

Proclamation 11048—Imposing Additional Duties To Offset Canadian Discrimination Against the Commerce of the United States With Respect to Motor Vehicles

July 20, 2026

By the President of the United States of America

A Proclamation

1. Section 338 of the Tariff Act of 1930 (19 U.S.C. 1338) (section 338) empowers the President to, among other things, impose duties on imports of a foreign country to offset the burden or disadvantage from a foreign country's discrimination against or unequal imposition on the commerce of the United States.

2. Canada, through discrimination against or an unreasonable and unequal imposition on U.S. auto and auto parts exports, burdens U.S. commerce but not the commerce of other countries and disadvantages U.S. commerce compared to the commerce of other countries. Specifically, Canada imposed a tariff system on only U.S. motor vehicles and treats the commerce of foreign countries more favorably than commerce of the United States with respect to motor vehicles, as defined in Canada's United States Surtax Order (Motor Vehicles 2025), SOR/2025-118. By denying to the commerce of the United States the benefits afforded to like commerce from other countries, Canada discriminates against U.S. commerce, disadvantaging the commerce of the United States compared to the commerce of other countries. And Canada's imposition on U.S. motor vehicles is unreasonable, is not equally applied upon the like articles of every foreign country, and places a burden on the commerce of the United States but not on the commerce of other countries.

3. Since April 9, 2025, Canada has maintained a 25 percent tariff rate on imports of U.S. motor vehicles that do not qualify for preferential, duty-free treatment under the United States-Mexico-Canada Agreement (USMCA). For U.S. motor vehicles that do qualify for preferential, duty-free treatment under the USMCA, Canada applies a 25 percent tariff rate on the value of all goods that do not originate in Canada or Mexico used in the production of the vehicle, up to 85 percent of the total value of the vehicle. In addition, Canada maintains a tariff-rate quota (TRQ) on U.S. motor vehicles that qualify for preferential, duty-free treatment under the USMCA. The TRQ for each automaker limits duty-free access for the covered motor vehicles from that automaker up to certain annual quantities (in-quota quantities) and applies the tariffs described above on products that exceed the in-quota quantities. The TRQs are granted to induce companies to invest in production in Canada, and Canada has announced that it reduced the TRQs for U.S. companies that moved manufacturing from Canada to the United States. Canada does not publicly disclose the company-specific, in-quota quantities, but it has published these new tariff rates in Customs Notice 25-15: United States Surtax Order (Motor Vehicles 2025).

4. The United States, U.S. businesses and workers, and U.S. commerce suffer from Canada's discriminatory, unequal, and unreasonable tariff scheme. Following the implementation of the tariff scheme, U.S. exports of motor vehicles to Canada fell precipitously. Comparing the period from April 2025 through March 2026 to the same period in 2024-2025, imports of U.S. motor vehicles to Canada decreased by approximately 22 percent (from approximately \$25.9 billion to approximately \$20.3 billion).

5. Canada only applies the tariff scheme to U.S.-origin motor vehicles. The tariff scheme does not apply to the motor vehicles of any other country. Indeed, exports of motor vehicles from

other countries to Canada have increased to meet the demand previously filled by U.S. exports. For example, comparing the period from April 2025 through February 2026 to the same period in 2024–2025, Canadian imports of Mexican motor vehicles increased by approximately 23.6 percent, and imports from Japan, Korea, and Germany increased by rates ranging from approximately 10.1 percent to approximately 13.5 percent. In total, Canadian imports of motor vehicles from countries other than the United States increased by approximately \$2.85 billion over the same period, with Mexico accounting for almost \$2 billion of the increase.

6. Accordingly, pursuant to section 338, I find as a fact that Canada is discriminating against the commerce of the United States through Canada's motor vehicle tariff scheme. I also find as a fact that this discrimination places the commerce of the United States at a disadvantage compared to the commerce of other countries. And I find as fact that Canada's imposition is unreasonable, is not equally enforced upon the like articles of every foreign country, and places a burden on the commerce of the United States.

7. Further, I find that imposing additional *ad valorem* duties on certain products of Canada to address the burden or disadvantage from this discrimination or unequal and unreasonable imposition is in the public interest, will serve the public interest, and is consistent with the interests of the United States. When U.S. producers are unfairly denied export opportunities by Canada's motor vehicle tariffs and TRQs, they lose revenues that support production in the United States, among other things. This suppresses U.S. industrial output, as well as investment, and thereby undermines employment and economic vitality in American communities. Imposing additional duties on certain products of Canada will, among other things, expand opportunities for U.S. producers to compete within the U.S. market, enhancing American production and bringing attendant economic and societal benefits, and may spur Canada to remove the discrimination against U.S. motor vehicles.

8. Accordingly, I find that it is necessary and appropriate and in the public interest to impose an additional *ad valorem* duty of 50 percent on certain products of Canada, as identified in Annex II to this proclamation, effective as of 12:01 a.m. eastern time on August 19, 2026. I determine that the additional *ad valorem* duties imposed in this proclamation, as described below, will offset the burden or disadvantage on U.S. commerce from Canada's discrimination or unequal and unreasonable imposition. In my judgment, the action in this proclamation is consistent with the public interest, will serve the public interest, and is consistent with the interests of the United States.

