



International Trade Administration

[Docket No. 250513-0085]

RIN 0625-AB28

Procedures for Submissions by Importers of Automobiles Qualifying for Preferential Tariff Treatment under the USMCA to Determine U.S. Content

AGENCY: International Trade Administration, Department of Commerce.

ACTION: Procedures for submission of documentation related to automobile tariffs.

SUMMARY: In the Proclamation of March 26, 2025, “Adjusting Imports of Automobiles and Automobile Parts Into the United States,” the President imposed additional tariffs on imports of specified automobiles and automobile parts to eliminate the threat to national security posed by such imports. That Proclamation also provided that for automobiles that qualify for preferential tariff treatment under the United States-Mexico-Canada Agreement (USMCA), importers of such automobiles may submit documentation to the Secretary of Commerce (Secretary) identifying the amount of U.S. content in each model imported into the United States. This notice establishes procedures for submission and review of such documentation by the Department of Commerce (Department).

DATES: Importers may begin submitting documentation as described below on or after

[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Documentation must be submitted electronically via

Autos232USMCAContent@trade.gov.

FOR FURTHER INFORMATION CONTACT: Emily Davis, Director for Public Affairs,
International Trade Administration, U.S. Department of Commerce, 202-482-3809,
Emily.Davis@trade.gov.

SUPPLEMENTARY INFORMATION:

I. Background

On March 26, 2025, the President issued Proclamation 10908, “Adjusting Imports of Automobiles and Automobile Parts Into the United States” (90 FR 14705) (the Proclamation), finding that imports of automobiles and certain automobile parts continue to threaten to impair the national security of the United States and determining that it is necessary and appropriate to impose specified tariffs to adjust imports of automobiles and certain automobile parts so that such imports will not threaten to impair national security pursuant to section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862). The Proclamation imposed a 25 percent tariff on certain imports of automobiles, effective April 3, 2025, and certain imports of auto parts, effective May 3, 2025. But the Proclamation also provided that 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. The Proclamation specified that “U.S. content” refers to the value of the automobile attributable to parts wholly obtained, produced entirely, or substantially transformed in the United States. Production shall be interpreted as that term is defined in Article 4.1 of USMCA (available at: <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/agreement-between>), which includes the manufacturing, processing, or assembling of a good. The Proclamation authorized the Secretary to approve imports of such automobiles to be eligible to apply the additional tariff exclusively to the value of the non-U.S. content of the automobile and provided that the non-U.S. content of the automobile is to be calculated by subtracting the value of the U.S. content in an automobile from the total value of the automobile.

II. Eligibility

Only vehicles imported from Mexico and Canada that qualify for preferential tariff treatment under the USMCA may be found to be eligible to apply the additional tariff exclusively to the value of the non-U.S. content of the automobile. Vehicles imported from non-USMCA countries

and vehicles imported from Canada and Mexico that do not qualify for preferential tariff treatment under the USMCA may not be found to be eligible.

For the avoidance of doubt, the preferential tariff treatment available under this notice applies exclusively to automobiles imported from Canada or Mexico that qualify for preferential treatment under the USMCA, while the preferential tariff treatment under Proclamation 10925 applies exclusively to automobiles assembled in the United States using foreign parts.

Proclamation 10908 separately references the Secretary establishing a process to apply the additional tariff exclusively to the value of the non-U.S. content of automobile parts. This notice does not establish that process.

III. Opportunity to Submit Documentation

Importers of automobiles qualifying for preferential treatment under the USMCA seeking preferential tariff treatment on the U.S. content of their automobiles may submit documentation, on a model line basis, identifying the type and value of U.S. content attributable to each model line imported into the United States.

Each submission should include documentation certified by an importer's Chief Financial Officer, General Counsel, or an equivalent-level of senior officer that identifies the following:

1. The total declared customs value of an automobile in the model line at the time of importation based on 19 U.S.C 1401a. If the customs value varies within the model line, the importer may provide an average value consistent with an averaging methodology set forth in Article 5 of the Appendix to Annex 4-B, "Provisions Related to the Product-Specific Rules of Origin for Automotive Goods," of Chapter 4 of the USMCA ("Automotive Appendix") (available at: <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/agreement-between>).
2. Total Value of U.S. content for an automobile in that model line based on 19 U.S.C. 1401a attributable to parts wholly obtained, produced entirely, or substantially transformed in the United States for a vehicle in the model line ("U.S. content"). If the

U.S. content attributable to such parts varies within a model line, the importer may provide an average value consistent with an averaging methodology set forth in the USMCA Automotive Appendix Article 5.

