

# White House Ups the Ante with Section 338 Import Bans Against Canadian Products

September 10, 2026

by T. Augustine Lo, Dave Townsend, Lawrence Ward, and Paula Ortiz Cardona

On September 8, 2026, President Trump issued a series of Presidential Proclamations targeting Canadian products within a few hours after Canadian retaliatory tariffs came into effect against U.S. products. Issued under Section 338 of the Tariff Act of 1930 ("Section 338"), these Proclamations adjusted the scope of the 50% Section 338 tariffs that came into effect on August 22, 2026, and imposed new import bans against certain Canadian goods, scheduled to take effect on September 29, 2026. All eyes are now on Washington, DC and Ottawa to see what comes next in this spiraling trade dispute between the two trading partners and neighbors.

## Background

As we previously [reported](#), President Trump issued three Section 338 Proclamations in July 2026 that cited Canadian restrictive import measures against U.S. alcoholic, automotive, and dairy products to impose a 50% tariff on a wide range of Canadian-origin goods, which took effect on August 22, 2026. This 50% tariff deviates from the preferential treatment that Canadian-origin goods otherwise enjoy under the trilateral U.S.-Mexico-Canada Agreement ("USMCA"). [In response](#), Canada imposed a wide range of dollar-for-dollar retaliatory tariffs against U.S. origin goods, with tariff rates ranging from 15% to 50%, effective September 8, 2026. These tariff measures are intended to affect around \$20 billion in annual trade going in each direction. The two countries are imposing these tit-for-tat tariff measures against the backdrop of stalled trade negotiations and mutual recrimination.

## New Section 338 Proclamations

Not long after the Canadian retaliatory tariffs took effect, the White House released five Section 338 Proclamations. Two of these Proclamations modify the scope of the Section 338 tariff lists that the White House issued in response to the Canadian measures against U.S. alcoholic and automotive products. These modifications are scheduled to take effect on September 15, 2026.

## Related People

- T. Augustine Lo
- Dave Townsend
- Lawrence Ward
- Paula Ortiz Cardona

## Related Capabilities

- International Trade
- Government Enforcement & Corporate Investigations
- Government Contracts Counseling & Litigation

The other three Proclamations impose import bans against certain Canadian products under several lists. In addition to the original trade irritants that President Trump cited to impose the Section 338 tariff measures, he also cites Canada's trade retaliation as grounds to impose the new bans. These bans, which are scheduled to take effect on September 29, 2026, cover a wide range of Canadian-origin alcoholic beverages, certain dairy products, molasses, non-alcoholic beer, and motorcycle products.

## **Observations for the Trade Community**

These Section 338 trade measures have broad ramifications for one of the most integrated regional markets in the world. Businesses on both sides of the U.S.-Canadian border have come to rely on a high degree of market and supply chain integration over the past three decades because of the North American Free Trade Agreement of 1994 ("NAFTA") followed by the U.S.-Mexico-Canada Agreement ("USMCA" or "CUSMA" in Canada) that came into effect in 2020. High reciprocal tariffs and import bans could disrupt those patterns and force businesses to radically reconfigure their relationships.

While Section 338 authorizes the U.S. President to impose an import ban under certain conditions, there is much uncertainty about its enforcement. The statute authorizes the seizure and forfeiture of goods imported contrary to the Section 338 trade measures. It remains to be seen how forcefully U.S. Customs and Border Protection ("CBP") will enforce the ban, and whether CBP may broaden the scope of goods subject to the measures by investigating import shipments for potential misdeclared origin and tariff classification to avoid the Section 338 measures. The answers to these questions could have major implications for businesses and downstream customers in both countries.

Businesses may wish to review their supply chains and documentation to detect potential sources of vulnerability. They also may wish to review their existing contracts to assess the parties' risks and obligations in the event that goods are barred from admission into the United States. They also should stay tuned to the latest developments in the ongoing trade negotiations for hints of what further measures or reprieve may be in store.