



5 June 2026

# Trade Lines

## Policy Intelligence for Global Business Leaders

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Washington Council EY*

Trade Lines brings you timely updates from DC on global trade and regulatory policy. Curated for business leaders and decision-makers, this newsletter highlights key shifts in trade policy –from tariff shifts and supply chain disruptions to legislative developments and compliance trends. Stay ahead, evaluate impact, and make informed decisions in a rapidly changing environment.

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## Global Signals

### *Canada confirms its support for USMCA renewal*

On June 1, Dominic LeBlanc, the Canadian Minister for U.S. Trade, sent a [letter](#) to U.S. Trade Representative (USTR) Ambassador Jamieson Greer and Mexico's Economy Secretary Marcelo Ebrard in support of renewing the U.S.-Mexico-Canada Agreement (USMCA) for another sixteen years. LeBlanc described USMCA as "highly beneficial to each of our countries" and said the Joint Review "provides us an opportunity to . . . assess whether there are ways to strengthen it and consider when improvements may be warranted." The letter concludes by signaling Canada's intent to work with the U.S. and Mexico on a renewed USMCA, but notes that "discussions with the U.S. on addressing sectoral tariffs will be essential" to hold in parallel.

The USMCA Joint Review is scheduled for July 1.

### *U.S.-EU trade deal moves forward*

On June 2, the European Parliament International Trade Committee voted on legislation to implement the U.S-EU trade deal. The legislation was overwhelmingly approved by the Committee and next faces a vote by the full European Parliament likely scheduled for June 16. Given the strong result in the International Trade Committee, it is likely the legislation will not face significant hurdles in Parliament.

## Policy Pulse

### *USTR launches new Section 301 investigation in Vietnam's IP practices*

On May 29, the Office of the U.S. Trade Representative (USTR) [announced](#) a new investigation under Section 301 of the Trade Act of 1974 concerning Vietnam's Acts, Policies, and Practices Related to Intellectual Property Protection and Enforcement. In the press release, USTR Greer said, "While Vietnam has recently taken some steps toward addressing IP concerns that the United States has chronicled over many years in USTR's Annual Special 301 Report, IP infringement in Vietnam continues to impair the competitive position of U.S. innovators and creators . . . We need to see Vietnam resolve these long-standing concerns, including on a range of IP enforcement issues, in a manner that is sustained and that deters future IP infringements." The press release specified that the investigation "will examine Vietnam's acts, policies, and practices related to IP protection and enforcement and assess their impact on U.S. commerce."

USTR has opened a public comment period for stakeholders. Written comments must be submitted by July 2, 2026. At this time, USTR has not indicated that it will hold a public hearing in the investigation.

See the Federal Register Notice (FRN) [here](#).

### ***USTR proposes new tariffs on 60 trading partners in connection with Section 301 investigations relating to forced labor import bans***

On June 2, 2026, USTR released a [report](#) in connection with its Section 301 investigations into whether 60 trading partners impose and effectively enforce a prohibition on the importation of goods produced with forced labor. USTR [proposes](#) additional tariffs of 10% to 12.5% on substantially all products from these economies, with certain exemptions. USTR is soliciting public input regarding the proposed actions. Written comments are due July 6, 2026, and public hearings begin July 7. Requests to testify at the public hearing must be submitted to USTR by June 22, 2026.

A more detailed EY alert is available [here](#).

### ***USTR requests public comment on U.S.-China Board of Trade tariff relief***

USTR [announced](#) on June 2 that it is requesting public comment on the development of the new U.S.-China Board of Trade. USTR described this “new government-to-government mechanism” in their press release as being intended “to manage bilateral trade between the United States and China on an ongoing basis.” Public comment is sought “on specific types of non-sensitive products that could potentially benefit from tariff modifications on each side with the objective of achieving balance and reciprocity in our trade relationship.”

See the FRN [here](#). The deadline for written comments is July 10.

