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Please see following Ford's responses to questions regarding proposed duty suspension bills for certain automotive parts. Ford respectfully requests that this information be treated as Business Confidential.

- USITC Question: Does your firm have any interest in the proposed duty suspension legislation (e.g., support, oppose, neutral)?
 - Ford Response: Ford does not affirmatively support any of the proposed duty suspension legislation, as explained in more detail in our responses to the following questions. Ford is neutral on H.R. 4954, because our business is not involved with diesel engines of this displacement, less than 1 liter. Ford opposes the three remaining provisions (H.R. 4950, 4951, and 4952) as written, because they apply to all products that are classified under these headings, and, thus may confer a windfall duty reduction benefit to those of Ford's direct competitors that may import parts classified under these tariff headings. Ford believes that these provisions could be more narrowly defined so that only those parts to be imported by the requestor of these provisions would benefit.
- USITC Question: Does your firm produce any of the products described in the bills or competing products in the United States? Is there other U.S. manufacturing of the products described in the bills or competing products? If so, could you provide the names of the firms that make these products?
 - Ford Response: Ford does produce in the United States that would be classified in the tariff headings covered by H.R. 4950 – 4952 (parts of transmissions). Ford also purchases parts that are covered by these tariff headings from suppliers in the United States.
- USITC Question: Does your firm import the products described in these bills? If so, what countries are the major sources of imports for each of these products?
 - Ford Response: Yes, Ford does import some parts that are covered by the tariff headings in these duty suspension bills. The majority of Ford's imports are from NAFTA party countries (Canada and Mexico) and these

parts usually qualify for NAFTA trade preference. Ford does import a very small volume of parts classified under the tariff headings from non-NAFTA countries, but the potential duty savings to Ford is negligible, and Ford is more concerned about a windfall duty advantage to Ford's foreign based OEM competitors which rely on large percentage of imported inputs to assemble in the U.S.

- Will your firm benefit from this bill? If so, can you provide an estimate of the value of imports that will benefit from this bill in each of the next five years? No, Ford will not benefit from these duty suspension bills.
 - Apart from H.R. 4954, Ford is very concerned that its foreign based competition will get a windfall benefit from duty suspension on the transmission parts covered by H.R. 4950 – 4952, which could put Ford at a cost and competitive disadvantage for its own US production as well as the US suppliers of these parts that Ford does business with. If these bills were more narrowly drawn so that imports to be used by the requesting company would be the only effective beneficiaries, rather than the broad based universe of affected imports that the bills as currently drafted would benefit, Ford's position on these bills would be neutral.

If you have any further questions, or need additional information, please do not hesitate to contact the undersigned at the contacts provided above in the letterhead.

Sincerely,

Paul Vandever

Paul Vandever
International Trade Attorney

Cc: Simonetta Verdi, Ford Motor Company