PRESIDENTIAL ACTIONS

# ADJUSTING IMPORTS OF AUTOMOBILES AND AUTOMOBILE PARTS INTO THE UNITED STATES

Proclamations | March 26, 2025

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

1. On February 17, 2019, the Secretary of Commerce (Secretary) transmitted to me a report on his investigation into the effects of imports of passenger vehicles (sedans, sport utility vehicles, crossover utility vehicles, minivans, and cargo vans) and light trucks (collectively, automobiles) and certain automobile parts (engines and engine parts, transmissions and powertrain parts, and electrical components) (collectively, automobile parts) on the national security of the United States under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862) (section 232). Based on the facts considered in that investigation, the Secretary found and advised me of his opinion that automobiles and certain automobile parts are being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States.

2. In Proclamation 9888 of May 17, 2019 (Adjusting Imports of Automobiles and Automobile Parts Into the United States), I concurred with the Secretary's finding in the February 17, 2019, report that automobiles and certain automobile parts are being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States. I also directed the United States Trade Representative (Trade Representative), in consultation with other executive branch officials, to pursue negotiation of agreements to address the threatened impairment of the national security of the United States with respect to imported automobiles and certain automobile parts from the European Union, Japan, and any other country the Trade Representative deems appropriate.

3. The Trade Representative's negotiations did not lead to any agreements of the type contemplated by section 232.

4. In Proclamation 9888, I also directed the Secretary to monitor imports of automobiles and certain automobile parts and inform me of any circumstances that, in the Secretary's opinion, might indicate the need for further action under section 232 with respect to such imports.

5. The Secretary has informed me that, since the February 17, 2019, report, the national security concerns remain and have escalated. The COVID-19 pandemic exposed critical vulnerabilities and choke points in global supply chains, undermining our ability to maintain a resilient domestic industrial base. In recent years, American-owned automotive manufacturers have experienced numerous supply chain challenges, including material and parts input shortages, labor shortages and strikes, and electrical-component shortages. Meanwhile, foreign automotive industries, propelled by unfair subsidies and aggressive industrial policies, have grown substantially. Today, only about half of the vehicles sold in the United States are manufactured domestically, a decline that jeopardizes our domestic industrial base and national security, and the United States' share of worldwide automobile production has remained stagnant since the February 17, 2019, report. The number of employees in the domestic automotive industry has also not improved since the February 17, 2019, report.

6. I am also advised that agreements entered into before the issuance of Proclamation 9888, such as the revisions to the United States-Korea Free Trade Agreement and the United States-Mexico-Canada Agreement (USMCA), have not yielded sufficient positive outcomes. The threat to national security posed by imports of automobiles and certain automobile parts remains and has increased. Investments resulting from other efforts, such as legislation, have also not yielded sufficient positive outcomes to eliminate the threat to national security from such imports.

7. After considering the current information newly provided by the Secretary, among other things, I find that imports of automobiles and certain automobile parts continue to threaten to impair the national security of the United States and deem it necessary and appropriate to impose tariffs, as defined below, to adjust imports of automobiles and certain automobile parts so that such imports will not threaten to impair national security.

8. To ensure that the imposition of tariffs on automobiles and certain automobile parts in this proclamation are not circumvented and that the purpose of this action to eliminate the threat to the national security of the United States by imports of automobiles and certain automobile parts is not undermined, I also deem it necessary and appropriate to establish processes to identify and impose tariffs on additional automobile parts, as further described below.

9. Section 232 provides that, in this situation, the President shall take such other actions as the President deems necessary to adjust the imports of the relevant article so that such imports will not threaten to impair national security.

10. Section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483), authorizes the President to embody in the Harmonized Tariff Schedule of the United States (HTSUS) the substance of statutes affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, DONALD J. TRUMP, President of the United States of America, by the authority vested in me by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code; section 604 of the Trade Act of 1974, as amended; and section 232 of the Trade Expansion Act of 1962, as amended, do hereby proclaim as follows:

(1) Except as otherwise provided in this proclamation, all imports of articles specified in Annex I to this proclamation or in any subsequent annex to this proclamation, as set out in a subsequent notice in the *Federal Register*, shall be subject to a 25 percent tariff with respect to goods entered for consumption or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on April 3, 2025, for automobiles, and on the date specified in the *Federal Register* for automobile parts, but no later than May 3, 2025, and shall continue in effect, unless such actions are expressly reduced, modified, or terminated. The above ad valorem tariff is in addition to any other duties, fees, exactions, and charges applicable to such imported automobiles and certain automobile parts articles.

