
Hughes Hubbard & Reed

Commerce's Section 232 Semiconductor Investigation: Opportunities for Companies Able to Comment by the May 7, 2025 Deadline

Client Advisories

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April 16, 2025 – On April 1, Secretary of Commerce Howard Lutnick initiated an investigation “to determine the effects on the national security” of the United States “of imports of semiconductors and semiconductor manufacturing equipment (SME), and their derivative products.”¹ On April 14, the Department of Commerce announced this investigation and invited public comment within 21 days of the investigation’s official notification in the Federal Register² on April 16, 2025, i.e., by May 7, 2025.

It would be surprising, given the administration’s public statements and trade policy to date, if the Secretary’s investigation does not result in the imposition of significant tariffs or otherwise restrict imports of these items in some manner, with potentially widespread impact on whole swaths of the semiconductor and SME industries — especially imports from China, which already faces a 145% tariff. April 1, when the Secretary initiated the Section 232 investigation, was also the date by which Section 2(a) of the America First Trade Policy required the Secretary to report to the President about “the economic and national security implications resulting from” trade deficits “and recommend appropriate measures, such as a global supplemental tariff or other policies, to remedy such deficits.”³

That said, the outcome is not a foregone conclusion for companies located in countries that are traditionally aligned with U.S. national security interests and that can demonstrate that they play a key role in promoting those interests. There is historical precedent, for example, for a Section 232 investigation to conclude that national security concerns do not justify the imposition of tariffs or other measures as to non-U.S. activity in countries whose governments are aligned with the U.S. and that are geographically situated such that, for example, various conflict scenarios would not threaten supply.⁴

Accordingly, companies that believe they have a strong case for avoiding or significantly mitigating the impact of eventual Section 232 tariffs on U.S. imports of semiconductors, SME, and derivative products should consider acting quickly to participate in the public comment window that is open only until May 7, 2025.

Given Secretary Lutnick's statements during his confirmation process about using tariffs to backstop export controls and the administration's announcement of innovative "secondary tariffs" to punish countries that continue to do business with sanctioned countries, companies participating in the public comment process should also consider highlighting current or potential enhancements to their economic sanctions and export controls compliance programs to mitigate the risk of smuggling or evasion that would jeopardize U.S. national security interests.

Contact Hughes Hubbard & Reed's Sanctions, Export Controls and Anti-Money Laundering practice group to learn how we can help you to evaluate what potential opportunities the public comment period presents.

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1. Dep't of Comm., Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Semiconductors and Semiconductor Manufacturing Equipment, BIS-2025-0021 (released Apr. 14, 2025; expected publication on Apr. 16, 2025). [↪](#)
 2. [90 Fed. Reg. 15,950](#) (Apr. 16, 2025). [↪](#)
 3. [America First Trade Policy](#), Section 2(a) ("The Secretary of Commerce, in consultation with the Secretary of the Treasury and the United States Trade Representative, shall investigate the causes of our country's large and persistent annual trade deficits in goods, as well as the economic and national security implications and risks resulting from such deficits, and recommend appropriate measures, such as a global supplemental tariff or other policies, to remedy such deficits."). [↪](#)
 4. This was the conclusion of the 1983 Section 232 investigation — initiated by the Secretary of Defense — into "[The Effect of Imports of Nuts, Bolts, and Large Screws on the National Security](#)." [↪](#)

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