



**May 5, 2026**

The Honorable Jeffery Kessler  
Undersecretary of Industry and Security  
Bureau of Industry and Security  
U.S. Department of Commerce  
1401 Constitution Avenue NW  
Washington, DC 20230

**Re: Unresolved Section 232 Derivative Valuation Issues**

Dear Undersecretary Kessler:

On behalf of the American Association of Exporters and Importers (AAEI), we write to share unresolved Section 232 derivative valuation issues.

AAEI members—U.S. importers, exporters, and trade service providers—are directly responsible for managing the day-to-day execution of U.S. trade. As such, they are uniquely positioned to assess how policy responses to excess capacity are affecting supply chains, compliance operations, and overall competitiveness.

AAEI appreciates the Administration’s April 2, 2026, “Proclamation Strengthening Actions on Imports of Aluminum, Steel, and Copper into the United States,” as well as subsequent CBP implementation guidance. We recognize the effort to clarify and streamline the administration of Section 232 measures and provide updated operating rules for importers.

At the same time, several significant operational and policy questions remain unresolved, particularly with respect to derivative article valuation under the previous aluminum, steel, and copper proclamations. This matter is particularly urgent because U.S. Customs and Border Protection has now opened Consolidated Adjustment Processing Entry (“CAPE”) declaration submissions beginning April 20 and indicated it will audit the accuracy of those filings, including valuation and Section 232 determinations. Without immediate guidance, importers face the prospect of inconsistent enforcement, retroactive reassessments, and disputes arising before a clear valuation standard is established.

**Effect of the New Proclamation on Prior Entries**

AAEI respectfully notes that the April 2, 2026, Proclamation states an effective date of April 6, 2026. Accordingly, for entries made on or before April 5, 2026, the prior framework—under which assessed duties were based on the covered metal content of derivative articles—remains

the governing standard. Therefore, the pre-April 6 entries still require clear Commerce guidance regarding how metal content should be calculated and valued, so that importers and CBP may administer those entries consistently and without retroactive reinterpretation.

### **Immediate CAPE Concern**

With CAPE filings now underway, importers are being required to make declarations and seek corrections based upon historical Section 232 derivative entries. Yet, no formal Commerce issued methodology exists explaining how derivative metal value should be calculated for aluminum, steel, or copper content under the prior proclamations.

Absent prompt and formal guidance, AAEI is concerned that agency review of reasonable importer methodologies used to determine covered metal content may be subject to conflicting interpretations by front-line officers. This creates uncertainty for importers attempting to file accurate declarations in good faith and substantially increases the risk of inconsistent treatment for different importers.

Importers should not face retroactive exposure because the government has failed to publish a standard methodology.

### **Prior-Period Valuation Clarification Needed**

AAEI agrees that, under the original derivative proclamations, duties were intended to apply to the portion of value attributable to the covered metal content rather than automatically to the full value of the imported article. However, no consistent methodology was issued describing how that portion should be determined.

As a result, companies used reasonable valuation methods based on available commercial records, bills of materials, supplier data, and metal input costs. These good-faith methods should not now be displaced through inconsistent post-entry enforcement.

AAEI further notes that traditional customs valuation principles governing the entered value of the imported merchandise do not necessarily provide an appropriate framework for determining the value of an overseas factory input material for the calculation of Section 232 derivatives. The valuation of an embedded input component is a distinct analytical question from determining the customs value of the finished imported article.

AAEI members are already witnessing instances in which reasonable methodologies used to determine covered metal content are being challenged by CBP, with duties rates advanced to 100 percent of the article value based solely on CBP's disagreement with the methodology applied.

In the absence of formal Commerce guidance, such actions create substantial uncertainty and risk inconsistent treatment nationwide.

Until Commerce issues clear valuation guidance, AAEI respectfully requests that disputes regarding methodologies used to determine covered metal input value be referred to Commerce for policy determination rather than resolved through inconsistent field enforcement actions. AAEI further requests that importers demonstrating good-faith compliance efforts — including reliance on supplier certifications, bills of materials, commercial records, engineering data, and reasonable allocation methodologies — not be penalized where no formal government standard has been provided. Recognition of such good-faith efforts would promote voluntary compliance, fairness, and consistent administration during the interim period.

