentation, on a project-by-project basis, outlining their proposed investment plan, including the proposed location, production details, proposed capacity, and quarterly milestone commitments.

Each submission should include documentation certified by an applicant's Chief Financial Officer, General Counsel, or an equivalent-level of senior officer that provides the following:

1. An explanation of the applicant's status as a Qualifying Company, including locations, volumes, and product types of existing production of primary steel or aluminum in Canada or Mexico, and U.S. automobile and MHDV manufacturers to whom the applicant directly or indirectly supplies primary steel or primary aluminum and the volumes supplied.

2. An overview of the proposed project, including project background information, project objectives, proposed location(s) of the project, any progress to date, and an explanation of the applicant's engagement with local authorities on the project, including economic incentives and permitting.
3. Details about the proposed production that will occur as a result of the project, including:
    a. Details on the kind of primary steel and/or primary aluminum that will be produced at the facility, including the applicable North American Industry Classification System (NAICS) code, the Harmonized Tariff Schedule of the United States (HTSUS) code that would apply to the product if it were imported into the United States, and a written description of the steel or aluminum product;
    b. The U.S. key product(s) (automobiles, automobile parts, MHDVs, and MHDV parts) production capacity that will be supported, directly or indirectly, by the production resulting from the project;
    c. The projected annual primary steel or primary aluminum production capacity that will result from the project;
    d. A list of suppliers (or potential suppliers) for production equipment for the project, including contracts that have been entered into and quotes or estimates that have been provided by potential suppliers;
    e. A list of construction contractors (or potential contractors) that will be involved in executing the project, including contracts that have been entered into and quotes or estimates that have been provided by potential suppliers;
    f. A list of raw materials that will be needed to support production under the project, including known or expected suppliers and any contracts that have been entered into and quotes or estimates that have been provided by potential suppliers; and
    g. A narrative explanation of how the applicant will increase hiring to staff the new project.
4. Milestones that the applicant commits to meeting in order to obtain and retain a tariff adjustment and the company's expectation regarding anticipated completion of the project.
    a. Applicants are required to provide targets for the following mandatory milestones:
        i. Purchase of land;
        ii. Completion of facility design;
        iii. Hiring construction team or construction contractors;
        iv. Construction start date;

    v. Purchase of equipment;
    vi. Delivery and installation of equipment; and
    vii. Completion of construction and production first heat.
  b. Applicants may also provide targets for additional, optional milestones, including:
    i. Award of significant construction contract(s);
    ii. Award of significant engineering contract(s);
    iii. Permitting application submission;
    iv. Permitting award;
    v. Finalizing financing agreements;
    vi. Hiring engineers; and
    vii. Equipment certification.
5. A project management plan that details how the applicant will hire and manage the team(s) in charge of key aspects of the project, including engineering, equipment supply, and other relevant activities necessary to complete the project. This plan shall include the estimated cost of construction, engineering, and equipment necessary for the proposed project, as well as any other significant costs the applicant expects to incur as part of completing the proposed project.
6. A commitment to provide the Department with quarterly reports that detail the applicant's progress towards the milestones and project management plan, as well as details on the costs-to-date incurred by the applicant in executing the project. The applicant will use this quarterly report to notify the Department of any proposed changes to the milestones.
7. A statement that the applicant recognizes that substantially meeting the milestones set forth in its submission is necessary for continued eligibility for the tariff adjustment and that, if it does not substantially meet its Qualifying Commitments, the liquidation or reliquidation of entries with the imposition of outstanding tariffs on prior entries that used the tariff adjustment may result. Tariff adjustments may be paused by the Department on a quarterly basis should the Department determine that the applicant is not substantially meeting milestones. Moreover, failure to provide requested information and significant delays that are within the applicant's control and that threaten a project's timely completion may result in a determination by the Department that the applicant has failed to substantially meet its Qualifying Commitment, resulting in termination of eligibility and a requirement that the Qualifying Company take all necessary action to pay duties that would otherwise have been owed on previous entries of Qualifying Imports. The applicant is required to

provide information requested by the Department and to provide the Department with access to information needed to verify the accuracy of the application and to ensure compliance with Qualifying Commitments. Failure to do so may be treated as a failure to substantially meet Qualifying Commitments, and may result in the Department directing CBP to reliquidate entries at the duty rate that would apply without any tariff adjustment.

8. The name and importer of record number of the importer responsible for importing steel or aluminum into the United States under the tariff adjustment on behalf of the applicant. The applicant may only designate a single representative.

Review and Approval Process

The Department will review each submission for completeness, commercial practicalities (i.e., whether it is a bona fide and facially legitimate proposal), and compliance with these procedures. The Department may request supplemental documentation or clarification as necessary.

Upon a determination by the Department that a submission is complete, is commercially practicable, and is consistent with these procedures, the Department will notify U.S. Customs and Border Protection (CBP) of its determinations, the effective date that tariff adjustments will begin, and of the quantity of Qualifying Imports that is eligible for the tariff adjustment each quarter. The Department will provide CBP with the importer authorized by the Department to access this adjustment, including importer name and importer of record number. Once the Department notifies CBP that a Qualified Company is eligible for a tariff adjustment, the Qualified Company may through its designated importer of record begin importing Qualifying Imports subject to an additional tariff of 25% under Proclamation 9704, as amended, or Proclamation 9705, as amended, subject to the quarterly quantitative limit established by the Department.

As outlined in Section 6, the applicant shall provide the Department with updates on a quarterly basis for each project, including whether milestones have been met. The Department may, at its discretion, request access to supporting documentation including the applicant's relevant books and records to ensure compliance and evaluate progress towards milestones.

If any developments impact or are reasonably expected to impact the Qualified Company's ability to meet milestones, the Qualified Company must promptly inform the Department, in the quarterly report outlined above.

For Further Information Contact:

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Public Burden Statement A Federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with an information collection subject to the requirements of the Paperwork Reduction Act of 1995 unless the information collection has a currently valid OMB Control Number. The approved OMB Control Number for this information collection is 0625-0285. Without this approval, we could not conduct this information collection. Public reporting for this information collection is estimated to be approximately 60 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the information collection. All responses to this information collection are voluntary. Send comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing this burden to the International Trade Administration Paperwork Reduction Act Program: PRA@trade.gov.