

U.S. Department of Commerce Initiates Section 232 Investigation into Auto Imports

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Today, following a conversation with President Donald J. Trump, U.S. Secretary of Commerce Wilbur Ross initiated an investigation under Section 232 of the Trade Expansion Act of 1962, as amended. The investigation will determine whether imports of automobiles, including SUVs, vans and light trucks, and automotive parts into the United States threaten to impair the national security as defined in Section 232. Secretary Ross sent a letter to Secretary of Defense James Mattis informing him of the investigation.

“There is evidence suggesting that, for decades, imports from abroad have eroded our domestic auto industry,” said Secretary Ross. “The Department of Commerce will conduct a thorough, fair, and transparent investigation into whether such imports are weakening our internal economy and may impair the national security.”

During the past 20 years, imports of passenger vehicles have grown from 32 percent of cars sold in the United States to 48 percent. From 1990 to 2017, employment in motor vehicle production declined by 22 percent, even though Americans are continuing to purchase automobiles at record levels. Now, American owned vehicle manufacturers in the United States account for only 20 percent of global research and development in the automobile sector, and American auto part manufacturers account for only 7 percent in that industry.

Automobile manufacturing has long been a significant source of American technological innovation. This investigation will consider whether the decline of domestic automobile and automotive parts production threatens to weaken the internal economy of the United States, including by potentially reducing research, development, and jobs for skilled workers in connected vehicle systems, autonomous vehicles, fuel cells, electric motors and storage, advanced manufacturing processes, and other cutting-edge technologies.

Following today’s announcement, the Department of Commerce will investigate these and other issues to determine whether imports of automobiles and automotive parts threaten to impair the national security. A notice will be published shortly in the Federal Register announcing a hearing date and inviting comment from industry and the public to assist in the investigation.

Source: <https://www.commerce.gov/news/press-releases/2018/05/us-department-commerce-initiates-section-232-investigation-auto-imports>