

Docket Number USTR-2026-0067

Submitted to the Office of the United States Trade Representative

Via Electronic Submission

April 15, 2026

The Japan Automobile Manufacturers Association¹ (JAMA) respectfully submits these comments to the Office of the United States Trade Representative (USTR) in response to the March 17, 2026, request for comments relating to the Section 301 Investigation of Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors.

Overview

JAMA members are among the largest and longest-standing foreign direct investors in the United States. Since Japanese-brand automakers first established vehicle manufacturing operations in the U.S. over 40 years ago, their commitment to American manufacturing has only deepened. JAMA members² currently operate 26 manufacturing facilities in the U.S., including facilities for vehicle, engine, transmission, parts, and battery manufacturing. As of the end of 2025, cumulative manufacturing investment by Japanese-brand automakers in the U.S. reached a record \$70.1 billion,³ with direct manufacturing employment of over 113,000 Americans and supporting an estimated 2.2 million U.S. jobs overall.⁴ These numbers tell a clear story: Japanese-brand automakers have long been, and continue to be integrated into the U.S. economy and are important contributors to domestic automotive manufacturing and the buildout of a robust workforce pipeline.⁵

Building on this commitment, JAMA members have steadily and substantially increased investment in the U.S., boosting the domestic production of high-quality, reliable, and affordable vehicles. However, sustaining this strong trajectory of greater U.S. production and deeper domestic investment is best supported by a stable and predictable trade environment. USTR can help do so by

¹ JAMA is a nonprofit industry association that comprises Japan's 14 manufacturers of passenger cars, trucks, buses, and motorcycles. JAMA's membership includes Daihatsu Motor Corporation, Hino Motors, Honda Motor Corporation, Isuzu Motors Limited, Kawasaki Motors, Mazda Motor Corporation, Mitsubishi Motors Corporation, Mitsubishi Fuso Truck and Bus Corporation, Nissan Motor Corporation, Subaru Corporation, Suzuki Motor Corporation, Toyota Motor Corporation, UD Trucks Corporation, and Yamaha Motor Corporation.

² JAMA vehicle manufacturer members operating manufacturing or R&D in the U.S. includes Hino Motors, Honda Motor Corporation, Isuzu Motors Limited, Mazda Motor Corporation, Mitsubishi Motors Corporation, Nissan Motor Corporation, Subaru Corporation, and Toyota Motor Corporation. "Moving American Manufacturing Forward," JAMA USA (https://www.jama.org/wp-content/uploads/2025/06/JAMA_2025_Report_v13.pdf) (June 10, 2025) (accessed March 26, 2026).

³ "Annual Data Release: Japanese-Brand Automakers Surpass \$70 Billion in Cumulative U.S. Investment," JAMA USA (<https://www.jama.org/japanese-brand-automakers-reach-70-billion-in-investment/>) (accessed April 13, 2026).

⁴ "The Contributions of Japanese-brand Automakers to the United States Economy," Dr. Thomas Prusa (<https://www.jama.org/the-contribution-of-the-japanese-branded-automotive-industry-to-the-united-states-economy-may-2023/>) (May 16, 2023) (accessed March 26, 2026).

⁵ "Employer-Driven Workforce Development: Japanese-Brand Automakers In the U.S. Offer Models of Engagement," Deanna Ross and Tamar Jacoby (https://www.jama.org/wp-content/uploads/2025/06/JAMA_WorkforcePaper_Final.pdf) (June 2025) (accessed March 26, 2026)

including the consistent implementation of the tariff framework established under the United States–Japan Trade Agreement signed in September 2025.

Japanese-Brand Automakers Are Building More in America

Since opening its first vehicle manufacturing facilities in the U.S. in 1982, the trend of Japanese-brand automotive manufacturing investment has been unambiguous: more vehicles are being built in the U.S., and fewer are being imported from Japan. Today, approximately 75 percent of what JAMA members sell in the United States is manufactured in North America, of which roughly 50 percent of those sold in the U.S. are produced domestically. Imports from Japan, while still providing American consumers with additional choice, have declined significantly, falling from a peak of 3.4 million units in 1986 to 1.3 million units in 2025, a decrease of over 60 percent. On the other hand, increase in U.S. production over the same period is well over 400 percent, providing American consumers with a greater variety of vehicle choice.

This reflects a sustained and deliberate shift toward domestic production that has been underway for decades and continues to accelerate. In fact, in the past 10 years alone, JAMA members have invested \$28 billion in new U.S. manufacturing capacity. This has directly translated into new and expanded facilities across the country. Recent examples of new investments include the opening of Toyota's battery manufacturing facility in North Carolina,⁶ Honda's battery manufacturing joint venture with LG Energy Solution in Ohio,⁷ as well as Isuzu's groundbreaking of a new commercial truck manufacturing facility in South Carolina, expected to open in 2027.⁸ Japanese-brand automakers have also been consistently re-investing in the expansion and updating of its existing facilities. Toyota has announced an additional \$10 billion investment in its U.S. operations,⁹ and Honda has committed over \$1 billion in investments in Ohio, positioning the company to build internal combustion engine (ICE) and electrified vehicle models on the same production line.¹⁰ Furthermore, Subaru has invested in retooling its existing facility in Lafayette, Indiana, to bring conventional hybrid vehicle assembly to the U.S.¹¹ These investments reflect not only JAMA members' lasting commitment to the American workforce and the U.S. as an important manufacturing base, but also recognition that building vehicles close to the American consumer is an important long-term business strategy.

