

# Senate Executive Departments and Administration Committee

*Kevin Condict 271-7875*

**SB 304**, directing the commissioner of the department of business and economic affairs to assemble a report on the effects of tariffs on Canada and New Hampshire residents.

**Hearing Date:** March 19, 2025

**Time Opened:** 10:17 a.m.

**Time Closed:** 10:59 a.m.

**Members of the Committee Present:** Senators Pearl, McGough, Gannon, Altschiller and Reardon

**Members of the Committee Absent :** None

**Bill Analysis:** This bill directs the commissioner of the department of business and economic affairs to assemble a report on the effects of tariffs on Canada and New Hampshire residents.

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**Sponsors:**

Sen. Perkins Kwoka  
Sen. Fenton

Sen. Long  
Sen. Watters

Sen. Rosenwald

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**Who supports the bill:** In total, **183** individuals signed in in support of SB 304. The full sign in sheets are available upon request to the Legislative Aide, Kevin Condict ([kevin.condict@gc.nh.gov](mailto:kevin.condict@gc.nh.gov)).

**Who opposes the bill:** In total, **2** individuals signed in in opposition to SB 285. The full sign in sheets are available upon request to the Legislative Aide, Kevin Condict ([kevin.condict@gc.nh.gov](mailto:kevin.condict@gc.nh.gov)).

**Who is neutral on the bill:** None.

**Summary of testimony presented:**

**Senator Rebecca Perkins Kwoka, Senate District 21**

- Sen. Perkins Kwoka introduced Senate Bill 304. The bill, called the Tariffs Are A Tax Act, directs the Department of Business and Economic Affairs (BEA) to report on the effects of the Canadian tariffs on Granite Staters and small businesses.

- Sen. Perkins Kwoka said that tariffs affect all Granite Staters regardless of party affiliation.
- Sen. Perkins Kwoka said that the clear loser of tariffs is the people. She said that tariffs pass additional costs onto consumers.
- Sen. Perkins Kwoka said that heating costs are a priority in New Hampshire winters. She noted that the Canadian consulate has said that the price of gas could increase by seventy cents per gallon.
- Sen. Perkins Kwoka explained that New Hampshire imports about \$2 billion in goods from Canada every year. The top import is fuel oil at \$444 million. Seafood, wood, and lumber are the next three top imports. She said that \$78 million in wood products from Canada are imported each year, which directly affects housing costs.
- Sen. Perkins Kwoka explained that Hannaford imports most of its products from Canada. That means that not just gas but utilities, housing development, and grocery costs will increase as well.
- Sen. Perkins Kwoka said the chaotic stop and start rollout of the tariffs has left small businesses unable to plan. She said that increased cost in the supply chain means businesses passing that cost down to consumers. Businesses who do not or cannot pass those costs onto consumers could potentially close.
- Sen. Perkins Kwoka explained that, as general counsel for a small company, she has personally renegotiated supply chain contracts in response to the tariffs on China. She has personally seen the uncertainty and stress the tariffs have caused.
- Sen. Perkins Kwoka provided the Committee with written testimony from small business owners in New Hampshire. She pointed to the letter from Harrison Kanzler, the Executive Director of AHEAD Incorporated. Mr. Kanzler's business in North Conway relies heavily on trade with Canada. Mr. Kanzler's testimony voiced fear of the impact of tariffs on AHEAD Inc.'s ability to develop housing and operate affordable housing. Tariffs could drive up costs above what the company has budgeted for. Mr. Kanzler's testimony said that his tariffs on their heating fuel provider could lead to thirty thousand dollars in unanticipated costs.
- Sen. Perkins Kwoka said that North Branch Construction sources many of their building materials from Canada and that a primary concern regarding tariffs is the fear of the unknown.
- Sen. Perkins Kwoka said that it is impossible to have discussions with constituents without talking about rising costs. She said that as leaders in the state, it is the job of legislators to understand the impacts of tariffs on the state.
- Sen. Perkins Kwoka said this bill is an opportunity to send a loud bipartisan message to Washington that tariffs are taxes and Granite Staters should not have to pay them.
- Sen. Gannon noted that Sen. Perkins Kwoka only mentioned the negative effects of tariffs. He noted Canadian tariffs on milk. He said that tariffs can lead to increased domestic manufacturing. He said tariffs are trying to level the playing field and ramp up domestic production. He asked Sen. Perkins Kwoka to comment on that.

