

US & Multilateral Trade and Policy Developments

Japan External Trade Organization

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Trade Policy Developments

US Congress Begins Advancing 2026 Farm Bill Renewal

On March 5, 2026, the House Committee on Agriculture voted to advance the “Farm, Food, and National Security Act of 2026.”¹ The bill would provide a full, five-year renewal of the Farm Bill (through fiscal year 2031), following two partial renewals that Congressional Republicans passed in 2025. It builds on expansions to US agriculture support programs originally implemented through the Republicans’ 2025 reconciliation bill (H.R. 1, the “One Big Beautiful Bill Act”) and certain program extensions approved in the November 2025 budget continuing resolution. It also includes new bipartisan measures related to export promotion, market access, and foreign investment screening.

The committee approved the bill by a vote of 34 to 17 (including 7 Democrats voting in favor). In the House, the bill will next proceed to a full floor vote. In the Senate, Republican leaders of the Senate Committee on Agriculture, Nutrition, and Forestry welcomed the House bill’s progress, but have not yet advanced their own version of the legislation.² The House bill includes several controversial domestic policy provisions related to pesticide liability, livestock regulation, biofuel limits, and food assistance — provisions that may require the Senate to modify the bill in order to secure enough Democratic support for passage into law.

Recent Farm Bill extensions and partial renewals

Congress passed the previous Farm Bill renewal in 2018, with the legislation scheduled for renewal in September 2023. Efforts to fully renew the legislation in 2023 stalled amid partisan disagreements over domestic food assistance programs and certain farm subsidy programs. Instead, Congress passed two consecutive one-year extensions of the 2018 Farm Bill. However, because these were simple extensions of the 2018 text rather than a full renewal with a revised text, certain provisions became outdated.

In 2025, Republicans passed two partial renewals to address some of the 2018 Farm Bill’s outdated provisions. The first, passed on July 4, 2025 through a budget reconciliation bill, reauthorized most of the farm aid provisions through 2031, including Price Loss Coverage (PLC), Agriculture Risk Coverage (ARC), marketing assistance loans, and Dairy Margin Coverage (DMC).³ The reconciliation bill also increased payments levels by raising commodity reference prices for PLC, increasing ARC guarantee levels, and expanding crop insurance support. Alongside the domestic spending measures, the law doubled funding for Department of Agriculture export promotion programs beginning in 2027. The bill also made significant cuts to the Supplemental Nutrition Assistance Program (SNAP), an action that would not typically receive Democratic support in a normal Farm Bill renewal.

The second partial renewal was included in the continuing resolution that temporarily restored government funding on November 13, 2025. This resolution extended various legal authorities that were expiring in late 2025,⁴ including certain 2018 Farm Bill authorities that Congress was unable to renew in the July reconciliation bill. Still, other renewal needs — particularly regarding issues requiring legal policy changes since 2018 — remained unaddressed by the 2025 legislation.

Republican efforts to renew the Farm Bill have been led in the House of Representatives by Representative Glenn “G.T.” Thompson (R-PA), Chairman of the House Committee on Agriculture. The various recent House texts are based on Rep. Thompson’s “Farm, Food, and National Security Act of 2024,” which he originally proposed as an

¹ H.R.7567 - Farm, Food, and National Security Act of 2026, 119th Congress (2025-2026), accessible here: <https://www.congress.gov/bill/119th-congress/house-bill/7567>; also see the House Committee on Agriculture webpage on the Farm Bill for more information, accessible here: <https://agriculture.house.gov/farbill/>.

² “Boozman Applauds House Ag Committee’s Passage of Farm Bill 2.0,” Senate Committee on Agriculture, Nutrition, and Forestry, March 5, 2026, accessible here: <https://www.agriculture.senate.gov/newsroom/rep/press/release/boozman-applauds-house-ag-committees-passage-of-farm-bill-20>.

