



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

May 11, 2026

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

FROM: William Kimmitt
Under Secretary for International Trade,
International Trade Administration,
United States Department of Commerce

SUBJECT: Request for OMB Emergency Review and Approval of
Revision on Information Collections for Parts Tariff
Offset Program for Motor Vehicles and Motor Vehicle
Parts

The International Trade Administration (ITA) is seeking approval to send the attached request to the Office of Management and Budget (OMB) for emergency Paperwork Reduction Act (PRA) revision clearance to allow the Department of Commerce (DOC), as represented by ITA, to publish a Federal Register Notice (FRN) on the notice of *Amending the Procedures to Administer Import Adjustment Offset Amounts for Certain Imports of Automobile Parts Under Proclamation 10908 to Include Medium- and Heavy-Duty Vehicle Parts*. This FRN includes revisions from the existing Information Collection Request, OMB Control Number 0625-0283, while sharing the same nature and audience of the collection.

BACKGROUND

This notice, which ITA anticipates will be published on or after May 11th, announces the amendment of previously established procedures consistent with the amendments to Proclamation 10925 set forth in Presidential Proclamation 10984 of October 17, 2025, “Adjusting Imports of Medium- and Heavy-Duty Vehicles, Medium- and Heavy-Duty Vehicle Parts, and Buses Into the United States”. This notice also amends those procedures to allow domestic manufacturers of Medium- and Heavy-Duty Vehicles (MHDV) to claim import adjustment offsets for imports of motor vehicle parts in a manner consistent with Proclamation 10984.

On March 26, 2025, the President issued 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 of the Expansion Act of 1962, as amended (19 U.S.C. 1862) (90 FR 14705). 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.

On April 29, 2025, the President issued Proclamation 10925, which allowed for automobile manufacturers 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 (90 FR 18899). Proclamation 10925 required the Secretary of Commerce (Commerce) to establish a process by which automobile manufacturers may submit documentation supporting eligibility for an import adjustment offset amount. Commerce established an import adjustment offset process through the June 13 Notice “Procedures To Administer Import Adjustment Offset Amounts for Certain Imports of Automobile Parts Under Proclamation 10908, as Amended” (90 FR 25027) (Offset Process).

On October 17, 2025, the President issued Proclamation 10984, finding that imports of MHDVs, certain MHDVPs, and buses threaten to impair the national security of the United States and imposing specified tariffs to adjust imports of MHDVs, certain MHDVPs, and buses so that such imports will not threaten to impair national security, and imposing a 25 percent tariff on certain imports of MHDVs and MHDVPs, effective November 1, 2025 (90 FR 48451). Under Proclamation 10984, buses and other vehicles classified in Harmonized Tariff Schedule of the United States (HTSUS) heading 8702 are subject to a 10 percent tariff. Given the “close connections and overlap between part suppliers” for the automobile industry and the MHDV industry, Proclamation 10984 also amends Proclamation 10925 to conform certain aspects of the tariff system imposed by Proclamations 10908 and 10925 for automobiles and automobile parts to the tariff system imposed by Proclamation 10984.

Proclamation 10984 allowed MHDV manufacturers assembling MHDVs in the United States to apply for an import adjustment offset amount, which would offset certain tariff liability under Proclamation 10984 on imports of MHDVPs. Proclamation 10984 required Commerce to establish a process by which MHDV manufacturers may submit documentation supporting eligibility for an import adjustment offset amount. This notice amends the Offset Process to allow domestic manufacturers of MHDVs to apply for and receive import adjustment offsets, including application, documentation, and certification requirements, eligibility conditions, and coordination with U.S. Customs and Border Protection (CBP). Commerce is still considering if and how the Offset Process should apply to manufacturers based on bus production; no determination regarding the availability of such offsets has yet been made. The Offset Process procedures set forth in this notice replace the Offset Process procedures set forth in the June 13 Notice.

Proclamation 10984 authorized Commerce to issue regulations and guidance consistent with that proclamation, including to address operational necessity. Commerce has determined that, in light of the “close connections and overlap between part suppliers” for the automobile industry and the MHDV industry identified in Proclamation 10984, and the fact that the President found

that conforming the tariff systems between automobiles and MHDVs will more effectively address the threat to national security found in Proclamations 10908 and 10984, it is necessary to allow MHDV manufacturers assembling MHDVs in the United States to apply for an import adjustment offset amount for automobile parts as well as for MHDVPs, allowing them to offset tariff liability under both Proclamation 10984 and Proclamation 10908. Similarly, Commerce has determined that, in light of that close connection, it is necessary to allow automobile manufacturers assembling automobiles in the United States to apply for an import adjustment offset amount for MHDVPs as well as for automobile parts, allowing them to offset tariff liability under both Proclamation 10908 and Proclamation 10984.

Proclamation 10984 also provides Commerce with the authority to prohibit MHDV manufacturers from using offset amounts for imports of products where offsets would be inconsistent with addressing the threat to the national security found in that Proclamation. Through Proclamation 10984, for MHDV, the President sought to strengthen supply chains, bolster industrial resilience, create high-quality jobs that will expand the skilled workforce in the United States, and increase domestic capacity utilization and U.S. MHDV market share. Similarly, for automobiles, Proclamation 10925 expressed the goals of reducing reliance on foreign manufacturing and importation of automobiles and automobile parts, strengthening U.S. vehicle assembly operations, shifting manufacturing activity into the United States, creating jobs in the automotive industry, and ensuring that other benefits of production are concentrated in the United States.

