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Trade Lines

Policy Intelligence for Global Business Leaders

Published by Blake Harden and Evan Giesemann
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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. Track developments, evaluate potential impacts, and support informed decision-making in a changing environment.

In This Issue

Global Signals

China authorities announce export restrictions on drones, add U.S. entities to countermeasures list

Effective immediately, China announced measures following recent U.S. actions including the FCC's additions of advanced robotics and power inverters to its Covered List and the addition of 43 entities to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List. In a statement, China's Ministry of Commerce said August 5, "Exports of drones, their key components, and related technologies that are included in the country's dual-use export control list will be subject to rigorous case-by-case review when destined for the United States" and that "Such exports will not be eligible for license facilitation measures." In addition, the Ministry of Commerce barred Chinese entities from doing business with seven American companies and organizations, and China's certification regulator announced that it will immediately suspend the authorization of U.S.-based certification bodies to conduct post-certification factory follow-up inspections for products under the China Compulsory Certification system.

Policy Pulse

New tariffs and minimum import prices imposed on polysilicon and related products

On August 6, 2026, President Trump signed a proclamation imposing new tariffs and minimum import prices on polysilicon and related products, including silicon wafers, solar cells, and solar panels. The action follows a Commerce Department investigation under Section 232 of the Trade Expansion Act of 1962 which found that the United States' declining share of global polysilicon production capacity — from about 50% in 2005 to under 2% in 2024 — is a potential risk given the material's role in both semiconductors and solar energy products.

The new proclamation applies a tariff on derivative products including silicon ingots and wafers, solar cells, and solar panels, but not raw polysilicon itself. Most countries face an added 15% tariff. Imports from Japan, South Korea, Taiwan, Switzerland, Liechtenstein, and the European Union are capped at a combined 15% rate rather than facing 15% on top of existing duties, and imports from the United Kingdom face a smaller, 10% add-on. The proclamation also imposes a minimum import price for polysilicon and derivative products whereby if a covered product is imported below the applicable floor value, an additional charge applies to bring its effective cost up to that floor.

The new tariffs and minimum import prices take effect for goods entered for consumption on or after 12:01 a.m. eastern time on December 4, 2026. In the interim, the proclamation authorizes U.S. Customs and Border Protection (CBP) to restrict imports if it suspects a company is accelerating imports before the new charges take effect. The proclamation includes a few narrow exceptions including that goods resold in the U.S. under a fixed-price contract signed before August 6 may avoided the added minimum-price charge if this price already meets the floor price. In addition, the proclamation authorizes tariff offsets or other tariff incentives for companies that enter into onshoring agreements with the Commerce Department.

A White House Fact Sheet is available here.

BIS proposes adding derivative products to the scope of its metals tariffs

The Department of Commerce's Bureau of Industry and Security (BIS) is soliciting public comments on a proposal to include 14 additional types of derivative products in the scope of its investigation into steel, aluminum and copper under Section 232 of the Trade Expansion Act of 1962. In the notice, BIS says imports of these derivative articles "tend to be composed predominately of aluminum, steel, and/or copper by weight, and that imports threaten to undermine the objectives of the actions taken to address the national security threats the President announced he had found in Proclamation 9704, Proclamation 9705, and Proclamation 10962."

According to the notice, this includes: aluminum powder; brass-wind musical instruments and their parts and accessories; parts of welding machines and apparatus; floor safes; certain electric conductor cables; fire extinguishers; parts of heat exchange units; parts of certain hydraulic engines and motors; certain self-propelled cranes, mobile lifting frames, and straddle carriers; tanker trailers and semi-trailers; self-loading or self-unloading trailers and semi-trailers for agricultural purposes; certain other trailers and semi-trailers; and certain filled steel containers. Commerce is proposing various tariff rates depending on the product type and metal content. Public comments are due August 27.

Tariff rate quota imposed on imports of quartz surface products used to make countertops

On July 31, the administration released a proclamation *To Facilitate Positive Adjustment to Competition from Imports of Quartz Surface Products*. In the proclamation, the administration ordered a tariff-rate quota (TRQ) of 13,006,426 square meters on imports of quartz surface products (QSP) used to make countertops effective for goods entered for consumption on or after 12:01am EST on August 15. This TRQ increases annually, and by the fourth year reaches 15,700,614 square meters. This measure follows an investigation initiated by the U.S. International Trade Commission in 2025 under Section 201 of the Trade Act of 1974 which found QSPs were "being imported into the U.S. in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing products like or directly competitive with the imported products." Several countries—including Australia, Colombia, South Korea, Jordan, Panama, Peru, Singapore, and parties to the Central America-Dominican Republic FTA—were excluded because they "are not a substantial cause of serious injury or threat thereof."