³ H.R.1 – “One Big Beautiful Bill Act,” 119th Congress (2025-2026), accessible here: <https://www.congress.gov/bill/119th-congress/house-bill/1>.

⁴ H.R.5371 – “Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026,” 119th Congress (2025-2026), accessible here: <https://www.congress.gov/bill/119th-congress/house-bill/5371>.

attempt to negotiate a bipartisan compromise on renewal.⁵ The proposal included several notable trade policy measures and substantial increases in funding for US agriculture support programs, including funding increases for export promotion and market access work, efforts to curtail foreign use of geographical indications (GIs), restrictions on foreign investment in US farmland, and measures to protect the seasonal fruit industry from import competition. The trade-related provisions are broadly bipartisan and bicameral, and previous proposals from the Senate Committee on Agriculture have included similar measures.⁶ The bill approved by the House Committee on Agriculture on March 5 is largely similar to Rep. Thompson's original proposal.

The House's 2026 Farm Bill renewal proposal

Farm Bills cover a wide variety of programs to support the agriculture sector, including commodity support, conservation, farm credit, crop insurance, food assistance, rural development, research and education, regulation, and energy. The new bill would renew and update these provisions wherever the partial extensions from 2025 had not already done so.

On subsidies, the bill continues the expansions to US agriculture support programs that Republicans originally implemented in the 2025 reconciliation bill. The bill also makes various changes to legal provisions that could not be included in the reconciliation bill, which is limited to budget measures. These changes include: expanding support for nursery plants; broadening the scope of natural disasters that trigger disaster assistance; allowing up-front payments of disaster aid; creating a new framework for aid to specialty crops; establishing new block grants of disaster aid to state governments; refining dairy industry supports; allowing Marketing Assistance Loans (MAL) to remain operational during government shutdowns; and making propane eligible for the storage facility loan program.

Notable trade and investment measures in the bill include the following:

- **Foreign food aid shift:** The bill would transfer the authorities of the Food for Peace Act from the US Agency for International Development (USAID) to the Department of Agriculture. It would also further limit the use of market-based assistance, requiring that at least 50% of food assistance funding be used to purchase and ship US agricultural commodities. The Trump administration has already temporarily transferred Food for Peace Act programs to the Department of Agriculture as part of its efforts to shut down USAID in 2025.
- **Crisis response:** The bill would reform the governance of the Bill Emerson Humanitarian Trust, a funding reserve for emergency food assistance, to prevent aid disruptions.
- **Increasing funding for export promotion:** The bill would approximately double authorized funding levels for the Market Access Program (MAP), the Foreign Market Development Program (FMD), Emerging Markets Program (EMP), Technical Assistance for Specialty Crops (TASC), and Priority Trade Fund (PTF), which are the Department of Agriculture's export promotion and market access programs.
- **Specialty crop market access support:** The bill would significantly expand support for specialty crops, a category covering a wide variety of fruits, vegetables, nuts, flowers, and nursery plants. The funding increases for export promotion programs are partly intended to support specialty crops. The bill also directs the Department of Agriculture and USTR to prepare a biennial report to Congress on foreign country policies that act as significant barriers to specialty crop exports, as well as policies that increase the competitiveness of foreign exports. The bill encourages USTR to consider action under Section 301, bilateral negotiations, and World Trade Organization dispute settlement where it finds harm to the US industry.

⁵ H.R.8467 – "Farm, Food, and National Security Act of 2024," 118th Congress (2023-2024), accessible here: <https://www.congress.gov/bill/118th-congress/house-bill/8467>.

⁶ See, for example, an overview of the Senate Republican's 2024 renewal proposal, accessible here: <https://www.boozman.senate.gov/2024/6/boozman-unveils-senate-ag-republicans-framework-answering-call-to-put-more-farm-in-the-farm-bill>.