3. Total value of non-U.S. content of an automobile in the model line, calculated by subtracting the value of the U.S. content for an automobile in the model line from the total value of the automobile. If the value varies within the model line, the importer may provide an average consistent with an averaging methodology set forth in the USMCA Automotive Appendix Article 5.
4. Vehicle production location(s) and country of final assembly. Vehicle production locations may include more than one country.
5. Certification of eligibility for USMCA preference (i.e., the signed origin certification that supports the import meeting the rules of origin requirements as well as the approved producer-submitted auto certifications, jointly reviewed/approved by U.S. Customs and Border Protection and the Department of Labor, for meeting North American steel and aluminum content, and North American labor value content requirements) for the model line as submitted to U.S. Customs and Border Protection (CBP), including whether the model line is subject to an approved Alternative Staging Regime outlined in the USMCA Automotive Appendix Article 8 of Chapter 4 of the USMCA (available at: <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/agreement-between>).
6. The importer name, importer of record number, manufacturer name, manufacturer facility, country of origin, and year, make, and model information for every model line requested in the submission. If retroactive treatment is requested, the importer should provide entry numbers for previously imported automobiles.

IV. Review Process

The Department will review each submission for completeness and compliance. The Department may request supplemental documentation or clarification. Upon verification by the Department that a submission is consistent with this notice and upon a determination of the value of the U.S. content and non-U.S. content for the requested model line, the Department will inform the importer and CBP of that determination and of the value of the non-U.S. content for each model line. The Commerce Department will provide CBP with a list of importers and automobiles authorized by Commerce, including importer name, importer of record number, manufacturer name, manufacturer facility, country of origin, and year, make, and model of each authorized automobile.

The additional tariff will apply exclusively to the value of the non-U.S. content for the relevant model line. The Secretary may retroactively extend this treatment to qualifying model lines for vehicles imported on or after April 3, 2025, at his discretion, and provide CBP with the entry numbers of the previously imported automobiles subject to any retroactive treatment. If a change in sourcing or production results in a decrease in U.S. content relevant to the eligibility determination, the importer must promptly inform the Department and request a new eligibility determination by providing the documentation described above. If a change in sourcing or production results in an increase in U.S. content, the importer may inform the Department and request a new eligibility determination by providing a new submission containing the information required by section III. Regardless, eligibility determinations are only valid for 6 months from the date of issuance, and importers seeking continued eligibility for a model line must submit new documentation at least 30 days prior to the expiration of its previous eligibility determination.

V. Consequences for Misreporting

If CBP determines that the declared U.S. content is overstated or inconsistent with a U.S. content figure approved by the Secretary, the 25 percent tariff will apply 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 line imported by the same importer, as provided for in Proclamation 10908. This does not apply to or otherwise affect any other applicable fees or penalties.

VI. Confidential Business Information

Submissions containing confidential business information must be clearly marked as such.

VII. No Effect on USMCA Preferential Status

This process does not affect or alter the determination of whether a vehicle qualifies for USMCA preferential tariff treatment.

VIII. Authority

This notice is issued pursuant to the authority delegated to the Secretary by Proclamation 10908 consistent with section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862).

IX. Administrative Procedure Act

The provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, an opportunity for public comment, and a delay in effective date are inapplicable because this action involves a military or foreign affairs function of the United States. (*See* 5 U.S.C. 553(a)(1)) The President concurred with the Secretary's finding 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. So that such imports will not threaten to impair the national security, the President imposed additional tariffs on specified imports under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862) and also authorized the Secretary to approve certain imports of automobiles to be eligible to apply those additional tariffs exclusively to the value of the non-U.S. content of the automobile (Proclamation 10908).

