



DEPARTMENT OF COMMERCE

International Trade Administration

15 CFR Part 315

Docket No. 180223210-8210-01

RIN 0625-AB14

Elimination of Regulations Implementing the Automotive Products Trade Act of 1965

AGENCY: International Trade Administration, U.S. Department of Commerce.

ACTION: Final rule.

SUMMARY: Through this final rule, the International Trade Administration (ITA), U.S. Department of Commerce, removes the regulations implementing the Automotive Products Trade Act of 1965 (Act). That statute implemented the 1965 Canada-United States Automotive Products Agreement (Auto Pact). Since the North American Free Trade Agreement (NAFTA) came into effect in 1994, trade in automotive products between the United States and Canada is no longer governed by the Auto Pact or the Act. Implementing regulations for the Act are thus obsolete and unnecessary.

DATES: This rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Scott Kennedy, Office of Transportation and Machinery, U.S. Department of Commerce, 1401 Constitution Avenue NW, Room 38032, Washington, DC 20230; telephone: (202) 482-1474.

SUPPLEMENTARY INFORMATION:

Background

In 1965, the United States and Canada entered into the Auto Pact concerning trade between Canada and the United States in automotive parts. Under the Auto Pact, the United States agreed to accord duty-free treatment to imports of certain automotive products of Canada. Specifically, Annex B of the Auto Pact listed certain kinds of motor vehicles and fabricated components that would receive duty-free treatment upon entry into the United States, subject to a limitation relating to non-Canadian content. Annex B limited the duty-free treatment of automotive parts upon entry into the United States to those “for use as original equipment in the manufacture of motor vehicles” described in Annex B.

The United States implemented the Auto Pact through the Automotive Products Trade Act of 1965, Pub. L. 89-283 (the Act). The Act gave the President the authority to proclaim modifications to the Tariff Schedules of the United States (tariff schedules), as provided in the Auto Pact. Section 404 of the Act defined the term “original motor vehicle equipment” as an imported Canadian article “which has been obtained from a supplier in Canada under or pursuant to a written order, contract or letter of intent from a bona fide motor-vehicle manufacturer in the United States, and which is a fabricated component intended for use as original equipment in the manufacture in the United States of a motor vehicle.” The Act directed the Secretary of Commerce to publish periodically in the *Federal Register* a list of bona fide motor-vehicle manufacturers. In 1980, the Department of Commerce promulgated regulations to establish a procedure by which a person could apply to be determined to be a bona fide motor-vehicle manufacturer (15 CFR part 315).

Trade in automobiles and automotive products between the United States and Canada is now governed by the NAFTA, which went into effect on January 1, 1994. Imports of the products described in the Auto Pact and the Act now enter the United States duty-free, with no distinction based on the nature of the importer. The amendments to the tariff schedules proclaimed by the President on October 21, 1965, regarding bona fide motor-vehicle manufacturers, ceased to be relevant when the NAFTA went into effect. Since that date, no person has applied to be determined to be a bona fide motor-vehicle manufacturer, and the Secretary has published no listing in the *Federal Register* of bona fide motor-vehicle manufacturers. As a result, the regulations found at 15 CFR part 315 are obsolete and unnecessary.

Classification

This final rule was drafted in accordance with Executive Orders 12866, 13563, and 13771. OMB has determined that this rule is not significant for purposes of Executive Orders 12866. This final rule to eliminate 15 CFR part 315 is a deregulatory action under Executive Order 13771. Since the regulation has not been utilized in almost 25 years, there are no cost savings associated with this elimination.

Administrative Procedure Act and Regulatory Flexibility Act

Pursuant to 5 U.S.C. 553(b)(B), there is good cause to waive prior notice and opportunity for public comment on this action, as notice and comment are unnecessary. This rule removes obsolete regulations that were superseded by the implementation of the NAFTA, and that will remain obsolete under the new United States-Mexico-Canada Agreement (USMCA), once that agreement is implemented. Therefore, public comment would serve no purpose and is unnecessary. There is also good cause under 5 U.S.C.

553(d)(3) to waive the 30-day delay in the date of effectiveness for this final rule.

Because this rule does not alter the rights or responsibilities of any party, delaying implementation of this rule would serve no purpose.

Because prior notice and opportunity for public comment are not required pursuant to 5 U.S.C. 553, or any other law, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply. Therefore, a regulatory flexibility analysis has not been prepared.

Congressional Review Act

This final rule is not major under the Congressional Review Act (5 U.S.C. 801 *et seq.*).

Executive Order No. 13132

This final rule does not contain policies that have federalism implications.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA) requires that a Federal agency consider the impact of paperwork and other information collection burdens imposed on the public and obtain approval from OMB for each collection of information it conducts, sponsors, or requires through regulations. Notwithstanding any other provision of law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with a collection of information subject to the PRA unless that collection displays a currently valid OMB Control Number. This final rule does not require the collection of any information.

List of Subjects in 15 CFR Part 315

Canada, Customs duties and inspection, Imports, Motor vehicles.

Dated: July 22, 2019.

Bart Meroney,
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International Trade Administration,
U.S. Department of Commerce.

PART 315— [REMOVED AND RESERVED]

For the reasons set out in the preamble, and under the authority of 5 U.S.C. 301,
we remove and reserve part 315 of title 15 of the Code of Federal Regulations.

BILLING CODE: 3510-GT-P

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