(2) For automobiles that qualify for preferential tariff treatment under the USMCA, importers of such automobiles may submit documentation to the Secretary identifying the amount of U.S. content in each model imported into the United States. "U.S. content" refers to the value of the automobile attributable to parts wholly obtained, produced entirely, or substantially transformed in the United States. Thereafter, the Secretary may approve imports of such automobiles to be eligible to apply the ad valorem tariff of 25 percent in clause (1) of this proclamation exclusively to the value of the non-U.S. content of the automobile. The non-U.S. content of the automobile shall be calculated by subtracting the value of the U.S. content in an automobile from the total value of the automobile.

(3) If U.S. Customs and Border Protection (CBP) determines that the declared value of non-U.S. content of an automobile, as described in clause (2) of this proclamation, is inaccurate due to an overstatement of U.S. content, the 25 percent tariff shall apply to the full value of the automobile, regardless of the actual U.S. content of the automobile. In addition, the 25 percent tariff shall be applied retroactively (from April 3, 2025, to the date of the inaccurate overstatement) and prospectively (from the date of the inaccurate overstatement to the date the importer corrects the overstatement, as verified by CBP) to the full value of all automobiles of the same model imported by the same importer. This clause does not apply to or otherwise affect any other applicable fees or penalties.

(4) The ad valorem tariff of 25 percent described in clause (1) of this proclamation shall not apply to automobile parts that qualify for preferential treatment under the USMCA until such time that the Secretary, in consultation with CBP, establishes a process to apply the tariff exclusively to the value of the non-U.S. content of such automobile parts and publishes notice in the *Federal Register*.

(5) For avoidance of doubt, clause (4) of this proclamation does not apply to automobile knock-down kits or parts compilations. Clause (4) of this proclamation applies only to individual automobile parts as defined by Annex I to this proclamation that otherwise meet the requirements of clause (4) of this proclamation.

(6) The Secretary, in consultation with the United States International Trade Commission and CBP, shall determine the modifications necessary to the HTSUS to effectuate this proclamation and shall make such modifications to the HTSUS through notice in the *Federal Register*.

(7) Within 90 days of the date of this proclamation, the Secretary shall establish a process for including additional automobile parts articles within the scope of the tariffs described in clause (1) of this proclamation. In addition to inclusions made by the Secretary, this process shall provide for including additional automobile parts articles at the request of a domestic producer of an automobile or automobile parts article, or an industry association representing one or more such producers, where the request establishes that imports of additional automobile parts articles have increased in a manner that threatens to impair the national security or otherwise undermines the objectives set forth in any proclamation issued on the basis of the Secretary's February 17, 2019, report or any additional information submitted to the President under clause (3) of Proclamation 9888 or clause (9) of this proclamation. When the Secretary receives such a request from a domestic producer or industry association, the Secretary, after consultation with the United States International Trade Commission and CBP, shall issue a determination regarding whether to include the articles within 60 days of receiving the request. Any additional automobile parts articles that the Secretary has determined to be included within the scope of the tariffs described in clause (1) of this proclamation shall be so included on or after 12:01 a.m. eastern daylight time the day after a notice in the *Federal Register* describing the determination of the Secretary. The notice in the *Federal Register* shall be made as soon as practicable but no later than 14 days after the Secretary's determination.

(8) Any automobile or automobile part, except those eligible for admission under "domestic status" as defined in 19 CFR 146.43, that is subject to the duty imposed by this proclamation and that is admitted into a United States foreign trade zone on or after the effective date of this proclamation, in accordance with clause (1) of this proclamation, must be admitted as "privileged foreign status" as defined in 19 CFR 146.41, and will be subject upon entry for consumption to any ad valorem rates of duty related to the classification under the applicable HTSUS subheading.

(9) The Secretary shall continue to monitor imports of automobiles and automobile parts. The Secretary also shall, from time to time, in consultation with any senior executive branch officials the Secretary deems appropriate, review the status of such imports with respect to national security. The Secretary shall inform the President of any circumstances that, in the Secretary's opinion, might indicate the need for further action by the President under section 232. The Secretary shall also inform the President of any circumstance that, in the Secretary's opinion, might indicate that the increase in duty rate provided for in this proclamation is no longer necessary.

(10) No drawback shall be available with respect to the duties imposed pursuant to this proclamation.

(11) The Secretary may issue regulations and guidance consistent with this proclamation, including to address operational necessity.

(12) CBP may take any necessary or appropriate measures to administer the tariffs imposed by this proclamation.

(13) Any provision of previous proclamations and Executive Orders that is inconsistent with the actions taken in this proclamation is superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-sixth day of March, in the year of our Lord two thousand twenty-five, and of the Independence of the United States of America the two hundred and forty-ninth.