

4/1/25: Executive Order on Tariffs – Task Force in Action

1 min read

Team,

We're closely tracking the recent executive order enacting tariffs on the automotive industry.

The White House has not released what specific product categories will be included, how it will be enforced, and clear effective dates. However, automotive parts are included in the initial [Fact Sheet issued by the White House](#), and our products are likely to be impacted.

We have a cross functional task force of IB Support Team Members and external experts to evaluate the potential impact to the System as details emerge. We're also working closely with our supplier partners to mitigate impact where possible, although with the magnitude of this executive order, currently, we don't know if we're going to be able to hold pricing constant.

This situation will evolve and change frequently as clarity is provided to our industry. Rest assured; we're closely monitoring developments and working through this complexity so you can remain focused on serving your customers well.

We're committed to providing regular updates as needed to keep you informed.

4/9/25: Tariff Price Adjustment: Where We Stand and What's Next

1 min read

We understand the impact of the recently announced tariffs are top of mind for you. This situation is fluid, and we continue to be in active discussions with our suppliers, trade counsel and other third-party experts to fully understand the implications of these changes and options we have to respond.

We continue to assess supply chain impacts, gather competitive intelligence, analyze customer behavior in the market and understand the administrative policy impact. This will help us make informed and thoughtful decisions on how to respond as a System. We appreciate your patience as we navigate this complex situation.

Through this analysis, **it's clear that a price adjustment will be necessary.** While we continue to work through the details, it is likely to also be dynamic – meaning that adjustments may come at different times as information becomes clearer and more actionable.

What we do know is when we're clear on our response to these market dynamics, **we will need to move quickly to implement the price adjustment in the market and our intent is do so with as much notice as is possible.**

We know this is a challenging time, and we're committed to partnering with you as the situation continues to evolve. We also remain committed to regular and transparent communication to keep you informed.

5/30/25: Tariff Update: No Immediate Impact from Recent Court Rulings

1 min read

We're aware of this week's court rulings regarding U.S. tariffs and are closely tracking the potential impact on our operations. Given the stay issued on the ruling, there is no immediate change to our tariff impact while the appeal process takes place.

Current Status

These court rulings apply only to IEEPA tariffs which, as of May 30, 2025, remain in effect while the appeals process continues. These rulings do not affect Section 232 tariffs specific to automobiles and automobile parts or Section 301 tariffs, both of which remain in place as previously established.

We're actively engaged with industry partners to monitor developments as this situation evolves.

What to Expect

This potential tariff change and subsequent appeals process will take time to resolve through the courts. We expect a period of volatility as IEEPA tariff authority is challenged and in light of the Trump Administration's stated effort to explore application of alternative tariff authorities to maintain their current stated goals.

We're closely monitoring the situation and are committed to providing you with up-to-date details and guidance as available, so you can remain focused on serving your Customers well.

Frequently Asked Questions

Q: What makes this Price Adjustment different from others?

A:

- **For NAC, WDJ, and RILD:** this price adjustment no different. Distributors should manage the communication of this price adjustment under normal guidelines.
 - The tariff-related pricing is already included in the account price, so the **Tariff Surcharge should not be applied.**
 - Distributors are responsible for communicating the changes to **Distributor-Billed NAC, RILD, and WDJ accounts.**
- **For ILD:** Distributors have the ability to use the **Surcharge function in Jericho** to help expedite the implementation of this price adjustment.
 - Please note: This surcharge is for traditional ILD customers only and should not be communicated to any NAC, WDJ or RILD account. If you have applied or previously had in place, a Surcharge to a NAC, WDJ, RILD in Jericho please remove immediately.

Q: When do the NAC price adjustments take effect, and how will they impact my subsidy?

A: NAC price adjustments began on **June 1** and will continue as permitted by individual contract terms. **SNAP profit targets will remain unchanged.** Your subsidy will begin to recalculate based on the updated account pricing at the time the adjustment is applied.

Please note: Subsidy **adjustments related to changes in COD** will have a **15-day delay** to account for the distributor's inventory position.

Q: What happens if tariffs are removed?

A: We are continuing to actively monitor the situation. We will reevaluate pricing and make pricing changes as needed and feasible.

Q: What market trends have we observed, and how do they relate to this adjustment?

A: We've seen notable shifts across major APRs and battery wholesalers.

Q: Can IB leverage this situation as a competitive advantage?

A: Absolutely. Our proposed increase is more modest than what we're seeing in the

broader market. This positions us favorably, especially when engaging with dealers whose partners rely on international supply chains.

Q: What justifies the price increase?

A: Most of our current suppliers are subject to the new tariffs. We have evaluated tariffs at a product line evaluating new sources of supply where possible, but immediate costs are unavoidable. Due to confidentiality restrictions, we are unable to share specific cost information.

