

NORTHERN ARC
PUBLIC AFFAIRS

REGIONAL TARIFF RESPONSE INITIATIVE
SECTOR BRIEFING

Prepared for
Tariff-Impacted Canadian Businesses

September 2026

Prepared by
NORTHERN ARC PUBLIC AFFAIRS

"Prairie businesses are facing real challenges as unjustified U.S. tariffs create uncertainty and add costs. The enhanced Regional Tariff Response Initiative will help businesses weather the storm, protect good paying jobs, and make the investments needed to grow, compete, and reach new markets all across the globe. Together, we are building a stronger, more resilient Prairie economy and a stronger Canada."

The Honourable Eleanor Olszewski,
Minister of Emergency Management and Community Resilience, Minister responsible for
PrairiesCan

\$3M Non-Repayable Cap per Business	\$3.45B National RTRI Envelope	Sept 8 Expansion Took Effect, 2026	\$1M Minimum Annual Revenue Floor
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Executive Summary

On September 8, 2026, the federal government opened applications for the expanded Regional Tariff Response Initiative (RTRI), the centrepiece of a \$7.5 billion package of new and enhanced measures announced August 25, 2026 to support Canadian workers and businesses affected by U.S. tariffs. The same package matched new U.S. tariffs on \$27.6 billion of Canadian goods dollar for dollar, with Canadian counter-tariffs effective September 8.

RTRI now delivers up to \$3 million in non-repayable support per business: up to \$2 million in liquidity assistance covering up to 50% of eligible costs for up to 12 months, ending no later than March 31, 2028, and up to \$1 million for pivot projects that must be completed by March 31, 2029, with repayable funding available for larger transformative projects. The \$1.5 billion expansion brings RTRI to \$3.45 billion nationally, delivered through Canada's regional development agencies. A business may apply for liquidity assistance, pivot project funding, or both.

This briefing maps the federal funding landscape available to tariff-impacted Canadian businesses: RTRI, the Canada Strong Diversification Fund, BDC's expanded liquidity supports, and the programs that stack alongside them. It outlines the programs, the ministers and agencies that decide, and the political positioning strategy required to capture federal support over 6 to 12 months. Northern Arc's value is not paperwork. It is the political positioning at the ministerial, Regional Development Agency, and PMO level that determines which qualified applicants move quickly and which are left waiting behind a finite envelope.

WHAT MAKES CANADIAN TARIFF-IMPACTED COMPANIES DIFFERENT

The Cap Tripled and Liquidity Became Eligible. RTRI's non-repayable ceiling rose from \$1 million to \$3 million on September 8, 2026, and liquidity pressure, not just capital projects, is now fundable. Companies that could not previously make a project-based case can now qualify on cash-flow grounds alone.

Demonstrated Impact, Not Just Exposure. A business qualifies by showing significant cost increases, supply chain disruption, or lost revenue and customers tied to tariffs, in addition to direct export exposure. Indirect exposure, as a supply chain partner to an affected exporter, counts.

The Programs Are Designed to Stack. RTRI, the Canada Strong Diversification Fund, and BDC's Pivot to Grow liquidity stream are built to work together, with the Diversification Fund explicitly coordinating intake and triage through the same regional development agencies that deliver RTRI.

"Through the expanded Regional Tariff Response Initiative, we are providing additional support to help businesses respond to tariff pressures, strengthen supply chains, build resilience, and pursue new market opportunities."

The Honourable Evan Solomon, Minister of Artificial Intelligence and Digital Innovation, Minister responsible for FedDev Ontario

THE COMPETITIVE GAP: WHY THE ENVELOPE SIZE MATTERS

RTRI is a \$3.45 billion national envelope delivered by regional development agencies on a discretionary basis, with intake open until December 31, 2028 or until all available funding is committed, whichever comes first. Most tariff-impacted businesses with \$1 million in revenue can make the eligibility case. The gap is not eligibility.

The gap is positioning. Which files move quickly, and which liquidity or pivot applications are prioritized within a finite envelope, is decided by the same regional development agency officers and ministerial offices that decide every major economic development file.

The question is not whether your company qualifies for RTRI. The question is whether your company is positioned before the envelope it is drawing against is committed.

Tariff Impact: Quantified

RTRI eligibility and priority both turn on how clearly a business can document tariff impact. The following are the baseline metrics every applicant should have ready.

Direct Export Exposure. A business with 25% or more of revenue from goods ultimately exported to the U.S. meets one of RTRI's stated eligibility tests directly.

Sector Exposure Under Section 338 or Section 232. Operating in a sector named in the counter-tariff product list, including as an indirect supply chain partner to an affected exporter, is a second qualifying path.

