

Client Alert: Section 232 Investigation of Automobiles – Presidential Proclamation

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On May 17, 2019, the White House issued a Presidential Proclamation on imports of passenger vehicles (sedans, sport utility vehicles, crossover utility vehicles, minivans, and cargo vans) and light trucks and certain automobile parts (engines and engine parts, transmissions and powertrain parts, and electrical components).

As a result of the U.S. Commerce Department's investigation and recommendations, the Proclamation determined that imports of automobiles and automobile parts threaten the national security of the United States.

The Proclamation announced the following action:

- The President directed the U.S. Trade Representative to “pursue negotiation of agreements . . . to address the threatened impairment of the national security with respect to imported automobiles and certain automobile parts from the European Union, Japan, and any other country the Trade Representative deems appropriate.” A deadline of 180 days was established to complete such negotiations.

We understand that the treatment of imports from Canada and Mexico will be addressed by the renegotiated North American Free Trade Agreement and that imports from Korea have been addressed by the renegotiated U.S.-Korea Free Trade Agreement.

Therefore, it appears that no immediate action will be taken with respect to imports of automobiles and automobile parts as a result of the Presidential Proclamation. Instead, there will be a six-month period in which the United States will “pursue negotiations of agreements” with the European Union, Japan, and perhaps other countries.

Please contact your Vorys attorney if you have any questions.