



May 29, 2025

MEMORANDUM FOR: Dominic Mancini
Deputy Director
Office of Information and Regulatory Affairs
Office of Management and Budget

FROM: Trevor Kellogg
Chief of Staff and performing the non-exclusive functions
and duties of the Under Secretary for International Trade
International Trade Administration

SUBJECT: Request for OMB Emergency Review and Approval of
Information Collection (IC) for the establishment of a
process by which automotive manufacturers seeking an
import adjustment offset amount shall submit applications

On behalf of the International Trade Administration, I am seeking approval for emergency Paperwork Reduction Act (PRA) clearances to allow the Department of Commerce (Commerce), as represented by ITA, to publish a Federal Register Notice on the notice of ***Procedures to Administer Import Adjustment Offset Amounts for Certain Imports of Automobile Parts Under Proclamation 10908, as Amended***, which will include the procedures for automobile manufacturers to apply for and use the import adjustment offset amount established by Presidential Proclamation 10925 of April 29, 2025, “Amendments to Adjusting Imports of Automobiles and Automobile Parts Into the United States,” (Proclamation 10925) to incentivize domestic automobile production and reduce American reliance on imports of foreign automobiles and their parts.

BACKGROUND

This notice, which ITA anticipates will be published on or after May 30th, announces the procedures for automobile manufacturers to apply for and use the import adjustment offset amount established by Proclamation 10925 to incentivize domestic automobile production and reduce American reliance on imports of foreign automobiles and their parts.

On March 26, 2025, the President issued Proclamation 10908 (90 FR 14705), “Adjusting Imports of Automobiles and Automobile Parts Into the United States,” (Proclamation 10908) finding that imports of automobiles and certain automobile parts continue to threaten to impair the national security of the United States and imposing 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. Section 232 authorizes the President to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security of the United States so that such

imports will not threaten to impair national security. Proclamation 10908 imposed a 25 percent tariff on certain imports of automobiles, effective April 3, 2025, and certain imports of automobile parts, effective May 3, 2025.

Proclamation 10925 provides that for automobiles assembled in the United States, automobile manufacturers shall be eligible to receive an import adjustment offset amount applicable to Section 232 duties on automobile parts by reducing duties assessed on automobile parts accounting for 15 percent of the value of an automobile assembled in the United States for 1 year and equivalent to 10 percent of that value for an additional year. In the associated notice, Commerce is announcing a process for automobile manufacturers with production in the United States to submit documentation to request an import adjustment offset amount that may only be used by importers of record authorized by that manufacturer, and the amount may only be used to offset tariff liability related to that manufacturer's automobile parts tariff liability under Proclamation 10908.

Manufacturers seeking an import adjustment offset amount must submit documentation including a production forecast, Manufacturers Suggested Retail Price (MSRP), a tariff liability estimate, an offset calculation, the importers of record, and a certification for each period for which an import adjustment offset amount is sought (i.e., one documentation submission for the period of April 3, 2025 through April 30, 2026; and a separate documentation submission for the period of May 1, 2026 through April 30, 2027).

The collected information will be used by Commerce staff to facilitate the Secretary's review of the applications and to make a determination of eligibility for the tariff offset on their imported parts. Manufacturers may submit their applications electronically via e-mail to the address listed in the notice.

JUSTIFICATION

As promulgated in 5 CFR Part 1320.13, ITA is seeking approval for emergency PRA clearance. This collection cannot reasonably comply with the normal clearance procedures because the use of normal clearance procedures is reasonably likely to prevent or disrupt the collection of information and is reasonably likely to miss the deadline of Proclamation 10925 (90 FR 18899).

Proclamation 10925, issued by the President on April 29, 2025, is driven by urgent national security concerns, as the President has determined imports of automobiles and auto parts threatened U.S. national security. Timely implementation of this process is critical to addressing this threat.

The collection of information is needed to meet requirements of the directive, which allowed for automobile manufactures assembling automobiles in the United States to apply for an import adjustment offset amount, which would offset certain tariff liability under Proclamation 10908 on imports of automobile parts. Proclamation 10925 required that within 30 days of the date of the order the Secretary of the Commerce shall establish a process by which automobile manufacturers could submit documentation supporting eligibility for an import adjustment offset amount.

A prepared notice announces procedures for administration of the import adjustment offset amount program, including application, documentation, and certification requirements, eligibility

conditions, and coordination with U.S. Customs and Border Protection (CBP). The establishment of this notice has resulted in this new IC request. Accordingly, International Trade Administration is seeking approval for emergency Paperwork Reduction Act clearance by June 5, 2025, and public consultation is not practicable given the tight timeline due to the urgency presented by the national security threat.