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- **Use of GIs:** The bill would instruct USTR and the Department of Agriculture to seek protections for the use of “common names” of food products in trade agreement negotiations, and to designate actions by foreign governments that prevent such use as “unfair trade practices” under Section 102 of the Agricultural Trade Act of 1978. The new version of the bill adds specific (though non-exhaustive) lists of common names for beers, wines, and cheeses subject to the policy. The Trump administration has adopted a similar policy in its recent Agreements on Reciprocal Trade (ARTs), though the product lists in the bill differ from those in the ARTs.
 - **Seasonal and perishable fruit and vegetables working group:** The bill would establish a new working group, including the Department of Agriculture, USTR, the Department of Commerce, and other agencies, to monitor and assess trade in seasonal and perishable fruits and vegetables. The working group would consult with the US industry to identify import threats to domestic producers and recommend trade actions and assistance programs. The bill would not, however, direct the imposition of any specific trade restrictions.
 - **Improving trade infrastructure:** The bill would provide \$5 million a year to support the development of food distribution infrastructure in developing countries, including cold-chain storage and port improvements, which Congress hopes will help facilitate US agriculture exports.
 - **Educational partnerships:** The bill would expand the International Agricultural Education Fellowship Program, which promotes educational exchange with developing countries in agricultural sciences, food systems, and food and nutrition education.
 - **Animal disease:** The bill would codify the Department of Agriculture’s authority to negotiate (in advance), regionalization, zoning, compartmentalization, and other agreements regarding outbreaks of animal disease, in coordination with USTR.
 - **Foreign investment screening:** The bill continues the recent trend of heightening supervision of foreign investment in the agriculture sector by (i) adding the Secretary of Agriculture to the Committee on Foreign Investment in the United States (CFIUS) for covered transactions involving agricultural land, biotechnology, or industry; (ii) strengthening the Agricultural Foreign Investment Disclosure Act (AFIDA) foreign investment reporting process and penalties for non-compliance; and (iii) directing that AFIDA investment disclosures be transmitted to CFIUS for possible national security review where the investment constitutes a covered transaction under the CFIUS regulations.

Democrats attempted to add several other trade-related amendments to the bill during the markup,⁷ including a measure that would have lifted all tariffs imposed by the Trump administration on agricultural inputs. One amendment to require a report by the Department of Agriculture and USTR on how the Trump administration’s intended changes to the United States-Mexico-Canada Agreement (USMCA) would affect US agriculture was accepted.

Other short-term farm support policies are under consideration

While deliberations over the Farm Bill continue, Republican members of Congress are also considering attaching farm aid funding to a supplemental defense funding package being developed to finance the war with Iran. Concerns that rapidly rising energy and fertilizer prices will harm farmers – on top of ongoing cost increases caused by tariffs and a collapse in orders from China – have added urgency to the debates. A plan proposed by Republicans on the Senate Committee on Agriculture would provide an additional \$15 billion in farm aid.

⁷ For more information, see committee meeting, “To consider H.R. 7567, the Farm, Food, and National Security Act of 2026,” 119th Congress (2025-2026), accessible here: <https://www.congress.gov/event/119th-congress/house-event/118990>.

Trade Actions

Section 301

USTR Initiates Section 301 Investigations of 16 US Trade Partners, Including Japan, Targeting Industrial Excess Capacity

On March 11, 2026, the Office of the United States Trade Representative (USTR) initiated investigations under Section 301 of the Trade Act of 1974 into “structural excess capacity or production in certain manufacturing sectors” of China, the European Union, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, Korea, Vietnam, Taiwan, Bangladesh, Mexico, Japan, and India.⁸ USTR alleges that these economies “are producing more goods than they can consume domestically,” which “displaces existing US domestic production or prevents investment and expansion in US manufacturing[.]” The investigations are intended to determine whether those acts, policies, and practices are “unreasonable or discriminatory” and “burden or restrict US commerce.” Affirmative determinations would allow President Trump to impose tariffs and other trade restrictions on imports, or to enter into negotiations with the relevant government.

