



February 7, 2025

The Honourable Dominic LeBlanc
Minister of Finance and Intergovernmental Affairs
Department of Finance Canada

Re: Impact of Tariffs on the Canadian Motor Coach Industry

Dear Minister LeBlanc,

We are writing regarding the Government of Canada's announcement to impose tariffs on buses, and possibly bus parts as a portion of the phase two retaliatory tariffs on imported U.S. goods.

The supply chain for motor coach manufacturing is global in nature, with major components, parts and finished goods made in both the United States and Canada. For example, many critical parts manufacturers who produce engines, transmissions, and electrical systems are based in the United State as there are no manufactures in Canada for these components. **Prevost and Motor Coach Industries (MCI) are the only two Canadian motor coach manufactures in North America are based in Quebec and Manitoba.** While they proudly assemble, complete and sell motor coach buses in Canada, with many US made parts, they export approximately 80% of their buses back to the US. Canadian tariff on these critical parts would mean that buses manufactured in Canada would be subject to Canadian tariffs on the critical parts that are imported and US tariffs on the completed motor coach export.

Any planned tariffs from Canada on buses or bus parts and components would have significant negative impacts to Canada's motor coach and group travel industries, Canadian jobs, and the residents who rely on affordable bus transportation each day.

The impending tariffs on **buses and parts** will impact the supply chain on both sides of the border, creating severe economic consequences not only for Canadian motor coach manufacturers but for the average Canadian that depend on motor coaches and buses for transit or tourism purposes and specifically for Canadians employed in these sectors.

Canadians who will be impacted:

- **Commuters:** Provinces, municipalities and privately owned businesses that provide scheduled bus service that connect Canadian communities will face higher prices, limiting affordable transportation options and disproportionately affecting rural Canadians and Indigenous communities.
- **Students and Schools:** Charter bus services for sports events, field trips, and educational travel would see price increases.
- **Seniors:** Transit will be more expensive and group travel options for retirees and senior organizations could become inaccessible.
- **Tourists:** Families and travelers relying on buses for regional and long-distance trips would face higher prices, limiting travel opportunities.
- **Transit Users:** Dependable and affordable daily transportation would become costlier.
- **Workers:** More expensive buses, bus parts and manufacturing will result in an immediate reduction of high-volume Canadian manufacturing and tourism jobs.

Buses are a critical part of the transportation ecosystem in Canada serving a diverse range of sectors. Indeed, your government has made investments in supporting busing infrastructure over the past ten years that underscore how critical they are to our transportation and tourism ecosystem. Placing tariffs on these vehicles or their components would deeply impact Canadians and immediately increase the costs to residents, provinces, municipalities and the businesses that use buses for transportation and tourism purposes.

We urge the Government of Canada to exclude buses, parts, supplies and materials used to produce motor coach buses from the phase two package of tariffs.

Please contact me should you have any questions.

Sincerely,



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