

232 Investigations: Pharmaceuticals and Semiconductors

April 14, 2025

TOP LINE

Today, Secretary of Commerce Howard Lutnick announced two Section 232 national security investigations concerning [semiconductor](#) and [pharmaceutical](#) products through separate notices in the federal register set for formal release on April 16. Public comment on these investigations will be made available for 21 days following the scheduled publication, to inform Commerce's reports that will determine whether the import of both products, and their key inputs and respective derivatives, threatens or impairs US national security.

Each of the notices published today affirm that the investigations were initiated by the Secretary of Commerce on April 1, which indicates they were likely intended to be included in the April 2 Liberation Day announcements.

While these actions do not immediately enact new tariffs, both investigations and potential future uses of Section 232 authorities will likely result in additional tariffs that impact trade and investment policy in the United States. McLarty will continue to monitor these actions as they develop.

ANNOUNCEMENT DETAILS

The initiation of both investigations does not come as a surprise. As a part of the America First Trade Policy memorandum [released](#) on January 20, the Department of Commerce was directed in Section IV to "assess whether it is necessary to initiate investigations to adjust imports that threaten the national security of the United States" under Section 232 authorities. In the America First Trade Policy report's Executive Summary [published](#) on April 3, the Department of Commerce had stated it identified "pharmaceutical, semiconductor, and certain critical minerals" as additional sectors that merit consideration for Section 232 investigation.

Goods subject to Section 232 tariffs or ongoing or anticipated investigations were [exempted](#) from the "Liberation Day" reciprocal tariffs. The initial [exemption list](#), published alongside other tariffs announced on April 2 included HTS lines covering pharmaceutical, semiconductor, lumber and timber, certain critical minerals, steel, aluminum, copper, autos, auto parts, and certain energy products. Over the weekend, President Trump [announced](#) new tariff exemptions covering a wide range of electronic devices, including computers, computer components, semiconductor manufacturing equipment, telecommunication devices, and solid-state memory products. Initial speculation was that the exemptions had been granted on behalf of specific US technology companies, but the White House was quick to assert the exemptions had been a precursor to today's announced investigation. This rebuttal is strengthened by the fact that the 232 investigations had already been privately initiated; the new exclusions almost certainly signal the goods are within scope of the new investigations.

In President Trump's second term, the White House has used results from previous Section 232 investigations during President Trump's first term to raise rates and [end](#) country exemptions on steel and aluminum, as well as [invoke](#) tariffs on auto and auto part imports. Unlike in these instances where previous reports were conducted, tariffs on semiconductor and pharmaceutical products cannot be imposed immediately and instead must follow a statutory process involving public comment, industry consultation, and reports to Congress.

SECTION 232 PROCESS AND NEXT STEPS

Initiated by domestic industry or self-initiated by the Secretary of Commerce, Section 232 allows the President to impose import restrictions based on an investigation and affirmative determination by the Department of Commerce that certain imports threaten to impair US national security. From the date of investigation initiation, the Secretary of Commerce has 270 days to submit findings and recommendations to the President. While this 270-day window will kick off on April 16, it is likely that Secretary Howard

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Lutnick will indeed take much less time to come to a determination. For example, the Department of Commerce may use information that was already provided to it through the Biden Administration's efforts to better map domestic semiconductor industry needs. Using this information that was submitted with different intentions could speed up the process.

If findings affirm a threat to US national security, the President must decide within 90 days to pursue further action. Within 15 days of that decision the President must implement such action and inform Congress. Congress must be informed within 30 days of the original decision of action.

According to both investigation's Federal Register Notices, public comments on each investigation must be submitted 21 days after their publication on the Federal Register – May 7, 2025. According to each investigation notice, stakeholders are encouraged to submit comments that reflect the following content:

- The current and projected demand for the product
- The extent to which domestic production of the product can meet domestic demand
- The role of foreign supply chains, particularly of major exporters, in meeting United States demand for the products (including fabrication and assembly for semiconductors)
- The concentration of United States imports of the products from a small number of suppliers and the associated risks
- The impact of foreign government subsidies and predatory trade practices on United States pharmaceutical/semiconductor industry competitiveness
- The economic impact of artificially suppressed prices of product inputs due to foreign unfair trade practices and state-sponsored overproduction
- The potential for export restrictions by foreign nations, including the ability of foreign nations to weaponize their control over product inputs and supplies
- The feasibility of increasing domestic capacity for pharmaceuticals and semiconductors to reduce import reliance
- The impact of current trade policies on domestic production of pharmaceuticals and semiconductors, and whether additional measures, including tariffs or quotas, are necessary to protect national security
- What product inputs and parts can only be found overseas
- Any other relevant factors

HTSUS PRODUCT SPECIFIC LISTS

Annex II – List of Pharmaceutical and Semiconductor Products (Exempted from Reciprocal Tariffs)