### ***USTR proposes 25% tariff on Brazilian goods following Section 301 investigation into certain economic practices***

On June 1, 2026, USTR announced its determination that certain economic policies and practices by Brazil are unreasonable and burden or restrict U.S. commerce and issued proposed remedies following an investigation under Section 301. This announcement follows the July 15, 2025, initiation of an investigation by USTR at the direction of the President. In the report, USTR found that certain acts, policies, and practices of Brazil related to “digital trade and electronic payment services; unfair, preferential tariffs; anti-corruption enforcement; intellectual property protection; ethanol market access; and illegal deforestation are unreasonable or discriminatory and burden or restrict U.S. commerce and thus are actionable.”

As outlined in the [FRN](#), USTR proposes a 25% tariff on nearly all imports from Brazil, “with exemptions for certain goods, including informational materials, donations, accompanied baggage, all articles and parts of articles subject to section 232 tariffs, and certain products identified in the Annex.”

USTR is soliciting public comments in response to the proposed remedies. Written comments are due on July 1, 2026. USTR will also hold a public hearing on the proposed action on July 6, 2026, and stakeholders interested in participating in the public hearing can submit requests to testify by June 22.

### ***Administration adjusts Section 232 metals tariffs on certain machinery***

On June 1, 2026, President Trump issued a [proclamation](#) modifying duties imposed under Section 232 of the Trade Expansion Act of 1962 on certain agricultural machinery and residential heating, ventilation, and air conditioning (HVAC) systems and components from 25% to 15%. The proclamation also expands the list of industrial mobile equipment imports subject to a reduced 15% tariff rate when imported from certain countries with whom the U.S. has reached an Agreement on Reciprocal Trade (Argentina, Ecuador, El Salvador, Guatemala, Japan, Korea, Liechtenstein, Switzerland, Taiwan, the United Kingdom and members of the European Union). Imports from Canada and Mexico are subject to a 25% tariff rate on the non-U.S. content of the good, while the total effective duty on such imports shall not exceed 15%.

Further, the proclamation applies a 10% duty rate to derivative imports composed of metals that are entirely melted and poured (steel), smelted and cast (aluminum), or smelted and poured (copper) in the United States and reduces the threshold for goods made entirely from American steel, aluminum, and copper from 95% to 85%.

The reduced duty rates and other modifications under this proclamation are effective June 8, 2026, through December 31, 2027.

### ***Administration issues new executive order on customs enforcement***

On June 3, 2026, President Trump signed an [executive order](#) entitled “Strengthening Customs Enforcement,” directing the Department of Homeland Security (DHS) and U.S. Customs and Border Protection (CBP) to undertake a comprehensive overhaul of U.S. customs enforcement - including major changes to importer eligibility rules, as well as bonding requirements, import disclosure and certification requirements, and enhanced enforcement and penalty rules.

The order addresses what the administration describes as “systemic inefficiencies, loopholes, insufficient enforcement mechanisms, and outdated processes” that have enabled duty evasion, undervaluation of imports, and other noncompliant trade practices. In a [Fact Sheet](#), the White House said that the reforms align U.S. customs practices with those of most trading partners, many of which already prohibit foreign entities from serving as importers of record (IORs) or require foreign importers to partner with verified domestic parties. Notably, the Fact Sheet says that “reforms directed in the Order will not take effect immediately,” and that most provisions will be implemented “through the standard rulemaking process,” giving stakeholders “a meaningful opportunity to adjust operations, if needed.”

### ***DOJ appeals universal refund of IEEPA tariffs, importers request class action certification***

On May 29 the Department of Justice (DOJ) filed a [notice](#) with the U.S. Court of International Trade (CIT) that it intended to appeal Judge Eaton’s “universal injunction ordering CBP to reliquidate final entries including entries made by importers who have not sued in this Court” regarding duties paid under the International Emergency Economic Powers Act (IEEPA). The filing argues that “the universal injunction

exceeds the Court's jurisdiction and equitable authority" and "defendants intend to appeal the Court's universal injunction and to seek a stay of the injunction except as to the particular importer plaintiffs in each case in which the Court has entered the injunction."