Because a notice of proposed rulemaking and an opportunity for public comment are not required under the Administrative Procedure Act or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, are not applicable.

X. Executive Orders 12866 and 14192

This notice has been determined by OMB to be significant under Executive Order (E.O.) 12866. This notice is not an E.O. 14192 regulatory action because it does not impose any more than de minimis regulatory costs. As required by E.O. 12866, and the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, the Department of Commerce (the Department) has prepared the following regulatory impact analysis (RIA) for this notice.

A. Regulatory Impact Analysis

The Office of Management and Budget (OMB) has determined that this action is significant pursuant to Executive Order (E.O.) 12866. As required by E.O. 12866, and the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, the Department of Commerce (the Department) has prepared the following regulatory impact analysis (RIA) for this notice.

1. Need for Regulatory Action

The reasons for this action and an explanation of its necessity are articulated in the preamble to the notice and are summarized here. On March 26, 2025, the President issued Proclamation 10908, “Adjusting Imports of Automobiles and Automobile Parts Into the United States,” finding that imports of automobiles and certain automobile parts continue to threaten to impair the national security of the United States, and that it is necessary and appropriate to impose specified tariffs to adjust imports of automobiles and certain automobile parts so that such imports will not threaten to impair national security pursuant to section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862).

The Proclamation announced a 25 percent tariff on certain imports of automobiles and automobile parts, with tariffs on automobiles effective April 3, 2025. However, the Proclamation also provided that for automobiles that qualify for preferential tariff treatment under the United

States-Mexico-Canada Agreement (USMCA), importers of such automobiles may submit documentation to the Secretary of Commerce identifying the amount of U.S. content in each model imported into the United States. This notice provides the guidance to importers on the procedures for submitting their request to the Secretary.

2. Description of the Notice

For the purposes of the notice, only automobiles imported from Mexico and Canada that qualify for preferential treatment under USMCA may be eligible to apply the additional tariff exclusively to the value of the non-U.S. content of the automobile. Automobiles imported from non-USMCA countries and automobiles imported from Canada and Mexico that do not qualify for preferential treatment under USMCA may not be found eligible.

The Proclamation specified that “U.S. content” refers to the value of the automobile attributable to parts wholly obtained, produced entirely, or substantially transformed in the United States. Production shall be interpreted as the term defined in Article 4.1 of USMCA,¹ which includes the manufacturing, processing, or assembling of a good. The Proclamation authorized the Secretary to approve imports of such automobiles to be eligible to apply the additional tariff exclusively to the value of the non-U.S. content of the automobile and provided that the non-U.S. content of the automobile is to be calculated by subtracting the value of the U.S. content in an automobile from the total value of the automobile.

Under this notice importers of automobiles qualifying for preferential treatment under the USMCA seeking preferential tariff treatment on the U.S. content of their automobiles may submit documentation, on a model line basis, identifying the type and value of U.S. content attributable to each model line imported into the United States. Each submission should include documentation certified by an importer’s Chief Financial Officer, General Counsel, or an equivalent officer that identifies the following:

¹ Available at: <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/agreement-between>.

1. The total declared customs value of an automobile in the model line at the time of importation based on 19 U.S.C. 1401a. If the customs value varies within the model line, the importer may provide an average value consistent with an averaging methodology set forth in Article 5 of the Appendix to Annex 4-B, “Provisions Related to the Product-Specific Rules of Origin for Automotive Goods” (“Automotive Appendix”), of Chapter 4 of the USMCA (available at: <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/agreement-between>);
2. Total Value of U.S. content for an automobile in that model line based on 19 U.S.C. 1401a attributable to parts wholly obtained, produced entirely, or substantially transformed in the United States for a vehicle in the model line (“U.S. content”). If the U.S. content attributable to such parts varies within a model line, the importer may provide an average value consistent with an averaging methodology set forth in the USMCA Automotive Appendix Article 5.
3. Total value of non-U.S. content of an automobile in the model line, calculated by subtracting the value of the U.S. content for an automobile in the model line from the total value of the automobile. If the value varies within the model line, the importer may provide an average consistent with an averaging methodology set forth in the USMCA Automotive Appendix Article 5.
4. Vehicle production location(s) and country of final assembly. Vehicle production locations may include more than one country.
5. Certification of eligibility for USMCA preference (i.e. the signed origin certification that supports the import meeting the rules of origin requirements as well as the approved producer-submitted auto certifications, jointly reviewed/approved by U.S. Customs and Border Protection and the Department of Labor, for meeting North American steel and aluminum content, and North American labor value content requirements) for the model line as submitted to CBP, including whether the model line is subject to an approved

