



## Preparing for the Impact of Tariffs on Our Industry

There has been endless discussion of tariffs and counter tariffs since 2025 began, so much so that we are all becoming numb to the idea and the announcements. Despite the many discussions and announcements about potential tariffs, very few have gone into effect. With that said, we believe it is prudent to prepare for any tariff that might affect our industry, and ultimately you, our customer.

The specific actions taken that we need to consider and prepare for are:

- On February 1, 2025 three Presidential Executive Orders titled “[Imposing Duties to Address the Flow of Illicit Drugs Across Our Northern Border](#)”, “[Imposing Duties to Address the Situation at our Southern Border](#)” and “[Imposing Duties to Address the Synthetic Opioid Supply Chain in The Peoples Republic of China](#)” were signed by President Trump. In summary, nonexempt products from Canada and Mexico would be subject to a 25% tariff, while products from China would be accessed a 10% tariff. On February 3, 2025 The White House announced a “30 Day Pause” On the Canadian and Mexican tariffs.
- On February 10, 2025 Presidential Executive Order titled “[Adjusting Imports of Steel into the United States](#)” and on February 11, 2025 Presidential Executive Order titled “[Adjusting Imports of Aluminum into the United States](#)” were signed by President Trump. In summary, these Executive Orders will place a 25% tariff on all steel and aluminum imports, from all countries, with no exceptions, beginning March 12, 2025.
- On Tuesday March 4, 2025 the Canadian and Mexican tariffs announced on February 1, 2025 went into effect and an additional 10% tariff was added to The Peoples Republic of China tariff from the same day.

***It is obvious that these actions will have a significant increase in the cost of the products we offer, and at this critical stage in your budget process, we encourage you to consider and plan accordingly.***

Here is how each category of products we offer may be affected:

### **SCHOOL BUS PURCHASES**

- We have been informed by both Blue Bird & Micro Bird that when any tariff related to their bus is deemed to be applicable, the price for that bus will be adjusted immediately, regardless of when the bus was ordered.

- School buses are manufactured in different locations. Type C&D buses are built in Ft. Valley GA while Type A buses are manufactured in Drummondville QC, thus they will have different tariff rates and could differ significantly.
- Bus pricing will change, even after you have submitted a Purchase Order, if a tariff is implemented before any affected unit is delivered and invoiced. This includes school buses purchased off the NYS OGS Contract.

### **COMMERCIAL BUS PURCHASES**

- We have been informed by all our commercial bus manufacturers that when any tariff related to their bus is deemed to be applicable, the price for that bus will be adjusted immediately, regardless of when a bus was ordered.
- All commercial bus quotes are voided if the product being offered is subject to a tariff. A new quote, with a detailed tariff line item, will be generated for you to purchase from.
- Units already in inventory will remain tariff free.

### **AFTERMARKET PARTS SALES**

- Our parts inventory is sourced daily from various countries and consists of diverse materials, some of which are subject to tariffs. As the impact of these tariffs becomes clearer, pricing will be adjusted accordingly.

In the end, no one has any idea how these tariffs will play out and the effects they will have. This has, unfortunately, put us in a reactive position but we are working diligently to understand, process and communicate details as they are announced. We can all do something to minimize the effect, and that is to be prepared.

We stand ready to answer any of your questions or concerns related to the effect of tariffs on our industry. Please feel free to discuss with your Sales Representative, our School Bus Sales Manager Chuck O'Neil, Direct of Sales Jeremy Johnston, Parts Sales Manager Steve Quintal or Director of Parts, Matt Woodman.

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