Table of Contents

The situation at a glance

What happened

On August 22, 2026, the United States imposed a 50% tariff on $27.6 billion of Canadian goods. In response, Canada enacted counter-tariffs of 15%, 25%, or 50% on an equivalent value of U.S. goods, which took effect on September 8, 2026. These Canadian tariffs target steel, aluminum, electrical equipment, and electronics and apply only to goods originating in the U.S. under the Canada–United States–Mexico Agreement (CUSMA) marking rules. Goods in transit on the day the measures were implemented are exempt.

What it means for electrical contractors

- Immediate cost increases on steel- and aluminum-based products, selected electrical equipment, fasteners, tools, and fleet vehicles
- Bidding and pricing uncertainty, as suppliers shorten quotation-validity periods, reprice inventory on a replacement-cost basis, introduce escalation clauses, or face longer lead times

What members are telling us

In ECAO's recent member pulse survey, 54% of responding members reported an impact already known or highly likely, and 90% identified current fixed-price projects as the most exposed work. To help us understand the impact better and advocate for relief, please take a few moments to fill out the survey. You don't need to include full commercial details. It only takes a few minutes: ecao.info/tariff-survey

What this bulletin covers

Exposure areas, bid and pricing risks, and recommended actions at tender and awarded-work stages. A comprehensive exposure register and a list of frequently asked questions are in development and will be available at: ecao.org/tariff-tracker/

Where electrical contractors are exposed

Broad Item Category	Likely Effect (Including Tariff Rates)	Practical Implications for Electrical Contractors
U.S.-made electrical equipment	Selected electrical equipment is subject to Canadian counter-tariffs of 15%, 25%, or 50%, depending on exact HS classification and country of origin. For example, insulated wire and cable ≤1,000V face 25%; LED luminaires face 50%. Steel- and aluminum-intensive enclosures, housings, and finished assemblies may face 50% where covered.	Confirm origin, HS classification, tariff-inclusive price, and price-validity period before tender. Long-lead distribution equipment, controls, and UPS systems deserve early supplier confirmation.
Steel and aluminum content	U.S.-origin steel and aluminum products face a 50% tariff. This can affect conduit, raceway, strut, channel, supports, cable tray, structures, enclosures, fasteners, and certain lighting components.	Origin is decisive even when buying through a Canadian distributor. Expect replacement-cost repricing, shorter quotation-validity periods, and possible allocation limits on long-lead items.
Tools and site equipment	Hand tools, power tools, industrial equipment, machinery, and some electronics fall within targeted categories at 15%, 25%, or 50% depending on tariff line. Fleet vehicles face 25%.	Fleet, shop, prefab, testing, and field-tool purchases may cost more or require alternate sourcing. Update equipment purchases and rental budgets.
Imported U.S. finished goods	The tariff applies to U.S.-origin goods, not merely goods shipped from a U.S. distributor. Canadian distributor stock may be tariffed if origin is U.S.; a U.S.-owned supplier's product made elsewhere may not be.	Require suppliers to identify country of origin, importer of record, tariff classification, and whether the quoted price includes all applicable surtaxes and customs costs.
Canadian-made exports or cross-border work	The U.S. 50% measure can reduce demand for affected Canadian exports and disrupt cross-border production planning. Manufacturers supplying contractors may face lower volumes, altered production runs, or changed allocation and lead-time decisions.	Firms performing work for, or supplying Canadian-made equipment into, U.S. projects may encounter weaker demand or reduced competitiveness. Monitor the definitive U.S. product and HS-code list.

Additional risk: bid and pricing uncertainty

Alongside direct cost increases, electrical contractors face a separate exposure: unpredictability, particularly related to quotes, lead times, contract terms, and stock status.

Indirect price pressure. Distributors may reprice quotes upon tariff-paid replacement inventory arrival and adjust prices based on availability or market conditions, not just replacement costs. Non-U.S. manufacturers may raise Canadian prices due to inventory reallocation or higher North American component costs. Both scenarios raise costs.

Quote content and long-lead equipment. Quotes may not specify country of origin, surtax, price-validity period, or tariff adjustments. This is especially critical for long-lead equipment, which should be separated in the estimate with an explicit tariff contingency and confirmed early on the origin, tariff status, delivery terms, and escalation rights.

Stock status and commercial outcome. Pre-existing Canadian inventory, inbound non-tariffed inventory, and U.S.-origin material imported after award have different exposures. A tariff isn't just a 15–50% retail-price increase; the impact depends on who imports, value for duty, supplier absorption, existing inventory in Canada, and the contract chain.

Contract recovery risk. Public owners and general contractors may resist escalation requests, so protection must be in the subcontract, purchase order, or bid qualification before award. Under fixed-price contracts, recovery may not be available unless change-in-law, tax/tariff, escalation, force majeure, substitution, notice, and schedule-relief provisions are quickly activated. Force majeure clauses often address delays rather than increased materials costs, and may not provide price relief.

Bid qualification and price holds. Qualifications should include a post-bid surtax, tariff, customs restriction, retaliatory duty, or other government trade measure — not only the word "tariff." Do not quote a fixed tariff cost without a binding, tariff-inclusive price hold.

