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Trade Lines

Policy Intelligence for Global Business Leaders

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

President Trump and Chinese President Xi Jinping meet in Washington, D.C.

On September 24, U.S. President Trump met with Chinese President Xi Jinping in Washington, D.C. During remarks President Xi said, "We should strengthen communication" and that China "keeps its doors wide open" to American companies and hopes "Chinese companies are treated fairly here in the United States." In his own remarks, President Trump said the Board of Trade is a "a brand-new mechanism and was something that's been unbelievably successful. Our teams have been working to encourage a more balanced trading relationship, including the new market access for American farmers and ranchers."

The day prior, U.S. Treasury Secretary Scott Bessent announced that the U.S. and China had agreed to extend their 'trade war truce' until January 10. On whether a more comprehensive agreement can be

reached, Bessent said, “I don’t know whether a bigger deal can be done” and that China is “a little behind schedule” on agricultural commitments.

Ahead of this scheduled visit, Chairman of the House Select Committee on China, Rep. John Moolenaar (R-MI), urged the president in a [letter](#) to prioritize national security concerns. This includes that the administration should prevent “state-subsidized car companies from evading the guardrails your administration has established by setting up onshore assembly lines.”

Policy Pulse

Commerce issues temporary final rule to prevent polysilicon stockpiling

The Department of Commerce’s Bureau of Industry and Security (BIS) issued a temporary final [rule](#) to restrict polysilicon stockpiling. Effective September 22, 2026, the rule aimed at preventing companies from significantly increasing imports of polysilicon and certain polysilicon-containing products before new Section 232 import measures take effect on December 4, 2026. BIS may direct U.S. Customs and Border Protection (CBP) to restrict further imports from companies whose import volumes appear substantially above historical levels, while newly established importers are subject to specified volume limits.

The rule also warns against the use of affiliates or newly created importers to circumvent the restrictions and reminds customs brokers of their obligation not to facilitate violations. Companies that become subject to an import prohibition may apply to BIS for a waiver through an electronic application process.

Commerce issues tariff adjustments for specialty pharmaceuticals and associated ingredients

BIS issued [guidance](#) on September 23 implementing the specialty pharmaceutical exemptions under Section 232 Proclamation 11020. The notice defines the categories of products eligible for a 0% tariff rate, including orphan drugs, nuclear medicines, plasma-derived therapies, fertility drugs, cell and gene therapies, antibody-drug conjugates (ADCs), certain medical countermeasures, and animal health products. BIS also published a list of eligible jurisdictions, including the EU, UK, Japan, Switzerland, India, South Korea, Taiwan, and others, and established a process through which companies may petition Commerce for 0% treatment for products meeting an “urgent U.S. health need.”

The notice also makes several technical corrections to Proclamation 11020. Most notably, BIS created new HTSUS heading 9903.04.70, which provides a 0% Section 232 tariff rate for covered pharmaceutical products and associated ingredients imported solely for clinical trials, research and development, or other non-commercial applications. Additional corrections clarify the scope of “pharmaceutical articles,” expand the definition of generic pharmaceutical products to include unpatented animal health products, update HTS classifications to reflect July 2026 HTSUS revisions, and remove certain overlapping tariff classifications from Annex IV.

USTR holds public hearing on Section 301 investigation into Germany's pharmaceutical pricing practices

On September 22, the Office of the U.S. Trade Representative (USTR) held a public hearing regarding the investigation under Section 301 of the Trade Act of 1974 into *Germany's acts, policies, and practices related to the persistent underpayment for innovative pharmaceutical products*. During the hearing, USTR heard from a [panel](#) of 9 witnesses including industry representatives and other stakeholders. Industry representatives told officials that Germany's pharmaceutical pricing is discriminatory which places a disproportionately high price on U.S. patients and urged USTR to act. Some also suggested that USTR use its drug pricing deal with the United Kingdom as a template for an agreement with Germany. However, other witnesses on the panel argued that Germany's pricing policies are not discriminatory and that there is no evidence that Germany's pricing is shifting costs onto U.S. patients.

Hill Highlights

Senate lawmakers urge the administration to refund consumers for duties paid under IEEPA

Sen. Elizabeth Warren (D-MA) and five other Senate Democrats sent a [letter](#) to USTR Ambassador Jamieson Greer on September 21 urging that consumers be refunded alongside importers for duties paid in relation to tariffs imposed under the International Emergency Economic Powers Act (IEEPA). The lawmakers write that a "refund process limited to 'foreign importers of record or domestic importers who paid them' does not make consumers whole" and requested responses to several questions by October 5.

Key Dates

September 29: Section 232 tariffs on branded pharmaceuticals take effect for all companies; import bans on certain Canadian products under Section 338 proclamations take effect.

September 30-October 1: G20 Trade Ministerial located in Milwaukee, Wisconsin scheduled.

October 6: CBP deployment of Phase 3 IEEPA refund capabilities covering finally liquidated entries.

October 24: USTR findings due in Section 301 investigation related to China's Phase One commitments.

October 29: Deadline to submit comments to USTR on its National Trade Estimate Report on Foreign Trade Barriers.

November 10: U.S.-China trade truce expires.

November 30: USTR findings due in Section 301 investigation into Vietnam's IP practices.

December 1: Comments due to CBP concerning new requirements to increase visibility into supply chains.

If you have questions, please contact Blake Harden (blake.harden@ey.com).

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