



Press Release

Details of the U.S.-EU Aluminum and Steel Tariff Rate Quota System

PAULINA ENCK | NOVEMBER 9, 2021

The United States announced it will replace the Section 232 tariffs it had imposed on aluminum and steel imports from the European Union with a new tariff rate quota system (TRQ). In a new insight, Data and Policy Analyst Tom Lee notes that while reaching an agreement is a positive sign, the agreement itself violates executive trade authority, will introduce new costs and uncertainties for U.S. consumers and businesses, and violates World Trade Organization rules.

Key points:

- The U.S. agreement's two main stated goals are to reduce carbon emissions from the production of aluminum and steel and to reduce costs for U.S. businesses and consumers.
- By using these tariffs to pursue its climate priorities, the Biden Administration is overstepping the authority vested to the executive branch by Congress to set trade policy.
- Although the U.S. agreement will reduce costs associated with the tariffs, the TQR will encourage market manipulations that lead to higher costs and uncertainty for U.S. companies.

[Read the analysis](#)