

United States Senate

WASHINGTON, DC 20510

March 19, 2019

The Honorable Wilbur Ross
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, D.C. 20230

Dear Secretary Ross:

We write today regarding your agency's recently concluded Section 232 investigation into whether imported automobiles and auto parts threaten the country's national security.

As you know, the Department of Commerce recently held bipartisan briefings on Section 232 for the staff of members of the Senate Finance Committee and House Committee on Ways and Means. We appreciate your department's willingness to update Congress about ongoing Section 232 activity at Commerce and encourage you to offer additional briefing opportunities for members who do not serve on these committees. Based on the briefings conducted by your staff, we have several follow up questions specific to Commerce's 232 auto investigation. While not all of us sit on the Finance Committee, we are supportive of the questions listed below and would welcome Commerce's responses. Please provide written responses to the following questions within ten business days:

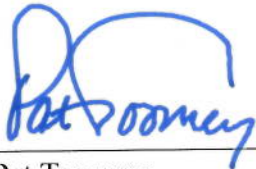
1. 15 CFR § 705.10 states, "An Executive Summary of the Secretary's report to the President, excluding any classified or propriety information, shall be published in the Federal Register. Copies of the full report, excluding any classified or proprietary information, will be available for public inspection and copying..." We urge you to publish such a summary and make publicly available the report as soon as possible.
2. How did Commerce define "national security" for the purpose of its auto investigation? Specifically, did Commerce use the same definition that it has applied to all Section 232 investigations since 2001, which includes the "general security and welfare of certain industries, beyond those necessary to satisfy national defense requirements, which are critical to the minimum operations of the economy and government?" If not, why not?
3. In the course of the Section 232 investigation, did Commerce meet with any auto industry stakeholders (e.g. dealers, manufacturers, suppliers, unions) who were in favor of 232 trade restrictions on autos and auto parts? If so, please provide details.
4. How does Commerce define "excessive imports?" If a consumer within the United States chooses to purchase a foreign good, at what point does that consumption fail to align with market-driven demand? Is there a difference between a vehicle imported and sold by a domestic automaker and other automakers? If so, what is the difference?

5. Given Commerce's coordination with the Department of Defense (DoD) throughout the investigative process, did DoD agree with the report's conclusions?
6. It was represented to staff that a 232 action could be necessary to protect the long-term viability of the domestic auto industry. Please explain how the report defines the domestic auto industry, and why Commerce feels that domestic automakers are unable to sufficiently plan for their own long-term success absent government intervention.
7. Staff were told that "market share" would be used as an indicator to assess the health of the domestic auto industry. What does Commerce view as a healthy market share benchmark? Given that the auto industry is nearing "peak car" in terms of vehicle sales, how does Commerce plan to increase the market share of domestic auto companies?
8. It was suggested to staff that any industry threatened by "contraction" should be examined under the Section 232 statute. In light of this, what other industries has Commerce identified as being threatened by "contraction?" How does Commerce draw a distinction between "contraction" that is driven by cyclical demand patterns versus "contraction" that justifies government intervention?
9. How did Commerce take into account the downstream effects of 232 trade restrictions on auto and auto part imports?
10. Did Commerce conduct any estimates of retaliatory impact on U.S. exports and the economy as a whole, should additional Section 232 trade restrictions be imposed?
11. While this question was not raised at the briefings, how did Commerce account for the fact that many auto parts are also used by non-automotive manufacturers, and that these parts often share the same HTS codes as light-duty parts?

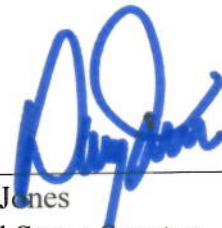
We look forward to your prompt answers to these questions. Again, we urge you to make public the contents of your agency's investigation into auto and auto part imports, including any recommendations for 232 action that were made to the President, as well as the national security justification for such actions, as soon as possible.

Thank you for your attention to this matter.

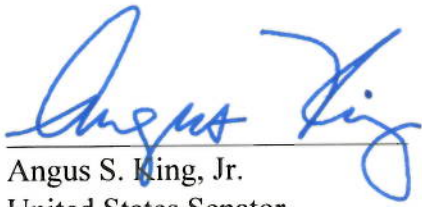
Sincerely,



Pat Toomey
United States Senator



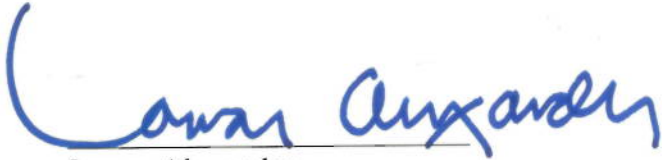
Doug Jones
United States Senator



Angus S. King, Jr.
United States Senator



Cory Gardner
United States Senator



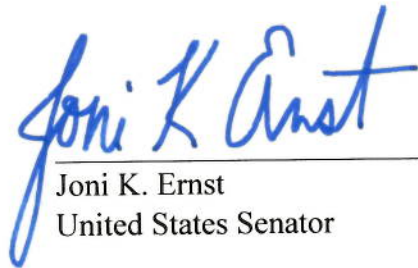
Lamar Alexander
United States Senator



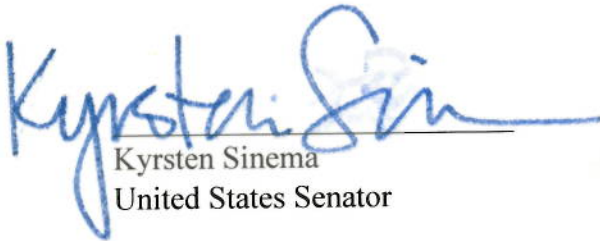
Jerry Moran
United States Senator



Deb Fischer
United States Senator



Joni K. Ernst
United States Senator



Kyrsten Sinema
United States Senator



Mark R. Warner
United States Senator



Johnny Isakson
United States Senator



Thom Tillis
United States Senator

Cc: Nazak Nikakhtar
Assistant Secretary for Industry and Analysis
U.S. Department of Commerce
International Trade Administration