In light of these goals, Commerce found that it is appropriate to exclude assembly operations determined to be “limited production operations” from being considered in the calculation of offsets. Commerce also found that what should be determined to be “limited production operations” should be determined in light of the manufacturing processes for that particular class of vehicles.

With respect to heavy-duty vehicles (vehicles in Classes 7 and 8, as defined in 49 C.F.R. 565.15), Commerce has determined that production operations in the United States that rely on imported chassis, chassis gliders, chassis with engine, or engines, should be considered to be limited production operations. Heavy-duty vehicles are large enough to allow for separate components to be fully assembled elsewhere, imported, and bolted together to make a finished heavy-duty vehicle, and this type of limited production operation does not forward the national security goals of Proclamation 10984. Therefore, heavy-duty vehicle production that includes incorporating an imported chassis, chassis glider, chassis with engine, or engine in the vehicle, is not eligible for offsets under the Offset Process.

Commerce is not applying this definition of limited production operations to automobiles (including light-duty trucks classifiable in the HTSUS subheadings listed in Part A of Annex I to Proclamation 10908) and medium-duty vehicles (Classes 3, 4, 5, and 6 as defined in 49 C.F.R. 565.15) because of the significant differences in the manufacturing operations between those vehicles and heavy-duty vehicles (Class 7 and 8); manufacturing operations for these different classes of vehicles are fundamentally different. Processes differ in terms of scale of production,

number and type of significant components sourced from outside parties, type of assembly activity conducted and the state of the vehicles when they leave the production line. Because of these differences, it is appropriate to limit the determination above regarding what should be considered “limited production operations” to heavy-duty vehicles.

Commerce is not restricting offsets for automobiles and medium-duty vehicles on the basis of “limited production operations” at this time as Commerce is still considering what assembly operations for these vehicles should be considered to be “limited production operations.” Commerce will further consider this issue and amend the Offset Process at a later date once it makes a determination. As part of this consideration, Commerce will review information submitted with offset applications with respect to current vehicle assembly operations in the United States.

Section 3 of Proclamation 10925 states that Commerce, “in consultation with the Secretary of the Treasury and the Commissioner of CBP, shall issue such regulations, guidance, and procedures as necessary to carry out the provisions of this proclamation and Proclamation 10908, and may establish standards for . . . validating manufacturer certifications.” To validate MHDV and automobile manufacturer certifications used to calculate offsets provided in preceding years, the Secretary has determined that it is necessary for U.S. manufacturers to provide details on their production, including vehicles produced and the value of those vehicles produced, from any preceding year in which they claimed an offset. Should an applicant produce fewer vehicles or produce vehicles at a lower value than projected in information provided to Commerce in previous Offset Process applications, Commerce may adjust the following year’s offset amount accordingly.

Proclamation 10984 also requires Commerce to establish an offset process for MHDV engine manufacturers and an offset process for automobile engine manufacturers equivalent to the processes for manufacturers of MHDVs and automobiles. Commerce will publish a Federal Register notice amending the Offset Process to allow such offsets at a later date. In light of these separate offsets, Commerce has determined that the cost of engines incorporated into an automobile or MHDV should not be included in the calculation of the aggregate value of MHDVs or automobiles assembled in the United States by a manufacturer.

Manufacturers seeking an import adjustment offset amount must submit documentation including a production forecast, vehicle value, a tariff liability estimate, an offset calculation, the importers of record, 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), and, if applicable, the prior year’s production and vehicle value.

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

This collection of information is needed prior to the time periods required for the normal Paperwork Reduction Act public notice and comment process. 5 C.F.R. 1320.13(a)(1)(i). As explained above, this collection is needed to meet requirements described in Proclamations 10925 (90 FR 18899), issued by the President on April 29, 2025, and 10984, issued by the President on October 17, 2025, which allow for automobile and MHDV manufactures assembling vehicles in the United States to apply for an import adjustment offset amount, which would offset certain tariff liability under Proclamations 10908 and 10984 on imports of automobile and MHDV parts. This information collection will allow ITA to effectuate the programs needed to offset tariff liability and fully meet the goals of the MHDV program under the direction of the Proclamations. Delays in implementation of the tariff offset program result in economic harm to the program participants and inhibits economic activity in this sector which was deemed essential to economic security.

If ITA were to follow the normal clearance procedures before issuing this information collection, public harm is likely to result. 5 C.F.R. 1320.13 (a)(2)(i) As noted above, the President has deemed the import of automobiles, MHDVs, buses, certain auto parts and MHDVPs a threat that could impair national security. Delaying the implementation of this collection's revision to include MHDVs and MHDVPs in the tariff offset adjustment program denies program participants the ability to continue to source necessary parts to sustain U.S. vehicle production and the capital necessary to make investments to expand U.S. production of parts.

OMB's clearance will allow ITA to publish a notice in the *Federal Register* to announce the updated 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).