

Parts Tariff Offset Program Instrument

Introduction:

This instrument implements the procedures for automobile, medium- and heavy-duty vehicle (MHDV), and engine 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), as amended, “Procedures To Administer Import Adjustment Offset Amounts for Certain Imports of Automobile Parts Under Proclamation 10908, as Amended”, and “Adjusting Imports of Medium- and Heavy-Duty Vehicles, Medium- and Heavy-Duty Vehicle Parts, and Buses Into the United States,” (Proclamation 10984) to incentivize domestic automobile, MHDV, and engine production and reduce American reliance on imports of foreign automobiles, MHDVs, engines and their parts. Eligibility for the import adjustment offset amount is based on domestic final assembly of automobiles, MHDVs, and engines during an approximately five-year period. The intent of this program is to strengthen the U.S. automobile, MHDV, and engine assembly operation capabilities and ensure national security objectives are met by reducing reliance on foreign automobile, MHDV, and engine production and parts sourcing.

How to Submit Application:

Applications must be submitted electronically to: autooffset@trade.gov.

Application Requirements

Manufacturers seeking an import adjustment offset amount must submit the following documentation for each period for which an import adjustment offset amount is sought:

1. **Production Forecast:** The number of automobiles (defined as passenger vehicles (sedans, sport utility vehicles, crossover utility vehicles, minivans, and cargo vans) and light trucks), MHDVs, and engines projected to be produced in the United States by make and model and the plant locations where the projected automobiles, MHDVs, and engines will undergo final production during each reporting period. MHDV manufacturers shall also describe the U.S. manufacturing activities for each model at each plant location. Manufacturers of medium-duty vehicles and automobiles must report

U.S. manufacturing activities for each model at each plant location, including the location where each part identified as super-core and listed in Column 1 of Table A.2 of the Appendix to Chapter 4 of the U.S.-Mexico-Canada Agreement (USMCA) is incorporated into the finished vehicle, and the country of origin for each part. Engine manufacturers shall also describe the U.S. manufacturing activities for each model at each plant location. This description must include details about the number of U.S. origin core components and imported core components used to assemble each model.

2. **MSRP or Aggregate Value:** The aggregate MSRP value of all such automobiles, MHDV, and engines assembled in the United States during each reporting period. For MHDVs, manufacturers must calculate this figure using whichever of the following three valuation methods they used in the ordinary course of trade prior to November 1, 2025: MSRP, Dealer Net Cost, or Factory List Price. For engines, the aggregate value of all such engines identified in the Production Forecast as eligible for an offset assembled in the United States during each reporting period. Vehicle manufacturers that also produce engines must calculate the aggregate value using a methodology consistent with the method for calculating net cost set out in Chapter 4 of the USMCA. Independent engine manufacturers may calculate the aggregate value based on the fair market value of the engine, using a pricing methodology employed by the manufacturer in the ordinary course of trade prior to November 1, 2025, provided that methodology does not excessively surpass the net cost of the engine (determined consistent with the method for calculating net cost set out in Chapter 4 of the USMCA). For engines, the value and share of U.S. content contained in the assembled engine as set out in Chapter 4 of the USMCA.
3. **Tariff Liability Estimate:** Projected automobiles and their parts tariff liability under Proclamation 10908 or under clause 12 of Proclamation 10984, broken down by Proclamation 10908 and 10984 tariff costs the manufacturer will incur directly and Proclamation 10908 and 10984 tariff costs the manufacturer's suppliers will incur. Projected MHDV and MHDVPs tariff liability under clauses 1, 7, and 12 of Proclamation 10984, broken down by Proclamation 10984 tariff costs the manufacturer will incur directly and Proclamation 10984 tariff costs the manufacturer's suppliers will incur. For MHDV engines, the projected MHDVPs tariff liability under clauses 1, 7, and 12 of Proclamation 10984, broken down by Proclamation 10984 tariff costs the manufacturer will incur directly and Proclamation 10984 tariff costs the manufacturer's suppliers will incur. For automobile engines, the projected automobile parts tariff liability under Proclamation 10908 or under clause 12 of Proclamation 10984, broken down by tariff costs the manufacturer will incur directly and tariff costs

the manufacturer's suppliers will incur.

4. **Prior Year Production and Vehicle Value:** If a manufacturer received an offset in the previous year, the manufacturer must provide the number of completed automobiles, MHDVs, and engines produced in the United States in the previous reporting period, the aggregate value of those automobiles, MHDVs, and engines, and a description of the U.S. manufacturing activities for each model at each plant location. In providing these figures, manufacturers must use the same production calculation and vehicle value methodology used in the prior year's application.
5. **Offset Calculation:** Requested total import adjustment offset amount for each reporting period, including details of how such amount was calculated.
6. **Importers of Record:** A list of authorized importers of record eligible to decrement against the manufacturer's import adjustment offset amount. This list must include the importer's Importer of Record number, and the amount of the import adjustment offset amount allotted to each importer of record. Updates to this list may be submitted electronically to Commerce at autooffset@trade.gov. At its discretion, Commerce may update this list at other times during the program period.
7. **Certification:** A sworn statement from a senior officer of the manufacturer confirming that the submission is true, accurate, and complete to the best of the manufacturer's knowledge under penalty of perjury and confirming that the manufacturer has conducted reasonable diligence to verify the accuracy of the assertions and facts contained in its submissions.
8. **Additional Information:** Any other information the applicant feels is necessary to facilitate decision making.

Review and Approval Process

Commerce will review applications for completeness. Commerce may request, in writing, supplemental documentation or clarification. Approved manufacturers will be notified in writing of approval and amount of offset granted, and relevant import adjustment offset amount data, including amounts and importer of record numbers, will be transmitted by Commerce to CBP. CBP will administer the offset at the time of entry summary filing and may request additional documentation to validate entries.

For Further Information Contact:

Emily Davis, Director for Public Affairs, International Trade Administration, U.S. Department of Commerce, 202-482-3809, Emily.Davis@trade.gov.

Public Burden Statement

A Federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with an information collection subject to the requirements of the Paperwork Reduction Act of 1995 unless the information collection has a currently valid OMB Control Number. The approved OMB Control Number for this information collection is 0625-0283. Without this approval, we could not conduct this information collection. Public reporting for this information collection is estimated to be approximately 40 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the information collection. All responses to this information collection are voluntary. Send comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing this burden to the International Trade Administration Paperwork Reduction Act Program:

PRA@trade.gov.