Target trade partners and focus of the investigations

The initiation notice identifies 16 US trade partners as targets of the investigations: China, the European Union, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, Korea, Vietnam, Taiwan, Bangladesh, Mexico, Japan, and India. USTR is making a variety of allegations against these economies, including excess steel production in China, low utilization of chemical facilities in Germany, expansion of industrial capacity despite declining occupancy rates in Singapore, currency manipulation in Switzerland, persistent cement oversupply in Indonesia, measures by Cambodia to boost manufacturing amid uncertainty over US tariffs, below-60% manufacturing capacity utilization in Thailand, and continued operation of unprofitable firms propped up by non-market forces in Japan.

Notably, the allegations made in the initiation notice include economic data and analyses that are not corroborated by official US government sources, raising questions about the data underlying these investigations. For example, the section describing the alleged “structural excess capacity and production for Singapore” states that Singapore had a bilateral trade surplus with the United States of US\$27 billion in 2024. In contrast, the US Bureau of Economic Analysis’ data shows that the United States had a US\$27.1 billion trade surplus with Singapore in 2024, exactly the opposite of USTR’s allegation.

Most of the targeted trade partners also already have at least one trade agreement with the United States, including preliminary or final Agreements on Reciprocal Trade (ARTs) concluded with the Trump administration. Some agreements, such as the ARTs with Indonesia and Taiwan, were signed as recently as February 2026. It remains uncertain how these existing trade arrangements will interact with the new issues raised in the current Section 301 investigation. US trading partners have already made significant and often difficult domestic concessions in response to previous US demands, and accommodating new requests is likely to prove even more challenging. President Trump and Ambassador Jamieson Greer have stated that the intent of the Section 301 investigations is to reconstruct the “reciprocal” tariffs previously imposed under the International Emergency Economic Powers Act (IEEPA). However, the Trump administration has not specified how each individual Section 301 investigation and the specific policy allegations made in the investigations connect to the commitments made in the ARTs.

⁸ Press release: “USTR Initiates Section 301 Investigations Relating to Structural Excess Capacity and Production in Manufacturing Sectors,” USTR, March 11, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/march/ustr-initiates-section-301-investigations-relating-structural-excess-capacity-and-production>; and Notice of initiation of investigations and hearings, and a request for comments: “Initiation of Section 301 Investigations: Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors,” advance copy of the Federal Register Notice, accessible here: <https://ustr.gov/sites/default/files/files/Press/Releases/2026/USTR%20301%20FRN%20Industrial%20Excess%20Capacity%203-11-26.pdf>.

Japan

The initiation notice includes brief overviews of USTR's concerns with each country, focusing on global and bilateral trade balances, industrial capacity utilization metrics, and comments on specific sectors. For Japan, USTR states:

Evidence of structural excess capacity and production exists for Japan. In 2024, Japan had a global goods trade deficit of about \$36 billion, but with the United States, Japan had a bilateral trade surplus of \$57 billion in 2024. Japan maintains a global goods trade surplus in sectors such as automobiles and auto parts, and optical, photo, technical, and medical apparatuses. Japan's trade surplus with the United States is heavily focused on the automotive sector, which accounts for more than one-third of its exports to the United States. Today, Japan is one of the world's largest global vehicle exporters, exporting 4.2 million units in 2024. The share of Japanese firms that fail to make a profit, yet nonetheless continue to operate, is an indication of excess capacity in Japan's economy.

According to the US Bureau of Economic Analysis, the Japan had a goods and services trade surplus with the United States of \$62.7 billion in 2024 (slightly larger than alleged by USTR). USTR does not cite a source for the data it uses in the notice.

A focus on sectors that are already subject to Section 232 tariffs – such as the references to automotive trade in the Japan comments – recurs across most of the country sections of the notice. The reason for this is unclear. The Trump administration has not suggested that it intends to stack the Section 301 tariffs with the Section 232 tariffs. Under the previous IEEPA tariff system, products subject to Section 232 tariffs were exempt from the IEEPA tariffs.

