

July 10, 2026

Mr. Bryan Switzer
Deputy United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Deputy Trade Representative Switzer:

Alliance for Automotive Innovation (“Auto Innovators”) submits these comments in response to the Request for Public Comments from the United States Trade Representative (“USTR”) on the design of a U.S.-China Board of Trade (“Board”) to manage bilateral trade and the types of non-sensitive products that would benefit from favorable tariff modifications through a U.S.-China Board of Trade mechanism. We appreciate the opportunity to provide the auto industry’s perspective.

Auto Innovators represents the full auto industry, including the manufacturers producing most vehicles sold in the U.S., equipment suppliers, battery producers, semiconductor makers, technology companies, and autonomous vehicle developers. Our mission is to work with policymakers to realize a cleaner, safer, and smarter transportation future and to ensure a healthy and competitive auto industry that supports U.S. economic and national security. Representing approximately 5 percent of the country’s GDP, responsible for supporting nearly 10 million jobs, and driving \$1 trillion in annual economic activity, the automotive industry is the nation’s largest manufacturing sector.

Auto Innovators supports the establishment of a U.S.-China Board of Trade to promote greater reciprocity, durability, and balance in the U.S.-China trade relationship. We also support the Board’s focus on non-sensitive products. Any consideration of favorable tariff modifications should be limited to products that present minimal risk to our economic strength, national security, or supply chain resilience. In addition, consistent with lessons learned from prior U.S.-China trade arrangements, favorable tariff treatment should be reserved for products and sectors where reciprocity is demonstrable, compliance is verifiable, and market outcomes are not materially distorted by state support, excess capacity, or other non-market practices.

Passenger vehicles produced by Chinese manufacturers should be treated as sensitive products and excluded from consideration by the Board. As you know, auto manufacturers doing business inside the United States face unprecedented geopolitical and market pressures from Chinese automakers. The People’s Republic of China is orchestrating a worldwide strategy to dominate automotive markets around the world. This strategy is rooted in unfair and anti-competitive trade practices, intellectual property theft, and documented cybersecurity and surveillance risk.

Chinese automakers are heavily subsidized by a government focused on growth, global expansion, and dismantling American leadership over profitability. Substantial state support has enabled rapid growth in vehicle production in China, resulting in substantial excess capacity relative to domestic demand. As a result, Chinese automakers have turned to Europe, Southeast Asia and South America

to offload vehicles at cut-rate prices. Between 2021 and 2024, vehicle shipments from China to overseas markets have surged by 300 percent, displacing market share from other automakers.

Beyond the economic implications, imports of vehicles produced by Chinese automakers raise significant national security concerns. Modern vehicles increasingly function as connected computing platforms, incorporating advanced sensors, cameras, software, telecommunications systems, and data processing capabilities. The operation of vehicles manufactured by Chinese companies in the United States create opportunities for the collection, aggregation, and potential exploitation of sensitive data from vehicles by the Chinese Communist Party. In addition, the software-driven nature of modern vehicles presents risks of remote access, disruption, or manipulation of vehicles or vehicle systems, posing potential threats to public safety and national security.

There are also broader industrial base considerations. The automotive and defense sectors share critical portions of their manufacturing and supplier ecosystems. A significant erosion of automotive manufacturing capacity by legacy automakers in the United States would weaken demand across these shared supply chains and reduce scale, investment, and production capabilities that also support defense programs. This degradation would undermine the resilience of the United States industrial base and reduce capacity needed to meet national defense requirements.

The Trump Administration has already recognized both the economic and national security threats posed by Chinese vehicles. Existing measures implemented by the Administration, including tariffs imposed by USTR and prohibitions implemented by the Department of Commerce on the importation or sale of connected vehicles from China, and proposed legislation in Congress to prohibit Chinese vehicles and connected components in the U.S. market are helping to preserve our global competitiveness and address these significant national security risks. To avoid undermining domestic automotive manufacturing, weakening automotive supply chain resilience, jeopardizing national security, or eroding the industrial base that supports both the automotive and defense sectors, passenger vehicles produced by Chinese companies should be treated as sensitive products and excluded from any favorable tariff modifications considered by the Board.

Auto Innovators welcomes the opportunity to work with USTR on this and other matters critical to the health and competitiveness of the auto industry in the United States.

Sincerely,

A handwritten signature in black ink, appearing to be 'H. Cain', with a long horizontal stroke extending to the right.

Hilary M. Cain
Senior Vice President, Policy