

New Section 301 Forced Labor Actions: USTR Proposes Duties on Nearly All US Imports

WRITTEN BY

Ryan Last | Daniel N. Anziska

KEY POINTS

- USTR has proposed additional Section 301 tariffs of 10% or 12.5% on virtually all U.S. imports from 60 countries based on alleged failures to prohibit or enforce bans on imports produced with forced labor.
- The proposed Section 301 action follows the invalidation of the administration's IEEPA-based tariffs and is intended to serve as a more durable platform for broad-based tariffs than Section 122 or IEEPA.
- USTR determined that all 60 jurisdictions are acting "unreasonably" and burdening or restricting U.S. commerce by not imposing or effectively enforcing forced labor import prohibitions, a conclusion already subject to legal and factual criticism.
- The proposal applies tiered tariffs — 10% for jurisdictions with forced labor import prohibitions or commitments and 12.5% for those without — subject to exclusions in Annex A and a special textile mechanism.
- Importers and other stakeholders should assess exposure under Section 122, Section 232, and Section 301 and consider submitting comments by July 6, 2026, or participating in the July 7, 2026, hearing.

On June 2, 2026, the Office of the United States Trade Representative (USTR) [published](#) a Federal Register notice (the FRN) announcing determinations and proposed actions arising from 60 investigations authorized under Section 301 of the Trade Act of 1974, as amended (the Trade Act) (Section 301), into the alleged failure of these governments to impose and effectively enforce a prohibition on the importation of goods produced with forced labor. The proposed USTR action would impose additional *ad valorem* duties of 10% or 12.5% on virtually all U.S. imports from these 60 countries, representing over 99% of U.S. import volume.

This alert provides background on the evolving tariff landscape following the invalidation of the administration's International Emergency Economic Powers Act (IEEPA)-based tariffs, summarizes USTR's determinations, and outlines practical implications for importers and other affected stakeholders.

In addition to the forced labor-based investigations, USTR has launched [other Section 301 actions](#) as part of the administration's post-IEEPA tariff strategy. Most notably, USTR is investigating whether the policies of 16 major trading partners create "structural excess capacity" in sectors such as steel, autos, batteries, semiconductors, and other advanced manufacturing, which could support additional tariffs or other trade restrictions. Together, these investigations underscore the administration's effort to use Section 301 as a permanent platform for broad-based tariffs beyond the expiring tariff measures issued pursuant to Section 122 of the Trade Act of 1974 (Section 122).

BACKGROUND: THE SHIFT FROM IEEPA TO SECTION 122 AND SECTION 301

The current Section 301 action must be understood in the context of the administration's broader tariff strategy following a significant judicial setback.

Earlier this year, the administration imposed sweeping tariffs on imports from numerous trading partners pursuant to the IEEPA. Those tariffs were subsequently found to be unlawful, effectively invalidating the centerpiece of the administration's initial trade policy.

In response, the administration pivoted to Section 122, which authorizes the president to impose temporary tariffs of up to 15% for a period not to exceed 150 days in order to address large and serious balance-of-payments deficits. The Section 122 tariffs currently in effect are set to expire in July 2026.

Against this backdrop, the administration's initiation of Section 301 investigations — launched on March 12, 2026, just weeks after the IEEPA ruling — represents a deliberate effort to establish a durable, legally defensible foundation for broad-based tariffs that does not depend on emergency powers or congressional reauthorization. Unlike IEEPA or Section 122, Section 301 provides authority for the imposition of duties in response to unreasonable foreign government practices that burden U.S. commerce, and it carries no inherent time limitation or rate cap. The proposed Section 301 duties could thus operate as a longer-term successor to the expiring Section 122 surcharges, layering on top of the other tariffs that remain in effect.

While tariffs arising from Section 301 investigations have a firm legal foundation in general, strong arguments have already been made publicly against the validity of the current set of Section 301 investigations.

SECTION 301 INVESTIGATIONS

The USTR [initiated](#) the 60 investigations on March 12, 2026, encompassing countries from which over 99% of U.S. imports have been shipped recently. The USTR solicited written public comments (receiving over 450) and held public hearings on April 28–29. The FRN was accompanied by a comprehensive report detailing USTR's findings with respect to each investigated country (the report).

KEY DETERMINATIONS

The USTR made the following determinations:

- Fifty-four countries were found to have failed to impose and effectively enforce a forced labor import prohibition, including: Algeria, Angola, Argentina, Australia, the Bahamas, Bahrain, Bangladesh, Brazil, Cambodia, Chile, China, Colombia, Costa Rica, Dominican Republic, Egypt, El Salvador, Guatemala, Guyana, Honduras, Hong Kong, India, Iraq, Israel, Japan, Jordan, Kazakhstan, Kuwait, Libya, Malaysia, Morocco, New Zealand, Nicaragua, Nigeria, Norway, Oman, Peru, the Philippines, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Sri Lanka, Switzerland, Taiwan, Thailand, Trinidad and Tobago, Türkiye, United Arab Emirates, United Kingdom, Uruguay, Venezuela, and Vietnam.
- Six jurisdictions were found to have failed to effectively enforce an existing forced labor import prohibition: Canada, Ecuador, the EU, Indonesia, Mexico, and Pakistan.