Timeline for the investigations

The initiation notice provides a timeline for the initial steps of the investigations:

- March 11, 2026: Investigations initiated.
- March 17, 2026: Public docket opens for submission of written comments and requests to appear at the hearings.
- April 15, 2026 (11:59 p.m. EST): Deadline for written comments and requests to appear at the hearings.
- May 5–8, 2026: Public hearings held in Washington, DC.
- Seven calendar days after the last day of the public hearing: Deadline for submission of post-hearing rebuttal comments.
- Dates to be determined: Issuance of the investigation determinations and proposals for remedial action, which may include an additional opportunity for public feedback.
- July 24, 2026 (unofficial): Target date for completion of the investigations and remedy determinations, according to USTR and President Trump.

USTR has stated that it intends to conduct these investigations on an expedited basis, aiming to complete the process and be prepared to impose tariffs by around July 24, 2026. However, the initiation notice does not mention any specific actions USTR is taking to expedite its procedures. USTR has not invoked provisions under Section 301 that would permit it to proceed with the investigation without first holding the standard public consultation and advisory committee meetings.

Opportunity for public engagement

As part of the investigations, USTR is soliciting public comments and will hold public hearings. The docket for receiving comments and requests to appear at the hearing will be open from March 17 to April 15, 2026, via the

USTR Comments Portal.⁹ The initiation notice provides further details on how to submit comments and participate in the hearings.

About Section 301

Section 301 of the Trade Act of 1974¹⁰ authorizes USTR, under the president's direction, to address foreign government conduct that (i) denies US rights under a trade agreement, (ii) constitutes "unjustifiable" action that "burdens or restricts" US commerce, or (iii) constitutes "unreasonable" or "discriminatory" action that "burdens or restricts" US "commerce" (defined to include goods, services, and investment).

Section 301 investigations are categorized as either "mandatory" or "discretionary," depending on the nature of the alleged foreign conduct. Action is "discretionary" where the act, policy, or practice is "unreasonable or discriminatory" and "burdens or restricts" US commerce. USTR will carry out the new industrial excess capacity investigations under the discretionary provision, Section 301(b). The statutory time limit for a discretionary investigation is 12 months.

The statute authorizes USTR to (i) impose duties or other import restrictions, (ii) withdraw or suspend trade agreement concessions, or (iii) enter into a binding agreement with the foreign government to either eliminate the conduct in question (or the burden to US commerce) or compensate the United States with satisfactory trade benefits. If USTR decides to take the remedial actions authorized by Section 301 after concluding an investigation, it typically holds additional notice and comment periods to receive input on the specific remedies proposed. Upon making an affirmative determination to take remedial action, USTR must implement that action within 30 days, although there are options to extend this timeline.

Replacing IEEPA tariffs with Section 122 and 301 tariffs

In advance of the recent announcement, President Trump¹¹ and USTR¹² described the Section 301 investigations as part of a broader plan to replace the tariffs previously imposed under IEEPA. The Trump administration was required to rescind the IEEPA tariffs on February 24, 2026, after the Supreme Court ruled that IEEPA does not grant the president authority to impose tariffs. In response, President Trump announced that he would immediately reconstruct the tariffs using alternative legal authorities:

- **Section 122 tariff:** President Trump imposed a temporary 10% global tariff on imports from all countries under Section 122 of the Trade Act of 1974 as a short-term measure on January 24, 2026.¹³ Section 122 tariffs can be implemented quickly but are limited to a maximum duration of 150 days and a maximum rate of 15%.
- **Section 301 investigations:** President Trump directed USTR to initiate new Section 301 investigations targeting US trade partners, which would provide a legal basis for longer-term tariffs. Unlike Section 122, Section 301 tariffs are not subject to the same practical time or rate limitations.

This two-stage approach allows for rapid implementation of tariffs under Section 122 while using the 150-day window to develop and implement Section 301 tariffs as more durable trade measures.

