Steel & Aluminum Tariffs = Higher Costs

Job losses, higher costs, & market decline

Canada is the United States' largest supplier of steel and aluminum, providing 22% of U.S. steel imports and nearly 80% of primary aluminum. These materials are critical to key U.S. industries, from auto manufacturing and construction to military production and shipbuilding.

Imposing tariffs on Canadian steel and aluminum will increase costs for U.S. manufacturers, raise prices for consumers, delay defense and infrastructure projects, and put U.S. jobs at risk.

Higher Costs for American Consumers

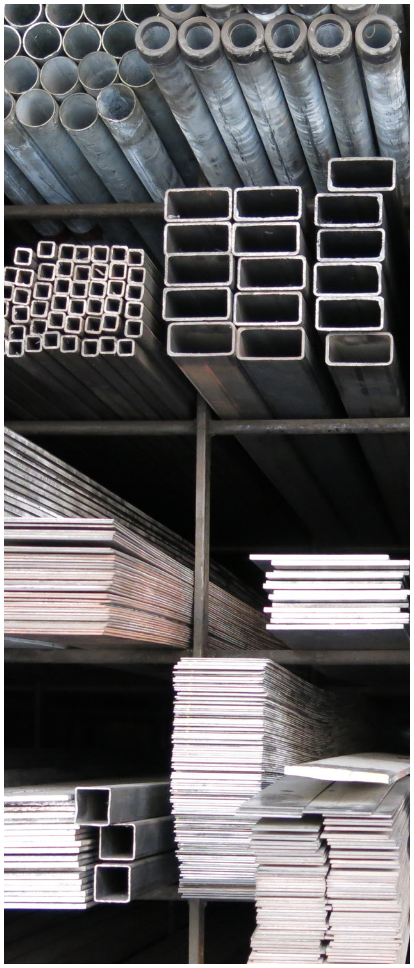
- **More expensive vehicles**
  Ford, GM, and foreign auto manufacturers with operations in the U.S. depend on Canadian steel and aluminum. Tariffs on steel and aluminum will further add to the sticker price of a new car or truck.
- **Rising home & infrastructure costs**
  Steel and aluminum are essential to construction and home appliances. Higher costs will delay projects and raise housing prices in some of the largest and fastest-growing states like Texas, Florida, and California.
- **More expensive beer & canned goods**
  Aluminum tariffs will increase the cost of beer, soda, and canned food. The Beer Institute estimates that the U.S. beverage industry alone paid more than $1.7 billion in Section 232 tariffs between 2018–2022.

Threats to U.S. businesses, jobs & national security

- **Manufacturing & construction at risk**
  Tariffs will increase production costs, slow down infrastructure projects, and make American-made products less competitive globally.
- **Defense & shipbuilding industries hit hard**
  Canadian steel and aluminum are critical for U.S. military manufacturing and naval shipbuilding. States like Virginia (Newport News Shipbuilding), Maine (Bath Iron Works), and Mississippi (Ingalls Shipbuilding) will face higher costs and potential project delays, impacting military readiness.

U.S. steel and aluminum imports from Canada will cost more due to tariffs, including:

Unwrought aluminum (HS 7601)	$7.7 billion
Flat-iron & nonalloy steel ≥ 600 mm wide (HS 7208, 7209, 7210)	$3.0 billion
Iron & steel structures & structure parts (HS 7308)	$1.6 billion
Ferrous waste & scrap; remelted iron & steel ingots (HS 7204)	$1.3 billion
Iron & steel tubes, pipes & hollow profiles (HS 7304, 7305, 7306)	$1.3 billion



Job losses in key states

- Auto and construction industries in Michigan, Ohio, Pennsylvania, and Illinois will be hit hardest by higher costs and reduced demand.

Canada's retaliatory tariffs

- Canada is the largest buyer of U.S. steel and aluminum. With the U.S. imposition of tariffs, Canada has responded in kind, which will reduce demand for U.S. exports and further threaten American jobs.

Canada is a trusted supplier, not the problem

- The U.S. turned to Canada as a top supplier due to Canada's short lead times, reliable supply chains, and high-quality production.
- U.S. industry views Canada as a trusted partner and supplier, not a trade cheater and many American companies operate plants on both sides of the border.
- China's overcapacity is the real issue – U.S. aluminum production has declined primarily due to China's massive, non-market overproduction, which has driven global prices down.

Additional tariffs drive prices higher

- The steel and aluminum tariffs are just one layer of cost increases hitting key U.S. industries. Additional tariffs on Canadian goods, auto parts, and raw materials will compound price hikes in major American sectors.

A better approach

- Instead of tariffs that hurt both countries, the U.S. should strengthen trade with Canada to keep supply chains strong, prices stable, and industries competitive.
- Fair and open trade ensures that U.S. manufacturers, workers, and consumers continue to thrive.
- Removing unnecessary trade barriers protects American jobs, strengthens military readiness, and keeps the economy competitive.

Top U.S. exports to Canada that will be affected by reciprocal steel and aluminum tariffs:

Precious metal scrap waste (HS 711291, 711299)...$4.2 billion
Automatic data processing machines (HS 847130, 847141, 847160,847170, 847180)$3.3 billion
Modems, switches & routers (HS 851762, 851769)...$2.9 billion
Flat-iron & nonalloy steel ≥ 600 mm wide (HS 7208, 7209, 7210)........................$1.5 billion
Wireless phones, cellphones & smart phones (HS 851711, 851713, 851714, 851718)$1.5 billion

Tariffs on allies hurt U.S. businesses, workers and consumers.