Alternative Staging Regime outlined in the USMCA Automotive Appendix Article 8 of Chapter 4 of the USMCA (available at: <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/agreement-between>).

6. The importer name, importer of record number, manufacturer name, manufacturer facility, country of origin, and year, make, and model information for every model line requested in the submission. If retroactive treatment is requested, the importer should provide entry numbers for previously imported automobiles.

3. Description of Affected Entities

The notice will directly affect automobile importers in the United States and indirectly affect U.S. automobile suppliers, dealers and consumers. It is unknown exactly how many entities will seek and be granted tariff exemptions or the specific amount of the U.S. content eligible for tariff exemption. However, import data can provide a reasonable approximation of the total number of importers and vehicles impacted by this notice.

In 2024, the United States imported approximately 8.1 million automobiles from the world with import values totaling approximately \$248.8 billion, based on the automobile categories (by Harmonized Tariff Schedule (HTS) code) described in Annex I to the Proclamation. Among these automobiles, approximately 3.7 million (or roughly 46%) are listed in U.S. trade statistics as having been declared as eligible for USMCA preference upon entry – 1.07 million of these USMCA-eligible automobiles were imported from Canada, and 2.66 million of these automobiles were imported from Mexico. Theoretically, these counts represent the upper-bound of automobiles that could be eligible for tariff exemptions on the U.S. content of these imports, if the importer chooses to submit their documentation and the Secretary approves.

These USMCA-eligible automobiles were primarily produced by approximately 13 original equipment manufacturers (OEMs) with operations in Canada and/or Mexico (including several U.S.-owned companies). The companies' production in these markets included 54 different vehicle model lines, many of which are likely destined for export to the United States. We remain uncertain as to how many of these vehicle manufacturers will seek to apply for tariff exclusions for their U.S. content for these imported vehicles. Also, there are several other limitations on available data that will be more fully explored below.

Although we do not have publicly available data to estimate the number of importers specifically, we believe that commercially available data validates this estimated range of all affected entities. It is anticipated that only OEMs and their affiliated importers will submit documentation to the Secretary, as they are the only entities likely to have the detailed information required on the U.S. content by model line.

4. Expected Costs and Benefits of the Notice

a) Costs

i. Key Assumptions and Limitations

The global automotive market and supply chain are remarkably complex with significant variation in parts sourcing across models, which is considered proprietary information. The cost approximations presented in this RIA represent our best estimate given limited publicly available information.

First, for the purposes of our analysis, we assume that all new automobiles that are imported into the United States are ultimately sold in the United States, and that they will be subject to the notice. This assumption means that we do not attempt to determine if there are automobiles being imported in the United States that are then transported for sale in other markets (e.g., to Canada and Mexico).

Second, in using proprietary Customs data on importers, we assume that many of the identified importers of record of the subject automobiles are importing used automobiles, and that new automobiles are predominantly imported by OEMs and their affiliates. This assumption is reflected in the estimates below where we have limited the number of likely affected entities.

Third, we assume that only the manufacturers and their affiliated importers of record will have sufficient information to file a claim based on the detailed U.S. and non-U.S. content contained in the automobile required for the submission. We also assume that OEMs will share their calculated U.S. content figures with their affiliated importers so that they can apply for the tariff exemptions.

Fourth, we make the assumption that the approximate amount of U.S. content in each of these automobiles is equal to 40 percent of the value of the vehicle (the actual percentage of U.S. content may vary significantly from model to model, but it is impossible to estimate this precisely without input from the manufacturers). However, based on the Department's industry expertise regarding the U.S. automotive sector, including our engagement with entities involved in the automotive supply chain across the United States, Mexico, and Canada, the Department believes that this figure is a reasonable approximation of the percentage of U.S. content in the typical USMCA qualifying vehicle.