Final action on Section 301 forced labor tariffs faces legal challenges

On August 3, 2026, a coalition of 25 states filed suit in the U.S. Court of International Trade (CIT) challenging the tariffs imposed under Section 301 of the Trade Act of 1974 for failure to effectively enforce forced labor import bans. The tariffs, which range from 10% to 12.5%, were imposed on most imports from 60 economies. The coalition of states argues that the Office of the U.S. Trade Representative (USTR) unlawfully used Section 301 to continue the administration's broader global tariff policy after similar tariffs imposed under the International Emergency Economic Powers Act (IEEPA) and Section 122 were struck down by the courts. The complaint alleges that the tariffs are arbitrary, overly broad, and not reasonably tailored to address forced-labor concerns. The lawsuit seeks to vacate the tariffs, block their enforcement, and obtain refunds of duties paid under the challenged action.

The lawsuit, *State of Oregon, et al., v. Trump, et al*, is the third legal challenge to the new Section 301 tariffs. Two other lawsuits were filed by small importers on July 24, 2026. The CIT has granted a motion to move the cases along a consolidated schedule. Briefings are due to be filed by all plaintiffs by August 14—see the full schedule for plaintiffs and defendants in the court order here.

CBP reports more than $100 billion in potential and certified IEEPA tariff refunds accepted for processing

On August 4, CBP filed a declaration updating the CIT on the status of processing refunds in relation to duties paid under IEEPA. In this filing, CBP asserted that as of 3pm EST on July 31, "approximately $128.68 billion in both potential and certified refunds have been accepted for processing" in their Consolidated Administration and Processing of Entries (CAPE) system. Notably, this declaration did not provide any update on a possible phase three of CAPE processing for finally liquidated entries.

A conference call between CBP and CIT is scheduled for August 6.

Hill Highlights

Senate passes Russia and Iran sanctions bill

By a vote margin of 86-11, the Senate passed the *Lindsey Graham Sanctioning Russia and Iran Act of 2026*. This bill authorizes the Trump administration to impose tariffs of 500 percent on all Russian imports and up to 100% on the top five purchasers of Russian crude oil and natural gas, as well as on the top five countries facilitating Russian oil sanctions evasion. Narrow exceptions are included for countries who purchase less than 15 percent of Russia's total natural gas exports and are taking significant steps to reduce such purchases.

Senator Rand Paul (R-KY) and Senate Finance Committee Ranking Member Ron Wyden (D-OR) proposed an amendment to remove the tariff provision from the bill, but the Senate rejected this amendment by a vote margin of 64-32. Wyden said during remarks that he supported being tough on Russia but opposed the bill because it isn't "just a sanctions bill" but "gives Trump massive new tariff authority that he can use to threaten our trading partners and raise prices on the American people. This bill gives him so much discretion that Trump can ultimately decide what countries to tariff, or what countries to exempt. And he can modify tariffs at his will." The bill now moves to the House, where the tariff provisions may face further debate.

AGOA and HELP extensions included in government funding bill

This week, the Senate is considering a continuing resolution (CR) (H.R.6500) to fund the government beyond the current fiscal year through to December 11. This CR includes a two-year extension of the

African Growth and Opportunity Act (AGOA) and Extension of the Haiti Economic Lift Program through December 31, 2028. Currently both programs are set to expire on December 31, 2026. On August 3, the CR cleared an initial procedural step by a vote margin of 89-4.

House Republicans express support for the administration's approach to the USMCA Joint Review

Rep. Rudy Yakym (R-IN) led a letter joined by 167 other House Republicans sent a letter to USTR Ambassador Jamieson Greer supporting the administration's approach to the U.S.-Mexico-Canada Agreement (USMCA) Joint Review. In a press release, Rep. Yakym said, "This review process represents an important opportunity to strengthen the agreement, and I support the President's focus on securing improvements *before* agreeing to an extension…I hope Mexico and Canada bring their best offers to the table so that an extension can become reality." The letter notes that "USMCA has delivered many positive benefits, but there are key improvements that can and should be made." The lawmakers call for "securing market access…addressing new actions…that harm American manufacturers, agriculture, service providers, and workers… confronting unfair trade and investment practices from third countries…and rationalizing tariff structures to strengthen regional competitiveness in the global marketplace."

Key Dates

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.

This Alert won't be published while Congress is in August recess, but other WCEY Trade Alerts will be issued as events warrant.

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