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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.

In This Issue

Global Signals

G7 summit focuses on economic durability and supply chain resilience

The G7 summit was held in Evian, France, June 15-17 and was attended by leaders from Canada, France, Germany, Italy, Japan, the United Kingdom, and the U.S. A key topic of focus during the summit was the durability of global economic growth, including supply chain resiliency and navigating trade and geopolitical disruptions. In a statement following the summit, G7 members reaffirmed their "commitment to multilateral cooperation to advance economic growth, resilience and development, to deliver shared prosperity." Further, the statement states, "We are committed to working together to achieve a balanced and durable growth that supports our economic security and resilience and creates benefits for all of our citizens. We reaffirm our shared concerns regarding non-market policies and practices (NMPPs) and their adverse impacts, including persistent market distortions, global structural excess capacity and resulting imbalances, harmful spillovers in global, regional and domestic markets and growing economic dependencies [...] We will continue to deepen exchanges to identify vulnerabilities affecting strategic sectors, including critical technologies, with a view to reducing excessive dependencies, improving the security and resilience of supply chains, and addressing the risk of technology leakage."

On June 17, the G7 members also released a declaration on securing supply chains for critical minerals and noted that Australia also supports this declaration as a partner country of the G7. The declaration states members "will work together with partners to reduce critical dependencies and ensure that attempts or threats to weaponize economic dependencies fail." The declaration includes commitments to work together on industrial cooperation, financing, market structuration, transparency and traceability, stockpiling, recycling, and establishes a non-binding G7 Critical Minerals Resilience and Production Alliance. This builds upon the Critical Mineral Action Plan launched by the G7 in 2025.

USTR Greer and Canadian Trade Minister LeBlanc talk USMCA at G7 summit

U.S. Trade Representative Jamieson Greer and the Canadian Minister for U.S. trade, Dominic LeBlanc, met on the sidelines of the G7 summit on June 16 as the countries approach a July 1 deadline for renewal of the U.S.-Mexico-Canada Agreement (USMCA). LeBlanc told reporters that during this conversation, "We made progress in resolving with Jamieson a number of issues that the United States Trade Representative has raised over a number of months with Canada" and that "it's by no means a one-way conversation." This follows a previous meeting between Greer and LeBlanc on June 2 in Washington, DC, and the two agreed to speak again next week.

European Parliament approves legislation to implement US-EU trade framework

On June 16, the European Parliament voted to approve legislation enacting tariff reductions agreed to in the U.S.-EU trade framework in July 2025, including the elimination of tariffs on industrial goods and preferential market access on a variety of US agricultural products. Following the vote, European Commission President Ursula von der Leyen indicated that the provisions will go into effect in the coming days, following formal adoption by the Council of the EU and publication in the Official Journal of the European Union.

US and Mexico hold second USMCA negotiating round

U.S Trade Representative Jamieson Greer and Mexican Secretary of Economy Marcelo Ebrard held their second bilateral negotiation related to the Joint Review of the United States-Mexico-Canada Agreement (USMCA) in Washington, DC, on June 15-17. According to USTR, "…the U.S. and Mexican teams advanced discussions on rules of origin for certain industrial goods and economic security, and began conceptual discussions on agriculture, labor, and environment. The teams also discussed trade in steel, aluminum, and automobiles." The third round of negotiations is expected to take place next month in Mexico City.

Policy Pulse

USTR launches new Section 301 investigation into Germany's drug pricing policies

On June 18, the Office of the United States Trade Representative (USTR) announced a new investigation under Section 301 of the Trade Act of 1974 relating to Germany's Persistent Underpayment for Innovative Pharmaceutical Products.

According to the Federal Register notice, "This investigation will focus initially on the extent to which Germany engages in acts, policies, and practices that have the effect of suppressing the prices of pharmaceuticals in its market below fair market value, thereby forcing American patients to underwrite a disproportionate amount of global pharmaceutical R&D…" The investigation follows a May 12, 2025, Executive Order in which the President directs the USTR to "take all necessary and appropriate action" to address such practices actions by foreign countries.

