

# Foley Automotive Update and the Latest Tariff Developments

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## Trump Administration and Tariff Policies

- The U.S. Commerce Department [initiated](#) a **Section 232 investigation** into imports of **medium- and heavy-duty trucks and parts**, in a development that could serve as a basis for future tariffs. Public comments must be received by May 16, 2025.
- [Bloomberg Law](#) provided an explanation of the legal arguments in certain **lawsuits** that have been filed to **challenge the Trump administration's authority to impose tariffs**. Most recently, a [dozen states](#) filed a lawsuit on April 23 over tariffs that were allegedly imposed without congressional authority. This follows suits over the legality of the tariffs filed by the [New Civil Liberties Alliance](#), as well as [California](#) Governor Gavin Newsom and Attorney General Rob Bonta.
- U.S. House Representative Mike Lawler (R-NY) on April 25 [stated](#) Congress “**will likely exert more authority**” if the White House does not make “**significant progress**” in **ongoing tariff negotiations** in the coming weeks.
- President Trump [warned he would veto](#) a **bipartisan Senate resolution** led by Senator Ron Wyden (D-OR) and Senator Rand Paul (R-KY) that **seeks to terminate the emergency declaration** used as a basis for the president's tariffs. A vote on the resolution could occur in the coming days.
- A [proposal](#) by the **U.S. Trade Representative's** office could impose fees on **ships built, owned or operated by Chinese entities that dock at U.S. ports**. If the proposal is implemented, the fees would begin in six months based on the volume of goods carried, on a per-voyage basis. The proposal [intends](#) to restore the U.S. maritime industry and it follows an investigation ordered under the Biden administration into whether Chinese shipbuilding threatens national security.

## Automotive Key Developments

- In an April 21 [letter](#) to the Trump administration, trade groups including **MEMA**, the **Alliance for Automotive Innovation** and the **National Automobile Dealers Association** outlined

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their concerns over the impact of **import tariffs on automotive parts**.

- [The Wall Street Journal](#) and [Bloomberg](#) reported the **Trump administration** could **ease the impact of certain automotive tariffs** in ways that include temporary partial reimbursements and preventing certain auto levies from stacking on other duties.
- *Automotive News* provided an [overview](#) of the opportunities and barriers involved in **major production shifts to underutilized U.S. auto plants**.
- Many **auto suppliers** are encountering challenges regarding the complexities of calculating **U.S. import tariffs on steel and aluminum**, according to a report in [Automotive News](#).
- **U.S. new light vehicles** are projected to reach a **SAAR of 17.9 million units** in April 2025, representing a 10.5% year-over-year increase, according to a [joint forecast](#) from J.D. Power and GlobalData. The anticipated volume increase was attributed to consumers that have been accelerating purchase decisions due to expectation tariffs will lead to higher prices.
- The National Highway Traffic Safety Administration's (NHTSA) [new Automated Vehicle \(AV\) Framework](#) will expand the **Automated Vehicle Exemption Program (AVEP)** to include domestically produced vehicles, and streamline rules in regard to the **reporting of safety incidents**. The framework also intends to facilitate efforts to modernize the Federal Motor Vehicle Safety Standards.
- The **U.S. House** could [vote in the coming days](#) on a measure to revoke a Biden-era **Environmental Protection Agency waiver** that allowed **California** to require increasing thresholds of zero-emissions vehicle sales between 2026 and 2035 in the state. **U.S. House lawmakers** previously [introduced](#) several **Congressional Review Act** resolutions that intend to repeal certain **clean-vehicle waivers** issued for **California** under the Biden administration. Senate Republicans are pursuing [similar measures](#).

