TECNA
TECHNOLOGY COUNCILS OF NORTH AMERICA

INSIGHTS. CONNECTIONS. EXPERTISE.

The Honorable Donald J. Trump
President of the United States of America
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

The Honorable Howard Lutnick
Secretary of Commerce
United States Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

The Honorable Marco Rubio
Secretary of State United States
Department of State
2201 C Street NW
Washington, DC 20520

The Honorable Jamieson Greer
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Subject: Opposition to Tariffs on Canadian and Mexican Goods

Dear President Trump, Secretary Rubio, Secretary Lutnick, and Trade Representative Greer,

The Technology Councils of North America (TECNA) appreciates the Trump Administration's decision to implement a 30-day stay on the proposed tariffs on Canadian and Mexican goods. However, while this temporary pause provides an opportunity for further discussion, we remain strongly opposed to these tariffs and urge the Administration to abandon them altogether. These tariffs represent one of the largest tax increases on American businesses in modern history—a policy that will undermine U.S. industries, disrupt critical supply chains, and threaten jobs across the country.

TECNA represents nearly 60 technology councils across the United States and Canada, collectively advocating for over 22,000 small and medium-sized innovation-driven companies. Our members play a critical role in fostering regional innovation, supporting workforce development, and strengthening North America's technology ecosystem. Given our broad presence across the United States and in Canada and our expertise in technology and trade policy, TECNA is uniquely positioned to highlight the severe and immediate consequences these tariffs will have on both Canadian and American businesses, workers, and local economies.

We want to emphasize that these tariffs are not just a Canadian or Mexican issue—they are an American issue. Many of our U.S. businesses, workers, and local economies rely on seamless North American trade partnerships to operate efficiently, stay competitive, and keep costs low. These tariffs represent one of the most sweeping tax increases on American businesses in history.

Most of what Canada sells to the United States is not finished products competing with American goods, but rather essential inputs that U.S. companies rely on to manufacture their own products. Canadian exports to the U.S. include raw materials, forestry products, agricultural commodities, auto parts, critical minerals, and energy—all of which are vital to American businesses. Canada is a major supplier of critical minerals essential to U.S. manufacturing and technology industries, providing 50–80% of U.S. needs in zinc, tellurium, nickel, and vanadium. It also has abundant reserves of cobalt, graphite, lithium, and rare earth materials that are essential for clean energy technology, semiconductors, and advanced manufacturing.

Additionally, the automotive sector, aerospace industry, and tech manufacturing have spent the past 75 years building a seamless North American supply chain. Many parts—like steel and aluminum—cross the border 6-7 times before final assembly. If these imports suddenly become 25 percent more expensive due to tariffs, the shock will be felt across the U.S. economy. Manufacturers will face higher costs, supply chain disruptions will ripple across industries, and inflationary pressures will only worsen. Imposing tariffs on Canada, with whom we have built an integrated continental economy over decades, is vastly different from imposing tariffs on finished goods from China that directly compete with American products.

Moreover, American jobs also depend on what we export to Canada, not just on what we import. Canada is America's second largest trading partner, but number one export market. When it comes to purchasing American products, Canada is the single largest buyer by a significant margin, with nearly US$350 billion in goods and services crossing its border in the first three quarters of 2024. Additionally, 34 U.S. states export more goods to Canada than to any other foreign economy. A trade war with Canada would significantly disrupt U.S. exports, harming American businesses and threatening jobs. Retaliatory tariffs from Canada in response to U.S. policies would make it even harder for American companies to remain competitive in their largest export market, putting further economic pressure on industries that rely on cross-border trade. These tariffs would penalize American businesses and workers, increase operating costs, and reduce profitability across multiple sectors.

Beyond traditional manufacturing, these tariffs also pose a significant threat to the services economy. Canada is not just a manufacturer—it is also a critical market for American digital services. The U.S. exports billions of dollars in digital services to Canada each year, including cloud computing, financial technology, artificial intelligence solutions, and IT consulting. These services have historically operated in a largely tax-free manner, as Revenue Canada has long excluded many of these U.S. services from taxation, allowing American businesses to remain competitive in the Canadian market while keeping costs low for Canadian consumers. If retaliatory measures are implemented, it will create a dangerous precedent for digital taxation worldwide, leading to retaliatory measures from other countries and damaging the ability of U.S. firms to compete globally.

History teaches us that tariff wars are costly, unnecessary, and difficult to unwind once enacted. Once in place, they create ripple effects that harm industries, raise costs for consumers, and stifle innovation. Instead of crippling U.S. companies with massive new taxes, we urge the Administration to prioritize policies that strengthen American businesses by supporting efficient trade, reducing costs, and maintaining our competitive edge in the global economy.

We would welcome the opportunity to discuss this issue further and work with policymakers to ensure that American businesses and workers are not the unintended casualties of this policy.

If you have any questions or would like to discuss these concerns further, please feel free to contact Jennifer G. Young, CEO, TECNA at 412-545-3493 or jyoung@tecna.org.

Sincerely,
Technology Councils of North America (TECNA)

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