Fifth, we do not estimate the cost associated with the probable substitution of U.S. parts over time as OEMs may seek to acquire more U.S. content to offset the cost of the tariff charged on non-U.S. content in subject imported automobiles. Though the added costs of identifying and certifying new U.S. suppliers are substantial, importers may reapply for tariff exclusions on their new U.S. content in the imported automobiles, and this tariff savings will partially offset the cost of obtaining new U.S. suppliers.

ii. Costs of Implementing the Notice

We identify that the primary cost to automobile importers expected to be associated with implementation of the notice are costs related to notice compliance, which would include (but is not limited to) spending time and resources reviewing and understanding the notice, conducting due diligence and supply chain analysis on an entity's U.S.-origin parts and components, and submitting the documentation to the Secretary to certify eligibility every 6 months. Otherwise, we anticipate that this notice will primarily represent savings to importers as they are permitted to only apply the ad valorem tariff to the non-U.S. content of imported automobiles. These costs and savings are discussed below.

Increased Costs Related to Notice Compliance.

Following the publication of the notice, regulated entities will need to spend time reading the notice, understanding the compliance mechanisms, and conducting initial due diligence into their U.S. content in covered automobile imports. The tariff exemption is anticipated to apply to the U.S. content portions of imports of passenger automobiles and light trucks (as defined by the HTS codes in the Annex I to Proclamation 10908) that qualify for preferential tariff treatment under the USMCA, for which the importer has submitted documentation to the Secretary of Commerce. The Secretary may approve imports of these automobiles to be eligible to apply the ad valorem tariff of 25 percent (as described in clause (1) of the Proclamation) exclusively to the value of the non-U.S. content of the automobile.

Based on data from Wards Intelligence, the Department estimates that there are approximately 13 OEMs producing the subject automobiles through their operations in Canada and Mexico. The companies' production in these markets included 54 different vehicle model lines, many of which are likely destined for export to the United States, however we anticipate the companies will likely list multiple models in each submission. Therefore, we consider 13 to be the lower bound of the number of company submissions.

Based on proprietary Customs data available to the Department we know there were approximately 200 repeat importers of subject automobiles in 2024. This number represents the number of importers of record that were reported as having 2 or more import declarations for subject automobiles within that year. However, for purposes of this analysis, the Department has conservatively assumed a maximum of 20 notifications per year. This is based on Customs data documenting the number of importers of USMCA-compliant automobiles, and the assumption that many of these importers of record are importing smaller shipments of used automobiles. While used automobile classifications are within the scope of the Proclamation, most used automobiles do not meet the requirements to qualify for USMCA preference, thus they will be ineligible to apply for tariff consideration on only the non-U.S. content. The proposed documentation would also require specific information about the U.S. and non-U.S. content for specific vehicle model lines. This information will likely only be available to the OEMs and their affiliated importers of record. Since companies are already required to track their regional value content for the finished vehicle, as well as the vehicle's core, principal and complementary parts to meet the requirements for USMCA preferential treatment, the information required in the submission should be known and readily available. The Department estimates that it would take recipients approximately 20 hours to provide each notification, for a total of 400 hours every six months or 800 hours annually for all prospective applicants. The Department estimates that this work will be conducted by individuals earning a weighted average hourly wage of \$30.19, which are adjusted upward by 100% to account for overhead and benefits. This implies total annual costs of approximately \$48,000.

If a change in sourcing or production results in a decrease in U.S. content relevant to the eligibility determination, the importer must promptly inform the Department and request a new eligibility determination. If a change in sourcing or production results in an increase in U.S. content, the importer may inform the Department and request a new eligibility determination by providing a new submission containing the information required.

Every subsequent 6 months after the publication of the notice, the Department anticipates that the total burden (in hours) for vehicle importers to re-conduct due diligence into the U.S. content in their supply chains and re-submit the documentation will be 20 hours. Alternatively, where there are no material changes to the covered U.S. content for a subsequent model year, the importer may submit a confirmation that the prior submitted information remains accurate.