USTR has called on Germany to engage in further negotiations to address imbalances, saying, "We believe that the United States and Germany can find a path forward that expands access to the most innovative drugs for the German people while ensuring fair reimbursement for the pharmaceuticals made by American workers."

USTR has opened a public comment period for written comments and will hold a public hearing on September 22, 2026. Written comments, requests to testify at the public hearing, and a summary of the testimony must be submitted to USTR by August 10, 2026. Post-hearing rebuttal comments will then be due 7 days after the hearing concludes.

See the Federal Register Notice here.

See the USTR press release here.

Supreme Court declines to hear challenge to Section 301 tariffs on China

The Supreme Court denied consideration of *HMTX Industries, et al. v. United States,* which challenged a modification to the tariffs imposed on certain imports from China during President Trump's first term under Section 301 of the Trade Act of 1974. The key question in the case is whether the authority under Section 307 of the law to "modify or terminate" duties applies to the Trump Administration's expansion of the

Section 301 tariff regime, which initially covered roughly $50 billion of goods and was ultimately broadened to encompass $370 billion of goods. The Supreme Court did not provide an explanation or further comment in allowing the 2025 decision by the U.S. Court of Appeals for the Federal Circuit to uphold the duties.

Commerce Department solicits nominations for the Environmental Technologies Trade Advisory Committee

The Commerce Department's International Trade Administration (ITA) is soliciting nominations for membership to the Environmental Technologies Trade Advisory Committee in a June 16 Federal Register notice. The notice calls for members who will support the Trump administration's "America First Trade Policy" agenda. Nominations can be submitted by the form provided on ITA's web page.

Hill Highlights

Senate Republicans call for Section 301 investigation into pharmaceutical pricing practices

This week, Sen. Todd Young (R-IN) led a letter with 22 Republican senators urging USTR Ambassador Greer and Commerce Secretary Lutnick to initiate a Section 301 investigation into pharmaceutical pricing practices. The Senators write, "We are concerned that Germany, Japan, and other high-income countries continue to maintain policies inconsistent with the Administration's objective that U.S. trading partners pay their fair share for pharmaceutical innovation. USTR's recent Special 301 report confirmed that these governments continue to use unfair policies to suppress pharmaceutical prices below fair market value and arbitrarily limit access to these lifesaving products. These policies limit export opportunities for U.S. companies, increase the burden on the United States to finance global drug development, and reduce the flow of investment into new treatments and cures."

Sen. Young's letter follows a June 10 letter signed by 48 House Republicans urging USTR to initiate a Section 301 investigation into pharmaceutical pricing practices of trading partners.

Senate Republicans introduce bill to extend duty-free treatment under USMCA to foreign trade zones

On June 16, Senators Tim Scott (R-SC) and Katie Britt (R-AL) introduced the *Foreign-Trade Zone (FTZ) Export Enhancement Act of 2026* (S. 4793). The legislation would allow certain goods made in U.S. foreign trade zones to be eligible for duty-free treatment under the USMCA agreement. According to Sen. Scott's press release, the bill "levels the playing field for American manufacturers by removing a trade disadvantage that prevents goods produced in a U.S. FTZ from being exported duty-free to Mexico and Canada under the United States-Mexico-Canada Agreement (USMCA), thereby undercutting U.S. competitiveness, including South Carolina companies operating in FTZs."

Key Dates

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 1: Deadline for written comments on USTR's proposed 25% tariffs on Brazilian goods.

July 2: Deadline for written comments on USTR's section 301 investigation into Vietnam IP.

July 6: Deadline for written comments on USTR's proposed tariffs on 60 trading partners in connection with Section 301 investigations into forced labor bans.

July 10: Deadline for written comments on USTR's notice on the U.S.-China Board of Trade.

July 17: Deadline for written submissions in the USITC'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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