STADLER

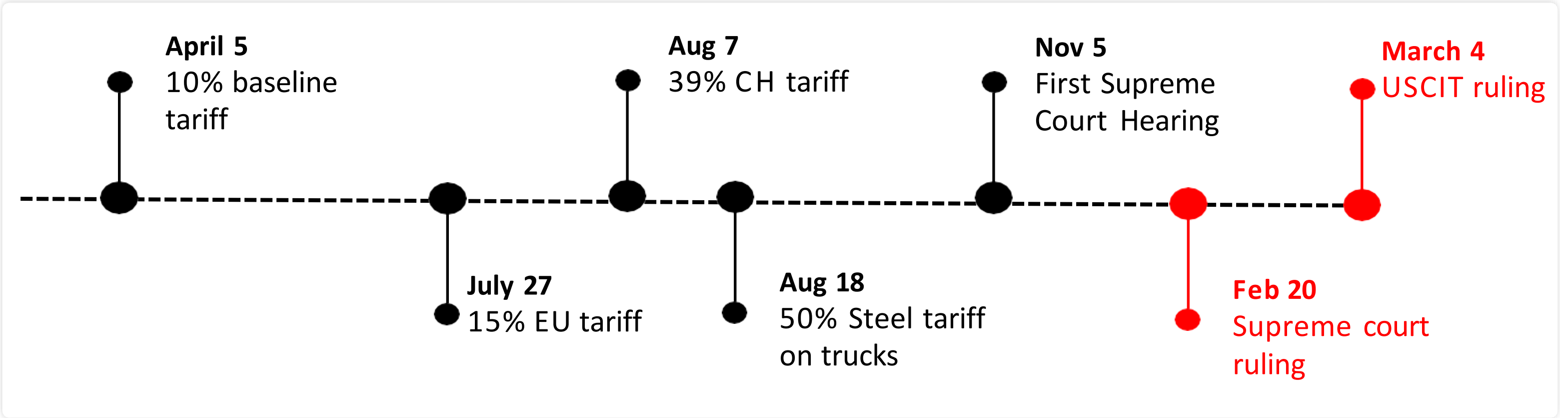
Impact of Tariffs on Public Transit
Manufacturing Perspective

Impact of Tariffs on Public Transit

Manufacturing Perspective

APTA Legal Affairs 2026 | Lucy Andre |

History and Timeline



Key tariff regulations:

Country of Origin	Tariff rate
EU	15%
CH	15%
Steel/Aluminum	50%

Direct Tariff

Stadler imports and tariffs apply directly.

Indirect Tariff

Domestic supplier imports and passes tariffs along.

