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Trade Lines

Policy Intelligence for Global Business Leaders

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Welcome to Trade Lines, your view from DC on the evolving landscape of international trade and regulatory policy. Curated for business leaders and decision-makers, this newsletter delivers timely insights into the issues shaping global commerce—from tariff shifts and supply chain disruptions to legislative developments and compliance trends. Our goal is to help you anticipate change, assess impact, and act with confidence in a fast-moving policy environment.

Global Signals

United States and India Announce Tariff-Reducing Trade Deal

On February 2, President Trump [announced](#) on Truth Social that the United States and India have agreed to a new trade arrangement under which both countries will reduce tariff levels on each other's goods. The announcement follows a call between President Trump and Prime Minister Narendra Modi.

According to the President's post, the United States will reduce its country specific tariff rate on imports from India from 25% to 18%. While questions remain, President Trump also indicated that Prime Minister Modi "agreed to stop buying Russian oil," suggesting that the additional 25% tariff on imports from India may also be modified as part of the deal.

In exchange for the reduced tariff rate, India has committed to reducing tariffs and non-tariff barriers on U.S. goods, with a stated intention to move toward a zero-tariff posture. President Trump also indicated that India has committed to purchase more American made goods, including "over \$500 BILLION DOLLARS of U.S. Energy, Technology, Agricultural, Coal, and many other products."

The agreement follows an extended period of tariff escalation, including U.S. duties reaching 50% on Indian goods during 2025. Negotiations between the two countries had slowed due to differences over market access and India's purchase of Russian oil. The trade deal announcement reflects a shift toward de-escalation and re-alignment on trade and energy issues.

The White House has not yet issued implementing documents, and formal legal effect will depend on publication of relevant notices in the Federal Register.

Developments in critical mineral supply chains

Critical Minerals Ministerial in Washington, D.C.

On February 4, approximately fifty countries attended the Trump Administration's Critical Minerals Ministerial. Vice President J.D. Vance said that many countries have agreed to join a U.S. proposed critical minerals preferential trade zone. In his opening remarks, Vance said the administration is "proposing a concrete mechanism to return the global critical minerals market to a healthier, more competitive state: A preferential trade zone for critical minerals protected from external disruptions through enforceable price floors." The mechanism would include critical mineral reference prices at each stage of production to reflect "real-world fair market value." Secretary of State Marco Rubio described the proposal as "bilateral critical minerals frameworks or memorandums of understanding (MOUs)."

USTR announces critical minerals deal with the EU and Japan

On February 4, U.S. Trade Representative (USTR) Jamieson Greer announced that the U.S., the European Union, and Japan "intend to develop Action Plans for critical minerals supply chain resilience" to "develop coordinated trade policies and mechanisms, such as border-adjusted price floors, that can mitigate critical minerals supply chain vulnerabilities." A joint press [statement](#) specifies that this announcement "includes a commitment within the next 30 days to conclude a Memorandum of Understanding between the U.S. and the EU aimed at boosting critical minerals supply chain security." Recall that in October 2025, the U.S. and Japan signed a Framework for Securing the Supply of Critical Minerals and Rare Earths through Mining and Processing. The joint press statement also states that the three partners "intend to develop Action Plans and explore a plurilateral trade initiative with like-minded partners on trade in critical minerals"

According to the announcement, the State Department "will lead U.S. engagement" on negotiating MOUs and USTR will "lead U.S. engagement on the Action Plan[s]."

USTR announces U.S.-Mexico Action Plan on Critical Minerals

Also on February 4, USTR Greer announced the U.S.-Mexico [Action Plan](#) on Critical Minerals which will "develop coordinated trade policies and mechanisms that mitigate critical mineral supply chain vulnerabilities." This includes "identifying specific critical minerals of interest, exploring border-adjusted price floors for critical minerals imports, and consulting on how price floors may be incorporated in a binding plurilateral agreement." Greer described this Action Plan as "an important step to strengthen bilateral cooperation" ahead of the U.S.-Mexico-Canada Agreement (USMCA) Joint Review. The U.S. and Mexico have committed to implementing the Action Plan "over the next 60 days."