Japanese-brand automakers are committed to continuing this strong trajectory of investment. However, that commitment requires a stable, predictable, and positive investment environment. Currently, automakers across the board and a substantial network of U.S.-based automotive suppliers are facing mounting costs from Section 232 tariffs on autos and auto parts, as well as other sectoral tariffs

⁶ "Toyota Battery Manufacturing North Carolina" (<https://www.toyota.com/usa/operations/map/tbmnc>) (accessed March 26, 2026).

⁷ "LG Energy Solution – Honda" (<https://lgeshonda.com/>) (accessed March 26, 2026).

⁸ "Isuzu holds groundbreaking ceremony for new production facility in South Carolina" (https://www.isuzu.co.jp/world/newsroom/details/20251002_1.html) (October 1, 2025) (accessed March 26, 2026).

⁹ "Toyota to Invest Up to \$10 Billion Additional in Its U.S. Operations Over the Next Five Years" (<https://global.toyota/en/newsroom/corporate/43553969.html>) (accessed March 27, 2026).

¹⁰ "Honda EV Hub Prepares for New Level of Flexible Production in Reimagined Manufacturing Environment" (<https://hondanews.com/en-US/releases/honda-ev-hub-prepares-for-new-level-of-flexible-production-in-reimagined-manufacturing-environment>) (accessed March 31, 2026).

¹¹ "Subaru of Indiana Automotive Begins Hybrid Production" (<https://www.prlog.org/13125080-subaru-of-indiana-automotive-begins-hybrid-production.html>) (accessed March 31, 2026).

on inputs critical for domestic auto manufacturing. At the same time, there remains the prospect of additional tariffs being proposed in the future. A critical part of providing some level of certainty for automakers includes respecting the terms agreed to by the U.S. and Japan under the United States-Japan Trade Agreement, implemented in September 2025.

JAMA Urges Adherence to the United States–Japan Trade Agreement

In July 2025, the United States and Japan announced the United States–Japan Trade Framework Agreement, which was subsequently formalized through Executive Order 14345 in September 2025.¹² A critical and carefully negotiated element of the Agreement is the establishment of a 15 percent tariff cap on Japanese automobiles and automobile parts, inclusive of applicable most-favored-nation (MFN) rates, in lieu of the 25 percent Section 232 tariff that had previously been imposed.

JAMA respectfully urges the Administration to continue to honor and adhere to the terms of the agreement, including the commitment that the 15 percent Section 232 tariff rate on automobiles and automobile parts be inclusive of MFN rates as well as ensuring that additional tariffs are not stacked upon them. Predictability, consistency, and clarity in the application of agreed tariff commitments are foundational to the investment planning that underpins JAMA members' ongoing and future U.S. manufacturing decisions. Companies making multi-decade commitments to manufacturing facilities in the U.S. depend on a stable regulatory and trade environment. Deviation from the agreed tariff framework, or uncertainty about its continued application, could introduce planning risks that affect the pace and scale of future U.S. investments. In this context, as the Administration considers potential actions under the Section 301 investigation, all actions should be carefully evaluated to ensure they do not unintentionally stifle U.S.-based manufacturing and North American supply chains.

Japanese-brand automakers are deeply embedded in the success and competitiveness of the U.S. automotive industry and advanced manufacturing at large, and any trade policies and tariffs resulting from this investigation should account for this reality. JAMA respectfully requests that any future trade actions or investigations in the automotive sector be evaluated in a manner consistent with the terms and spirit of the agreement and Japanese-brand automakers' substantial contributions to the U.S.

Conclusion

For over four decades, Japanese-brand automakers have invested in, expanded, and deepened their U.S. manufacturing operations, supported meaningful careers and built out a robust workforce development pipeline, strengthening American communities, and contributing to the vitality of the U.S. auto sector. JAMA members are committed to continuing and accelerating this trajectory of good-quality FDI. However, sustaining this level of commitment depends on balanced and predictable trade policies and investment environment. As such, JAMA strongly urges the Administration to honor and uphold the commitments of the United States–Japan Trade Agreement and ensure that Japanese-brand automakers' substantial and growing domestic manufacturing presence is fully reflected in any future trade policies affecting the automotive sector.

¹² “Implementing The United States-Japan Agreement” (<https://www.whitehouse.gov/presidential-actions/2025/09/implementing-the-united-states-japan-agreement/>) (September 4, 2025) (accessed April 13, 2026).