

WDMA Summary of Trump Administration Tariffs

WDMA has been making it very clear to the administration that these tariffs will have a severe impact on our industry. As part of this strategy, we have engaged Congress and members of the Trump administration to anticipate and help inform their trade policy. Our communications with the administration include the Treasury, United States Trade Representative, and the Customs and Border Protection Agency. As part of our strategy, we have engaged elements of the construction industry including NAHB, NAM and AIA to build a coalition to address these challenges.

WDMA will continue to advocate for a sensible trade policy that does not drive-up costs for manufacturers, consumers, and the American public that aligns with the goals of our industry.

Yesterday, President Trump signed an Executive Order declaring an emergency at our border with Canada due to migration and the illicit drug trade. To address this problem, the President signed an Executive Order aimed at addressing the flow of illicit drugs across the U.S.-Canada border, particularly fentanyl and other opioids, which have contributed to a public health crisis in the U.S. The order declares a national emergency in response to the increasing drug trafficking activity and human smuggling from Canada, as well as the failure of Canada to adequately cooperate with U.S. law enforcement.

As part of the response, the Executive Order imposes additional tariffs on Canadian goods. Specifically, all products of Canada will be subject to a 25% ad valorem tariff, with certain energy products facing a reduced 10% rate. These tariffs will take effect on February 4, 2025, and will apply to goods entering the U.S. after that date, except for certain pre-shipment exceptions.

For the manufacturing community, this move could lead to significant changes in the cost and flow of Canadian materials, potentially disrupting supply chains that rely on Canadian imports. Manufacturers may face higher production costs due to these tariffs, which could be passed on to consumers. Additionally, businesses involved in the import of goods from Canada will need to adjust to the new duty rates, impacting both pricing strategies and profit margins. Some sectors, particularly those dependent on Canadian energy resources, may face heightened operational challenges.

The Executive Order also empowers the Department of Homeland Security and other federal agencies to monitor the situation and take additional actions as necessary, which could lead to further regulations or escalations in tariffs, depending on Canada's response. The threat of retaliatory measures from Canada also looms, potentially exacerbating trade tensions and further affecting the manufacturing sector's stability.

Specific Tariffs Implemented by the Executive Order:

- **25% ad valorem tariff** on all products of Canada, with the following conditions:
 - Applies to goods entered for consumption or withdrawn from warehouses for consumption on or after **12:01 a.m. eastern time on February 4, 2025**.
 - Goods already in transit or loaded onto vessels before **12:01 a.m. eastern time on February 1, 2025**, are exempt, provided the importer certifies compliance with the Federal Register notice.
- **10% ad valorem tariff** on Canadian energy products, including energy resources, as defined in section 8 of Executive Order 14156 (January 20, 2025):
 - Applies to goods entered for consumption or withdrawn from warehouses for consumption on or after **12:01 a.m. eastern time on February 4, 2025**.
 - Like the 25% tariff, goods already in transit or loaded before **February 1, 2025**, are exempt, with certification.
- **Additional charges:**
 - These tariffs are in addition to any other existing duties, fees, exactions, or charges that may already apply to the imported Canadian goods.
- **Exclusion of certain products:**
 - Certain products may be excluded from the tariffs if eligible for "domestic status" as defined by U.S. Customs and Border Protection (CBP) regulations.
- **No drawback on tariffs:**
 - No rebate or drawback will be available for the duties imposed under this order.

These tariffs are designed to exert pressure on Canada to cooperate more effectively in addressing the flow of illicit drugs across the northern border.

Canadian Response to U.S. Tariffs

In response to the U.S. tariffs, Canada announced a countermeasure package on February 1, 2025. The key details of Canada's response are as follows:

- **\$155 billion tariff package:** Canada will impose 25% tariffs on \$155 billion worth of U.S. goods, effective from **February 4, 2025**.
 - **Phase 1:** Tariffs will initially apply to \$30 billion worth of goods, including items like orange juice, peanut butter, spirits, motorcycles, and cosmetics.
 - **Phase 2:** An additional \$125 billion worth of goods, including passenger vehicles, trucks, steel, aluminum, and agricultural products, will face tariffs following a 21-day public comment period.
- **Purpose of the tariffs:** Canada's response is framed as protecting Canadian interests, consumers, workers, and businesses from what it views as unjustified and unreasonable U.S. actions. The government asserts that less than 1% of fentanyl trafficking into the U.S. originates from Canada, making these tariffs "unfairly targeted."
- **Additional measures:** The Canadian government maintains that all options are on the table, including non-tariff measures, should the U.S. continue to apply these tariffs. Canada also plans to assist affected Canadian workers and businesses through a remission process.
- **Impact on the U.S. economy:** Canadian officials warn that these tariffs could disrupt U.S. auto assembly plants and oil refineries, increase consumer costs, and negatively affect the American economy.

There are key tariffs that will effect the window, door and skylight manufacturing industry. These include:

Lumber and Wood Products:

- Section 4418 includes most wood doors, frames and thresholds.



Vinyl and Wood Windows and Doors

- Tariff item 3925.20.00 includes vinyl and wood windows and doors.

Glass and Glass Products:

- Tariff Item 7008.00.00: Multiple-walled insulating units of glass.
- Tariff Item 7009.91.00: Unframed glass mirrors.
- Tariff Item 7009.92.00: Framed glass mirrors.

Metal Components:

- Tariff Item 7308.30.00: Doors, windows, and their frames and thresholds for doors, of iron or steel.
- Tariff Item 7610.10.00: Doors, windows, and their frames and thresholds for doors, of aluminum
- Tariff Code 7610.90.10 – Other aluminum parts used in manufacturing
- Tariff Code 7610.90.90 – Miscellaneous aluminum window/door components

This retaliatory action underscores the growing trade tensions between the two nations in the wake of the U.S. tariffs aimed at addressing the illicit drug trade.

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