

Administration Announces New Section 301 Investigations Into Structural Excess Capacity and Production and Forced Labor

March 13, 2026

On March 11 and March 12, the Office of the U.S. Trade Representative (USTR) announced the initiation of two new sets of investigations under Section 301 of the Trade Act of 1974 (Section 301). The first set of investigations covers structural excess capacity and production in the manufacturing sectors of multiple U.S. trading partners, including China, the European Union, Japan, India, and Mexico. The second set of investigations covers 60 economies, including those that are subject to the structural capacity investigations, as well as many smaller and developing countries.

The new investigations come in the wake of the U.S. Supreme Court's February 20, 2026, decision invalidating tariffs that the Trump Administration imposed over the course of 2025 under the International Emergency Economic Powers Act. Shortly after the decision was announced, the Trump Administration stated that it would initiate new Section 301 investigations in a bid to replace the invalidated tariffs in whole or in part. In the meantime, the Administration imposed a global 10% tariff under Section 122 of the Trade Act of 1974, a statute that permits tariffs to remain in place for up to 150 days.

Section 301 authorizes investigations into whether U.S. trading partners employ trade practices that unfairly burden or restrict U.S. commerce or that deny the United States its rights under trade agreements. If investigations confirm that actionable practices exist, the President may direct USTR to remedy the practices, including by imposing tariffs. The statute was used during the first Trump Administration to impose tariffs on four successive rounds of goods

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from China.

Information on the coverage of the two new sets of investigations and relevant due dates is provided below.

Investigations Concerning Structural Excess Capacity and Production

USTR's initiation notice describes the Administration's concerns regarding structural excess capacity and production in manufacturing and states that policies of trading partners can lead to overproduction in key sectors, resulting in the displacement of U.S. domestic production and investment. USTR cites the U.S. global and bilateral trade deficits and the decline in manufacturing as a percentage of U.S. gross domestic product as consequences of these policies. USTR also calls out specific policies that may contribute to global excess capacity, such as domestic subsidies, wage suppression, participation of state-owned enterprises, market access barriers, lax environmental and labor protection, and currency practices. The notice also highlights examples of sectors of concern within each investigated economy, focusing on areas in which each economy maintains a global trade surplus, and particularly a trade surplus with the United States. Highlighted sectors include steel, automotive products, electronic equipment, batteries, machinery, apparel/footwear, and pharmaceuticals.

The economies covered by the new structural excess capacity/production investigations are:

- China
- The European Union
- Singapore
- Switzerland
- Norway
- Indonesia
- Malaysia
- Cambodia
- Thailand
- South Korea
- Vietnam
- Taiwan
- Bangladesh
- Mexico
- Japan
- India

USTR's initiation notice requests public comments on issues including:

- the acts, policies, and practices of each investigated economy that create or maintain structural excess capacity or production in specific sectors;
- the impacts of these acts, policies, and practices on the U.S. economy; and
- what measures, if any, should be taken in response.

The comment docket opens on March 17, 2026. Comments are due by April 15. Requests to appear at USTR's hearing in the investigations, which will be held beginning on May 5, are also due by April 15. Post-hearing rebuttal comments, if any, may be submitted within seven calendar days after the hearing concludes.

Investigations Concerning Forced Labor

USTR's initiation notice notes that the United States has prohibited the importation of goods made with forced labor for nearly 100 years. The notice further observes most U.S. trading partners do not prohibit the importation or sale of such goods, although some have signed on to a commitment to do so in U.S. reciprocal trade agreements. The failure to adopt or effectively enforce prohibitions on imports of goods produced with forced labor negatively impacts U.S. commerce by forcing U.S. products to compete with goods that have artificially and unfairly low prices due to the use of forced labor in their production.

The economies covered by the new forced labor investigations are:

1. Algeria
2. Angola
3. Argentina
4. Australia
5. The Bahamas
6. Bahrain
7. Bangladesh
8. Brazil
9. Cambodia
10. Canada
11. Chile
12. China, People's Republic of
13. Colombia
14. Costa Rica
15. Dominican Republic

16. Ecuador
17. Egypt
18. El Salvador
19. European Union
20. Guatemala
21. Guyana
22. Honduras
23. Hong Kong, China
24. India
25. Indonesia
26. Iraq
27. Israel
28. Japan
29. Jordan
30. Kazakhstan
31. Kuwait
32. Libya
33. Malaysia
34. Mexico
35. Morocco
36. New Zealand
37. Nicaragua
38. Nigeria
39. Norway
40. Oman
41. Pakistan
42. Peru
43. Philippines
44. Qatar
45. Russia
46. Saudi Arabia

47. Singapore
48. South Africa
49. South Korea
50. Sri Lanka
51. Switzerland
52. Taiwan
53. Thailand
54. Trinidad and Tobago
55. Türkiye
56. United Arab Emirates
57. United Kingdom
58. Uruguay
59. Venezuela
60. Vietnam

USTR's initiation notice requests public comments on issues including:

- whether each investigated economy maintains or is establishing forced labor import prohibitions,
- whether those prohibitions are being effectively enforced,
- the impact of failures to maintain or effectively enforce forced labor import prohibitions on the U.S. economy, and
- what measures, if any, should be taken in response.

The comment docket opened on March 12. Comments are due by April 15. Requests to appear at USTR's hearing in the investigations, which will be held beginning on April 28, are also due by April 15. Post-hearing rebuttal comments, if any, may be submitted within seven calendar days after the hearing concludes.