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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.

Anticipating the Year Ahead

As global trade continues to evolve at a breakneck pace, 2026 promises a series of pivotal moments that could reshape international commerce. Key developments to keep on your radar this year include: the Supreme Court's anticipated decision on IEEPA tariffs, the comprehensive USMCA review, critical outcomes from section 232 and 301 investigations, and fresh moves in both bilateral and multilateral trade agreements. See below a timeline of key deadlines.

January 1: Section 301 tariff increases (Biden era) on certain Chinese goods take effect.

January 9: The Supreme Court returns on this date and a possible opinion on the IEEPA tariffs may be issued.

January 17: Commerce Department to send the president its findings on its section 232 investigations into critical minerals and derivative products and heavy and medium duty trucks by this date.

January 26: Commerce Department to send the president its findings on its section 232 investigation into commercial aircraft and jet engines by this date.

February 18: Written comments and requests to testify on the 2026 Special 301 Review are due to USTR.

March 1: The president's 2026 Trade Agenda is due to Congress.

March 28: Commerce Department to send the president its findings on its section 232 investigations into drones and polysilicon and derivative products by this date.

March 31: U.S. and Switzerland to finalize their trade agreement by this date.

April 17: President to announce any actions from the findings of the section 232 investigations into critical minerals and derivative products and heavy and medium duty trucks by this date.

April 26: President to announce any actions from the findings of the section 232 investigation into commercial aircraft and jet engines by this date.

May 10: Commerce Department to send the president its findings on its section 232 investigations into wind turbines, their parts and components by this date.

May 30: Commerce Department to complete section 232 investigation into personal protective equipment and other medical items and robotics and industrial machinery by this date.

June 26: President to announce any actions from the findings of the section 232 investigations into drones and polysilicon and derivative products trucks by this date.

June 30: Safeguards on European Union and United Kingdom steel to expire.

July 1: On six-year anniversary of entry into force, USMCA partners convene to begin a review.

July 21: USTR to brief Congress by this date on the negotiating positions of Mexico and Canada.

August 8: President to announce any actions from the findings of the section 232 investigation into wind turbines, their parts and components by this date.

August 28: President to announce any actions from the findings of the section 232 investigation into robotics and industrial machinery and medical items by this date.

October 24: USTR to announce findings from its section 301 investigation into China's 'Phase One' deal by this date.

November 10: Commitments related to the one-year trade truce reached between US-China expires, with implications for export controls, ship fees, rare earths, semiconductors, tariff rates, and more.

November 23: USTR to announce actions following its section 301 investigation into China's phase-one deal by this date.

Global Signals

Monthly U.S. trade deficit hits 16-year low

In October, the goods and services trade deficit fell nearly 40% to \$29.4 billion from \$48.1 billion in September according to a [report](#) released January 8 by the Commerce Department. This represents a fall in the trade deficit to its lowest level in over 16 years. The report details goods surpluses (in billions) with “Switzerland (\$7.3), United Kingdom (\$6.8), South and Central America (\$5.6), Netherlands (\$5.1), Hong Kong (\$2.8), Brazil (\$2.7), Singapore (\$1.8), Australia (\$1.7), Belgium (\$1.1), and Saudi Arabia (\$0.2).” While it details goods deficits with “Mexico (\$17.9), Taiwan (\$15.7), Vietnam (\$15.0), China (\$13.7), European Union (\$6.3), Germany (\$5.1), Japan (\$4.2), Ireland (\$3.2), South Korea (\$2.9), India (\$2.3), Canada (\$2.3), Malaysia (\$2.0), France (\$1.3), Israel (\$0.8), and Italy (\$0.5).”

