

Client Alert:

USTR Launches New Section 301 Investigations Targeting Excess Capacity and Forced Labor

March 30, 2026

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On March 11 and 12, 2026, USTR announced two new Section 301 investigations: the first investigation is targeting structural excess manufacturing capacity (the “**Excess Capacity Investigation**”) across 16 economies, and the second investigation is targeting 60 economies for failing to enforce forced labor import prohibitions (the “**Forced Labor Investigation**”). These Section 301 investigations follow on the heels of the Supreme Court’s February 20, 2026 decision in *Learning Resources Inc. v. Trump*, which invalidated all IEEPA-based tariffs, followed by the imposition of Section 122 tariffs of 10% for 150 days through July 24, 2026. The administration intends to expedite these Section 301 investigations, with the goal of imposing tariffs on or about July 24, 2026, when the current Section 122 tariffs expire.

[Excess Capacity Investigation \(March 11, 2026\)](#)

The Excess Capacity Investigation targets 16 economies: China, the EU, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, South Korea, Vietnam, Taiwan, Bangladesh, Mexico, Japan, and India (the “**Excess Capacity Targets**”). The investigation is based on the allegation that structural excess capacity in manufacturing displaces U.S. production and deters investment.

The products subject to investigation include aluminum, automobiles, batteries, cement, chemicals, electronics, energy goods, glass, machine tools, machinery, non-ferrous metals, paper, plastics, processed food and beverages, robotics, satellites, semiconductors, ships, solar modules, steel, and transportation equipment. Many of these products are already subject to ongoing or completed Section 232 investigations, raising questions about how the findings of the Excess Capacity Investigation will interact with other existing tariff remedies.

The Federal Register notice was published on March 17, 2026, and written comments (Docket No. USTR-2026-0067) and hearing requests (Docket No. USTR-2026-0068) are due **April 15, 2026**. The public hearing begins **May 5, 2026**.

[Forced Labor Investigation \(March 12, 2026\)](#)

The Forced Labor Investigation targets 60 economies collectively covering more than 99% of U.S. imports in 2024 and alleges failures to impose and effectively enforce forced labor import prohibitions. Notably, the allegation centers on government *inaction* of effectively policing trade in goods related to forced labor. USTR acknowledges that recent

Agreements on Reciprocal Trade (“ART”) committed partners to action on forced labor, but states that “none of these countries has adopted and effectively enforced a forced labor import prohibition to date.” The Forced Labor Investigation targets all Excess Capacity Targets, plus 44 additional economies (the “**Forced Labor Targets**”).

Written comments (Docket No. USTR-2026-0133) and hearing requests (Docket No. USTR-2026-0134) are due **April 15, 2026**. The hearing begins **April 28, 2026**.

Key Issues

Section 301 investigations have historically focused on China and are now expanding to target most key economies. Multiple additional Section 301 investigations are expected, with probes reportedly forthcoming on digital services taxes, pharmaceutical pricing, and rice and seafood policies. Of the Excess Capacity Targets, five have a framework or framework-level deal with the United States, five have an ART or agreement-level deal, two have an intermediate arrangement, and four have neither. The Forced Labor Investigation, with the exception of North Macedonia, targets every country with an ART, raising significant questions about the effectiveness and sustainability of those agreements.

Practical Considerations for Importers

The Excess Capacity and the Forced Labor Investigations represent the administration's primary vehicle of rebuilding broad tariff authority over the imports of most products from the trading partners of the United States, after the Supreme Court's decision in *Learning Resources* struck down all IEEPA tariffs. Section 122 tariffs are statutorily capped at 15% and are expiring July 24, 2026, absent congressional extension, the Section 301 Excess Capacity and the Forced Labor Investigations may provide the procedural foundation for imposing country-specific tariffs at rates that could mirror or exceed those previously imposed under IEEPA. Importers should consider the following steps:

- Assess exposure. Identify products, supply chains, and sourcing countries that fall within the scope of the Excess Capacity and the Forced Labor Investigations. The excess capacity product list is broad (from semiconductors to processed food) and the forced labor investigation covers 60 economies representing virtually all U.S. imports. Companies not currently subject to elevated tariffs may find themselves within scope of the Excess Capacity and the Forced Labor Investigations.
- Track deadlines for submitting comments. The April 15 deadline for written comments and requests for a hearing apply to both investigations. We would be available to discuss the potential merits of participating through written comments or at a hearing.
- Monitor overlap with Section 232. Many of the products in the Excess Capacity Investigation are already subject to Section 232 duties. Additional overlap with Forced Labor Investigations is likely. Practitioners should track whether USTR signals any intent to consolidate, layer, stack, or offset tariff rates across these tariff authorities, and advise clients on cumulative duty exposure.
- Evaluate supply chain contingencies. With tariff action potentially arriving as early as late July 2026, companies should begin plans for sourcing adjustments, tariff engineering, and duty mitigation strategies (including bonded warehouse and foreign trade zone options).

Because these changes are ongoing, Dentons Cohen & Grigsby will continue to monitor these developments and provide additional updates. We provide our clients access to resources in Canada, Mexico, China, and globally to help navigate these rapidly changing trade measures.

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