

CLIENT ALERTS

June 22 Deadline for Comments on New Section 232 Investigation on Automobiles and Automotive Parts Tariffs; Public Hearings July 19-20

5.30.2018

Our Client Alert of May 24, 2018, advised of President Trump's request for the Commerce Department to investigate whether imports of automobiles and auto parts are impacting the national security and should be subject to tariffs or quotas. As we anticipated, Commerce will employ a process similar to the one that preceded the recent imposition of tariffs on steel and aluminum imports.

In a Federal Register notice published on May 30, 2018, the Commerce Department solicits written comments and announces public hearings to aid in its factual determination in this new investigation. The deadline for submitting written comments and requests to testify is June 22, 2018. Public hearings will be held in Washington July 19-20, 2018. Rebuttal comments may be submitted until July 6, 2018, submitted in response to any comments filed on or before June 22, 2018. Butzel Long will be working with our clients who are interested in participating in this process.

WRITTEN COMMENTS:

The Commerce Department has invited interested parties to submit written comments, data, analyses, or information pertinent to this investigation, particularly as they related to the criteria listed in 15 CFR § 705.4 of the National Security Industrial Base Regulations ("NSIBR"), including:

- The quantity and nature of imports of automobiles, including cars, SUVs, vans and light trucks, and automotive parts and other circumstances related to the importation of automobiles and automotive parts;
- Domestic production needed for projected national defense requirements;

Related People

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Related Services

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- The existing and anticipated availability of human resources, products, raw materials, production equipment, and facilities to produce automobiles and automotive parts;
- The impact of foreign competition on the economic welfare of the U.S. automobiles and automotive parts industry;
- The displacement of any domestic automobiles and automotive parts causing substantial unemployment, decrease in the revenues of government, loss of investment or specialized skills and productive capacity, or other serious effects;
- The extent to which innovation in new automotive technologies is necessary to meet projected national defense requirements; and
- Whether and, if so, how the analysis of the above factors changes when U.S. production by majority U.S.-owned firms is considered separately from U.S. production by majority foreign-owned firms.

PUBLIC HEARING:

The public hearing that the Commerce Department will hold in July will focus on the same criteria to help determine whether automobiles and/or automotive parts are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, and if further action should be recommended. Anyone interested in making an oral presentation at the hearing must submit a written request to the Department of Commerce by June 22, 2018, and must include a summary of the expected testimony, which will be limited to five minutes to allow for questions from U.S. government representatives.

The summaries of the oral presentations will be used to allocate speaking time and to ensure that a full range of comments is heard. It is clear that not everyone requesting to testify will be accommodated and therefore written comments are encouraged to ensure your views are taken into consideration. Those selected to make a presentation will be notified by the Department of Commerce no later than 8:00 p.m. Eastern Daylight Time on July 12, 2018. Written submissions by persons not selected to testify will be made part of the public record of the proceeding.

The hearing will be recorded, and the transcript of the hearing will be available on www.regulations.gov in docket number DOC-2018-0002. Thus, it is also possible to submit written comments before the hearing, review the transcript and submit rebuttal comments after the hearing, if desired.

BUTZEL SERVICE:

The Butzel team will be supporting our clients with additional factors to be considered in written comments, details about and preparation for the public hearing, and the overall logistics for participation in the comment-period and hearing process. We can leverage our extensive experience throughout the global automotive supply chain to help our clients most effectively voice their positions on this critical issue to the Department of Commerce, the Administration, and others. Please contact Les, Kate, Mitch, or other Butzel attorneys for support.

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