- Sen. Perkins Kwoka said that there are ways tariffs can be helpful but that they need to be wielded carefully. She said she has been hearing from businesses that they cannot operate with the start and stop implementation of the tariffs.
- Sen. Gannon asked if this bill is looking to study tariffs, both the good and the bad.
  - Sen. Perkins Kwoka said that it is. She said the bill seeks to look at what tariffs are doing to Granite Staters.
- Sen. Altschiller pointed to line 16. She said her district is heavily dependent on Canadian tourism. While there is no tariff on travel, the tariffs have made the relationship with Canada acrimonious. She asked if the report would look at the Seacoast's ability to attract Canadian tourists.
  - Sen. Perkins Kwoka said that tourism would be a focus. She said it is a large part of the state's economy. She said it is unfortunate how the tariffs were rolled out and that she wants to know more about the effects.
- Sen. Pearl asked if Sen. Perkins Kwoka had discussed this bill with the Commissioner of the BEA.
  - Sen. Perkins Kwoka said she had not had a chance to speak with Commissioner Caswell. She said the issue is impactful enough that it is worthwhile for the legislature to partner with the BEA. She said the impacts of the tariffs will be felt.
- Sen. Pearl said he is surprised the bill did not have a fiscal note considering the potentially considerable cost of producing the report.

### **James Jalbert**

- Mr. Jalbert said he supports this bill. He explained that he is the owner of C&J Bus Lines, a New Hampshire-based inner city bus line that has operated in the state for over fifty-seven years. They employ over one hundred and forty-five people.
- Mr. Jalbert said that the bus industry in New Hampshire employs over three hundred people and has an economic impact of over \$125 million annually. The industry buys buses from Canada, as does eighty percent of the industry across North America.
- Mr. Jalbert explained that his company has seven buses on order from Canada this year, He said the cost of the tariffs is \$161,700. He said that does not include the impact from a possible Canadian response tariff, which would bring the additional cost per motor coach to over \$200,000.
- Mr. Jalbert said that tariffs will affect the cost of every part they buy from Prevost, the largest Canadian motorcoach manufacturer in eastern Canada.
- Mr. Jalbert said there has been no guidance in any executive order related to tariffs. He said the industry has repeatedly attempted to get guidance on this to no avail.
- Mr. Jalbert said his company, as well as others in the country, are faced with a significant change in how they purchase equipment and how they recapitalize

their companies. He said New Hampshire companies face low unemployment and must pay a livable wage. He said tariffs stand in the way of that. He said he cannot pass along the costs to consumers in good conscience.

- Mr. Jalbert said his company can handle the additional costs for now, but he is unsure if this will continue.
- Mr. Jalbert said that he has three buses coming from Canada in the next ten days. He said that if there are any delays and they are not here before the end of the exemption on April 2, then he will have to pay \$161,700 more per bus simply for the luxury of having it pass over the borders.
- Mr. Jalbert said there are some who would suggest that tariffs are solely related to an alternative to the federal income tax. He said it will not cover the income tax.
- Mr. Jalbert said that some people feel tariffs will level the playing field. He stated that two North American Free Trade Agreements (NAFTA) have been agreed to. He noted that the second NAFTA was negotiated in 2018 by President Trump.
- Mr. Jalbert explained that people are worried about inflation, retirement concerns, and employee participation in 401k programs. He said employees are watching their savings be eroded, leading to further cause for concern regarding retirement and social security.
- Mr. Jalbert spoke about tourism. He said that ten percent of flights into Logan Airport come from Canada.
- Mr. Jalbert said the tariffs are causing financial stress and uncertainty.
- He explained he had testified in front of the legislature regarding road tolls before. He said road tolls have not increased since the 1990s, and that the State has allowed roads and bridges to erode. He said the State stuck its head in the sand in keeping up with infrastructure.
- Mr. Jalbert said this should not be a partisan discussion. He said the impacts should be quantified because they affect New Hampshire citizens. He noted that Massachusetts sat on \$5 billion of American Rescue Plan Act (ARPA) funds, but New Hampshire used those funds and saved this state.
- Mr. Jalbert questioned how long businesses will stay in New Hampshire.
- Sen. Gannon explained that he buys and sells fabric for a living. He said that because of the tariffs he will be purchasing fabric from Greenville, South Carolina. He noted that domestic fuel production and drilling are increasing in the country. He asked if buses can be purchased in the United States.
  - o Mr. Jalbert said that there is no bus manufacturer in America who produces intercity motorcoaches. He stated that he cares about the safety of passengers and the longevity of the motorcoaches. He said there are more than ten companies who source parts to Canada. He stated that he wants to support the United States but needs to weigh that with running his company in the most effective manner. He explained that he is receiving daily emails from manufacturers regarding increasing and retaliatory tariffs. He stated that he wants to pay people a livable wage, and his company will struggle with that. He said tariffs are scaring

