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**UNITED STATES – ADDITIONAL DUTIES ON IMPORTS OF
AUTOMOBILES AND AUTOMOBILE PARTS FROM CANADA**

COMMUNICATION FROM THE UNITED STATES

The following communication, dated 11 April 2025, was received from the delegation of the United States with the request that it be circulated to the Dispute Settlement Body (DSB).

On April 3, 2025, the United States received Canada's letter of the same date requesting consultations pursuant to Articles 1 and 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU") and Article XXII of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994").

Canada's request concerns tariffs on imports of automobiles and auto parts imposed by the President of the United States pursuant to Section 232 of the Trade Expansion Act of 1962 ("Section 232").¹ The President determined that tariffs were necessary to adjust the imports of automobiles and auto parts that threaten to impair the national security of the United States. Issues of national security are political matters not susceptible to review or capable of resolution by WTO dispute settlement. Every Member of the WTO retains the authority to determine for itself those measures that it considers necessary to the protection of its essential security interests, as is reflected in the text of Article XXI of the GATT 1994.

Canada has already taken the unilateral decision to impose tariff measures on U.S. goods in response to the U.S. actions listed in the request for consultations.² Specifically, effective April 9, 2025, Canada imposed 25 percent tariffs on certain automobiles from the United States.³ Canada states that these "countermeasures will remain in place until the U.S. eliminates its tariffs against the Canadian auto sector."⁴ It is specious for Canada to invoke dispute settlement for an alleged breach of WTO rules while Canada itself unilaterally decides to impose countermeasures without apparent justification under WTO rules.

Without prejudice to the U.S. view that the tariffs imposed pursuant to Section 232 are issues of national security not susceptible to review or capable of resolution by WTO dispute settlement, or whether each of the items in Canada's letter constitutes a "measure" within the meaning of Article 4 of the DSU, the United States accepts the request of Canada to enter into consultations. We stand ready to confer with officials from your mission on a mutually convenient date for consultations.

¹ See 90 Fed. Reg. 10,908 (March 26, 2025), *available at* <https://www.federalregister.gov/documents/2025/04/03/2025-05930/adjusting-imports-of-automobiles-and-automobile-parts-into-the-united-states>.

² United States Surtax Order (Motor Vehicles 2025) (April 7, 2025), *available at* <https://orders-in-council.canada.ca/attachment.php?attach=47210&lang=en>; Customs Notice 25-11: United States Surtax Order (Motor Vehicles 2025), *available at* <https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn25-15-eng.html>.

³ Department of Finance Canada, List of vehicle products from the United States subject to 25 per cent tariffs effective April 9, 2025 (April 8, 2025), *available at* <https://www.canada.ca/en/department-finance/news/2025/04/list-of-vehicle-products-from-the-united-states-subject-to-25-per-cent-tariffs-effective-april-9-2025.html>.

⁴ *Id.*