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Trade Lines

Policy Intelligence for Global Business Leaders

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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.

In This Issue

Global Signals

Brazil requests WTO consultations over Section 301 tariffs

Brazil formally requested consultations with the U.S. at the World Trade Organization (WTO) on July 28 in relation to the tariffs imposed by the Trump Administration in connection with two separate investigations under Section 301 of the Trade Act of 1974. The investigations concerned the enforcement of forced labor import bans, as well as Brazil's digital, deforestation, and preferential trade policies. In a statement, the

Brazil ministry said, "Brazil considers the U.S. measures to be unjustified and incompatible with U.S. obligations under the General Agreement on Tariffs and Trade of 1994 (GATT 1994) and the Understanding on Rules and Procedures on Dispute Settlement of the WTO."

Policy Pulse

Section 301 investigation into 'excess capacity' may conclude "soon"

On July 27, U.S. Trade Representative (USTR) Ambassador Jamieson Greer told Fox News that the Section 301 investigations into *Structural Excess Capacity and Production in Manufacturing Sectors* covering 16 trading partners will "hopefully" conclude soon. Greer said, "We're going to finish up that investigation hopefully soon, and we'll make a proposal. I don't want to get ahead of the president or the investigation, but these are the types of investigations that could lead to additional tariffs." That is, the findings could be used to enact new tariffs.

The excess capacity investigation was initiated on March 11. USTR has 12 months to complete the investigation but is expected to move expeditiously.

Treasury releases its semiannual report assessing the exchange rate practices of major trading partners

The U.S. Department of the Treasury released its semiannual report to Congress on *Macroeconomic and Foreign Exchange Policies of Major Trading Partners*. The report "assesses the macroeconomic and exchange rate practices of major trading partners pursuant to the 1988 and 2015 Acts" by maintaining a Monitoring list of major trading partners "whose currency practices and macroeconomic policies merit close attention." In this report, "the Monitoring List comprises China, Japan, Korea, Taiwan, Thailand, Singapore, Vietnam, Germany, Ireland, and Switzerland," however all these jurisdictions were on the Monitoring List in the January 2026 report. The report also notes that while China has not been designated "as a currency manipulator…China continues to stand out among our major trading partners in its relative lack of transparency around its exchange rate policies and practices."

Treasury places countries on its Monitoring List to track exchange-rate, external balance, and related macroeconomic developments more closely, but the designation does not carry automatic penalties or a finding of currency manipulation. The designation can prompt additional U.S. engagement and signals that policymakers will continue to monitor the country's practices in future economic and trade policy reviews.

FCC adds foreign-produced advanced robotic devices and power inverters to Covered List

On July 27, the Federal Communications Commission (FCC) issued two National Security Determinations that added foreign-made advanced robotic devices (defined as mobile robots, such as humanoids and quadrupeds) and connected power inverters (such as those used in solar energy, battery storage, and other power systems) to its Covered List over national security concerns. Equipment on the Covered List is prohibited from getting FCC Equipment authorization, which is generally required before importation into the United States.

The determination on advanced robotic devices said, in part, "Advanced robotic devices collect data that could be leveraged by malign actors to surveil Americans, enhance the capabilities of foreign intelligence services, or to remotely commandeer the robots." The determination on power inverters said, "There is evidence to suggest foreign entities have the capability to access power inverters after their installation in the U.S" which could result in grid disruption and potential blackouts.

In a Fact Sheet, the FCC said that the new restrictions only apply to new device models and do not impact "relevant models approved previously through the FCC's equipment authorization process."

DHS adds 43 companies to UFLPA Entity List

On July 31, 2026, the Department of Homeland Security (DHS), on behalf of the Forced Labor Enforcement Task Force (FLETF), announced the addition of 43 companies to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List, representing the largest single expansion of the list to date. DHS stated that, following the additions, 187 entities will appear on the UFLPA Entity List, a 30% increase from the prior list. DHS also announced technical name updates for two previously listed entities.

Effective August 3, 2026, U.S. Customs and Border Protection (CBP) will apply the UFLPA's rebuttable presumption to goods produced by the newly listed entities. DHS noted that the newly listed entities operate in several enforcement-priority sectors, including aluminum, apparel, copper, cotton, tomatoes, and downstream products.

Hill Highlights

Senate advances Graham Russia and Iran sanctions bill; final passage possible this week

The Senate has taken two procedural steps toward passing the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, voting 86–12 on July 28 to invoke cloture and 84–12 on July 29 to proceed to the bill. For importers, the bill authorizes tariffs of up to 100% on the top purchasers of Russian crude oil and natural gas—primarily China and India—alongside certain countries facilitation Russian oil sanctions evasion, subject to a presidential waiver and an exemption for countries importing minimal Russian gas that are reducing their reliance.

Final passage could happen before the August recess and possibly by the end of this week. One amendment under discussion, from Senators Rand Paul (R-KY) and Ron Wyden (D-OR), would narrow the tariff authority the bill grants the President. If the Senate passes the measure, the House is not expected to act until it returns in September, and the bill faces opposition from key House Democrats—including Foreign Affairs Committee Ranking Member Gregory Meeks and Ways and Means Ranking Member Richard Neal, as well as the New Democrat Coalition—who have objected to its expansion of the President's tariff authority.

House Republicans propose Section 301 investigation into EU sustainability rules

Members of the Ways and Means Subcommittee on Trade, Rep. Jodey Arrington (R-TX) and Greg Steube (R-FL), and Rep. Craig Goldman (R-TX) introduced the Stop EU Overreach Act. The bill would direct USTR to initiate a Section 301 investigation into several EU sustainability rules, including the Corporate Sustainability Due Diligence Directive, Corporate Sustainability Reporting Directive, Deforestation Regulation, and Carbon Border Adjustment Mechanism. In a press release, Rep. Goldman said, "These radical regulations on U.S. businesses would not only cost American businesses more than a trillion dollars, but also represent a clear overreach into American sovereignty."

Key Dates

July 30: Deadline for post-hearing written comments on the annual AGOA review.

July 31: Section 232 tariffs on pharmaceuticals take effect for large companies on Annex III.

August 4: Deadline for CBP's next update to the Court of International Trade on the status of IEEPA tariff refunds.

August 8: Deadline for determinations in the Section 232 investigations into wind turbines.

August 10: Deadline for written comments on USTR's Section 301 investigation into Germany's pharmaceutical pricing practices.

August 19: New 50% tariffs on Canadian goods under Section 338 come into effect.

August 26: Deadline for determinations in the Section 232 investigations into PPE, medical consumables, and medical equipment and robotics and industrial machinery.

September 22: USTR hearing on Section 301 investigation into Germany's pharmaceutical pricing practices.

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

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