



## UNITED STATES – ADDITIONAL IMPORT DUTIES ON GOODS FROM CANADA

### COMMUNICATION FROM THE UNITED STATES

The following communication, dated 14 March 2025, was received from the delegation of the United States with the request that it be circulated to the Dispute Settlement Body (DSB).

On March 4, 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"), in conjunction with Article XXII:1 of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994") and Article 24.8 of the *Trade Facilitation Agreement*.

Canada's request concerns certain actions of the United States related to the President's Executive Order 14193 of February 1, 2025,<sup>1</sup> as amended by the President's Executive Order 14197 of February 3, 2025,<sup>2</sup> and as amended by the President's Executive Order 14226 of March 2, 2025,<sup>3</sup> undertaken pursuant to the National Emergencies Act and the International Emergency Economic Powers Act relating to issues of national security. 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.<sup>4</sup> Specifically, effective March 4, 2025, Canada "imposed countermeasures" of 25 percent tariffs on certain products of U.S. origin "in response to [the U.S.] tariffs", and announced the intention to impose a 25 percent tariff on additional products of U.S. origin.<sup>5</sup> 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 actions cited by Canada 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.

<sup>1</sup> See 90 Fed. Reg. 9,113 (February 7, 2025), available at <https://www.govinfo.gov/content/pkg/FR-2025-02-07/pdf/2025-02406.pdf>.

<sup>2</sup> See 90 Fed. Reg. 9,183 (February 10, 2025), available at <https://www.govinfo.gov/content/pkg/FR-2025-02-10/pdf/2025-02478.pdf>.

<sup>3</sup> See 90 Fed. Reg. 11,369 (March 6, 2025), available at <https://www.govinfo.gov/content/pkg/FR-2025-03-06/pdf/2025-03728.pdf>.

<sup>4</sup> United States Surtax Order (2025-1) (March 3, 2025), available at <https://orders-in-council.canada.ca/attachment.php?attach=46933&lang=en>.

<sup>5</sup> See Notice of Intent to Impose Countermeasures in Response to United States Tariffs on Canadian Goods (March 4, 2025), available at <https://www.canada.ca/en/department-finance/programs/consultations/2025/notice-intent-impose-countermeasures-response-united-states-tariffs-on-canadian-goods.html>; List of Products from the United States Subject to 25 Per Cent Tariffs Effective March 4, 2025 (March 4, 2025), available at <https://www.canada.ca/en/department-finance/news/2025/03/list-of-products-from-the-united-states-subject-to-25-per-cent-tariffs-effective-march-4-2025.html>.

The United States does not accept that this is a "case[] of urgency" under Article 4.8 of the DSU. Canada's general statement that some of the products subject to the U.S. actions are "classified as agricultural products under chapters 1-24" of the U.S. HTS—the chapters which include perishable goods—does not justify resort to the exceptional Article 4.8 procedures absent the agreement of the parties.

Accordingly, the United States stands ready to confer with officials from your mission on a mutually convenient date for consultations pursuant to Article 4.3 of the DSU.

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