The Department will review each submission for completeness and compliance. The Department may request supplemental documentation or clarification. Upon verification by the Department that a submission is consistent with this notice and upon a determination of the value of the U.S. content and non-U.S. content for the requested model line, the Department will inform the importer and CBP of that determination and of the value of the non-U.S. content for each model line. The additional tariff will apply exclusively to the value of the non-U.S. content for the relevant model line. The Secretary may retroactively extend this treatment to qualifying model lines for vehicles imported on or after April 3, 2025, at his discretion.

Anticipated Administrative (Government) Costs

Once received, submissions will be evaluated by the Department as to whether the importer meets the permissible criteria. This analysis will be performed by Department staff, including an anticipated initial review and, if necessary, consultations with the companies to address any questions. As the number of submissions that will be received each year is expected to be small, the staffing requirements for review and analysis of the submissions are also expected to be small. Assuming conservatively 40 submissions per year, three senior analysts could handle submissions with a fraction of their annual time. The total estimated cost would be approximately \$37,000 per year (40 submissions * 3 staff at an average GS-14 salary (\$155/hr)² * 2 hours each to review for each submission).

² This value is based on GS 14 step five employees in the Washington, DC locality area in 2025, and the wage rate is adjusted upward by 100% to account for overhead and benefits.

The Federal Government may also incur costs for monitoring and enforcement efforts. Because the Proclamation includes provisions to deter violations, we expect that enforcement actions will rarely be needed. In those cases where the Federal Government will ultimately need to take enforcement action, the government will incur additional costs; however, the extent of those costs is currently unknown.

b) Benefits

Based on the number of imported vehicles from Canada and Mexico that were declared as being eligible for USMCA preference upon entry in 2024, the upper bound of eligible vehicles for tariff exemption would be 3,737,347 vehicles worth approximately \$101.75 billion. Using 2024 data as a proxy for 2025, we estimate that the approximate revenue of a 25 percent tariff on this value of trade would total \$25.4 billion annually, if this tariff is applied to the full value of the vehicle.

Generally, USMCA compliant passenger automobiles and light trucks must meet a minimum regional value content requirement of 75 percent to be eligible for tariff preference. For the sake of this analysis, we make the assumption that the approximate amount of U.S. content in each of these vehicles is equal to 40 percent of the value of the automobile (the actual percentage of U.S. content may vary significantly from model to model, but it is impossible to estimate this precisely without input from the manufacturers). This estimate is based on the Department's industry expertise regarding the U.S. automotive sector, including our extensive engagement with entities engaged in the automotive trade across the United States, Mexico, and Canada, and represents a reasonable approximation of the U.S. content in the typical USMCA-qualifying vehicle. Using this 40 percent estimate, if the importers of all of these eligible automobiles submitted a request to the Secretary and it was approved, the approximate non-U.S. content of these imported automobiles that would remain subject to a 25 percent tariff would total \$61.1 billion annually with a tariff cost of approximately \$15.2 billion on this non-U.S.

content. This would yield approximately \$10.2 billion in lower tariff cost for the importers of these automobiles. Note that these effects are considered transfers. These savings are designed to incentivize producers of USMCA-qualifying vehicles to produce more of the vehicle in the United States, which would bolster the domestic manufacturing base and reduce the national security concerns outlined in Proclamation 10908.

c) Regulatory Alternatives

There is little flexibility for regulatory alternatives regarding the provisions implemented by this proposed regulation. The Proclamation clearly directs the Department to establish a process for importers of subject USMCA compliant vehicles to submit documentation to the Secretary to only be charged a tariff on the non-U.S. content in the vehicle. This notice articulates the information required for submissions to Department for the Secretary to make a determination on eligible content.

The information requested as part of this notice asks vehicle importers to provide supply chain information, and aggregate U.S. and non-U.S. content figures. Other potential formulations of this notice, for example, a regime based on importers providing detailed information on the up to 30,000 parts that make up any one automobile, would substantially increase the burden of compliance on both importers and the government employees reviewing the information. The notice strikes a balance of providing relevant information to the Department to make a determination with respect to U.S. and non-U.S. content of a USMCA-qualifying vehicle, while avoiding the collection and review of excessive documentation.