Inflation

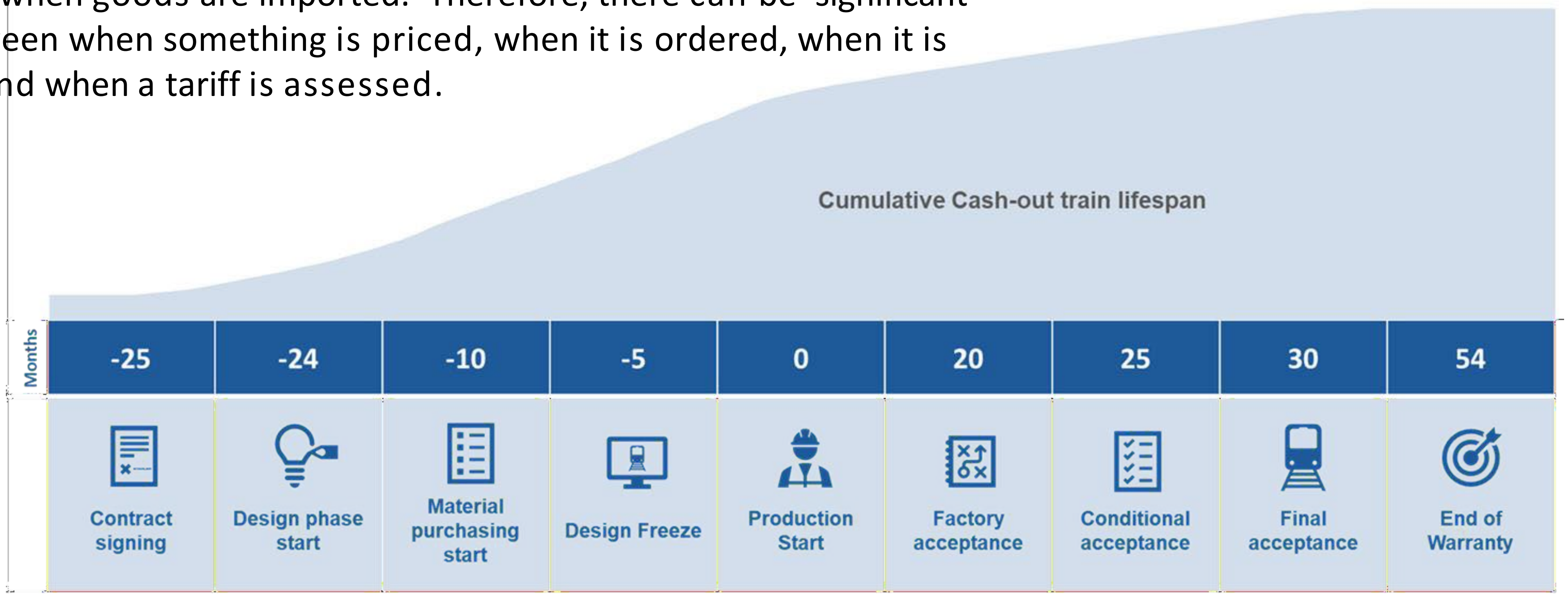
Tariff-linked inflation quietly increases prices over time.

Strategic initiatives:

Measure	Strategic timeline
Reclassification	Short-Term
Cost pass-through	Mid-Term
Foreign-Trade-Zone	Mid-Term
Refunds	Mid-Term
Local sourcing	Long-Term

When Tariffs are paid

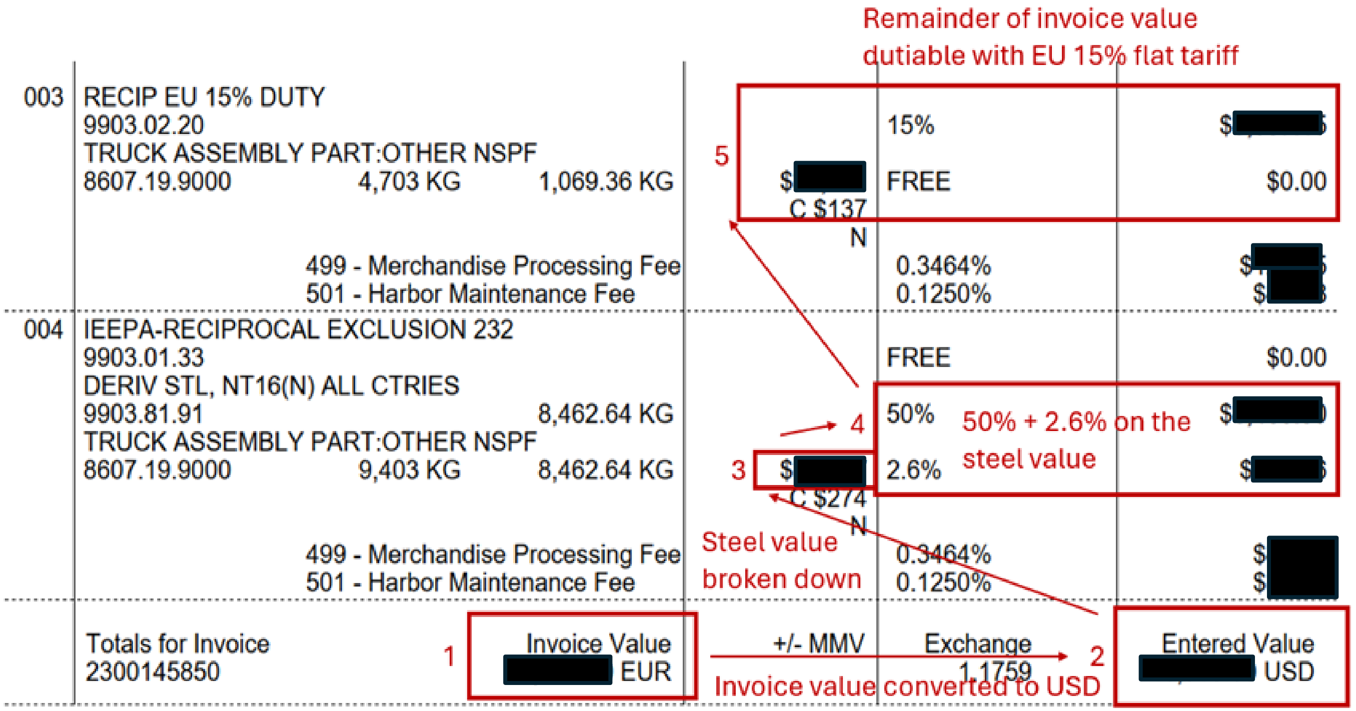
Materials are ordered and delivered over a several year span. Tariffs are assessed when goods are imported. Therefore, there can be significant gaps between when something is priced, when it is ordered, when it is paid for, and when a tariff is assessed.



