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Trade Lines

Policy Intelligence for Global Business Leaders

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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

G7 trade ministers meet in Paris

On May 5-6, 2026, the Trade Ministers of the Group of Seven (G7) met in Paris “at a time of growing pressures on global value chains, increased market volatility, heightened risks to the security of energy markets and persistent macroeconomic and structural imbalances affecting the global economy.” In a [joint statement](#), the ministers reiterated concerns over non-market policies and practices—including industrial subsidies, state-owned enterprise behavior, and forced technology transfer—that distort markets and

contribute to excess capacity and supply chain dependencies. The group committed to strengthening shared tools, evidence-gathering, and coordinated responses, while expanding engagement with emerging economies to address these systemic challenges.

According to their statement, the ministers discussed supply chain resilience, particularly for critical minerals and strategic technologies, where concentration risks and export restrictions heighten vulnerability to economic coercion. Ministers signaled interest in coordinated policy tools—including diversification requirements, traceability standards, and potential trade-related measures—to reduce dependencies and stabilize supply. On multilateral trade, the G7 expressed disappointment with limited outcomes at the World Trade Organization’s (WTO’s) 14th Ministerial Conference (MC14) and called for reform to better align the institution with current trade realities, while supporting continued plurilateral initiatives and a permanent moratorium on e-commerce duties. The statement also highlighted growing scrutiny of cross-border e-commerce shipments and the need for coordinated enforcement, customs oversight, and private-sector engagement to ensure fair competition and compliance.

WTO e-commerce deadlock spurs U.S. shift to plurilateral approach

The WTO’s May 7, 2026, General Council meeting failed to deliver consensus outcomes on either a reform work plan or renewal of the long-standing moratorium on tariffs for electronic transmissions, prompting the United States to withdraw its support for a previously negotiated compromise extension through 2030. The breakdown reflects persistent divisions among members following MC14 in March, where objections from key countries derailed agreement despite broad support. In the absence of a multilateral outcome, the U.S. signaled a pivot toward plurilateral approaches, joining 18 other members in a new open-ended [commitment](#) to maintain duty-free treatment for digital trade among participating parties.

In his [remarks](#), U.S. Ambassador to the WTO Joseph Barloon emphasized that the WTO’s inability to achieve consensus underscores structural challenges in multilateral negotiations and reinforces the need for member-driven reform efforts. Looking ahead, the General Council chair will launch consultations on both reform and digital trade to define next steps, with a report expected in July, while preparations begin for a possible 2028 ministerial conference in Saudi Arabia.

US and EU eye July 4 deadline for implementation of trade deal

Following a phone call on May 7 between President Trump and European Commission President Ursula von der Leyen, Trump [said](#) on [Truth Social](#) that he would give the European Union until July 4 to implement the U.S.-EU trade framework or tariffs on European goods “would immediately jump to much higher levels.” This appears in reference to Trump’s recent threat to raise tariffs on European autos and parts in response to his concerns that the EU is not implementing its commitments in the trade deal quickly enough. Earlier this week, European Trade Commissioner Maroš Šefčovič told U.S. Trade Representative Jamieson Greer that both sides should work to ensure the key pillars of the deal are in place by the one-year anniversary of the deal’s July 27, 2025, announcement. The European Commission responded to Trump’s auto tariff

threat with a statement that the EU will keep its options open if the U.S. takes action that violates the terms of the deal.

The European Parliament in March passed amended legislation previously proposed by the Commission, and now the Commission, Parliament and member states are engaged in “trilogue” negotiations to reach a unified position. European Union negotiators met on Wednesday to continue the process, and additional negotiation sessions are expected in the upcoming weeks.

Policy Pulse

Court of International Trade strikes down global Section 122 tariffs

On May 7, the Court of International Trade (CIT) ruled that President Trump’s actions to impose a global 10% tariff under Section 122 of the Trade Act of 1974 exceeded his statutory authority. In a 2-1 ruling, the majority of the Court found that the administration improperly sought to address trade deficits with a tool intended to address balance-of-payments issues. Specifically, the [majority opinion](#) finds, “Rather than identifying ‘balance-of-payments deficits’ as that term was intended in 1974, the Proclamation relies upon current account deficits, and a discussion of ‘a large and serious trade deficit.’ ... Although the current account (and the balance of trade as a component of the current account) are relevant to balance-of-payments deficits, they are distinct, and the statute recognizes the distinction.”

