



Federal proposal for automotive import tariff will hit classic car owners squarely in the pocketbook

June 19, 2018

On May 23, the U.S. Department of Commerce published a “Notice of Request for Public Comment” regarding Section 232, information that details an investigation into the importation of automobiles and their effect on national security. Ready to geek out on the details in Gov-speak? You can [find the full text here](#).

In plain English, the proposal would put a 25-percent tariff on all imported classic cars and parts for classic cars, and it doesn't matter if those parts are new or used. What may surprise you is that this will hit your wallet even if you own an American car. Those new parts for your classic Ford Mustang or Chevrolet Camaro often come from a manufacturing plant in another country.

The proposal also appears to apply to *all* imported collector cars, even those that were built in the good old US-of-A and exported elsewhere, including Canada. So that cool '67 Bronco restoration project that you find in the Ontario backwoods won't just cost the \$10,000 you pay for it, but an additional \$2,500 just to take it across the border. Under the old rules, that duty was waived on American-built vehicles. If the car was manufactured in another country, the duty was 2.5 percent. So this is in effect a ten-fold increase in duty on your Nissan Skyline, Land Rover Defender, or Holden Ute.

Response from both the automotive industry and collector car community have raised serious concerns about the potential impact of the tariff. Sandra Button, Chairman of the Pebble Beach Concours d'Elegance, sent out an email urging fellow enthusiasts to thoughtfully review and comment on the regulation while stating, "I cannot imagine how we will be able to maintain and share even the collector cars we already have in the United States—whether first made here or abroad. How will we be able continue to use them?"

A [Forbes article](#) cites an estimate from the Peterson Institute for International Economics that a 25-percent tariff could result in a loss of 195,000 American jobs over a period of one to three years.

The National Auto Dealers Association (NADA) issued a statement shortly after the investigation was announced: "A tariff on imported vehicles and auto parts equates to a consumer tax, and we are concerned that such a tax would mean higher prices and fewer choices for our customers. NADA will always be on the side of maintaining affordability for our customers, and we will continue to work with the Trump Administration and Congress to advocate for policies, including trade policies, that enable our customers to purchase the new cars and trucks they need and want at prices they can afford."

Dan Ikenson of the Cato Institute conservative think tank, speaking to Bloomberg, was more direct: "There are no merits whatsoever to the argument that imported autos somehow threaten U.S. national security. The mere assertion is unworthy of consideration, much less a full blown investigation under the guise of law,"

It's important to note that this is merely an investigation into tariffs at this point. As the political process plays out, the terms could change. According to Autotrader senior Analyst Michelle Krebs (as quoted by CNN Money), "There is going to be tremendous opposition," she said, "especially by car dealers, who have a tremendous amount of power."

Whether you think the new tariff is unfair or if you support it, you can and should do a few things to make the voice of the people heard. The comment period is only open until June 22, 2018. You can add your opinion here by hitting the "COMMENT NOW" button on the right side of the page. The process is simple, it should take no more than a few minutes to let the powers that be know your feelings.

You can also pick up the phone and call you senator or representative. Look up the correct phone number here, and mention The Department of Commerce Section 232 National Security Investigation of Imports of Automobiles, Including Cars, SUVs, Vans and Light Trucks, and Automotive Parts.