EU Parliament stalled on U.S.-EU trade deal

On February 4, top trade lawmakers in the European Parliament met on next steps for the U.S.-EU trade deal but failed to agree on a common position. According to reports, disagreement centered on the removal of tariffs on U.S. lobsters and industrial goods which is a precondition for the U.S. to reduce its tariffs on

European cars. This disagreement comes after trade lawmakers' inability last week to reach consensus on a deal. The latest delay threatens the timeline for parliamentary approval and negotiations are expected to continue.

U.S. and Argentina sign reciprocal trade agreement locking in tariff exemptions

On February 5, USTR Greer and Argentina's Minister of Foreign Affairs, International Trade, and Worship Pablo Quirno signed the U.S.-Argentina Agreement on Reciprocal Trade and Investment. Under the Agreement, Argentina will provide preferential market access for U.S. goods exports, including certain medicines, chemicals, machinery, information technology products, medical devices, motor vehicles, and a wide range of agricultural products. The agreement exempts many Argentine goods, including aviation inputs, some pharmaceuticals and agricultural products, from tariffs while capping tariffs on other goods at 10%. Greer said the "deepening partnership between President Trump and President Milei serves as a model of how countries in the Americas, from Alaska to Tierra del Fuego, can advance our shared ambitions and safeguard our economic and national security." Entry into force is 60 days after the date on which the parties have notified each other in writing of the completion of their respective applicable legal procedures, or on such other date as the Parties may decide.

- Agreement text available [here](#).
- Joint Statement on Framework [here](#).
- Fact Sheet [here](#).

U.S. and Guatemala sign reciprocal trade agreement locking in tariff exemptions

On January 30, USTR Greer and Guatemala's Minister of Economy Adriana Gabriela Garcia signed the U.S.-Guatemala Agreement on Reciprocal Trade. The agreement exempts many Guatemalan goods, including critical mineral, agricultural, and industrial goods, from tariffs while capping tariffs on other goods at 10%. Greer said the agreement "addresses trade barriers facing American workers and producers, expands and solidifies markets for U.S. exports, and strengthens strategic economic ties in the Western Hemisphere." Entry into force is 30 days after the date on which the parties have notified each other in writing of the completion of their respective applicable legal procedures, or on such other date as the Parties may decide.

- Agreement text available [here](#).
- Joint Statement on Framework [here](#).
- Fact Sheet [here](#).

U.S. and El Salvador sign reciprocal trade agreement locking in tariff exemptions

On January 29, USTR Jamieson Greer and El Salvador's Minister of Economy Maria Luisa Hayem signed the U.S.-El Salvador Agreement on Reciprocal Trade. The agreement exempts many El Salvadorian goods, including aviation inputs, some pharmaceuticals and agricultural products, from tariffs while capping tariffs on other goods at 10%. Greer said the agreement "will further strengthen markets for U.S. exports and

lower trade barriers facing American workers and producers." Entry into force is five days after the date on which the parties have notified each other in writing of the completion of their respective applicable legal procedures, or on such other date as the Parties may decide.

- Agreement text available [here](#).
- Joint Statement on Framework [here](#).
- Fact Sheet [here](#).

Policy Pulse

U.S. Court of International Trade lawsuit on steel and aluminum tariffs

An Illinois-based industrial fastener importer and distributor is challenging how U.S. Customs and Border Protection (CBP) collects duties under the Section 232 steel and aluminum tariffs. In its [filing](#), the importer argues that CBP applied tariffs improperly to the entire value entered of its imported screws and fasteners and "not merely to the value of the steel." The filing also alleges that CBP used informal guidance to implement changes rather than a traditional rulemaking process. A ruling on this lawsuit could set important precedent for further Section 232 legal action and on the application of tariffs to downstream products.