9. Section 338 authorizes the President, if he determines it will serve the public interest, to offset any burden or disadvantage placed on the commerce of the United States by an unequal imposition or discrimination by a foreign country by specifying and declaring additional duties not to exceed 50 percent *ad valorem* (or its equivalent) and not to take effect earlier than 30 days after the President's proclamation finding that a foreign country imposes an unreasonable charge, exaction, regulation, or limitation that is not equally enforced on the like articles of every foreign country, or discriminates in fact against U.S. commerce in a way that places the commerce of the United States at a disadvantage compared to the commerce of any foreign country. Section 338 also authorizes the President to suspend, revoke, supplement, or amend any proclamation under section 338 whenever the President deems that the public interests require such action. Further, section 338 authorizes the President to exclude articles of the foreign country if the foreign country maintains or increases the discrimination against the commerce of the United States and the President deems the exclusion to be consistent with the public interests and the interests of the United States.

10. Section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483) (section 604), authorizes the President to embody in the Harmonized Tariff Schedule of the United States

(HTSUS) the substance of statutes affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

Now, Therefore, I, Donald J. Trump, President of the United States of America, by the authority vested in me by the Constitution and the laws of the United States, including section 338; section 301 of title 3, United States Code; and section 604, do hereby proclaim as follows:

(1) Except as otherwise provided in this proclamation, certain products of Canada, as set forth in Annex II to this proclamation, imported into the United States shall be subject to an additional *ad valorem* duty of 50 percent, effective for goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern time on August 19, 2026.

(2) Except as otherwise provided in this proclamation and in Annex I to this proclamation, the duties imposed in this proclamation are in addition to any other duties, taxes, fees, exactions, and charges applicable to such products. The duties imposed in this proclamation shall not apply to articles subject to duties pursuant to section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), or articles, excluding unmanned aircraft, subject to the World Trade Organization Agreement on Trade in Civil Aircraft.

(3) The HTSUS is modified as provided in Annex II to this proclamation, effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern time on August 19, 2026, and the modifications shall continue in effect, unless this action is expressly reduced, modified, or terminated.

(4) Any product subject to the duties imposed in this proclamation, except those eligible for admission under "domestic status" as described in 19 CFR 146.43, that is subject to the duties imposed in this proclamation and that is admitted into a United States foreign trade zone on or after the effective date of this proclamation must be admitted as "privileged foreign status" as described in 19 CFR 146.41, and will be subject upon entry for consumption to any *ad valorem* rate of duty related to the classification under the applicable HTSUS subheading.

(5) The head of each executive department and agency (agency) is authorized to and shall take all appropriate measures within the agency's authority to implement this proclamation. The head of each agency may, consistent with applicable law, including section 301 of title 3, United States Code, redelegate the authority to take such appropriate measures within the agency.

(6) The Commissioner of U.S. Customs and Border Protection (CBP), in consultation with the Secretary of the Treasury, the Secretary of Commerce, and the United States Trade Representative, is authorized to issue such rules, regulations, guidance, instructions, or determinations as may be necessary to implement this proclamation and is authorized to take any necessary measures to administer the duties imposed in this proclamation.

(7) The Commissioner of CBP, in consultation with the Secretary of the Treasury, the Secretary of Commerce, the United States Trade Representative, the Chairman of the United States International Trade Commission, and any other senior official he deems appropriate, shall determine whether any additional modifications to the HTSUS are necessary to effectuate this proclamation and shall make such modifications to the HTSUS through notice in the Federal Register, including any technical correction to the annexes to this proclamation.

(8) For any rule or regulation the Commissioner of CBP makes to implement this proclamation, the Commissioner of CBP shall, to the extent required by law, obtain the approval of the President or the United States Trade Representative. The United States Trade Representative is delegated the President's approval authority in 19 U.S.C. 1338(h).

(9) Any provision of previous proclamations and Executive Orders that is inconsistent with this proclamation is superseded to the extent of such inconsistency. If any provision of this proclamation or the application of any provision to any individual or circumstance is held to be invalid, the remainder of this proclamation and the application of its provisions to any other individuals or circumstances shall not be affected.

In Witness Whereof, I have hereunto set my hand this twentieth day of July, in the year of our Lord two thousand twenty-six, and of the Independence of the United States of America the two hundred and fifty-first.

DONALD J. TRUMP

[Filed with the Office of the Federal Register, 11:15 a.m., July 22, 2026]

NOTE: This proclamation and its attached annexes were published in the *Federal Register* on July 23.

Categories: Proclamations : Canada, imposition of additional duties to offset discrimination against U.S. commerce with respect to motor vehicles.

Subjects: Canada, trade with U.S.; Tariffs; U.S. Customs and Border Protection.

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