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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

#### ***Supreme Court schedules additional opinion days with tariff ruling pending***

The Supreme Court has announced plans to issue opinions on pending cases on February 20, 24, and 25. As part of this schedule, the Court could announce their ruling in *Learning Resources, Inc. v. Trump* and *Trump v. V.O.S. Selections, Inc.* concerning whether the International Emergency Economic Powers Act (IEEPA) authorizes the president to impose tariffs.

#### ***Canada pushes 'Buy Canadian' defense plan***

Canadian Prime Minister Mark Carney has released a new defense strategy which includes a “Buy Canada” emphasis. Canadian Defense Minister David McGuinty said “Buy Canadian” is the “guiding North Star” for defense acquisitions. The strategy states that “Canada has a long history of working closely with the U.S. and looks forward to continued strong Canada-U.S. defense relationship” but that “tariffs and changing trade relationships” have added economic pressure. The strategy also includes plans to deepen partnerships with Europe and other Indo-Pacific allies.

### Policy Pulse

#### ***CBP Operations During DHS Shutdown***

A partial government shutdown began on February 14<sup>th</sup> of the Department of Homeland Security (DHS) - which includes U.S. Customs and Border Protection (CBP) - over disagreement on immigration enforcement.

The operations of CBP, including commercial cargo processing, are expected to continue mostly business as usual.

In a Fact Sheet, CBP's Office of Trade Relations confirmed that during the funding lapse, "CBP personnel will continue to process imports and exports at all CBP ports of entry" and "CBP's trade operations will continue as normal." The Fact Sheet further explains that "nearly all CBP staff will continue working," including "supply chain security specialists, import specialists, Centers of Excellence staff, national account managers, Office of Trade employees (including trade remedies inbox), customs attorneys, and fines, penalties, and forfeitures staff."

The shutdown is expected to continue until at least the week of February 24 when the State of the Union address is scheduled.

### ***Maritime Action Plan***

On February 13, the Trump administration [released](#) the *America's Maritime Action Plan*. This plan follows the *Restoring America's Maritime Dominance* [executive order](#) released April 9, 2025. The Maritime Action Plan details several trade related measures including:

- Incentives to encourage investment in U.S. shipyards such as imposing a universal infrastructure or security fee on all foreign-built commercial vessels calling at U.S. ports.
- Strengthening cargo preference requirements by instituting a new U.S. Maritime Preference Requirement.
- Establishing a land port maintenance tax equivalent to the existing Harbor Maintenance Tax for seaports.
- Increasing maritime supply chain resiliency and reducing foreign dependence.

A similar effort is being pursued through the introduction of the SHIPS for America [Act](#) of 2025 in the House and companion bills in the Senate ([S.1536](#) and [S.1541](#)).

### ***CBO updates budget projections***

On February 11, the Congressional Budget Office (CBO) released its Budget and Economic [Outlook](#): 2026 to 2036 which included changes to budget projections as a result of higher tariffs. The Director's [Statement](#) on the Budget Outlook describes that "[t]he 2025 reconciliation act increases CBO's projections of deficits from 2026 to 2035 by \$4.7 trillion, higher tariffs reduce deficits by about \$3 trillion, and lower immigration increases deficits by \$0.5 trillion. Those estimates account for changes in the economy brought about by each of the three developments and related debt-service costs."

### ***Commerce Department reports trade deficit near record high***

On Thursday, the Commerce Department released a [report](#) concluding that the U.S. "goods and services deficit was \$70.3 billion in December, up \$17.3 billion from \$53.0 billion in November." The report

assesses changes in imports and exports both in goods and services across trading partners, as well as highlights changes in imports and exports across sectors.

## **Hill Highlights**

### ***House resolution introduced to terminate national emergency declared to impose global tariffs***

On February 17, Rep. Gregory Meeks (D-NY), Ranking Member of the House Foreign Affairs Committee, introduced [H.J.Res.150](#), a resolution terminating the “national emergency declared to impose global tariffs”. A privileged resolution to terminate the national emergency would need to be brought to the House within 15 calendar days or marked up in the Committee.

Meeks led the introduction of a similar resolution terminating the national emergency declared with respect to Canada, which passed the House in a 219-211 vote on February 10.

### ***House Democrats introduce Cuba bill***

On February 12, Rep. Jim McGovern (D-MA) and 17 other Democrats introduced the *United States-Cuba Trade Act of 2026* which would roll back the U.S. trade embargo against Cuba. In a [press release](#), McGovern said, America has had an embargo against Cuba for sixty years. And for sixty years, we have been waiting for that embargo to do what politicians in Washington claim it will do—deliver freedom or democracy to the people of Cuba. It has failed ... It’s time to throw away the old, obsolete, failed policies of the past and try something different.” The bill would also extend permanent normal trade relations status to Cuba and repeal other legislation restricting U.S-Cuba trade.

## **Upcoming Deadlines**

**February 25:** Post-hearing written comments due to USTR in its 2026 Special 301 Review.

**March 1:** The President’s 2026 Trade Agenda is due to Congress.

**March 27:** Deadline for President to decide whether to act in the section 232 investigation concerning pharmaceuticals and pharmaceutical ingredients.

**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.

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