Demonstrated Cost, Supply Chain, or Revenue Impact. Significant cost increases on goods and materials, documented supply chain disruption, or lost revenue and customers tied to tariffs round out the eligibility test, and are assessed through applicant attestation, financial information, and confirmation of operating history.

Pre-Tariff Viability. A business must have been viable prior to the imposition of tariffs, and have at least \$1 million in annual revenue in one or both of its last two fiscal years.

How Federal Decisions Are Actually Made

Before examining specific programs, it is essential to understand how federal funding decisions actually happen. Public program pages describe eligibility

criteria and application steps. They do not describe how discretionary funding decisions are prioritized within a finite envelope. That gap is where opportunities are won or lost.

The Three Levels of Federal Decision-Making

Political Level: Ministers and Ministerial Staff. Ministers set strategic priorities for their departments and regional development agencies. Ministerial offices filter what reaches the Minister and shape how files are framed. When a Minister's office understands that a particular company's RTRI application represents supply chain resilience or protected jobs aligned with the government's tariff response, that understanding flows through to the officers assessing the file.

Bureaucratic Level: Deputy Ministers and ADMs. Deputy Ministers oversee departmental and agency operations. Regional development agency program officers evaluate applications, assess viability, and recommend funding decisions. A company known to the relevant program officer and regional office is positioned ahead of applicants who submit without that context.

Central Agency Level: The Prime Minister's Office and Treasury Board. The PMO coordinates national economic strategy, and the Canada Strong Diversification Fund was built to work closely with regional development agency programming for project intake and triage. When the PMO understands a company is essential to supply chain resilience or regional employment, that understanding shapes how multiple programs approach it.

Why Alignment Matters

These three levels must be aligned for a significant funding outcome. A Minister's office may express support, but if the regional development agency's assessment team has not prioritized the file, the application moves at the pace of the general queue. Most companies engage only with the program's general intake line. They submit and wait.

The application becomes confirmation of a decision that has already been shaped at every level that matters.

Part One: Federal Funding and Procurement Programs

Regional Tariff Response Initiative (RTRI)

RTRI is delivered by Canada's seven regional development agencies and offers two types of non-repayable support. Liquidity assistance provides up to \$2 million, covering up to 50% of eligible costs, for up to 12 months of tariff-related financial pressure, ending no later than March 31, 2028. Pivot project funding provides up to \$1 million in non-repayable support for projects that improve productivity, diversify markets, or reduce exposure to future trade disruption, with repayable funding available for larger transformative projects, all completed by March 31, 2029. A business can receive up to \$3 million combined. Not-for-profit organizations that support tariff-impacted businesses, including post-secondary

institutions, accelerators, and industry associations, are also eligible, though liquidity assistance is reserved for businesses.

Canada Strong Diversification Fund

Announced August 25, 2026 as a new \$2 billion stream of the Strategic Response Fund, the Diversification Fund supports tariff-affected businesses, including medium-sized firms, with shovel-ready projects that support ongoing capital maintenance. It carries a lower eligibility bar than standard SRF and is explicitly designed to work with regional development agency programming for intake and triage, meaning a company's standing with its RDA shapes its path into this fund as well. Detailed terms were still being finalized as of this briefing and should be confirmed at application.

BDC Pivot to Grow Liquidity Stream

The Business Development Bank of Canada added a \$500 million liquidity stream within its Pivot to Grow program as part of the same August 25 package, and lowered the minimum revenue requirement for its tariff-related programs to \$1 million, widening eligibility for smaller tariff-exposed companies. This is financing, not a non-repayable contribution, and sits outside RTRI's combined target as complementary support.

Large Enterprise Tariff Loan Facility

For larger employers, the Large Enterprise Tariff Loan facility, administered by the Canada Enterprise Emergency Funding Corporation, received new flexibilities under the same package, providing liquidity support to bridge large employers through the current period of trade uncertainty.

Rapid Response Supports for Workers and Employers

A \$3.5 billion suite of worker-facing measures, including extended Employment Insurance flexibilities, training investments, and the new Worker Retention and Retraining Program, helps affected employers retain their workforce through the disruption.

SR&ED Tax Credits and Provincial R&D Credits

The Scientific Research and Experimental Development program provides federal tax credits for eligible R&D expenditures, including the process and product changes many tariff-impacted manufacturers are making to pivot supply chains. Provincial credits stack with the federal credit. SR&ED is not part of Northern Arc's engagement scope but is included here for completeness: companies should ensure their accountants are capturing all eligible R&D expenditures.