5. Conclusion

This notice, which implements the procedures for submission by importers of automobiles qualifying for preferential treatment under the USMCA to determine U.S. content provisions for recovery and removal of tariffs paid on imported vehicles is expected to provide substantial benefit to importers of USMCA compliant vehicles into the United States, creating a

meaningful incentive to manufacture automobiles in the United States. Total estimated costs are approximately \$85,000 and total transfers to affected importers are approximately \$10.2 billion, as described above. As a result, the overall benefits of this notice are expected to significantly outweigh any negative impact.

Paperwork Reduction Act

In accordance with section 3507(d) of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), and the Office of Management and Budget (OMB) implementing regulations at 5 CFR 1320.13, ITA is requesting emergency processing for this information collection. The justification of this emergency request is due to the Proclamation 10908 of March 26, 2025, “Adjusting Imports of Automobiles and Automobile Parts Into the United States,” where the President imposed additional tariffs on imports of specified automobiles and automobile parts to eliminate the threat to national security posed by such imports. That Proclamation provided that for automobiles that qualify for preferential tariff treatment under the United States-Mexico-Canada Agreement (USMCA), importers of such automobiles may submit documentation to the Secretary of Commerce (Secretary) identifying the amount of U.S. content in each model imported into the United States. With the publication of the notice, ITA is requesting an emergency revision of an existing OMB control number 0625-0143, Domestic and International Client Export Services and Customized Forms Renewal, to meet the requirements of Proclamation 10908. With this notice, ITA is establishing a process for importers of automobiles that qualify for USMCA duty preference to submit documentation supporting a claim that certain parts of the automobile are U.S. content. In the notice, ITA estimated the burden to the public for this notification will average 800 hours (20 respondents * 20 hours per response * 2 expected responses per year), including the time for reviewing instructions, searching existing data sources, gathering the data needed, and completing and reviewing the collection of information. The estimated total annual cost to the Federal Government is \$37,000. The public may access this ITA request, including all supporting materials, at www.reginfo.gov/public/do/PRAMain

and inserting the OMB control number or the name of the collection. Please send written comments to Emily Davis, Director for Public Affairs, 202-482-3809, Emily.Davis@trade.gov. A comment to OMB is best assured of having its full effect if OMB receives it within 60 days of publication of this notice. All written comments submitted in response to this notice will be included in the record and will be made available to the public. Please be advised that the substance of the comments and the identity of the individuals or entities submitting the comments will be subject to public disclosure. Written comments will be publicly available on the internet via <https://www.regulations.gov>.

We are soliciting comments from the public (as well as affected agencies) concerning our information collection and recordkeeping requirements. These comments will help us:

- (1) Evaluate whether the information collection is necessary for the proper performance of our agency's functions, including whether the information will have practical utility.
- (2) Evaluate the accuracy of our estimate of the burden of the information collection, including the validity of the methodology and assumptions used.
- (3) Enhance the quality, utility, and clarity of the information to be collected; and
- (4) Minimize the burden of the information collection on those who are to respond (such as through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses).

Estimate of burden: Public reporting burden for this collection of information is estimated to average 20 hours per response.

Respondents: Private Sector.

Estimated annual number of respondents: 20.

Estimated annual number of responses per respondent: 2.

Estimated annual number of responses: 40.

Estimated total annual burden on respondents: 800.

(Due to averaging, the total annual burden hours may not equal the product of the annual number of responses multiplied by the reporting burden per response.)

Copies of this information collection can be obtained from Emily Davis, Director for Public Affairs, 202-482-3809, Emily.Davis@trade.gov.

Notwithstanding any other provision of law, no person is required to respond to, nor is subject to a penalty for failure to comply with, a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (PRA), unless that collection of information displays a currently valid OMB Control Number.

Trevor Kellogg,

Chief of Staff and Senior Advisor, Office of the Under Secretary, International Trade Administration, Commerce Department, performing the non-exclusive functions and duties of the Under Secretary for International Trade.

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