Treasury monitoring foreign currency manipulation

On January 29, Treasury released its semiannual currency [report](#), "Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the U.S." This report found that no government meets the criteria for currency manipulation but has added Thailand to a "monitoring list" of countries that meet two out of three criteria. In total nine countries are on this monitoring list including: China, Japan, Ireland, Korea, Taiwan, Singapore, Vietnam, Germany, and Thailand. In an associated press [release](#), Treasury said that it is "increasing vigilance about other policies beyond foreign exchange intervention employed by U.S. major trading partners that may influence foreign exchange markets such as through the use of capital controls and macroprudential measures and through other government investment vehicles such as government pension funds." The press release also noted that "China stands out among our major trading partners in its lack of transparency around its exchange rate practices."

Commerce publishes procedures for submission of documentation related to medium- and heavy-duty vehicles qualifying for preferential tariff treatment under USMCA

On February 2, the Federal Register published the following [notice](#): *Procedures for Submissions by Importers of Medium-and Heavy-Duty Vehicles Qualifying for Preferential Tariff Treatment Under the USMCA to Determine U.S. Content*. Beginning February 2, importers may begin submitting documentation as described in the notice to the Department of Commerce.

Hill Highlights

Senate Finance Committee to hold hearing on USMCA

The Senate Finance Committee has noticed a hearing entitled, "The U.S.-Mexico-Canada Agreement: Evaluating North American Competitiveness," on Thursday, February 12, at 10:00 AM. The hearing comes as the U.S., Mexico, and Canada prepare for the statutory review of the free trade agreement. Witnesses will include:

- The Honorable Kevin Brady, Former Chairman of the Committee on Ways and Means, United States House of Representatives, and Senior Consultant, Akin, Washington, DC
- Eric Gottwald, Policy Specialist for Trade and International Economics, AFL-CIO, Washington, DC
- Paul McCarthy, President & CEO, MEMA. The Vehicle Suppliers Association, Washington, DC
- Ted Vander Schaaf, Owner, Vander Schaaf Farms, Kuna, ID

The hearing will be live-streamed [here](#).

Reauthorization of the African Growth and Opportunity Act and Haiti HOPE/HELP

On February 3, President Trump signed legislation into law which reauthorizes the African Growth and Opportunity Act (AGOA) and Haiti HOPE/HELP trade preference programs. The measures were part of a spending package to fund several agencies and passed the House by a 217-214 vote. The program renewals are retroactively effective from September 30, 2025, through December 31, 2026.

USTR Greer said in a [statement](#), "AGOA for the 21st century must demand more from our trading partners and yield more market access for U.S. businesses, farmers, and ranchers. He also said that we must "make sure that the program enhances U.S.-Africa trade and will work with Congress over the next year to modernize the program to align with President Trump's America First Trade Policy."

Senators Wyden and Van Hollen send letter on tariff relief process to USTR and Commerce

On February 4, Sen. Ron Wyden (D-OR), Ranking Member of the Senate Finance Committee and Sen. Chris Van Hollen (D-MD), Ranking Member on the Subcommittee on Commerce, Justice, Science, and Related Agencies sent a [letter](#) to USTR Greer and Commerce Secretary Howard Lutnick requesting information on the process the administration has used to exclude certain products from tariffs imposed under the International Emergency Economic Powers Act (IEEPA). They write, "given the Administration's troubling history of political favoritism in its first-term exclusion process, we have significant concerns about the lack of transparency surrounding your decisions to grant or reject tariff relief." The letter includes five questions and requests a response by March 4.

Upcoming Deadlines

February 18: USTR will hold a public hearing in its 2026 Special 301 Review.

February 25: Post-hearing written comments due to USTR in its 2026 Special 301 Review.

March 1: The President's 2026 Trade Agenda is due to Congress.

March 26: 14th World Trade Organization Ministerial Conference convenes in Cameroon.

March 27: Deadline for President to decide whether to act in the section 232 investigation concerning pharmaceuticals and pharmaceutical ingredients.

March 28: Commerce Department to send the President its findings on its section 232 investigations into drones and polysilicon and derivative products by this date.

March 31: U.S. and Switzerland to finalize their trade agreement by this date.

If you have questions, please contact Blake Harden (blake.harden@ey.com) or Evan Giesemann (evan.giesemann@ey.com).

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