Key Dates and Deadlines

Program	Deadline	Status
RTRI Liquidity Assistance	Ends no later than March 31, 2028	OPEN
RTRI Pivot Projects	Completed by March 31, 2029	OPEN
RTRI National Intake	December 31, 2028 or funds committed	OPEN
Canada Strong Diversification Fund	Terms forthcoming	RAMPING UP
BDC Pivot to Grow Liquidity Stream	Ongoing	OPEN
Canadian Counter-Tariffs Effective	September 8, 2026	IN EFFECT

Part Two: Federal Departments and Positioning

Department of Finance Canada

Minister François-Philippe Champagne leads the overall tariff response and confirmed the counter-tariff and support package on August 25, 2026. Finance Canada sets the strategic frame that regional development agencies and BDC operate within, and its central role means the department's own read of a sector's exposure shapes how aggressively adjacent programs respond to it.

Canada's Regional Development Agencies

RTRI is delivered regionally: PrairiesCan (Minister Eleanor Olszewski) for Alberta, Saskatchewan, and Manitoba; FedDev Ontario (Minister Evan Solomon) for southern Ontario; FedNor (Minister Patty Hajdu) for northern Ontario; and the corresponding agencies for B.C., Quebec, and Atlantic Canada. Each RDA runs its own intake and assessment process, and each is the single most consequential relationship for any RTRI applicant in that region.

Innovation, Science and Economic Development Canada (ISED)

ISED, under Minister Mélanie Joly, oversees the Strategic Response Fund that the Canada Strong Diversification Fund flows through, and coordinates broader industrial policy that touches tariff-affected manufacturers. Minister Joly has framed the response as building strength that Canada will use to shape, not simply absorb, changing trade conditions.

Federal Engagement Summary

Department/Agency	Minister/Lead	Relevance
Department of Finance Canada	Min. Champagne	Overall tariff response, counter-tariffs
PrairiesCan	Min. Olszewski	RTRI delivery, Prairies

Department/Agency	Minister/Lead	Relevance
FedDev Ontario	Min. Solomon	RTRI delivery, southern Ontario
FedNor	Min. Hajdu	RTRI delivery, northern Ontario
ISED / Strategic Response Fund	Min. Joly	Canada Strong Diversification Fund
BDC	Pivot to Grow	\$500M liquidity stream, lowered revenue floor

Part Three: Provincial and International Markets

Provincial Programs

Provincial tariff-response and business support programs stack with RTRI to compound the investment case. Several provinces, including Alberta, have launched their own tariff impact portals and remission-request processes alongside the federal response. A full provincial sweep should be run against the company's home province at application time, since provincial programs are moving on their own timelines.

International Market Opportunities

For companies pursuing diversification away from U.S. exposure, the Trade Commissioner Service provides market intelligence and introductions in new markets, Export Development Canada provides trade financing and insurance, and CanExport supports export market development activities. Diversification is one of the outcomes RTRI is explicitly built to deliver, and a company that pairs an RTRI pivot project with an active export plan tells the stronger story to its regional development agency.

Why Canadian Tariff-Impacted Companies Are Positioned to Succeed

The Government Has Named the Problem and Funded the Response.

Ottawa matched new U.S. tariffs dollar for dollar and paired that response with a \$7.5 billion support package. Companies seeking RTRI support are not asking for a speculative favour. They are responding to a stated federal commitment.

The Envelope Is Real and the Terms Just Improved. The non-repayable cap tripled and liquidity pressure became fundable in the same expansion. This is an active, funded, open program, not a future possibility.

The Funding Stack Is Deep. RTRI liquidity and pivot funding, the Canada Strong Diversification Fund, BDC's Pivot to Grow liquidity stream, and SR&ED are designed to be activated together, and a coordinated federal engagement strategy pursues them simultaneously.

The Window Is Defined by a Finite Envelope. RTRI intake runs until December 31, 2028 or until the \$3.45 billion is committed, whichever comes first. Liquidity

assistance ends no later than March 31, 2028. Companies that engage early are working against a fresh envelope rather than a drawn-down one.

POLITICAL VALUE

RTRI and the wider tariff response are a signature file for the government's economic sovereignty agenda. Every RTRI success story, a company that kept its Canadian operations running, protected jobs, and diversified away from U.S. exposure, validates the dollar-for-dollar counter-tariff strategy and the \$7.5 billion package that backs it. A tariff-impacted Canadian company that moves from RTRI application to funded liquidity or pivot project to diversified revenue is a ministerial announcement and a regional economic story.

That political value is what makes positioning at the regional development agency and ministerial level essential. The government needs these success stories as much as the companies need the funding.

What Northern Arc Public Affairs Brings

Northern Arc Public Affairs is a federally registered government relations firm that works at the ministerial, Regional Development Agency, and PMO level.