Q: Will National Accounts receive tariff-related adjustments?

A: Yes, similar adjustments are being applied to National Accounts, with timing based on contractual terms. Subsidies will be recalculated to reflect changes in COD and/or account pricing, to maintain SNAP profit currently in effect.

Q: Will all SKUs and product segments have the same surcharge?

A: While the tariff impact varies on parts based on a number of factors, for simplicity, a flat surcharge applies across all SKUs, apart from the L&G SKUs listed below, which will incur a \$2 surcharge.

SP-18	SP-35R
SP-22F	SP-40
SP-22NF	SP-45
SP-30	SP-70
SP-30R	M-U1LH
SP-35	PF-U1LH

Q: Is the surcharge line in Jericho taxable?

A: Yes, the surcharge is subject to tax.

Q: What if the surcharge puts a large dealer at risk?

A: While we believe this adjustment strengthens our competitive position, we're committed to retaining business. Please coordinate with your BC and the Deal Desk Team for support.

Q: What about U.S.-made products?

A: Even if a battery is assembled in the U.S., many of its components are sourced internationally and are subject to tariffs.

Q: Should NAC customers receive a surcharge?

A: No. For RILD (including HD Pallet & Generator Programs), WDJ, and National Accounts, we'll adjust the account price instead of applying a separate surcharge.

Q: What happens with programs? i.e. OPP G31, Sports & Rec, Deal Desk, etc...

A: Yes, the surcharge is applicable to all traditional ILD sales programs. However, RILD programs—such as the HD Pallet and Generator programs—will have pricing managed directly at the account level.

Q: How does the Tariff apply to free-replacement warranty swaps?

A: It works similarly to other price adjustments, with a few key points:

- The adjustment is built into your base COD, which increases your ILO discount.
- The tariff surcharge only applies to new battery purchases, so a tariff line item would not populate for free warranty replacements.
- The handheld system dynamically calculates the adjustment based on the current retail price listed on InterstateBatteries.com. If the calculated adjustment exceeds the dealer's cost, it is capped at that published retail price.

Q: If my Auto surcharge is \$5.00 and my L&G surcharge is \$2.00, how can I apply this in Jericho?

A: Jericho does not currently support applying different surcharges based on battery type. Surcharge settings are controlled at the dealer level and can only be toggled on or off.

Possible implementation options:

1. **Use Surcharge B** for dealers that primarily sell L&G batteries, and **Surcharge A** for all other dealers.
2. **Apply a percentage-based surcharge** for dealers with a high volume of L&G sales.
3. **Manually adjust pricing** at the account level to reflect the appropriate surcharge.
4. **Point of Sale Adjustment** by utilizing the handheld to modify the ticket for L&G SKUs.



Dear Valued Customer,

Interstate Batteries will be taking a price action in direct response to rising costs and external pressures in the market.

Effective June 1, 2025, prices will increase by the following amounts based on tariff impact:

- Lawn & Garden: \$2.00
- All other SLI: \$4.52

We stand firm in our commitment to serve you well with the outrageous dependability you have come to expect from Interstate. This not only applies to our service promise, but also to the method with which we approach these market challenges.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Facer", is written over a faint, larger version of the signature.

Ben Facer
Senior Vice President, Commercial

Dear Valued Partner,

I'm writing to you today to share important information regarding an upcoming Tariff price adjustment, effective June 1st, 2025. We understand that price changes can be challenging, and we want to be as transparent as possible about the reasons behind this necessary step.

Understanding the Impact of Trade Policy

As you may be aware, recent shifts in U.S. trade policy have significantly increased costs across the entire automotive industry. Specifically, the implementation of Section 232 tariffs (25% on automotive parts), along with a reciprocal 10% tariff, has impacted Interstate Batteries since mid-April. While we have worked diligently to absorb these increased costs, we've reached a point where an adjustment is required across our entire customer base.

Our Commitment to You

Please know that our commitment to providing you with the Outrageous Dependability you've come to expect from Interstate Batteries remains unwavering. This applies not only to our products and service promise but also to how we approach these market challenges. We are doing everything possible on our end to absorb as much of the impact as we can, and this adjustment is a direct response to these rising external pressures.

What This Means for You

For your convenience, please see below for the additional cost per battery. These new prices will remain in effect until further notice.

Lawn & Garden: \$2.00

All other SLI (auto, marine, commercial): \$4.52

We are actively and closely monitoring the dynamic nature of these tariff impacts and the evolving trade landscape. We remain committed to transparency and partnership as we navigate these changes together.

Questions and Continued Partnership

We truly value your continued support and understanding as we navigate these industry-wide shifts. If you have any questions or would like to discuss this further, please don't hesitate to reach out. We are here to help.

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