



Potential Tariffs on Autos and Auto Parts

The combination of the imposition of steel and aluminum tariffs, the imposition of tariffs on Chinese goods due to intellectual property violations, the threat of the imposition of auto and auto parts tariffs and the contentious negotiations related to NAFTA have placed auto trade policy at the forefront of the agenda in Washington. Last week the NADA board conducted a robust discussion about trade policy so that NADA can engage appropriately and effectively. The board focused in large part on the administration's announcement to study the national security impact of imported autos and auto parts and the possibility that a tariff of up to 25 percent could be imposed on those autos and auto parts. President Trump initiated a similar study of the steel and aluminum industries last year, which led to the imposition of tariffs on those commodities early this year. Significant tariffs or quotas on autos and auto parts could significantly increase the cost and/or decrease the availability of the autos and auto parts our members sell. Also, the OEMs are contacting dealers directly about these issues and will continue to do so in the coming weeks.

As with any public policy matter at NADA, we rely on substantive research and analysis to assess the impact of policies on our customers, our local communities and our members. That work will inform the comments that NADA will file next week with the U.S. Department of Commerce, which will be circulated once finalized. In addition, NADA intends to testify before the Department of Commerce on this matter at a hearing in July. Lastly, NADA will continue to engage the administration and members of Congress to encourage the implementation of trade and economic policies that facilitate continued economic growth and consumer demand. We will keep you updated on future developments; in the interim, please contact Doug Greenhaus (dgreenhaus@nada.org) or Paul Dorsey (pdorsey@nada.org) with any questions.