All 60 were found to have acted unreasonably and to have burdened or restricted U.S. commerce as a result, satisfying the Section 301 standard based on USTR's analysis. These factual and legal determinations have already been challenged, pointing out a number of weaknesses in the investigations and determinations by USTR.

PROPOSED REMEDIAL ACTION

The USTR has proposed the imposition of additional tariffs on all products of the 60 investigated jurisdictions, except those products listed in Annex A to the FRN.

The proposed tariff structure is tiered, as follows:

- An additional tariff rate of 10% would apply to jurisdictions that have imposed a forced labor import prohibition (Canada, Ecuador, the EU, Indonesia, Mexico, Pakistan), that have undertaken commitments under the recently concluded Agreements on Reciprocal Trade regarding such prohibitions (Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, Guatemala, Indonesia, Malaysia, Taiwan), or that have imposed a partial regime with the effect of preventing certain forced labor imports (UK).
- An additional tariff rate of 12.5% would apply to all other countries, which USTR found have failed to impose any forced labor import prohibition.

The USTR also proposes a textile mechanism that would allow a certain volume of apparel and textile imports to enter the United States at a reduced Section 301 tariff rate, tied to the volume of U.S. textile and related product exports to the relevant trading partner.

PROPOSED EXCLUSIONS

Proposed exclusions from these additional duties (Annex A) cover: all articles currently subject to tariffs issued pursuant to Section 232 of the Trade Expansion Act of 1962 (Section 232); raw materials whose inclusion could lead to unavailability of domestic supply; products whose inclusion could cause economy-wide disruptions; certain products that cannot be grown or produced in sufficient quantities domestically or obtained from alternative sources; informational materials, donations, and accompanied baggage; U.S.-Mexico-Canada Agreement-compliant goods; and textiles and apparel entering duty-free under the Dominican Republic-Central America Free Trade Agreement.

STATUTORY AUTHORITY AND DURABILITY OF SECTION 301 TARIFFS

Section 301 explicitly authorizes USTR to address with tariffs or other import restrictions any (persistent pattern of conduct that ... permits any form of forced or compulsory labor.)

However, numerous criticisms have already been launched against the USTR's findings. For example, USTR was forced seemingly to acknowledge implicitly that it may not be able to sustain these tariffs against the EU for long: "Although the European Union has adopted a forced labor import prohibition, the prohibition does not come into application until December 14, 2027." This provides a clear opening for these tariffs to be potentially invalidated on that date, if not sooner.

LEGAL RATIONALE FOR 'UNREASONABLENESS' FINDING

The USTR rejected three arguments raised by commenters: (1) that having domestic forced labor prohibitions should preclude a finding of unreasonableness — USTR countered that these domestic prohibitions alone fail to address the influx of imported forced labor goods and to adequately prevent domestic producers from using forced labor; (2) that no international standard mandates an import prohibition — USTR noted that Section 301 does not

require the existence of international standards as a prerequisite to a finding of unreasonableness; and (3) that countries with commitments under Agreements on Reciprocal Trade should not be found to be acting unreasonably — USTR noted that future commitments are distinct from currently implemented and enforced prohibitions, and U.S. products continue to face unfair competition in the interim.

KEY DATES AND COMMENT PERIOD

Milestone	Date
Request to Appear at Hearing	June 22, 2026
Written Comments Due	July 6, 2026
Public Hearing Commencement	July 7, 2026
Post-Hearing Rebuttal Comments	Five days after the last hearing day

PRACTICAL IMPLICATIONS AND STRATEGIC CONSIDERATIONS

This proposed action represents an unprecedented expansion of Section 301 authority — applying additional tariffs to virtually all U.S. imports (covering 60 economies representing over 99% of import volume) based on a theory of “unreasonableness” rooted in trading partners’ failure to mirror U.S. forced labor import enforcement policy.

Importers and affected businesses should carefully assess the interaction between these proposed Section 301 duties and the existing Section 122 duties set to expire in July 2026. If the Section 122 tariffs lapse without congressional action to extend them, the Section 301 duties — once finalized — could serve as the primary tariff mechanism for the administration’s trade policy objectives.

Affected stakeholders should consider filing public comments by July 6, addressing, for example: the inclusion or exclusion of specific products; the appropriateness of the proposed tariff rates; and the design of the textile mechanism. USTR has specifically invited comment on whether different rates should apply based on the degree of a country’s enactment and enforcement of forced labor import prohibitions, and whether additional products should be added to or removed from the Annex A exclusion list.

Given the breadth of this action and the evolving legal landscape, companies with significant import exposure should evaluate their tariff risk across all three current and proposed authorities (Section 122, Section 232, and Section 301), model potential duty cost scenarios, and assess supply chain adjustments that may mitigate exposure. Companies should also monitor litigation risk, as the novel legal theories underlying this Section 301 action — particularly the assertion that the mere absence of a foreign import prohibition constitutes an “unreasonable” practice — will likely face judicial challenge.

RELATED INDUSTRIES + PRACTICES

- [Sanctions + Trade Controls](#)
- [Tariff + Trade Task Force](#)
- [White Collar Litigation + Investigations](#)