

January 24, 2025

**The Honorable Donald J. Trump**  
*President of the United States*  
The White House  
1600 Pennsylvania Avenue, Northwest  
Washington, D.C. 20500

**Re: Request for Prompt Proclamation to End Mexico's Inexcusable Breach of Promises To You**

**Dear President Trump:**

The Coalition for a Prosperous America (CPA) congratulates you on your historic win, and applauds your emphasis on tariffs for both revenue and protection. CPA's members, manufacturing and agricultural producers across America, know as you that tariffs are the foundation to unleashing America's next golden age.

We are eagerly awaiting the results of your America First Trade Policy Review on April 1, 2025.

There is one tariff action that is ripe for immediate action in the meantime, however, and that is your steel and aluminum action pursuant to Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862) ("Section 232").

As these two steel and aluminum actions remain live, they can be adjusted by way of Presidential Proclamation at any time.

**On behalf of our steel and aluminum members, we request that as soon as possible you:**

1. Eliminate the [Section 232 tariff waiver for imports from Mexico](#) due to their export surges throughout the last four years that violated [the commitments Mexico made to you](#);
2. Raise the supplemental aluminum tariffs from the current 10% to 25%;
3. Expand the product coverage of the Section 232 aluminum action to include derivative products with higher tariffs levels on derivatives, the products made from steel and aluminum;
4. Eliminate product exclusions in both the steel and aluminum actions, and
5. Use quota administered by U.S. Customs and Border Protection (CBP) to ensure that commitments not to exceed historic volumes are actually enforced.

Steel and aluminum producers, as well as the domestic users of steel and aluminum, across the country are ready to immediately invest and hire when you do so.

You recall that, in 2019, Mexico and Canada demanded an end to the 232 tariffs as a condition of signing USMCA. Your administration agreed to drop the tariffs if Mexico and Canada agreed to restrain shipments to historical volumes. The 2019 Joint Statement by the United States and Mexico on Section 232 Duties on Steel and Aluminum was negotiated and signed, along with USMCA.

Since that time, Mexico steadfastly refused to abide by the agreement, even as the U.S. dropped the tariffs. Imports from Mexico of many key steel and aluminum products, as well as derivative products, surged far beyond the agreed historical levels almost

every year. The situation continues to worsen. Several American plants have closed, have idled, or are operating at low capacity as a result.

President Biden amended, and often weakened, your steel and aluminum tariffs by way of ten Presidential Proclamations during his Administration. He refused to enforce the May 2019 agreement despite many months of fruitless negotiations with the violator, Mexico. See <https://prosperousamerica.org/michael-stumo-biden-administration-drops-the-ball-on-mexicos-steel-surge/>.

Fixing this well-documented problem need not wait until April 1st. On behalf of steel and aluminum producers and downstream users, we request that you draft and sign a proclamation restoring the Section 232 tariffs on Mexico and with the above modifications as quickly as possible.

**Further, as you craft your America First Trade Policy Review, we also recommend the following actions on any and all appropriate countries to achieve the goals of the 232 program:**

1. **Make use of Tariff Rate Quotas (TRQ), that provide a mix of revenue and protection.** Your TRQ on washing machines was wildly successful at generating revenue while also convincing Samsung and LG to invest in new American factories. That TRQ set a revenue tariff of 20% on the first 1.2 million washing machines, and a protective 50% tariff on all subsequent imports. Use of TRQs would help prevent another violation as happened to the May 2019 Joint Statement, where, for example, imports of steel conduit surged by 577% during President Biden's Administration. The Department of Commerce recommended both tariffs and quotas on steel and aluminum in their January 2018 reports. The reports suggested a global quota of covered steel imports equalling 22.7 million metric tons, and covered aluminum imports equalling 4.377 million metric tons.
2. **Raise the aluminum tariff beyond its current 10%.** The Department of Commerce relied on a critically-flawed version of the Global Trade Analysis Project (GTAP) economic model produced by Purdue University for its tariff recommendations. Somehow, in its aluminum report, Commerce concluded that a 7.7% tariff "should have the same impact as the 86.7 percent quota." (Commerce Aluminum report, January 18, 2018, pg. 108) This was clearly flawed. We commend you for rounding up to 10%, but 10% is too low. The base revenue tariff should be 25%, the same as steel, with a higher protective rate of 50% once the quota for a given product is filled.
3. **Specific Tariffs:** On certain products with very low unit costs, a 25% tariff offers little revenue and no protective effect. For example, steel wire rod prices have fallen from around \$1.07 per kilogram in early 2023, to as low as \$0.82 per kilogram in late 2023 and throughout 2024, more than a 23% price drop in less than a year. This is driven by subsidized imports, primarily from Algeria and Egypt, which are still subject to the 25% steel tariff. For products with low-unit costs, consider the use of Specific Tariffs, assessed on a Unit of Measure basis rather than on an amount alleged to be paid on an overseas invoice. For steel wire rod, CPA recommends a fifty cent per kilogram tariff. Steel conduit, one of the product categories that has suffered the most from surging Mexican imports, is another example where a specific tariff is more suitable. For steel conduit, CPA recommends a three dollar per kilogram tariff to cover all types of steel conduit (Electrical Metallic Tubing, Intermediate Metal Conduit, and Rigid Metal Conduit). For these products, the recommended specific tariffs are necessary to ensure viability of the goal of the action; a 25% ad valorem tariff does not.
4. **Repeal Exclusions.** Widespread use of exclusions has greatly undermined the goals of the steel and aluminum actions. In particular, the ongoing tariff exclusion for aluminum extrusions risks the near-term end of domestic production. Furthermore, liberal use of exclusions encourages and facilitates misclassification under the tariff schedule. And finally, exclusions have proven to be a complete detriment to shifting supply chains, as importers believe they will last indefinitely.

5. **Cover more derivative products.** CPA anticipates and looks forward to TRQs on steel and aluminum intensive items, especially in vehicle imports. In the interim, there are derivative products that can be immediately added to the existing steel and aluminum actions, such as aluminum intense kits and sub-assemblies. CPA stands ready to work with your administration to help identify the myriad tariff codes that cover downstream, or derivative manufactured goods, that are made with steel and aluminum.
  
6. **Rescind World Trade Organization tariff promises.** Under the United States' Schedule of Concessions to the General Agreement on Tariffs and Trade, America has promised duty-free treatment on steel and aluminum imports to every other WTO country, with the only authorized exception being rigged anti-dumping and countervailing duty procedures that are prohibitively costly for producers. Your Administration should rescind these promises by directing USTR to 'Unbound' its Schedule of Concessions.

A near term proclamation to fix any violations of - and expand - the Section 232 actions, including Mexico, will immediately draw hundreds of millions in new investment to plants across the country that manufacture steel conduit, wire rod, rebar, aluminum extrusions and many other derivative products.

We look forward to working with future Secretary of Commerce Howard Lutnick, U.S. Trade Representative Jamieson Greer and the rest of your team to achieve this early harvest result for American workers and businesses.

Sincerely,

A handwritten signature in black ink, appearing to read 'ZM', with a stylized flourish at the end.

**Zach Mottl, Chairman**  
*Coalition for a Prosperous America*