

**Motor & Equipment Manufacturers Association**

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June 29, 2018

Via Regulations.gov

Hon. Wilbur L. Ross, Jr.  
Secretary of Commerce  
U.S. Department of Commerce  
14th and Constitution Avenue, NW.  
Washington, DC 20230

**Re: Docket No. DOC-2018-0002: Motor & Equipment Manufacturers Association's Request to Appear at Hearing**

Dear Secretary Ross:

The Motor & Equipment Manufacturers Association (MEMA) respectfully requests the opportunity to testify at the public hearing to be held on July 19-20, 2018 pursuant to the Notice of Request for Public Comments and Public Hearing (Notice) issued by the Department of Commerce (Commerce) in the above-referenced proceeding.<sup>1</sup>

MEMA represents 1,000 vehicle suppliers that manufacture and remanufacture components and systems for use in passenger cars and heavy trucks providing new original equipment (OE) as well as aftermarket parts.<sup>2</sup> MEMA strongly opposes any broad, unilateral and import-restrictive measures – such as tariffs, quotas, or other adjustments – on imported automobiles or motor vehicle parts. Such actions would put manufacturers at a competitive disadvantage to their global counterparts, erode U.S. jobs and growth, weaken our nation's economy by harming U.S. manufacturers of vehicles and vehicle parts, and deter U.S. investments in new innovative technologies. Ultimately, these actions will not protect the national security of the United States.

I, Ann Wilson, will testify on behalf of MEMA. A draft of MEMA's proposed testimony is included at Attachment A. Pursuant to Commerce's *Notice*, MEMA is submitting written comments separately.

Please contact me via email [awilson@mema.org](mailto:awilson@mema.org) or call 202-312-9246, if there is any additional information MEMA can provide for this investigation.

Sincerely,

A handwritten signature in black ink that reads "Ann Wilson". The signature is written in a cursive, flowing style.

Ann Wilson  
Senior Vice President of Government Affairs

<sup>1</sup> *Notice of Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Automobiles, Including Cars, SUVs, Vans and Light Trucks, and Automotive Parts*, 83 Fed. Reg. 24,735 May 30, 2018.

<sup>2</sup> MEMA represents its members through four divisions: Automotive Aftermarket Suppliers Association (AASA); Heavy Duty Manufacturers Association (HDMA); Motor & Equipment Remanufacturers Association (MERA); and, Original Equipment Suppliers Association (OESA).



## ATTACHMENT A

In oral testimony, Ms. Wilson will discuss four main points:

**1. Tariffs will jeopardize 871,000 parts manufacturing jobs in the United States.**

MEMA represents 1,000 vehicle suppliers that manufacture and remanufacture original equipment and aftermarket components and systems for use in passenger vehicles and commercial trucks and equipment. MEMA represent the full spectrum of the supplier industry – from Tier 1-3. These suppliers are the largest sector of manufacturing jobs in the United States, directly employing over 871,000 Americans in all 50 states, up 19 percent in five years. This job growth is due to a complex, global supply chain that allows vehicle suppliers to remain competitive.

Tariffs or quotas under a Section 232 investigation on motor vehicle parts will cost U.S. jobs. Some MEMA member companies have shared with us that if tariffs are implemented, they would feel the ramifications and impact within one quarter for larger companies and significantly more quickly for smaller and medium companies. In order to make adjustments, the first cut will be jobs.

**2. Tariffs will harm global competitiveness of the United States.** The U.S. is one of three main areas in the world that has a significant vehicle manufacturing industry, along with Europe and Asia. Tariffs on motor vehicle parts will jeopardize the vehicle industry's growth and success along with the U.S. jobs and American innovation that comes with trade.

**3. Tariffs, quotas, or other adjustments will diminish investment in the United States.**

Vehicle suppliers lead the way in developing and manufacturing advanced, transformative technologies that enable safe, smarter and more efficient vehicles. As a result, the U.S. has long been a leader in innovation. However, the imposition of trade-restrictive actions such as tariffs or quotas will put these U.S. investments in jeopardy.

**4. The broad scope of investigations has negative consequences for the United States,**

threatening our nation's economic security. There are tens of thousands of parts, components and materials that are manufactured as OE for new vehicles, and there are exponentially more components and replacement parts that are manufactured for the consumer aftermarket for vehicle repair and maintenance.

However, the broad nature of the investigation suggests that all HTS codes related to "automotive parts" would be contained within the scope of the Department's investigation. There are significant concerns with this potential approach.

This scope is too broad. "Automotive parts" are defined in HTS such that there are no distinctions by application (in most cases). Consequently, the HTS codes for "automotive parts" used in passenger cars, SUVs, pick-ups, and vans, are also the same for "automotive parts" used in medium- and heavy-duty commercial and tactical vehicles.

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