



Testimony on the Section 232 Investigation to Determine the Effects on U.S. National Security of Imports of Automobile and Automotive Parts

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Thank you for the opportunity to speak to you today about this important matter. My name is Manny Marrigues, and I am the General Director of the Washington, D.C. office of the Japan Automobile Manufacturers Association, known as JAMA. JAMA represents Japanese-brand automakers, many of which have deep investments in the United States.

JAMA members are integral to a strong and highly productive American auto industry. As of 2017, our members have cumulatively invested over 40 billion dollars in their U.S. manufacturing operations, and directly provide over 91,000 high-quality American jobs. Our members' manufacturing, R&D, and design operations are spread out across 19 states, and when taking into account parts supplier, dealership, and spin-off jobs, our members support approximately 1.5 million jobs throughout the country. We are proud to be part of the globally competitive and technologically advanced U.S. auto industry.

Our U.S. presence was not built overnight. Over the past 50 years, our members have continued to demonstrate their commitment to the U.S. market and American consumers. The strongest evidence of our commitment is that JAMA members have increased production in the U.S. ten-fold since the mid 1960s, which has been matched by the decrease of Japanese vehicle exports to the U.S. by half. JAMA members now produce about one third of the vehicles made in the U.S.

As we stated in our public comments, JAMA has critical concerns regarding the Section 232 investigation into automobiles and automotive parts, and the threat of import tariffs. A number of economic analyses have concluded that automotive import tariffs would have a serious negative impact on the U.S. economy as well as on millions of American families who rely on competitively priced vehicles. Tariffs are a tax on consumers that would add thousands of dollars to the price of any vehicle, whether it is built in the U.S. or imported. This would lead to decreased U.S. vehicle sales and production, thereby threatening U.S. jobs.

For example, a study by the Peterson Institute for International Economics shows that tariffs would cause up to 195,000 U.S. workers to lose their jobs. Manufacturing costs would increase at our members' U.S. plants, negatively impacting American auto-workers and their families in communities like Lafayette, Indiana; Marysville, Ohio; San Antonio, Texas; and Smyrna, Tennessee. If other countries retaliate against U.S. tariffs, this would further decrease the competitiveness of U.S. exports, and up to 629,000 American jobs could be lost.

In addition to our concerns about the negative economic impacts of tariffs, we believe that the basis for this Section 232 investigation is wrong. Imported vehicles do not threaten U.S. national security—they increase consumer choice and create new demand in the market, thereby contributing to the sustainable growth of the U.S. automobile industry, including vehicle dealerships.

We have highlighted in our public comments the dramatic increases in U.S. jobs and production over our decades-long history in the United States, but in the immediate post-recession timegap, Japanese-brand automakers increased their U.S. direct manufacturing employment by 15%, whereas overall U.S. manufacturing employment increased by only 6% during the same period. This example shows the extent to which our members have contributed greatly to U.S.