Recommended actions

If you read nothing else, focus on the first two sections. A member FAQ with more details is available at: ecao.org/tariff-tracker/

1. If you do nothing else (highest-value steps)

- **Determine line-item origin.** Confirm country of origin, Harmonized System (HS) classification, importer of record, and whether surtax is included — through the supplier, customs broker, or trade counsel, not by assumption.
  - *Why it matters:* Origin and HS classification decide whether the surtax applies — a broad product label or a supplier's location tells you nothing.
- **Build an exposure register.** Track origin, HS classification, tariff rate, stock status, and price-validity date by item. Start with highest-value, longest-lead purchases.
  - *Why it matters:* Remission, the federal refund process, requires 8-digit tariff item codes, volumes and values, customs documentation for tariffs paid, and evidence of an inability to source domestically or from non-U.S. suppliers — none of it can be assembled retroactively.
- **Lock price and lead time where justified.** Obtain written price holds and confirm validity periods for high-value and long-lead equipment on secured projects.
  - *Why it matters:* A written hold converts repricing and lead-time risk into a known cost you can carry or price.
- **Allocate tariff risk explicitly.** Use tariff-change, escalation, substitution, contingency, and extended-procurement provisions. Qualify bids where procurement documents permit.
  - *Why it matters:* Under fixed-price contracts, recovery may be unavailable unless the right provisions are in place before award.
- **Protect notice rights early.** Give written notice of potential price or schedule effects before the final dollar impact is known.
  - *Why it matters:* Notice is often a condition precedent — miss the deadline and you can lose the right to recover.
- **Review available support programs.** Federal supports include remission, adaptation and growth funding, liquidity support, regional tariff response funding, and worker and employer programs.
  - *Why it matters:* Most measures are loans rather than grants, and eligibility varies — early review matches relief to when tariff payments hit.

2. What not to do

- **Do not assume force majeure gives price relief.** Many clauses focus on delays rather than higher material costs. Some fixed-price contracts pass the typical market and legal change risks onto the contractor.
- **Do not assume CUSMA eligibility exempts an item from the surtax.** An item originating from the U.S. can be imported with zero normal CUSMA duty but still incur the Canadian counter-tariff.
- **Do not price work on the assumption that remission will be granted.** Remission is case-by-case and not automatic.
- **Do not assume a Canadian distributor's stock is tariff-free.** Origin is decisive, not supplier location. Landed U.S.-origin inventory isn't taxed again on later sales, but the distributor may still reprice it.

---

3. Before you commit to a bid or purchase

Know your exposure

- **Confirm origin in every substantial RFQ.** Request written confirmation of country of origin, HS classification, importer of record, surtax applicability on September 8, if the price includes surtax, and exclusion assumptions.
- **Focus on high-value and long-lead items.** Switchgear, distribution equipment, premanufactured assemblies, specialty gear, and fabricated metal systems require more scrutiny than commodity purchases from multiple Canadian or non-U.S. sources.

Protect your pricing and documentation

- **Confirm stock status.** Ask if quoted materials are in Canadian inventory, in transit, ordered but not imported, or future U.S.-origin imports, and whether suppliers plan to reprice existing stock based on replacement cost.
- **Keep documentation as evidence.** Keep quotes, tariff notices, origin certificates, purchase order dates, shipment records, and invoices. Ensure there's a documented chain for any surcharge.
- **Maintain approved alternatives.** Pre-qualify Canadian, non-U.S. (ensuring compliance with the Buy Ontario Act) and technically equivalent options. Preserve CSA certification, warranty, service support, and specification compliance.

Monitor and coordinate

- **Monitor the final measures.** Track the tariff list, HS codes, origin rules, exclusions, effective dates, and remission process. Watch for indirect price effects on goods outside the list.
- **Coordinate with project partners.** Encourage early equipment decisions. Seek agreement on tariff adjustments, substitutions, and schedule impacts, especially for public projects and proprietary equipment.

4. At tender stage, for bids and live quotes not yet submitted

- **Qualify bids and negotiated work.** Use tariff-change, escalation, substitution, contingency, and extended-procurement provisions. State quotation validity clearly.
- **Do not present a tariff cost as fixed** without a supplier tariff-inclusive, binding price hold.
- **Confirm quote content.** Obtain supplier confirmation that the quote identifies origin, whether surtax is included, the price-validity period, and the basis for any tariff adjustment.
- **Separate long-lead equipment in the estimate.** Build in an explicit tariff contingency where the supply chain is U.S.-origin exposed.
- **Assess remission eligibility where applicable.** Relief may be possible where an input cannot reasonably be obtained from a Canadian or non-U.S. source, but it is case-by-case and not automatic.
- **Check CCDC Bulletin 11** — Adjustments in Contract Price Due to Tariffs — against active agreements.

---

5. On awarded work, for existing contracts and purchase commitments

- **Review contract documents for recovery provisions.** Check the prime contract, subcontract, purchase order, supplementary conditions, and bonding obligations for change-in-law, escalation, allowance, and notice provisions. Obtain legal advice where appropriate.
- **Give notice early, even before the dollar impact is known.** Preserve the right first. Quantify the claim when invoices and customs documentation are available.
- **Lock long-lead equipment early.** Obtain written price holds. Confirm whether the manufacturer can source or assemble from Canada or elsewhere without compromising CSA certification, warranty, service support, or schedule.
- **Buy selectively where justified.** Early release or purchase can benefit tariff-exposed long-lead products on secured projects, but broad speculative buying causes cash-flow, storage, obsolescence, and allocation issues.

---

6. Help build the evidence base

For members with project-level examples to share.

Take the ECAO member survey. Real-world examples are what let ECAO and CCA demonstrate impact to government and push for targeted relief where it is needed most. One anonymized example — product, project type, cost movement — is enough. Full commercial details are not required. The survey takes a few minutes: ecao.info/tariff-survey