

Environmental Policy Shifts Under Trump: Cross-border Insights

By Thompson Hine partner [Tanya C. Nesbitt](#) and Gowling WLG's [Liane Langstaff](#), partner and co-leader, ESG Advisory Services; [Kirsten McCann](#), associate; and [Ben Stansfield](#), partner

With Donald Trump's recent return to the White House, cross-border environmental policy is once again at a pivotal moment. How will his administration's approach to climate and biodiversity shape regulations in Canada? And what challenges—or opportunities—might emerge for businesses navigating this shifting landscape?

At Gowling WLG's *2024 Environmental Law Year in Review* conference in Toronto, leading environmental lawyers Liane Langstaff (Gowling WLG Canada), Ben Stansfield (Gowling WLG UK), and Tanya Nesbitt (Thompson Hine LLP, US) tackled these pressing questions. Drawing on insights from the 29th United Nations Climate Change Conference of the Parties (COP 29) in Azerbaijan and the 16th United Nations Biodiversity Conference (COP 16) in Colombia, as well as the latest developments under the second Trump administration, they explored the far-reaching implications for cross-border environmental regulation.

This article captures key takeaways from their discussion—and what businesses need to consider as they prepare for the road ahead.

Shifts in U.S. International Environmental Engagement

As promised, one of Trump's first executive orders was to pull the United States out of the Paris Agreement.¹ The United States will likely disengage from cooperative international environmental efforts more generally, prioritizing domestic policies instead. Despite this, the Climate Alliance, a group of 24 state governors focused on achieving net zero, expressed continued commitment to Paris Agreement goals on Trump's first day in office,² signaling that states and NGOs will strive to advance climate initiatives against federal opposition.

As was the case during the last Trump administration, other countries will likely step up to fill the gap on climate change action and commitments left by the United States' retreat. Furthermore, international commitment to market mechanisms for both climate and nature mean that there may be continued interest and

investment from U.S. companies particularly in relation to their international activities, even if the federal government is absent from international environmental negotiations.

Energy Priorities and U.S.-Canada Relations

The Trump administration aims to bolster the United States as a global energy leader, with plans to establish a national energy council led by Doug Burgum—North Dakota's governor and nominee for Interior Secretary.

Burgum believes in climate change and has demonstrated a commitment to working collaboratively with Canada and Indigenous communities in North Dakota. His administration in North Dakota has already made significant strides, including a pledge to achieve carbon neutrality by 2030 and support for cap-and-trade systems to reduce greenhouse gas emissions. While there will certainly be shifts away from

¹ The [Paris Agreement](#) is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on December 12, 2015. It entered into force on November 4, 2016. Its overarching goal is to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels."

² U.S. Climate Alliance, [Letter to Mr. Simon Stiell](#) (January 20, 2025), online (PDF).

Biden-era renewable energy policies and investments, Burgum's appointment opens the possibility to alignment with some Canadian energy and climate priorities.

However, the [ongoing threat of tariffs](#) on Canadian goods in general, and on Canadian energy imports in particular, complicate this partnership, given that 97% of Canada's oil exports went to the United States in 2023.³

The Trump administration also seeks to expedite energy project permitting, reversing Biden-era regulations and targeting renewable energy developments. For example, the executive order titled "Unleashing American Energy" included various directions and presidential actions, including disbanding the Working Group on the Social Cost of Greenhouse Gases⁴ and directs federal agencies to consider eliminating the social cost of carbon calculations from all federal and regulatory decisions.⁵ The Trump administration has also pushed back against renewable energy by withdrawing the entire Offshore Continental Shelf from wind energy leasing and paused project approvals.⁶

In addition, the Trump administration has signed executive orders opening up Alaska to Liquefied Natural Gas exploration⁷ and resuming oil and gas leasing in the Arctic National Wildlife Refuge. The prospect of these major energy and infrastructure developments may have ramifications for the Canadian North, including

potential negative impacts on wildlife and Indigenous hunting and fishing rights.

Wetlands and Natural Habitats

The Trump administration's anticipated reversals of wetland and natural habitat protections will likely impact Canada's Great lakes and river systems that border the United States. While there may be more streamlined federal regulations, state-level actions on water and habitat protection within their boundaries could continue to drive change.