Notably, the ruling applies only to the importer plaintiffs in the case rather than applying a universal injunction on the Section 122 tariffs. On May 8, DOJ [appealed](#) the decision to the Court of Appeals for the Federal Circuit.

USTR holds hearings in Section 301 investigations

From May 5 through May 8, the Office of the U.S. Trade Representative (USTR) held hearings regarding its Section 301 investigations into 16 economies’ acts, policies, and practices relating to structural excess capacity and production in manufacturing sectors. The list of witnesses who testified is available [here](#). Transcripts of the hearings will be posted on [ustr.gov](#) after the hearings.

Transcripts from USTR’s hearings on April 28 and 29 regarding its Section 301 investigations into 60 economies’ acts, policies, and practices relating to the failure to impose and effectively enforce a prohibition on the importation of goods produced with forced labor are now available on USTR’s website. You can access the transcripts [here](#).

USTR announces review of Section 301 investigation related to China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

On May 6, USTR [announced](#) the initiation of a statutorily required four-year review related to the investigation of China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation. This action was imposed during the first Trump administration and first reviewed by the

Biden administration in 2022. As an outcome of the first statutorily required review, the Biden administration extended and modified the tariff actions in 2024.

USTR's current notice indicates that "[t]he first step in the four-year review process is notifying representatives of domestic industries which benefit from the actions of the possible termination of the actions and of the opportunity for these representatives to request continuation of the actions." USTR will open a 60-day comment window for continuation requests, beginning May 7. The notice clarifies that this is the first phase of the review process. If USTR receives a request for continuation of these actions, it will publish subsequent notices and "invite through a separate portal interested persons to submit comments on, among other matters, the effectiveness of the action in achieving the objectives of Section 301, other actions that could be taken, and the effects of such actions on the United States economy, including consumers."

CBP issues guidance on applying section 232 duties on USMCA-qualifying MHDVs

On May 6, U.S. Customs and Border Protection (CBP) issued [guidance](#) clarifying how to apply Section 232 tariffs to medium- and heavy-duty vehicles (MHDVs) that qualify for preferential treatment under the U.S.-Mexico-Canada Agreement (USMCA), following Presidential Proclamation 10984 and subsequent Commerce Department guidance. The CBP guidance confirms that, for approved imports, the 25% tariff applies only to the value of non-U.S. content. It also outlines detailed entry filing requirements, requiring importers to report non-U.S. and U.S. content on separate lines and properly apply tariff codes and valuation methods in ACE. The measure applies to covered vehicles entered on or after November 1, 2025.

Key Dates

May 11: Commerce Department to send the President its findings on its Section 232 investigation into wind turbines by this date.

May 11: Deadline to request to appear at the International Trade Commission's (ITC's) public hearing in its factfinding investigation concerning China's state support and pricing practices in the biotechnology sector.

May 14-15: President Trump travels to Beijing to meet with Chinese President Xi.

May 17: The ITC holds a public hearing in its factfinding investigation concerning China's state support and pricing practices in the biotechnology sector.

May 25: The U.S. and Mexico will hold their first official bilateral negotiating round for the USMCA joint review in Mexico City.

May 27: The ITC holds a public hearing in its factfinding investigation concerning China's state support and pricing practices in the biotechnology sector.

June 1: Commerce Department to send the President its findings on its Section 232 investigations into robotics and industrial machinery and PPE, medical consumables, and medical equipment, including devices by this date.

June 26: President to announce any actions on Section 232 investigations into drones and polysilicon and derivative products, as well as unmanned aircraft systems and their parts and components.

July 1: On six-year anniversary of entry into force, the USMCA joint review takes place.

July 17: Deadline for written submissions in the ITC's factfinding investigation concerning China's state support and pricing practices in the biotechnology sector.

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

July 24: The 10% tariff imposed under Section 122 expires.

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