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US-Canada Cross-Border Quick Guide

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- Trade & International Affairs

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- Trade & International Affairs

This pre-election analysis from ML Strategies will explore some of the most pressing cross-border issues that will be tackled by the next administration and 119th Congress. **Click here to read our full analysis.**

Here are some topline takeaways from key issues:

US-Canada Cross-Border Issue	Trump	Harris
Energy/ Environment	• Prioritize an expansion of pro-fossil fuel infrastructure, such as pipelines. • Bolster US energy independence and minimize regulatory constraints on energy projects. • Less emphasis on collaborative environmental and sustainability initiatives with Canada.	• Strengthen joint efforts on renewable energy development and stricter environmental regulations to reduce carbon emissions. • Continue emphasis of the Canada-US Energy Transformation Task Force to accelerate cooperation on critical clean energy opportunities, including decarbonizing steel and aluminum. • Allocate funding to US and Canadian companies to mine and process critical materials for electric vehicles and stationary storage batteries.
Infrastructure	• Renegotiate trade agreements to benefit US infrastructure projects and industries. • Revise and reduce environmental regulations impacting cross-border infrastructure projects. • Enhance cybersecurity measures and potentially challenge policies or agreements viewed as unfavorable to cross-border digital data flows.	• Prioritize initiatives like joint investments in clean technology and enhanced cybersecurity measures while maintaining a focus on equitable and secure trade practices. • Advance initiatives to modernize infrastructure to facilitate trade and ensure efficient transportation networks. • Focus on improving cross-border clean energy infrastructure and electricity transmission.

Tax	• Advocate for a more competitive stance on limiting or regulating foreign ownership in key sectors, in alignment with an “America First” agenda. • Maximize economic growth and investment opportunities, potentially leading to less emphasis on tax policy reforms that could impact foreign carried interest and cross-border financial flows. • Oppose Canada’s Digital Service Tax (DST).	• Advocate for more stringent reforms on carried interest, aiming to close tax loopholes and ensure that fund managers pay ordinary income tax rates on their carried interest earnings. • Foster collaboration with Canada on tax policy to enhance mutual regulatory compliance and economic stability. • Focus on ensuring that multinational corporations pay their fair share of taxes.
Trade	• Impose a 10% tariff on all products imported into the US • Aggressively renegotiate tariff disputes and the USMCA to better align with US economic interests. • Reduce regulatory constraints and advocate for policies that favor domestic industries, potentially leading to more contentious trade relations.	• Address tariff disputes through diplomatic negotiations, aiming to reduce trade barriers and promote fair trade practices. • Harmonize regulatory standards to facilitate smoother cross-border trade and investments while supporting policies that address environmental and social concerns. • Streamline customs and border procedures.
Technology	• Push for stronger US regulations and standards for data privacy and protection, potentially including policies that limit data transfers. • Emphasize aggressive enforcement of US patents and copyrights, potentially seeking greater collaboration with Canada to combat intellectual property theft and counterfeiting. • Strengthen US defenses against cyber threats and push for enhanced cooperation with Canada on security measures, possibly including joint initiatives to combat hacking and data breaches.	• Advocate for robust, yet harmonized, data privacy and protection standards that balance privacy with the need for cross-border data flow. • Support enhanced cross-border cooperation to protect innovations and patents, promoting a shared framework that addresses intellectual property theft and fosters innovation in both nations. • Strengthen US defenses against cyber threats and push for enhanced cooperation with Canada on information sharing and coordinated responses to cyberattacks.

Authors

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