



August 29, 2025

The Honorable Howard W. Lutnick
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

The Honorable Jamieson L. Greer
United States Trade Representative
Office of the U.S. Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Secretary Lutnick and Ambassador Greer:

MEMA, The Vehicle Suppliers Association, congratulates the Administration on the successful negotiation with the European Union (EU) and for the release of the U.S.-EU joint statement on August 21, 2025. The bilateral relationship with the EU is of great importance to the vehicle supplier sector and reflects the long-standing history of trade and investment between the U.S. and the member countries of the EU.

As the EU has now released the official proposal to eliminate tariffs on U.S. industrial goods and thereby commenced the implementation of the U.S.-EU Joint Statement of 21 August 2025, MEMA respectfully requests that the Administration proceed swiftly to address the Section 232 tariffs on autos and auto parts. Because the U.S.-EU Joint Statement provides tariff reductions for auto parts that will be applied retroactively to August 1, 2025, it is essential that vehicle parts suppliers who have already paid the higher Section 232 tariffs are able to obtain timely refunds and avoid any risk of a gap period in the implementation.

Accordingly, MEMA wishes to express a critical concern regarding the need for refunds to be made available for tariffs imposed by Proclamation 10908 of March 26, 2025 ("Adjusting Imports of Automobiles and Automobile Parts Into the United States") ("Section 232 auto and auto parts tariffs"). This concern arises in anticipation of the Administration issuing the official Executive Order to implement the lower, negotiated tariff rates for auto parts from the EU.

The Administration has previously allowed tariff refunds, for example, in the context of Executive Order ("EO") 14289 of April 29, 2025 ("Addressing Certain Tariffs on Imported Articles"), which established stacking rules for some tariffs and expressly mentioned the possibility of refunds to be further processed by U.S. Customs and Border Protection ("CBP").

As explained below, we respectfully request that President Trump's Administration take action to expressly address refunds for the Section 232 auto and auto parts tariffs when the U.S.-EU trade deal is memorialized and the lower tariff rates are implemented. MEMA would also urge the Administration to adopt similar measures and to provide for refunds once the agreements with Japan and with South Korea are finalized.

Tariff Refunds are Critical to the Vehicle Supplier Industry

On March 26, 2025, President Trump issued Proclamation 10908, implementing a 25% tariff on imported automobiles and certain automobile parts from all countries, under Section 232 of the Trade Expansion Act of 1962. These tariffs were effective April 3, 2025, for automobiles, and May 3, 2025, for automobile parts.

Since then, many foreign trading partners have been negotiating trade deals with the US, seeking lower tariffs. As a result, the U.S. announced trade deals with the EU (announced on July 28, 2025)¹, Japan (announced on July 23, 2025)², and South Korea (announced on July 30, 2025).³ Although further details regarding these agreements are pending, MEMA expects that, once they are concluded, lower Section 232 tariffs will apply to autos and auto parts from these countries. For instance, the Fact Sheet regarding the U.S.-EU trade deal mentions that “the [EU] will pay the United States a tariff rate of 15%, including on autos and auto parts.” The U.S.-EU Joint Statement further informs that no Section 232 auto parts tariff will apply to covered EU goods and that the reduced rate is “expected to be effective from the first day of the same month in which the European Union’s legislative proposal is introduced.”

MEMA contends that the prospective Presidential orders memorializing the trade agreements with the EU, Japan, South Korea, and other countries should also account for refunds for the period during which the higher tariffs were applied to autos and auto parts from these countries, and facilitate implementation of a refund mechanism to avoid inconsistency between the trade deal’s expectations and operational effective date.

The imposition of Section 232 auto and auto parts tariffs without the possibility of claiming refunds would place an undue financial burden on the vehicle supplier sector, resulting in significant losses. The Administration has recently made lower tariff obligations retroactive and instructed CBP to process tariff refunds.

¹ See [Fact Sheet: The United States and European Union Reach Massive Trade Deal](#). Subsequently, on August 21, the White House announced a [Joint Statement on a United States-European Union Framework on an Agreement on Reciprocal, Fair, and Balanced Trade](#).

² See [Fact Sheet: President Donald J. Trump Secures Unprecedented U.S.–Japan Strategic Trade and Investment Agreement](#).

³ Regarding the U.S.-South Korea deal, the White House has not yet issued any information. However, President Trump has already publicly announced the deal.



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For example, on April 29, 2025, President Trump issued EO 14289⁴, which addressed stacking rules for specific tariffs, such as Section 232 tariffs on automobiles and automobile parts, Section 232 tariffs on aluminum and derivatives and on steel and derivatives, and IEEPA tariffs on Canada and Mexico. The EO applied retroactively to all entries of products subject to the mentioned tariffs and stipulated that refunds would be processed according to applicable laws and CBP's standard procedures.

This precedent demonstrates the importance of adaptability in trade measures to support U.S. industries. The Section 232 auto and auto parts tariffs represent a similarly serious concern. The impact is substantial, resulting in disruptions to the automotive supply chain and harming the U.S. economy as a whole. Within this context, refunds based on new, lower rates accounting for trade deals are critical for the auto supplier industry.

Therefore, it is imperative that the prospective Presidential orders addressing the trade deals with the EU, Japan, and South Korea, as well as any other trade deals, encompass a provision related to refunds of the duties no longer due. This measure aligns with the intent to minimize disruption to the vehicle supplier industry.

MEMA and the Vehicle Supplier Industry

MEMA, established in 1904, is the leading trade association in the U.S. for vehicle suppliers, parts manufacturers, and remanufacturers. The mobility sector depends on the resiliency and strength of suppliers. MEMA's members meet this need by designing and manufacturing technology, components, and services that enable the production of new vehicles as well as the essential maintenance and repair of the more than 295 million vehicles currently on the road in the US.

Employing more than 932,000 individuals across the country, the motor vehicle supplier industry represents the largest sector of manufacturing jobs in the U.S. When the ripple effects of direct, indirect, and induced employment are taken into account, vehicle supplier employment accounts for over 4.8 million American jobs. MEMA members operate facilities in all 50 states and in more than 350 Congressional districts, with significant concentrations in the Midwest and Southeast. Since 2015, the supplier sector has added 61,000 jobs in the U.S. As a result, the automotive industry overall is a cornerstone of the U.S. economy, providing jobs and driving innovation.⁵

⁴ We note that the stacking order established in EO 14289 was later modified by Proclamation 10947 of June 3, 2025 ("Adjusting Imports of Aluminum and Steel Into the United States.").

⁵ According to the USTR, "the automotive industry contributed more than \$809 billion to the U.S. economy in 2023 and accounted for 11.2 percent of total U.S. manufacturing output" and "is responsible for 9.7 million direct and



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MEMA urges President Trump's Administration to consider the national importance of the vehicle supplier industry and take action to ensure that CBP provides refunds for Section 232 auto and auto parts tariffs when the announced trade deals are memorialized through Presidential orders. This adjustment is not only necessary but also urgent to safeguard the future of the supplier industry, its workers, and the U.S. economy.

Thank you for your attention to this matter and for considering the industry's perspective on this important issue. We look forward to your prompt response and action.

Sincerely,

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

Bill Long
President and CEO
MEMA, The Vehicle Suppliers Association

indirect U.S. jobs." See USTR, Report to Congress on the operation of the United States-Mexico-Canada Agreement with respect to trade in automotive goods, at 2, available at: [2024 USMCA Autos Report to Congress 0.pdf](#).