### **Additional Outstanding Industry Concerns**

#### **1. Need for Clear Definitions of New Standards**

The April 2, 2026, Proclamation introduces new concepts such as “entirely or almost entirely,” “substantially made of,” “metal-intensive industrial equipment,” “electrical grid equipment,” and “copper-intensive derivative products.” However, publicly available guidance does not sufficiently define these standards or explain how importers should consistently apply them. Without objective criteria, similarly, situated importers may reach different results.

#### **2. Copper Scope and Alloy Treatment Remain Unclear**

Industry continues to need formal guidance regarding how Section 232 applies to semi-finished copper products, copper-intensive derivatives, and copper alloys such as brass and bronze. Clarification is particularly important as to whether duties apply only to the copper portion of an alloy, how copper content should be measured, and how mixed-metal products should be treated.

#### **3. Classification of Multi-Metal Goods**

Many imported goods contain varying amounts of steel, aluminum, and copper. Additional guidance is needed regarding which tariff regime controls when multiple covered metals are present, how dominant metal content is determined, and what documentation importers should maintain to support classification decisions.

#### **4. Uniform National Administration by CBP**

AAEI members continue to report concern that ports and Centers of Excellence may apply differing interpretations in Requests for Information (CF28), Notices of Action (CF29), and entry review processes. Written instructions from Commerce to CBP would help ensure consistent nationwide administration aligned with the Proclamation.

#### 5. Transition Relief for Good-Faith Importers

The April 2026 changes materially altered duty rates, valuation methodology, and product treatment. Importers acting in good faith need a reasonable transition framework for entries filed during the implementation period, including prospective treatment where guidance was unavailable at time of entry.

#### 6. Materiality Thresholds for Incidental Metal Content

AAEI continues to recommend that Commerce consider thresholds below which incidental or immaterial metal content would not trigger Section 232 duties. Such an approach would better focus enforcement resources on goods containing meaningful levels of covered metals.

### **Requested Commerce Actions**

AAEI respectfully requests that Commerce:

1. Issue immediate pre-April 6 metal content valuation guidance confirming how aluminum, steel, and copper content in derivative articles should be calculated and valued under the prior proclamations and confirm reasonable prior-period treatment so that importers using good-faith valuation methods for prior entries and CAPE submissions are not subject to arbitrary retroactive reassessments.
2. Establish an interim referral process for 232 valuation methodology disputes on non-100% metal derivatives so that, pending formal guidance, CBP refers disputes concerning derivative metal-content valuation methodologies to Commerce for review and policy direction, rather than rate advancing entries based solely on field interpretation.
3. Publish objective definitions for new standards introduced in the April 2026 Proclamation, including terms such as “substantially made of,” “entirely or almost entirely,” and “copper-intensive derivative products.”

4. Issue supplemental copper and mixed-metal guidance addressing copper alloys (including brass and bronze), multi-metal goods, dominant metal treatment, and methodologies for valuing copper content.
5. Provide written instructions to CBP to ensure uniform national administration across ports, Centers of Excellence, CF28/CF29 reviews, CAPE filings, protests, and post-entry claims.
6. Adopt practical transition and materiality relief by establishing reasonable transition treatment for recent entries and thresholds below which incidental or immaterial metal content would not trigger Section 232 duties.
7. Continue structured engagement with industry as implementation questions arise and as additional derivative products are considered for inclusion.

AAEI respectfully reiterates the practical valuation methods proposed in our prior correspondence, including allowing importers to determine covered metal value using commercially reasonable methodologies such as supplier cost data, bills of materials, documented input costs, or the actual weight of the aluminum, steel, or copper content multiplied by a recognized market price at the time of import. In each case, AAEI believes the relevant value is the price of the covered metal as an input purchased for and consumed within the foreign manufacturing facility, rather than the customs value or downstream selling price of the finished imported article. AAEI acknowledges that the recent Proclamation recognizes weight-based methodologies as an administrable approach going forward. However, comparable flexibility and clarity remain necessary for historical entries filed under the prior proclamations so importers may resolve past transactions using reasonable methods available at the time, without retroactive reinterpretation or inconsistent enforcement.

AAEI appreciates your consideration of these important, unresolved matters. We welcome the opportunity to meet with Commerce staff to discuss practical implementation solutions that advance national security objectives while promoting predictable compliance.

Respectfully submitted,



Eugene C. Laney Jr.  
President & CEO

