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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

U.S. argues for WTO reform, criticizes most favored nation' principle

The U.S. circulated a [communication](#) on December 15 to other World Trade Organization (WTO) members which stated that without reform, the WTO will continue on “its path toward irrelevancy.” The U.S. suggested “that the WTO is unable to address certain systemic problems, such as imbalances, overcapacity, economic security, and supply chain resilience.” Specifically, the U.S. criticized the most favored nation (MFN) principle—that a country shall treat all others the same with respect to tariffs and trade rules—as being no longer suitable. The U.S. argued that “MFN impedes welfare-enhancing liberalization” because it “pushes members to engage in one venue...and attempt to develop a one-size-fits-all approach.”

Former USTR General Counsel Jennifer Hillman and other former trade officials defended the WTO at a December 16 [discussion](#) organized by the Washington International Trade Association (WITA). Hillman described MFN as a “very significant provision” because it “requires equal treatment for all WTO members and because it extends not just to goods but to services, intellectual property rights, technical barriers to trade, goods in transit, origin marking requirements, even to government procurement.” Angela Ellard, a former WTO Deputy Director General and former Republican Ways and Means trade counsel defended the WTO Secretariat as being a neutral body while former EU trade negotiator Ignacio Garcia Bercero noted that there is “flexibility in the [MFN] system.”

Policy Pulse



USTR issues Notice of Action in Section 301 Investigation of China's Semiconductor Industry

On December 23, the Office of the U.S. Trade Representative (USTR) published a Notice of Action in its Section 301 investigation of China's acts, policies, and practices related to targeting of the semiconductor industry for dominance. USTR has determined that China's acts, policies, and practices are actionable under the statute and announced an 18-month phase in of tariffs on semiconductors and related products. Effective today, the initial tariff rate will be 0 percent and will increase to a yet-to-be-determined rate on June 23, 2027.

For more details, see the attached WCEY Alert: SemiconductorsTrade 12232025

Commerce Department implements retroactive tariff reduction on Switzerland from 39 to 15 percent

On December 18, the Office of the U.S. Trade Representative (USTR) and the Commerce Department published a [Federal Register Notice](#) outlining tariff modifications announced in the US-Swiss [Joint Statement](#) on November 14, 2025. In particular, the Notice confirms that the U.S. will apply the higher of either the applicable U.S. most-favored-nation (MFN) rate or 15 percent, and that the U.S. will exclude certain agricultural goods, unavailable natural resources, aircraft and aircraft parts, and generic pharmaceuticals (including ingredients and precursors) from country-specific tariffs imposed under the International Emergency Economic Powers Act (IEEPA).

The tariff modifications are retroactive for goods imported into the United States starting on November 14, 2025. The Notice also states that the US may revisit these tariff modifications if progress is not made on negotiating final text of the trade arrangement by March 31, 2026.

U.S. Customs and Border Protection (CBP) issued guidance for importers, including previously filed entries, [here](#).

U.S. Trade Representative Greer threatens EU service providers over digital trade policies

In a December 16 X [post](#) from the official U.S. Trade Representative account, Ambassador Jamieson Greer threatened trade restrictions on EU-based service providers. Greer posted, "If the EU and EU Member States insist on continuing to restrict, limit, and deter the competitiveness of U.S. service providers through discriminatory means, the United States will have no choice but to begin using every tool at its disposal to counter these unreasonable measures. Should responsive measures be necessary, U.S. law permits the assessment of fees or restrictions on foreign services, among other actions."

In his post, Greer specifically mentioned nine EU service providers that he believes have enjoyed "expansive market access" in the U.S. Greer also suggested that a "similar approach" would be taken with other countries that "pursue an EU-style strategy."



On a CNBC [interview](#) December 18, Greer suggested USTR is considering an investigation into EU digital policies. Greer told CNBC that several options were available including, “tools like Section 301, which is an investigatory tool that is designed to have a negotiated outcome.”

CBP collects \$1 billion since end of duty-free treatment for de minimis goods

CBP [announced](#) on December 17 that since repealing duty-free treatment for low-value imports, it has collected more than \$1 billion in tariff duties on over 246 million low-cost shipments. CBP Commissioner Rodney Scott suggested this “shows just how much revenue was slipping away under the old rules” and that “American businesses [now] don’t have to compete with duty-free foreign goods.”

CBP also noted that since the de minimis provision was ended for China and Hong Kong in May, seizures of “unsafe and non-compliant low-value goods have increased by 82%” including “counterfeits, narcotics, faulty electronics, and goods containing hazardous chemicals.”

CBP issues withhold release order against automobile tires manufactured in Serbia

CBP has issued a new withhold release [order](#) (WRO) against automobile tires manufactured in Serbia by Linglong International Europe DOO Zrenjanin (Linglong). Effective December 18, CBP personnel will detain shipments of Linglong tires at all U.S. ports of entry “due to evidence reasonably indicating the use of forced labor in their production.” CBP cited evidence that Linglong workers are “subject to nine International Labour Organization indicators of forced labor.” CBP describes this WRO against Linglong as demonstrating their “continued efforts to combat forced labor.”

Hill Highlights

U.S. Trade Representative Greer briefs House Ways and Means Committee and Senate Finance Committee on USMCA review

On December 16 and 17, Ambassador Greer briefed the House Ways and Means Committee and the Senate Finance Committee, respectively, on the operation of the USMCA and the Administration’s plan for the July 1, 2026, review. The briefing served as USTR’s report to Congress required by the USMCA Implementation Act (Pub. L. No. 116-113). The Act specifically requires USTR to report to Congress assessing the operation of the USMCA; recommendations for actions to be proposed at the review; previous efforts, if any, to address any concerns that underly USTR’s recommendations; and the views of the advisory committees.

In Greer’s published opening [statement](#), he suggested the “USTR’s view is that, whatever the USMCA’s value to the U.S. and even North America, the shortcomings are such that a rubberstamp of the Agreement is not in the national interest. Instead, USTR will keep the President’s options open, negotiating firmly to resolve the issues identified, but only recommending renewal if resolution can be achieved.”



In his statement, Greer recommends action items for both Mexico and Canada and said “the Joint Review will depend on the successful resolution” of these issues. Some listed issues for Mexico include “policies that promote the use of third-country content and erode U.S. supply chains” as well as “concerns related to certain Mexican energy policies and practices.” Listed issues for Canada include “market access for U.S. dairy products” and the “impact of Canada’s Online Streaming and Online News Acts for U.S. digital service providers.” Greer also provides trilateral recommendations including “developing mechanisms to penalize offshoring of U.S. production to Mexico as a result of regulatory and other arbitrages.” For the full list of recommended action items see pages 9-11 of the opening [statement](#).

Senator Whitehouse and Representative DelBene introduce carbon border adjustment bill

Sen. Sheldon Whitehouse (D-RI) and Rep. Suzan DelBene (D-WA) on December 17 reintroduced the [Clean Competition Act](#), a bill to enact a carbon border adjustment mechanism. Specifically, the legislation would levy a \$60 fee on greenhouse gas (GHG) emissions above a baseline level on both domestic production of energy-intensive goods and imports of like goods. This fee is designed to rise annually by 6% above inflation while the GHG baseline would incrementally lower until reaching zero in 2048.

Upcoming Deadlines

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.

January 7, 2026: Written comments due to USTR concerning operation of USMCA with respect to autos.

January 26, 2026: Commerce deadline to issue a report to the President in its section 232 investigation into commercial aircraft and jet engines.

January 28, 2026: Written comments and requests to testify due to USTR concerning the 2026 Special 301 Review.

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