Policy Pulse

Supreme Court returns, but no tariffs decision yet

The Supreme Court returned from its holiday break, taking the bench on Friday, January 9 at 10am. Despite rampant speculation throughout the week, the Court did not issue an opinion in *Learning Resources, Inc. v. Trump* and *Trump v. V.O.S. Selections, Inc.*, which concern whether the International Emergency Economic Powers Act authorizes the president to impose tariffs. Instead, the Court issued a decision on a habeas case, *Bowe v. United States*. The Court has not yet said when its next opinion day might be, though next Friday, January 16, is a possibility.

President delays tariff increases on furniture, kitchen cabinets and vanities

On December 31, President Trump announced a one-year delay to the planned tariff increases on upholstered furniture, vanities and kitchen cabinets. While the tariff rate of 25% remains, the planned increase to 30% on upholstered furniture and to 50% on kitchen cabinets and vanities will not take effect until January 1, 2027. To delay the tariff increases, the President signed a [proclamation](#) invoking section 232. The White House released an accompanying [fact sheet](#).

CBP launch of Forced Labor Portal

U.S. Customs and Border Protection (CBP) has scheduled three webinars to train users on the launch of their Forced Labor Portal in January 2026. This portal allows users to submit the following review requests:

- Withhold Release Order/Finding admissibility reviews.
- Uyghur Forced Labor Prevention Act applicability reviews.
- Uyghur Forced Labor Prevention Act requests for exception; and
- Countering America’s Adversaries Through Sanctions Act exception requests.

Importers who have their shipments detained for forced labor and wish to be reviewed by the applicable port of entry or Center of Excellence and Expertise must submit this request via the new Portal.

Hill Highlights

House set to vote on AGOA and Haiti HOPE/HELP extension bills next week.

Next week (week of January 12), the House will vote to pass under suspension of the rules renewals of two expired trade preference programs, the *AGO Extension Act* (H.R.6500) and the *Haiti Economic Lift Program Extension Act* (H.R.6504). The bills were voted out of the Ways and Means Committee on December 10, 2025.

The *AGO Extension Act* extends through 2028, the *African Growth and Opportunity Act* (AGO), retroactive to the program's expiration on September 30, 2025. AGO provides duty-free access to the US market for goods from eligible sub-Saharan African countries. The *Haiti Economic Lift Program Extension Act* extends through 2028 duty-free treatment for certain textile and apparel goods under the Haitian Hemispheric Opportunity through Partnership Encouragement Act (HOPE) and Haiti Economic Lift Program Act (HELP).

In an emailed statement, Ways and Means trade subcommittee chair Adrian Smith (R-NE) said, "While all options for getting it to the President's desk remain on the table, we are keenly focused on the opportunity to advance the program's broadly bipartisan legacy next week."

Ways and Means Trade Subcommittee schedules hearing on digital trade

Ways and Means Trade Subcommittee Chairman Adrian Smith (R-NE) announced a hearing on "Maintaining American Innovation and Technology Leadership" to be held on January 13. No witness list has yet been provided. See [here](#) for updates and to watch the hearing live.

House considering appropriations bills including USTR funding

This week the House passed a funding bill, [H.R. 6938](#), that includes a significant increase in funding to USTR and the Commerce Department's Bureau of Industry and Security (BIS) and a funding cut to the Commerce Department's International Trade Administration (ITA). This includes \$65 million in funding for USTR and an additional \$23 million for USTR's Trade Enforcement Trust Fund (TETF) which represents an \$8 million increase. Funding for BIS is also boosted by \$44 million. However, ITA's funding was reduced by \$49 million. The House Appropriations Committee released a [summary](#) of the bill.

New ranking member of China select committee

Rep. Ro Khana (D-CA) will replace Rep. Raja Krishnamoorthi (D-IL) as the ranking member of the House Select Committee on the Strategic Competition Between the United States and the Chinese Communist

Party. Krishnamoorthi announced on January 5 that he would step down from his post as the top Democrat on the Select Committee.

On a January 6 [post](#) on X, Rep. Khana said he looks “forward to outlining a new economic patriotism that guarantees economic prosperity for hardworking Americans and ensures we lead in AI and innovation in the 21st century economy.”

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

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