

Canada considers pipeline projects in response to Trump's tariffs

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Toryst's Canadian and New York offices will be providing [regular briefs](#) on the legal ramifications of the tariffs and other cross-border policy developments on the horizon.

President Trump's proposed tariffs have raised the importance of diversifying Canada's trade relationships and addressing domestic barriers to trade. Both of these foreign and domestic imperatives are particularly significant in respect of western Canadian oil and gas resources, which are mostly landlocked and transported through a network that remains largely directed toward the United States. President Trump's tariffs have renewed previously stalled discussions regarding pipeline construction in Canada.

Pipeline development is back in the national conversation

Pipelines are a topic that had receded from national conversation following the cancellation of the proposed Northern Gateway pipeline from Alberta to Kitimat, BC in 2016, and the Energy East pipeline from Alberta to Saint John, New Brunswick in 2017, as well as difficulties surrounding the development of the Trans Mountain Expansion Project and Coastal GasLink (both now in operation).

With President Trump's tariff threats highlighting the importance of diversifying Canada's trade partners, pipeline development is now part of the nation's economic dialogue. Energy security is also top of mind, as Ontario and Québec refineries are supplied in part by pipeline infrastructure that transports Alberta crude oil through the United States.

To address these issues, Canada would need to invest in new pipeline infrastructure. Jonathan Wilkinson, Minister of Energy and Natural Resources, recently encouraged the country to reconsider pipeline development¹. François Legault, Premier of Québec, a province historically opposed to new pipelines, suggested that President Trump's actions may change the "social acceptability" factor². Other premiers are calling for the urgent approval of the previously cancelled Energy East pipeline³.

Indigenous involvement in pipeline projects

Pipelines are lengthy linear infrastructure projects that typically impact numerous Indigenous communities along their route. A key point of emphasis at the [February 6 Canada-U.S. Economic Summit](#) was the importance of involvement of Indigenous communities in advancing large infrastructure projects. That involvement will be an important way to expedite pipeline permitting and development, another goal highlighted at the Summit.

Indigenous communities across Canada have shown their interest and willingness to be involved in project development. Some examples of large pipeline projects in recent years which have significant Indigenous involvement in a variety of forms include the Trans Mountain Expansion Project⁴, Coastal GasLink⁵, and acquiring an interest in seven northern Alberta pipelines from Enbridge, among others⁶.

Involvement of Indigenous communities in new pipeline projects will be not only necessary, but advantageous, to the unlocking of projects that reinforce Canada's energy trade and security.

How pipeline projects can be accelerated

Pipelines have long been a prime example of major projects with an unnecessarily cumbersome approvals process which takes far too long. That is in part because linear infrastructure traversing multiple ecosystems and communities is inherently complex. It is also because our legislative regime has over decades slipped into a years-long evaluation and participation framework that now seems almost incapable of moving at a commercially reasonable pace.

While that observation has been repeatedly acknowledged by governments in recent years, the resulting incremental changes have not been sufficient to attract the many billions of necessary investment. For that to happen, governments across the country will need to envision and implement a more rational approval process with genuine (as opposed to aspirational) timeline certainty, on a schedule that makes commercial sense. That could take the form of new pipeline-specific approval legislation or amendments to the existing regime, for example, to prioritize projects of national importance.

A recent provincial example in the renewables context is Ontario's Green Energy program, which paved the way for the rapid investment of tens of billions of dollars in commercial windfarms. British Columbia appears to be planning a similar path with the recently announced accelerated approvals path for green projects. As the realities of Trump's tariffs start to take shape, there are many who would agree it is time to consider applying that kind of thinking to pipeline development.

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FOOTNOTES

To discuss these issues, please contact the author(s).

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