people, and the State needs to look at what is going on and how to address it.

### **Tedd Benson**

- Mr. Benson explained that he is the founder and chief executive officer (CEO) of Bensonwood Homes and Unity Homes. He said they are located in Keene and Walpole. He explained that they have a \$110,000 factory that fabricates panel systems for homes. He said they build healthy, durable, and highly efficient homes by combining computer-aided design and computer-aided manufacturing (CAD/CAM) technology and advanced building science.
- Mr. Benson said that a critical part of their process is the use of the highest quality materials. Due to the precision required, one of their most essential materials is a wood product sourced by a Canadian supplier. Their Canadian supply delivers structurally strong wood and is deeply committed to sustainable forestry services. He stated that there is no domestic equivalent that meets his company's criteria.
- Mr. Benson stated that a tariff war is a direct threat to his business. He explained that rather than risk price spikes, his company took the step of securing an entire year's supply of wood product up front. He noted that it required a significant financial investment. He said that unpredictable chaos is unsustainable. He lamented that instead of building quality homes, his company is navigating trade barriers.
- Mr. Benson said Canada is not our adversary, they are our allies. He said the United States and Canada should be working together.
- Mr. Benson explained that the National Association of Home Builders (NAHB) sent a letter to President Trump asking him to reconsider tariffs.
- Mr. Benson noted that the cost of building materials has increased by thirty percent since 2021. He explained that Canada and Mexico represent twenty-five percent imported into the United States. In their letter, the NAHB pointed out that supply chain disruptions will delay efforts to rebuild after natural disasters.
- Mr. Benson said that tariffs undermine efforts to increase housing supply and availability. He said we need a stable and predictable economy.
- Mr. Benson said he supports the bill because it would allow stories to be told, which would hopefully lead to lobbying to remove tariffs.
- Sen. Pearl said he is unsure how this bill would help Mr. Benson. He asked Mr. Benson how he believed this bill would help.
  - o Mr. Benson said that stories like his company's need to be amplified. He noted that his company is not the only one being hurt by trade chaos. He said the more those stories are heard and understood, the more legislators will hear them and respond.
- Sen. Pearl questioned how this bill would help.
  - o Mr. Benson states his hope that it would stimulate some response by the state legislature.

- Sen. Reardon said the results of the report could show there were many people similarly situated. She asked if the legislature asking for a waiver would help.
  - o Mr. Benson said it would help, and that a waiver was the goal of the NAHB when they sent President Trump that letter.
- Sen. Altschiller noted that Mr. Benson's and Mr. Jalbert's companies are very different but are both impacted by rising material costs from tariffs. She pointed to lines 21-24, where it specifies the report would detail the specific cost increases broken down by the goods or service sold. Sen. Altschiller asked if gathering stories from around the state into one report would provide some leverage in talking about what the state may need regarding waivers and exemptions.
  - o Mr. Benson said it would. He said that gathering all the stories from around the state would provide a clearer picture for how the State should respond. He said his business' opportunity is strong, but that the possibility of a recession has his associates terrified. He said his company will be able to sustain the employment they have but they have been cutting costs. He stated he does not want to face the possibility that good people who have invested so much in his company could be laid off if there is a recession. He explained he had to lay people off in 2009, and that he does not want to do so again. He said that instead of planning for a strong future his company is doing scenario planning on how to struggle through crises. He noted that other companies are doing the same.

### **James Jalbert**

- Mr. Jalbert said that state revenue would decrease along with company revenue. He said that New Hampshire is struggling with a revenue deficit which is only going to get bigger. He said the economy is tightened. He said the State should want to know the impact on state revenues. He said tariffs will have an impact on everything.