



(UBS)

Washington Weekly: New Tariff Deadline

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The 90-day pause for the imposition of “reciprocal” tariffs came and went this week, with the Trump administration implementing another pause until 1 August. With the significant challenges to reaching deals by 1 August, there may be further delay in the deadline for countries where discussions have been active, though the Trump administration also may try to show its seriousness by imposing higher tariffs on others. John Nolan and the Governmental Affairs US team take a look at this and much more in the latest Washington Weekly report.

For months, the Trump administration has been conducting negotiations with dozens of trading partners with the goal of bilateral agreements, but it only has tentative agreements at this point with the UK, Vietnam, and China. The Trump administration sent letters to various trading partners that threatened higher tariffs if deals weren't reached by 1 August. The ongoing negotiations cover a host of complex issues, not just tariff levels, but also discussions about non-tariff barriers, commitments to purchase US goods or make investments in US, and China-related provisions (for example, the reported agreement with Vietnam has a much higher tariff rate on exports with some content from China). Any one negotiation, particularly over such a tight time period, is challenging, never mind across dozens of countries with their own unique domestic political and economic considerations. Further complicating discussions are the looming threat of sectoral tariffs, with President Trump announcing a 50% tariff on copper and a 200% tariff rate on pharmaceuticals. While the latter likely will come down, there also are ongoing investigations for other products (notably semiconductors), with still others likely to be launched.

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What's Next? With the "One Big, Beautiful, Bill" now signed into law, Congress is turning its attention to other priorities. The Senate has a hard deadline of 18 July to pass a USD 9.4 billion rescissions package already passed by the House. The bill would roll back spending for public broadcasting and global health programs. While some Senate Republicans have expressed concerns about some of these cuts, we expect the rescissions package to pass. Both chambers also will work on passing 12 government funding bills before the end of the current fiscal year on 30 September. Congress likely will miss this deadline again and need to pass another continuing resolution to avert a government shutdown. It also must pass the annual defense authorization package, which authorizes funding for specific programs and sets policy for the Pentagon. The House plans to vote on its version of the bill next week.

Congress will be busy over the remaining six months of the year with plenty of must-pass bills before entering into an election year.

Second and Third Reconciliation Bill? House Speaker Mike Johnson (R-LA) has said at different times that there might be follow-up reconciliation bill(s), potentially one in the fall and a third in the spring of 2026. He has not indicated what kind of policies would be pursued in such an effort. There are limitations on what can be included in a reconciliation bill. Generally speaking, it can change tax laws, spend money, and cut spending, all of which can be very impactful. Reconciliation bills are a heavy lift and as a result usually only happen every few years (10 have passed into law over the past 25 years).

Given the immense challenges, we are skeptical of the prospects of additional reconciliation bills.

Read the full [Washington Weekly](#), 11 July, 2025.

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