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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

India takes step to ban imports linked to forced labor

On July 13, India's Ministry of Commerce and Industry published a notification prohibiting "the import of goods produced or manufactured, wholly or in part, through the use of forced labour." This follows a Section 301 investigation finding by the Office of the U.S. Trade Representative (USTR) that India and 53 other economies failed to both impose and effectively enforce a forced-labor import prohibition, and a proposed additional 12.5% duty.

Concurrently, India and the U.S. are working to finalize a trade deal that has been under negotiation for over a year. On July 13, the Indian Commerce Secretary Rajesh Agrawal said "The framework deal is ready and it will be signed when the time is right" but that agreement on comparative advantage is needed.

Policy Pulse

OMB updates agenda for rulemaking on export control-related items

The Office of Management and Budget (OMB) released an updated Unified Agenda which details the Trump administration's anticipated rulemaking for the year. The Department of Commerce's Bureau of Industry and Security (BIS) agenda identified several export control-related items including on "semiconductor manufacturing items" and on "certain advanced computing items and semiconductor manufacturing items." Specifically, the Administration indicated its intention to fully rescind the Biden administration's AI "diffusion" rule issued in January 2025, which established a three-tiered structure for controls on chips related to artificial intelligence.

USTR announces 25 percent tariffs on Brazilian imports after Section 301 investigation

On July 15, USTR announced a final action on its year-long Section 301 investigation into "Brazil's acts, policies, and practices related to digital trade and electronic payment services; unfair, preferential tariffs; anti-corruption enforcement; intellectual property protection; ethanol market access; and illegal deforestation." According to the Federal Register notice, USTR is "imposing 25 percent tariffs on all imports of Brazil, with certain exemptions" which go into effect July 22. Exemptions include: raw materials that "if subject to the proposed additional tariffs, could lead to the unavailability of domestic supply;" products that if subject to the tariffs could "cause economy-wide disruptions;" products that "cannot be grown or produced in sufficient quantities or at reasonable prices" in the US; and "articles for which these tariffs may not contribute substantially to the elimination of the acts, policies, and practices of Brazil found to be actionable in the investigation." A press release is available here.

Looking forward, the Brazilian government has asserted that they robustly responded to the concerns raised during the investigation in bilateral discussions with the US, and have indicated plans to take action under a law passed in 2025 that permits the country to take countermeasures, including trade restrictions, in response to the imposition of tariffs by the United States. Brazil has also indicated intentions to return to consultations through the WTO dispute settlement mechanism in response to the new tariffs.

USTR previews Round 3 negotiations with Mexico on USMCA

In a July 17 press release, USTR confirmed the third negotiating round related to the Joint Review of the U.S.-Mexico-Canada Agreement (USMCA) between the U.S. and Mexico will convene in Mexico City on July

21. Over three days of negotiations, the parties are expected to focus on "on issues regarding trade in steel and aluminum and derivative products, automobiles, economic security, labor, agriculture, and electronic payment services." From July 22 to July 24, USTR Greer will meet with Mexico's Secretary of the Economy Marcelo Ebrard as well as President Claudia Sheinbaum.

USTR also noted that Mexico has made improvements on issues identified in the 2026 National Trade Estimate Report on Foreign Trade Barriers. This includes improvements related to economic security, intellectual property (IP), customs and trade facilitation, environment, and telecommunications equipment.

Department of Justice Trade Fraud Task Force recovers $1 billion

The Department of Justice (DOJ) launched the Trade Fraud Task Force (TFTF) in August 2025 "to investigate and prosecute those who defraud the government through material misrepresentations to U.S. Customs and Border Protection (CBP), including transshipment, mislabeling, and false declaration." In a July 14 press release, DOJ announced that the TFTF has "surpassed $1 billion in civil and criminal recoveries, penalties, forfeitures, and publicly charged losses in less than one year."

In a statement, the Assistant Attorney General for the DOJ National Fraud Enforcement Division, Colin McDonald, described trade fraud as "a serious economic crime" and emphasized that DOJ "will no longer allow the integrity of our country's borders and markets to be comprised for illicit profit. This message should be heard loud and clear by all supply-chain actors."

CBP continues processing IEEPA refunds

On July 13, CBP provided an update to the U.S. Court of International Trade (CIT) on the status of claims for duties paid under the International Emergency Economic Powers Act (IEEPA). As of 3pm on July 10, "approximately $121.75 billion in both potential and certified refunds have been accepted for processing." Of this total amount, refunds (duties plus interest) of approximately $86.3 billion have been completed" and sent to the Treasury Department for disbursement. On July 15, Judge Richard Eaten ordered CBP to provide their next progress update by August 4.

Hill Highlights

Senator Graham's revised Russia sanctions bill has bipartisan support

A revised version of the late Senator Lindsey Graham's (R-SC) bill, the *Sanctioning Russia Act of 2025*, has gained new attention and traction following the Senator's death. The updated version of the bill, entitled the *Lindsey O. Graham Sanctioning Russia Act of 2026,* was introduced by newly appointed Senator Darline Graham (R-SC) and Senator Richard Blumenthal (D-CT) on July 16 with over 60 cosponsors. The bill would impose sanctions and new tariffs of up to 500% on Russia, as well as provide the administration with authority to impose secondary tariffs of up to 100% on all imports from certain countries that purchase Russian oil and natural gas, as well as facilitators of sanctions evasion.

In response, Senate Finance Committee Ranking Member Ron Wyden (D-OR) and House Ways and Means Committee Ranking Member Richard Neal (D-MA) released a joint statement announcing their opposition to granting the President new tariff authority as part of the legislation. Wyden and Neal said, in part, "Congress must stop outsourcing responsibility for trade and tariffs to a runaway executive who is more interested in consolidating his own power than in the welfare of the American people. We stand ready to take action against Russia and those propping up its economy, but we cannot support awarding even more tariff power to Trump."

USTR Ambassador Greer to testify before the Senate Finance Committee

U.S. Trade Representative Jamieson Greer is scheduled to testify before the Senate Finance Committee on July 22 at 10am for the annual hearing on the 2026 Trade Policy Agenda. The hearing was previously scheduled for April 23 but was postponed due to a change in the Senate schedule. For more information including witness testimony see here.

Key Dates

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 20: Round 3 negotiations between the U.S. and Mexico take place as part of the USMCA joint review.

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

July 21: Deadline for written submissions to Commerce's Section 232 investigation into anthracite coal.

July 23: USTR hearing on the annual AGOA review.

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

July 30: Deadline for post-hearing written comments on the annual AGOA review.

July 31: Section 232 tariffs on pharmaceuticals take effect for large companies on Annex III.

August 8: Deadline for determinations in the Section 232 investigations into wind turbines.

August 10: Deadline for written comments on USTR's Section 301 investigation into Germany's pharmaceutical pricing practices.

August 26: Deadline for determinations in the Section 232 investigations into PPE, medical consumables, and medical equipment and robotics and industrial machinery.

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