## OEMs/Suppliers

- Following a **two-week shutdown** to assess the impact of **U.S. automotive import tariffs**, **Stellantis** [resumed production](#) at its Windsor Assembly plant in Ontario, Sterling Stamping in Michigan and two transmission plants in Kokomo, Indiana. The automaker's Jeep plant in **Toluca, Mexico**, is expected to remain idle through the end of April.
- **Volvo Group** is [preparing](#) to lay off up to 1,000 workers at its **North American truck operations** in the coming months, amid uncertainty over how President Trump's tariff policies will affect demand.
- **Ford halted exports to China** of models that include the **F-150 Raptor pickups** and **Bronco SUVs** in response to the nation's retaliatory import tariffs, according to a report in [The Detroit News](#).
- **Volkswagen** and **Nissan** expect to avoid **tariff-related increases on U.S. vehicle prices** through the end of May, and **Ford** indicated its vehicles will have higher prices by July or sooner as a result of the levies.
- **Hyundai** [intends](#) to **shift an unspecified volume of production** of Tucson crossovers from **Mexico to the U.S.**, and the automaker established a **tariff task force** to mitigate the effects of import duties on its finances.
- **GM** [plans](#) to remove certain equipment for EV drive system production at its **Toledo Propulsion Systems** plant to increase capacity for **gas-powered truck transmissions**.
- **Toyota** is [reported](#) to be considering a buyout of its parts supplier **Toyota Industries**, at an estimated valuation of \$42 billion.
- **Nissan** expects to incur a **net loss of up to \$5.3 billion** for the fiscal year ended March, due to impairments and restructuring expenses, as well as declining sales.

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- **Volkswagen's Audi brand** is [reported](#) to be close to a decision on whether to establish its first **U.S. production site**.
  - **GM's** executive vice president of global manufacturing [resigned](#) after just over a year in the role.

## Market Trends and Regulatory

- The **Federal Communications Commission** on April 21 [dismissed](#) “as unnecessary the remaining **cellular vehicle to everything (C-V2X) early transition waivers** and confirm[ed] that each of the applicants may now seek a **C-V2X authorization under the new rules.**”
- The **U.S. Department of Transportation (USDOT)** and **Federal Highway Administration (FHWA)** [repealed](#) a Biden-era rule that would have required state transportation departments to measure and establish declining targets for **carbon dioxide emissions on federally supported highways**.
- The **California New Car Dealers Association** [filed a lawsuit](#) against **Volkswagen Group** and its affiliate **Scout Motors** over the brand's plans to sell directly to consumers in violation of the state's franchise laws.

## Autonomous Technologies and Vehicle Software

- Alphabet reported its autonomous vehicle unit **Waymo** is booking [over 250,000 paid robotaxi rides](#) weekly in **San Francisco, Los Angeles, Phoenix, and Austin**.
- **California's Department of Motor Vehicles** [announced](#) proposed regulations for the testing and deployment of **self-driving heavy-duty vehicles** on the state's public roads.
- **Volkswagen** [will partner](#) with **Uber Technologies** to launch autonomous rides with the electric ID. Buzz van beginning in Los Angeles next year.
- **Huawei Technologies Co.** is a leading provider of **intelligent driving software** in China's EV market, according to a report in [Automotive News](#).

## Electric Vehicles and Low-Emissions Technology

- [Automotive News](#) assessed the ramifications of the **Trump administration's tariffs and trade policies** on the **U.S. EV industry**.
- **BYD** [reported](#) its first quarter 2025 revenue rose 36% YOY, supported by strong growth within China and overseas.
- China's **Contemporary Amperex Technology Co. (CATL)** [debuted](#) a next-generation battery that can reach up to 520 kilometers (323 miles) of range from five minutes of charging time. Competitor **BYD** [recently developed](#) batteries for certain models in China that would enable up to 400 kilometers (249 miles) of range with five minutes of charge time.
- [First quarter 2025](#) registrations of **new battery-electric vehicles (BEVs) in the European Union** increased 24% YOY for a **15% share** of the total EU market. New EU registrations of **hybrid-electric vehicles** rose 21% YOY for a **35% share** of the EU market. New car registrations across all powertrains declined 1.9% YOY in the region.

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