



# Effects of Tariffs on Energy Trade

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IMPACTS, LEGAL FRAMEWORKS, AND STRATEGIC  
RESPONSES

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# Executive Summary

U.S. tariffs  
have disrupted  
Canada's  
energy trade

Retaliatory  
measures and  
legal  
challenges are  
ongoing

EU and UK  
offer stable  
alternatives;  
China is  
volatile

Interprovincial  
trade barriers  
hinder  
domestic  
resilience

# Introduction to Tariffs and Energy Trade

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Definition of trade and regulatory tariffs

Overview of Canada's energy products

Overview of Canada's energy export profile

1 Feb 2025	EO 14193: Imposing Duties to Address Illicit Drugs Across Northern Border; Declares national emergency under NEA and IEEPA; 25% tariff on electricity.
1 Feb 2025	Canada announces 25% retaliatory tariffs on \$155B CAD of U.S. goods.
3 Feb 2025	EO 14197: Pauses tariffs until 4 Mar; Canada repeals surtax order.
4 Mar 2025	U.S. tariffs imposed; Ontario retaliates with 25% surcharge on electricity exports.
5 Mar 2025	Ontario suspends surcharge; Trump threatens doubling tariffs on steel/aluminum.
11 Mar 2025	EO 14231: Temporary exemption for CUSMA-compliant auto imports; 10% tariff on potash.
12 Mar 2025	U.S. imposes 25% tariffs on global steel/aluminum; Canada responds on 13 Mar with reciprocal tariffs on \$29.8B CAD.
19 Mar 2025	U.S. imposes various tariffs on Canadian energy products (10%-25% + per-barrel fees).
26 Mar 2025	25% tariff on global auto/parts imports under Trade Expansion Act.
2 Apr 2025	EO 14257: Reciprocal Tariff Order to address trade deficits.
8 Apr 2025	Base U.S. tariff on China raised from 34% to 84%.
9 Apr 2025	90-day suspension of reciprocal tariffs imposed by the U.S. (excluding tariffs on China); U.S. tariffs on China raised to 125%.
29 Apr 2025	Proclamation: U.S.-assembled autos get tariff credit; EO clarifies non-stacking of tariffs.
12 May 2025	U.S. tariff on Chinese imports temporarily reduced to 34%.



# Tariff Chronology

# Legal Basis for U.S. Tariffs

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Executive Orders  
under IEEPA and  
NEA

Legal challenges  
and precedent  
(e.g., Yoshida  
case)

An aerial photograph of an offshore oil rig in the middle of a vast, blue ocean. The rig is a complex of metal structures, including a tall derrick and various platforms, supported by several legs. The sky is a clear, light blue with some wispy clouds.

# U.S. Tariff Impacts on Canadian Energy

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Trade Deficits

Production

Supply Chain Disruption

Private Law Disputes



# Canada's Largest Trade Deficit on Record

- Export vulnerability exposed
- Energy sector under pressure
- Urgent need for trade diversification



Metric	Value/Change
Trade Deficit	\$7.1B (record high)
Export Decline	-10.8%
Import Decline	-3.5%
Energy Export Change	-2.2% (nuclear fuel, natural gas)
Key Cause	U.S. tariffs, energy price volatility

# Supply Chain Impacts

US Tariffs

Canadian Retaliatory Tariffs

Canadian Energy Companies as Vendors

Governments interest in secure supply of  
energy for national security



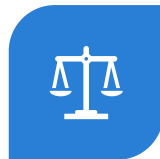
# Canadian Responses

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- Imposed reciprocal tariffs on U.S. goods
- Engaged WTO and CUSMA dispute mechanisms
- Promoted diversification of trade partners (EU, UK, China)
- Advocated for interprovincial trade and infrastructure development



EXPAND TRADE  
WITH EU AND UK



REDUCE  
INTERPROVINCIAL  
REGULATORY  
BARRIERS



INVEST IN EAST-  
WEST  
INFRASTRUCTURE



DEVELOP A  
NATIONAL ENERGY  
CORRIDOR

# Provincial Responses

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Alberta: Pipeline  
advocacy



Ontario: Electricity  
surcharge (suspended)



B.C.: Procurement  
restrictions



# Regional Trade Alternatives – EU

**CETA: 0%  
tariffs on  
energy**

**Methane  
Regulation  
and CBAM**



# Regional Trade Alternatives – UK

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TCA: Tariff-free energy trade

CBAM coming in 2027

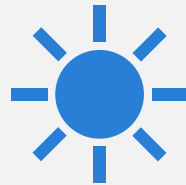
Market Considerations



# Regional Trade Alternatives – China



Low tariffs but high  
volatility



Shift toward  
renewables and NEVs

# Barriers to International Diversification

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Facilities



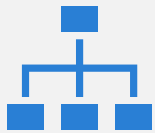
Markets



Interprovincial  
trade barriers



Regulatory  
fragmentation



Infrastructure gaps  
(pipelines, transmission  
lines)

Interprovincial  
Trade Barriers

# Legal Constraints on Interprovincial Trade



Constitution Act: s.  
91(2), s. 92A, s. 121



Key cases: Comeau,  
Steam Whistle

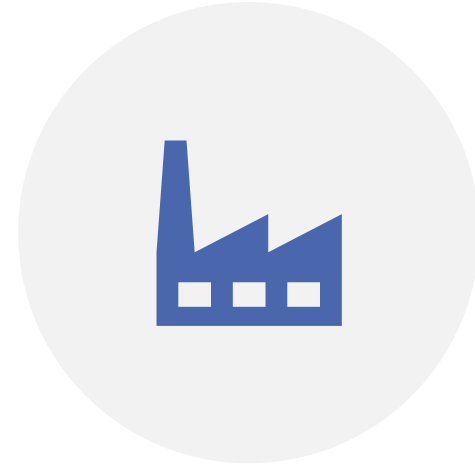


# Economic Implications

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LACK OF EAST-WEST PIPELINES  
AND TRANSMISSION LINES



REFINERY DISTRIBUTION AND  
CAPACITY ISSUES

# Public Interest Regulation

What is the  
“public interest”?

Economic  
resilience

Regulator(s)?

# Summary of Tariff and Trade Developments Since May 16, 2025

- U.S.–China Reciprocal Tariff Reductions
- U.S. Tariff Stacking Reform
- Court Ruling in V.O.S. Selections, Inc. v. Trump (Slip Op. 25-66)
- Additional Federal Court Decisions on Emergency Tariffs
- King Charles III’s Speech from the Throne in Canada
- Bank of Canada Holds Prime Rate Steady



An aerial photograph of a port terminal. In the foreground, there are numerous stacks of shipping containers in various colors, including blue, red, and white. Some containers have the 'SITC' logo. A blue forklift is visible near the containers. In the background, two large orange and white gantry cranes stand on a pier extending into the sea. The sky is overcast.

# Trade Diversification Strategy

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Expand trade with EU, UK, and Asia

Invest in LNG terminals and port access – East coast, North coast

Ammonia terminals

Hydrogen

Domestic use of LNG for ground transportation

Increase refining capacity



## Q&A / Discussion

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