Our Principal, Kent Hehr, served as a Cabinet Minister in the Government of Canada. He sat at the Cabinet table where funding decisions are approved, policy directions are set, and departmental mandates are shaped. He understands, from direct experience, what makes a Minister's office take notice of a company, what makes a Deputy Minister's team prioritize a file, and what makes the PMO see a company as aligned with national priorities.

Our Managing Partner, Abed Harb, served in the Prime Minister's Calgary Regional Office and as Director and Senior Advisor to multiple Ministers. He spent eight years navigating federal decision-making at the highest levels. He understands how the PMO coordinates national economic strategy, how ministerial offices evaluate requests, and how to ensure alignment across departments.

Northern Arc does not write applications. Northern Arc does not register companies on portals. What Northern Arc does is ensure that the regional development agency, the responsible minister's office, and the central agencies that shape RTRI and Diversification Fund decisions understand which companies represent protected jobs, supply chain resilience, and diversification, before those decisions are made.

What We Do

Ministerial and RDA Positioning. Northern Arc positions tariff-impacted companies at the ministerial level within their regional development agency and ISED. The firm ensures program officers and ministerial staff understand the

company's tariff exposure, its mitigation plan, and its value as a protected employer and supply chain partner.

Program Coordination. Northern Arc monitors intake windows and ensures every relevant program is activated: RTRI, the Canada Strong Diversification Fund, BDC's Pivot to Grow liquidity stream, and provincial supports. The firm does not submit applications but ensures the company's file is known at the decision-making level before applications are assessed.

Strategic Narrative Development. Northern Arc develops the narrative that ministerial and RDA staff carry into internal briefings: who the company is, how tariffs have affected it, what it is doing to adapt, and why timing is urgent.

THE NARRATIVE WE WILL ADVANCE

[Your company] is a Canadian business directly affected by U.S. tariffs and Canadian countermeasures, with demonstrated impact on costs, supply chains, or revenue. The company has been viable and operating in Canada, and its RTRI liquidity or pivot project application supports exactly the outcomes the enhanced initiative was expanded to deliver: protected jobs, strengthened supply chains, and market diversification. Positioning with [Company]'s regional development agency now ensures the company is not just eligible but prioritized while the \$3.45 billion envelope is still open.

Engagement Timeline and Deliverables

Months 1-2: Foundation and Immediate Priorities

RTRI liquidity and pivot project application support. Initial engagement with the company's regional development agency and its responsible minister's office. BDC Pivot to Grow liquidity stream intake assessment. Provincial program activation.

Months 3-4: Building Momentum

RDA relationship development following RTRI submission. Canada Strong Diversification Fund positioning as detailed terms are published. Ministerial engagement deepening at the program officer and Deputy Minister level. Export diversification planning through TCS and EDC.

Months 5-6: Consolidation and Major Applications

RTRI decision support and, where applicable, contribution agreement amendment for existing recipients. Canada Strong Diversification Fund application if eligible. SR&ED and provincial credit coordination with the company's accountant. Continued cross-program positioning across the RDA, ISED, and BDC.

Investment and Expected Return

Northern Arc's standard corporate retainer is \$12,500 per month on a six-month initial term, with 30-day termination thereafter. The engagement operates on a month-to-month basis after the initial term.

The retainer covers the full scope of government relations described in this briefing: ministerial and RDA positioning, program coordination, strategic narrative development, and ongoing monitoring of the federal tariff response landscape.

Expected Return

Tariff-impacted Canadian companies that engage at the RDA and ministerial level are positioned to capture up to \$3 million in combined non-repayable RTRI support, alongside complementary financing through the Diversification Fund and BDC's Pivot to Grow stream. The precise outcome depends on tariff exposure, region, and the mix of liquidity versus pivot project needs.

ONGOING ENGAGEMENT

The tariff response is not a one-time event. RTRI intake runs on a rolling basis against a finite envelope, and ministerial priorities and RDA staff shift as the trade situation evolves. Companies that maintain RDA and ministerial-level relationships capture new supports as they emerge; companies that disengage after a single application lose positioning that took months to build.

Conclusion

The expanded Regional Tariff Response Initiative is the most significant tariff relief mechanism available to Canadian businesses today. The government has named the problem, tripled the funding cap, added liquidity support, and set the terms. RTRI intake is open now.

Qualification is necessary. It is not sufficient. The companies that capture the largest share of a finite \$3.45 billion envelope will be the ones that established relationships with their regional development agency, positioned at the ministerial level, and ensured the central agencies understood their exposure and their plan to adapt. That is what Northern Arc delivers.

Northern Arc Public Affairs looks forward to partnering with tariff-impacted Canadian businesses to capture the federal opportunities that the Regional Tariff Response Initiative was expanded to deliver.

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