Example of Direct Tariff Calculation

Combined application of section 232 steel derivative tariffs and reciprocal tariffs (both EU and CH)

- Section 232 steel derivative tariffs apply “only” to the net steel value (= purchase price of the steel subject to an import), not the total import value.
- Section 232 tariffs of 50% plus the base tariff rate apply on the steel content of a shipment
- The “remainder” portion of the shipment is subject to the applicable country reciprocal IEEPA tariffs (at the time 15% for EU origin and 39% for Swiss origin) plus the base tariff rate.
- The current EU rate of 15% is the “unicorn” amongst the tariff rates: it nullifies the normally applicable base tariff and is to be considered a flat tariff.
- On the right is an example of wheelsets from Germany (heavy on steel content).



Updates and Tariff Refunds

- On March 4, Judge Richard Eaton of the U.S. Court of International Trade wrote that “all importers of record” were “entitled to benefit” from the Supreme Court ruling that struck down President Donald Trump’ imposition of IEEPA Tariffs
- The ruling stated that the CIT has exclusive subject-matter jurisdiction over claims like those presented in the case. It also said the trade court’s chief judge has assigned Judge Wharton to hear all cases pertaining to refunds of IEEPA duties
- CIT noted that all unlawfully collected duties will be refunded with interest (likely 6% IRS corporate overpayment rate)
- More than 2,000 refund-related cases are now pending before the court, which represents just a fraction of the hundreds of thousands of importers who paid tariffs
- CBP is updating its software and has stated that it is able to processes refunds from the end of April
- The federal government collected more than $130 billion from IEEPA tariffs through mid-December and could ultimately be on the hook for refunds worth $175 billion, according to calculations by the Penn Wharton Budget Model
- The new section 122 tariffs have already been challenged in court and will likely be refunded with interest too if ruled illegal

What We've Learned

1. **Hidden tariff costs inflate U.S. supplier pricing**
   ➔ We are spending tremendous efforts to ientify where tariffs are buried in supplier pricing, renegotiate when possible, and avoid surprises in bids or long-term contracts.

2. **Supplier tariff expertise is often limited with lack of transparency**
   ➔ Suppliers often lack tariff expertise, and their documents offer limited transparency, so independent verification is essential.

3. **High volatility and uncertainty**
   ➔ Ongoing tariff uncertainty, including pending refunds and the future of 122 tariffs, makes future policy unpredictable and slows business decisions.

4. **Cautious approach to the U.S.**
   ➔ The current environment has led companies to be more deliberate and selective in committing to new U.S. investments.

5. **Use trade programs and FTZ tools to mitigate exposure**
   ➔ We are also exploring alternate mitigation strategies, such as FTZs, reclassification, and structured compliance which can significantly reduce duty exposure.

THANK YOU.

Stadler US Inc.
Lucy Andre
CEO, Signaling North America
5880 West 150 South
Salt Lake City, UT 84104
Lucy.andre@stadlerrail.com