U.S. releases new process for expanding auto parts tariffs: What Canadian stakeholders need to know

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On September 17, 2025, the U.S. Department of Commerce published an Interim Final Rule establishing a formal process for expanding the scope of tariffs on automobiles and automobile parts under the U.S. President's Proclamation 10908. This new process allows domestic U.S. producers and industry associations to petition for additional auto parts to be included in the Section 232 tariffs, if rising imports are deemed to threaten national security or undermine the objectives of the original proclamation.

The expected impact of these new "inclusion" processes is an expanded list of items on which the United States will impose additional tariffs. Past inclusion exercises have tended to encompass products not entirely within the scope of the original order. For that reason, it is important for exporters of these, *and similar*, goods to remain vigilant; we will provide updates as and when they become available.

The inclusion process also provides for a period of comment. In the event an exporter *and their U.S. clients* consider that these tariffs will give rise to unanticipated concerns, it is important for them to participate in the public comment process. Our specialized team at BLG is ready to help you protect your trade interests.

A. Key developments

1. Structured inclusion process:

U.S. domestic producers of automobiles or automobile parts articles, or any industry association representing one or more such producers, can now submit requests for new auto parts to be added to the tariff list during four annual submission windows.

The first window opens October 1, 2025, with subsequent windows in January, April, July, and October 2026. Each window will remain open for two weeks. Requests must be limited to 30 pages and include details such as the part, HTSUS code, import and production stats, industry impact, and how increased imports threaten U.S. national security.

2. Rapid review and implementation:

The U.S. International Trade Administration (ITA) will review requests, publicly post non-confidential versions of valid requests for a 14-day public comment period, and issue a determination within 60 days of the publication. If approved, duties on newly included auto parts will begin soon after coordination with U.S. Customs and Border Protection, with the Federal Register notice specifying the exact effective date for these new tariffs.

B. Implications for Canadian stakeholders

1. Increased tariff risk:

Canadian auto parts exporters face heightened uncertainty, as the scope of U.S. tariffs can now be expanded more quickly and in response to industry petitions. This could affect a wide range of parts, including those supporting new propulsion systems, autonomous driving, and other advanced technologies.

2. Need for vigilance:

Canadian manufacturers and suppliers should closely monitor the submission windows and determinations, as new parts could be added to the tariff list with limited notice. Engagement with U.S. partners and industry associations will be critical to anticipate and respond to potential changes.

3. Opportunity for input:

The process includes a public comment period, allowing the stakeholders to submit views on proposed inclusions. This is an important avenue to advocate for the interests of Canadian exporters and highlight the integrated nature of North American automotive supply chains. Public comments on inclusion requests may be submitted through the Federal eRulemaking website at: *https://www.regulations.gov*, within the 14-day public comment window.

4. Strategic planning:

Companies should review their product portfolios, supply chain dependencies, and contractual arrangements to assess exposure to potential new tariffs. Proactive risk management and scenario planning will be essential in this evolving trade environment.

We know that the increasing complexity of U.S. market access rules, and the ongoing uncertainty about the scope of the tariff measures, have the potential to disrupt important business operations. Our specialized team at BLG across our national offices stands ready to advise and guide you through these turbulent times, including for example by helping you engage substantively and effectively in the public comment process.

By

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