Reversal of Biden Administration Policies

As of February 2, 2025, Trump's administration has annulled 78 Biden-era executive orders.

Some Biden-era measures are unlikely to face swift reversals because their development was pushed forward so that they do not fall within the Congressional Review Act's 60-day look-back period. However, a significant environmental rule that may fall within the look-back period and which might be targeted is the U.S.

Environmental Protection Agency's (EPA) Waste Emissions Charge for Petroleum and Natural Gas Systems. The rule enforces part of the Inflation Reduction Act that requires the U.S. EPA to impose a fee on methane emissions that surpass established statutory limits.

³ "Market Snapshot: [Almost all Canadian Crude oil exports went to the United States in 2023](#)," August 21 2024, online: Canadian Energy Regulatory.

⁴ The Working Group on the Social Cost of Greenhouse Gases was established in 2021 and was responsible for estimating the social cost of greenhouse gas (including the effects on human health, property damage, and the disruption of energy systems) for use in cost-benefit policy analyses throughout federal regulatory agencies.

⁵ Executive Order, "[Unleashing American Energy](#)," January 20, 2025, online: White House. The order also directs agency leaders to utilize emergency powers to support the expedient development and production of new energy projects on both federal and private lands, focusing especially on oil, natural gas, coal, hydropower, biofuels, critical minerals, and nuclear energy resources. To aid this effort, the president has called for "greater certainty in the Federal permitting process" and the streamlining of the judicial review of the National Environmental Policy Act permitting process.

⁶ Executive Order, "[Temporary Withdrawal of all Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practice for Wind Projects](#)," January 20, 2025, online: White House.

⁷ Executive Order, "[Unleashing Alaska's Extraordinary Resource Potential](#)," January 20, 2025, online: White House.

Additionally, we anticipate a push for a more streamlined, industry-friendly approach to chemicals management under the new Trump administration. An executive order has already been issued that would withdraw a new draft rule by the U.S. Environmental Protection Agency, which set limits on toxic per- and polyfluoroalkyl substances (PFAS)⁸ in industrial wastewater.⁹ While the administration may take further steps to roll back measures to address PFAS, it may not be politically expedient to reverse course entirely, particularly PFAS regulation on maximum contaminant levels in drinking water where there might be strong public awareness of the issue.

Finally, the Trump administration may amend policies that are subject to ongoing litigation. For example, the U.S. Securities and Exchange Commission (SEC) Climate Disclosure Rule¹⁰ is currently subject to legal challenges. The SEC has already voluntarily stayed the Rule.¹¹ As of February 11, 2025, the Acting Commissioner of the SEC then requested the Court not schedule the case for argument to provide time for the SEC to determine the next steps in these cases.¹²

Looking Ahead

Trump's presidency heralds significant shifts in both domestic and international environmental policies, posing challenges for U.S.-Canada cooperation on environmental issues. Nevertheless, engagement from U.S. businesses and state actors indicate sustained international environmental discussions will continue, albeit at a slower pace, despite the changing political landscape.

FOR MORE INFORMATION

For more information, please contact:

Tanya C. Nesbitt

Partner, Environmental

404.407.3605, 202.331.8800

Tanya.Nesbitt@ThompsonHine.com

This publication is intended to inform clients about legal matters of current interest. It is not intended as legal advice. Readers should not act upon the information contained in it without professional counsel. This document may be considered attorney advertising in some jurisdictions.

⁸ **PFAS** are a class of thousands of human-made substances. Some typical PFAS uses include surfactants, lubricants, and repellents (for dirt, water, and grease). For details on Canadian PFAS reporting requirements see [Gowling's article](#).

⁹ Executive Order, "[Regulatory Freeze Pending Review](#)," January 20, 2025, online: White House.

¹⁰ The [SEC climate disclosure rule](#) was adopted on March 6, 2024, and requires registrants to provide certain climate-related information in their registration statements and annual reports.

¹¹ Order Issuing Stay, "[In the Matter of the Enhancement and Standardization of Climate-Related Disclosures for Investors](#)," April 4, 2024, online: SEC. In the interim, the SEC's [2010 Climate Guidance](#) remains operative and has not been withdrawn by the Trump administration.

¹² U.S. SEC, "[Acting Chairman Statement on Climate-Related Disclosure Rules](#)," February 11, 2025, online: SEC.