



**NOTICE OF REQUEST FOR PUBLIC COMMENTS AND PUBLIC HEARING –
SECTION 232 NATIONAL SECURITY INVESTIGATION
IMPORTS OF AUTOMOBILES, SUVs, VANS AND LIGHT TRUCKS, AND
AUTOMOTIVE PARTS
("CHICKEN WAR II")**

A [Federal Register](#) Notice published today, May 30, 2018, requests public comments and announces a public hearing, which is the next step in the investigation announced on May 23 by the President and Secretary of Commerce, whether motor vehicles and automotive parts are being imported into the United States in such quantities or under such circumstances as to threaten or impair national security.

Of key importance for many companies are the broad and unclear definitions of "motor vehicle and parts." This impacts the scope and potential impact of the Investigation and any remedies. It is important that the scope be clarified.

Critical dates provide a very short initial time period:

- **June 22, 2018** Deadline to file comments, requests to appear at a public hearing, and submissions of a summary of expected testimony
- **July 6, 2018** Deadline to file rebuttal comments submitted in response to any comments filed
- **July 19/20, 2018** Public Hearings

The Investigation is in accordance with [Part 705](#) of the National Security Industrial Base Regulations (NSIBR). The Federal Register Notice added five criteria to the four criteria identified in [§ 705.4](#). One of the additional criteria is:

Whether and, if so, how the analysis of the above factors changes when U.S. production by majority U.S.-owned firms is considered separately from U.S. production by majority foreign-owned firms.

This is a new and very important criteria not previously utilized.

We urge all clients in the industry to consider, at a minimum, filing written comments by June 22. We have been directly engaged in filing a wide range of comments for other Presidential Proclamation actions and can be of prompt assistance.

For companies engaged in U.S. Foreign-Trade Zones activity, the firm has worked extensively in developing a new structure of Guidelines for Presidential Proclamation language to be presented and advocated by the NAFTAZ. Most importantly, on behalf of a client in the steel industry, we secured the first approval and concurrence that merchandise manufactured and substantially transformed in a Foreign-Trade Zone would be considered U.S.-origin and, therefore, exempt from Section 232 Additional Duties. We not only secured the text in the 3rd Amendment to the Presidential Proclamations on this subject, but also developed an entirely new Customs entry process for this activity agreed to by Customs Headquarters.

The potential imposition of the Section 232 duties may provide an incentive to increase FTZ utilization. For those clients not in FTZ status, reconsider, as it will be a definite advantage for many reasons, i.e., one being no duties on exports as drawback will likely be eliminated as occurred with the steel/aluminum Section 232 Proclamations.

Despite the short deadlines, it is important to understand that this Notice is the start of a long process. The process and timetable is provided for at 19 C.F.R. §§ [705.10](#) and [705.11](#). In the recent steel/aluminum actions, the timetable between initiation of the Investigation and the final publication of the Report was eight (8) months. Presidential Proclamations were issued fifty-six (56) days thereafter, a shorter timetable than the one hundred five (105) days provided in the regulations.

We urge clients to focus now on the June 22 deadline for written comments and notices to participate in the public hearing. Please contact [Marshall Miller](#), [Sean Murray](#), [Brian Murphy](#), or [Linda King](#) with questions about the Section 232 actions, their potential impact, and/or ways to minimize potential liability including increasing FTZ usage.

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