On June 2, the administration formally appealed the ruling to the Court of Appeals for the Federal Circuit - injecting new uncertainty into whether IEEPA refunds will be available for certain entry types, and particularly those whose liquidation is final. In response, importers who won the Supreme Court case striking down the IEEPA tariffs asked the CIT to certify a class action so that all affected importers can receive refunds - not just those who file individual lawsuits.

### ***Three nominations to the U.S. International Trade Commission***

On June 1, President Trump nominated three individuals - Republican Peter-Anthony Pappas, a former aide to Sen. Thom Tillis (R-NC) and Democrats Samuel Negatu and Bartholomew Thanhauser, who are both former USTR staff - to fill long-standing vacancies at the U.S. International Trade Commission (USITC). The USITC is a nonpartisan, six-member quasi-judicial federal agency that fulfills a range of trade-related mandates. Nominations to the USITC require Senate confirmation.

## **Hill Highlights**

### ***Lawmakers introduce legislation to ban Chinese robots***

Chairman of the Select Committee on China, John Moolenaar (R-MI) and Reps. Jay Obernolte (R-CA) and Jennifer McClellan (D-VA) introduced the *Guarding the U.S. Against Adversarial Robotics Dominance* (GUARD) Act. In a [press release](#), Moolenaar said. "Fueled by generous state subsidies, Unitree and other Chinese robotics companies are cheating against American robot makers, flooding the market with artificially cheap products, possibly bankrupting our companies, and leaving us dependent on China ... We must act today to ban malign foreign-made robots to protect the safety of Americans."

The bill text is available [here](#).

### ***Congressional Democrats call for automatic tariff refunds to small businesses, expand refund eligibility to consumers***

On June 3, 36 House Democrats sent a letter to Treasury Secretary Bessent, USTR Greer, Small Business Administrator Loeffler, and CBP Commissioner Scott urging the Administration to stand up an automatic IEEPA tariff refund process that prioritizes small businesses, rather than continuing with the claims-based system currently in place. The lawmakers also call for refund eligibility to be extended to consumers and raise questions about the treatment of small businesses and consumers by the existing refund process.

The letter states, "Having unlawfully obtained these funds, it is incumbent on the federal government to establish an orderly process to ensure that these funds can be repaid as quickly and fairly as possible. It is not sufficient to open a portal and wait passively for importers to apply on their own; CBP must fix the

issues surrounding CAPE and be more proactive in identifying and supporting small businesses that lack the resources or capacity to navigate the application process. In addition to an automatic refund process for small businesses impacted by these tariffs, we also request consideration of direct relief to American consumers who paid the majority of tariff induced costs.”

### **Key Dates**

**June 16:** USTR holds a public hearing in the Section 201 safeguard investigation into quartz surface products.

**June 26:** President to announce any actions on Section 232 investigations into drones and polysilicon and derivative products, as well as unmanned aircraft systems and their parts and components.

**July 1:** On six-year anniversary of entry into force, the USMCA joint review takes place.

**July 1:** Deadline for written comments on USTR's Section 301 proposed tariff action on Brazilian goods.

**July 2:** Deadline for written comments in USTR's Section 301 investigation concerning Vietnam.

**July 6:** Deadline for written comments on USTR's proposed tariffs on 60 trading partners in connection with Section 301 investigations into forced labor bans.

**July 6:** USTR holds hearing related to Section 301 proposed tariff action on Brazilian goods.

**July 7:** USTR holds a public hearing regarding proposed tariff actions in connection with Section 301 investigations into forced labor bans.

**July 10:** Deadline for written comments on USTR's notice on the U.S.-China Board of Trade.

**July 17:** Deadline for written submissions in the USITC's factfinding investigation concerning China's state support and pricing practices in the biotechnology sector.

**July 21:** USTR to brief Congress by this date on the negotiating positions of Mexico and Canada.

**July 24:** The 10% tariff imposed under Section 122 expires.

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