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## White House granting more exclusions to steel and aluminum tariffs than China ones

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The White House has been granting exclusions to its tariffs on steel and aluminum nearly twice as often as for the ones on Chinese products.

The U.S. Trade Representative's Office, which has handled the China-specific tariffs, has been far less likely to grant exclusions than the Commerce Department, which is handling the steel and aluminum ones. Exclusions are requested by businesses and trade groups.

Exclusions for the China-specific ones have been granted by the USTR at a rate of about 23% overall. The Commerce Department, meanwhile, has granted exclusions for its steel tariffs 49% of the time and 50% of the time for the aluminum ones, according to an analysis by George Mason University's [Mercatus Center](#).

The difference appears to reflect different pressure put on the government and members of Congress to grant exclusions as well as the different processes involved, says Christine McDaniel, a Mercatus Center senior research fellow and author of the study. While none of the tariffs are especially popular, the push to grant exclusions to steel and aluminum ones seems to be relatively stronger and the process to get one relatively easier.

The steel and aluminum tariffs "hit U.S. manufacturers on their imports from everyone, not just China," McDaniel said. This seems to create greater pressure to grant exclusions. "The downstream effects from the (China tariffs) are, I think, more distributed, more dispersed and less severe."

The White House has placed \$250 billion for worth of goods from China under 25% tariffs by citing Section 301 of the Trade Act, tariffs overseen by USTR. The Trump administration is scheduled to put an additional \$300 billion worth of goods under 10% tariffs. The combined \$550 billion of goods is expected to cover all virtually imports coming in from China.

The administration has also placed 25% tariffs on steel and 10% on aluminum citing the Section 232 of the Trade Expansion Act. Those tariffs are overseen by the Commerce Department.

In both cases, businesses and trade groups can request exclusions from the tariffs. The different branches of the government have significantly different processes. The USTR has a "product exclusion request" system: If it grants an exclusion, the product itself no longer under a tariff, and nobody importing it has to pay. That appears to make the agency less likely to grant a request, McDaniel says.

The Commerce Department exclusion process is much narrower. If it grants an exclusion to a steel or aluminum product, it is solely for the company that made the request. It has been granting exclusions at a higher rate than despite the fact that its process allows U.S. companies to object to other companies' requests for exceptions. Objections can be made on the grounds that the product in question is produced domestically and so doesn't need to be imported. Objections are often successful.

"Of those (steel tariff requests) with no objections, approximately 59% were approved. Of those with at least one objection, approximately 12% were approved," McDaniel said.

Simone Lester, trade policy analyst with the free market Cato Institute also notes that the steel and aluminum products all primarily go to the manufacturing industry, which may have made it easier for the them to formulate a common strategy for requesting exclusions.

"By contrast, the Chinese products are all over the place, so the strategy is less clear," he said.

Representatives for both the Commerce Department and the USTR declined to comment.