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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

US and China announce trade truce following Trump-Xi meeting

The US and China announced a bilateral trade truce on Thursday evening following a bilateral meeting between President Trump, President Xi, and their advisors.

According to the White House Fact Sheet released over the weekend, the United States will reduce tariffs on China imposed in response to concerns around fentanyl from 20% to 10% and pause Trump's recent threat to impose100% tariffs on Chinese goods. As a result, the average tariff on imports from China will be reduced from 55% to 45% (10% fentanyl, 10% country-specific, 25% on goods subject to section 301 tariffs on Chinese imports).

The US also agreed to delay for one year recent fees on China-affiliated shipping vessels and an interim final rule from the Department of Commerce Bureau of Industry and Security (BIS) expanding export restrictions to companies that are at least 50 percent owned by listed entities (frequently referred to as the Affiliates Rule).

In exchange, China will pause for one year its recent export controls on rare earth elements. China also committed to increase purchases of US soybeans, take additional steps to curtail the flow of fentanyl into the US, and remove its countermeasures on US shipping vessels.

Moving forward, there remain significant questions around the timing and process of implementing the commitments. Both sides also indicated a desire to continue negotiations on other issues, including China's access to certain chips, purchases of US energy goods, and questions around the future of TikTok.

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US and Korea finalize details of recent trade framework

Following months of negotiations and a bilateral meeting this week between President Trump and Korean President Lee Jae Myung, the US and Korea finalized key details of a trade framework between the two countries initially announced in July. According to the Korean government, the US will provide Korea with preferential treatment on certain sectoral tariffs enacted or under consideration by the Trump Administration, including a 15% rate on autos and auto parts and lumber products, a 15% cap on future pharmaceutical tariffs, and duty-free treatment of generic drugs and aircraft. The Korean government also suggested they would not be disadvantaged compared to other nations on semiconductor tariffs, although Secretary of Commerce Howard Lutnick posted on X that "semiconductor tariffs are not part of this deal."

The announcement also included more detailed terms of investment commitments under the trade framework. According to reports, the deal includes a commitment from Korea to invest $200 billion in the US over the next ten years. Initial indications suggest that these investments could be made through loans and loan guarantees in addition to equity. The deal also includes an additional $150 billion commitment from Korea focused on joint shipbuilding initiatives.

While the Administration has not yet confirmed all of these terms, the White House released a fact sheet highlighting certain Korean investments aligned with the deal, including investments in US aircrafts, energy goods, and technology.

According to Mexican officials, US extends pause on increased tariffs for "a few more weeks"

Mexican President Claudia Sheinbaum told reporters this week that she and President Trump spoke agreed to extend an October 29 deadline on increased tariffs as negotiations continue. The U.S. had planned to raise tariffs on non-USMCA qualifying imports from Mexico from 25% to 30% after a 90-day pause agreed to in July. President Sheinbaum said that Mexico was working to address 54 remaining trade barriers identified by the U.S.

We have not yet seen an official statement by President Trump or his advisors confirming the pause, but nor have we seen any indication that the U.S. has moved ahead with increased tariffs on goods from Mexico.

Policy Pulse

CBP Issues Guidance for Import Duties on Medium and Heavy-Duty Trucks, Truck Parts, and Buses

On October 29, CBP issued entry filing instructions for Section 232 duties on Medium- and Heavy-Duty Vehicles (MHDVs), Medium- and Heavy-Duty Vehicle Parts (MHDVPs) and buses pursuant to Presidential Proclamation 10984 issued on October 17, 2025. This guidance provides instructions for importers, brokers, and filers on submitting entries to U.S. Customs and Border Protection (CBP) subject to tariffs on MHDVs and MHDVPs from all countries that are provided for in headings 9903.74.01 through 9903.74.11,

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respectively. This guidance also provides instructions on submitting entries for tariffs on other parts of passenger vehicles and light trucks from all countries that are provided for in headings 9903.94.07 and 9903.94.33 through 9903.94.55, as well as specific instructions for the European Union, Japan, and the United Kingdon, in keeping with the trade deals reached with these trading partners.

The Guidance confirms that the additional duties take effect with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. ET on November 1, 2025. It also provides instructions concerning merchandise in Foreign Trade Zones, as well as drawback instructions. The Guidance also provides detailed information about how these tariffs do or do not stack with other tariff actions.

Read the full guidance here.

ICYMI: CBP issues reminder on accurate reporting of steel and aluminum content and quantities

On October 17, CBP issued a "Trade Information Notice" to importers emphasizing the importance of strict compliance with reporting guidance regarding Section 232 duties on steel and aluminum products and their derivatives. CBP reiterated key reporting requirements, and reminded importers that "[a]ccurate reporting of steel and aluminum content and quantities is essential to avoid potential errors, under-collection of duties, and enforcement actions by U.S. Customs and Border Protection." You can read CBP's full reminder here.

Hill Highlights

Senate votes to block Trump's IEEPA tariffs

This week the Senate approved three separate resolutions of disapproval to reject President Trump's enactment of tariffs under the International Emergency Economic Powers Act (IEEPA). The trio of resolutions specifically overturned Trump's declarations of a national emergency under the National Emergencies Act – which serve as the legal basis for the imposition of tariffs under IEEPA – on Brazil in response to the country's digital policies and the prosecution of former President Bolsonaro; on Canada in response to fentanyl smuggling; and on global bilateral trade deficits.

Four Republicans – Sens. Murkowski (AK), Paul (KY), McConnell (KY), and Collins (ME) - joined all Democrats to vote in favor of each of the three resolutions. Republican Senator Tillis (NC) also voted in favor of the Brazil resolution, while opposing the other two resolutions.

The House is not expected to vote on the measures after modifying the rules earlier this year regarding consideration of certain resolutions related to national emergencies including those declared under IEEPA.

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Upcoming Deadlines

November 3, 2025: Written comments due to USTR as part of the U.S.-Mexico-Canada Agreement (USMCA) review.

November 5, 2025: The Supreme Court will hear 80 minutes of oral argument in consolidated cases challenging the president's ability to impose tariffs under the International Economic Emergency Powers Act (IEEPA). Listen live **here**.

November 10, 2025: The pause on further tariff increases on products from China expires, absent an extension.

November 17, 2025: USTR will hold a public hearing in connection with the USMCA review.

November 24, 2025: Deadline to submit post-USMCA hearing rebuttal comments to USTR.

December 1, 2025: Written comments and requests to testify due to USTR in the section 301 investigation into China's implementation of the Phase One Agreement.

December 16, 2025: USTR will hold a hearing in connection with its section 301 investigation into China's implementation of the Phase One Agreement.

December 23, 2025: USTR deadline to complete its section 301 investigation into "China's Targeting of the Semiconductor Industry for Dominance".

December 27, 2025: Commerce deadline to issue a report to the President in its section 232 investigations concerning semiconductors and semiconductor equipment, as well as pharmaceuticals.

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

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