⁹ USTR Comments Portal, accessible here: <https://comments.ustr.gov/s/>.

¹⁰ 19 U.S.C. §§ 2411–2420, accessible here: <https://www.govinfo.gov/app/details/USCODE-2024-title19/USCODE-2024-title19-chap12-subchap11>; and 15 C.F.R. Part 2006, accessible here: <https://www.ecfr.gov/current/title-15/subtitle-C/chapter-XX/part-2006>.

¹¹ Truth Social post of February 20, 2026 by President Trump, accessible here: <https://truthsocial.com/@realDonaldTrump/posts/116104407604484915>.

¹² "Ambassador Greer Issues Statement on Supreme Court IEEPA Decision," USTR, February 20, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/february/ambassador-greer-issues-statement-supreme-court-ieepa-decision>.

¹³ Presidential Proclamation 11012 of February 20, 2026: "Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems," 91 FR 9339, accessible here: <https://www.federalregister.gov/documents/2026/02/25/2026-03824/imposing-a-temporary-import-surcharge-to-address-fundamental-international-payments-problems>; and CSMS # 67844987 - Imposing Temporary Section 122 Duties, February 23, 2026, accessible here: <https://content.govdelivery.com/accounts/USDHSCBP/bulletins/40b3b7b>.

USTR's plans for the new Section 301 investigations

The current Section 301 investigation into industrial excess capacity marks the first in a series of anticipated cases. USTR has stated that these investigations will proceed on an “accelerated timeframe,” covering most major trade partners and addressing a broad array of issues, including “industrial excess capacity, forced labor, pharmaceutical pricing practices, discrimination against US technology companies and digital goods and services, digital services taxes, ocean pollution, and practices related to the trade in seafood, rice, and other products.” The industrial excess capacity investigation is the first that USTR has initiated. USTR Jamieson Greer stated today that he still expects to initiate investigations into most of these topics, but that certain details are still unsettled.

The topics reflect cross-cutting US concerns with foreign trade practices, instead of country-specific, bilateral market access concerns. These issues are also already known to USTR staff and their counterparts in foreign governments, which could assist with quickly developing the investigations and consultations. USTR's annual National Trade Estimate (NTE) Reports routinely highlight concerns with the practices of specific countries relating to these topics.¹⁴ The Trump administration's trade deal negotiations have also covered these topics. USTR has included language in the ARTs related to management of industrial excess capacity, import prohibitions on goods made with forced labor, pharmaceutical pricing practices, measures to protect digital services trade, commitments to not adopting digital services taxes, disciplines on fisheries management and subsidies, and commitments to improved agriculture market access.

USTR Initiates Section 301 Investigations of 60 US Trade Partners, Including Japan, Over Forced Labor Import Prohibitions

On March 12, 2026, the United States Trade Representative (USTR) initiated investigations under Section 301 of the Trade Act of 1974 into acts, policies, and practices of 60 US trade partners related to “the failure to impose and effectively enforce a prohibition on the importation of goods produced with forced labor.”¹⁵ The investigations are intended to determine “whether acts, policies, and practices of each of these economies related to the failure to impose and effectively enforce a ban on the importation of goods produced with forced labor are unreasonable or discriminatory and burden or restrict US commerce.” Affirmative determinations would allow President Trump to impose tariffs and other trade restrictions on imports, or to enter into negotiations with the relevant government.

Target trade partners and focus of the investigations

The targets USTR selected for the investigations are the economies comprising the United States' top 60 sources of goods imported in 2024, which USTR states accounted for 99% of US goods imports in that year. The notice only provides a high-level overview of USTR's general concerns with the trade effects of forced labor, providing no information about the specific concerns USTR has with any of the listed economies.

The full list of economies subject to the investigations is provided in Annex A of the Federal Register Notice: Algeria, Angola, Argentina, Australia, Bahamas, Bahrain, Bangladesh, Brazil, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, El Salvador, European Union, Guatemala, Guyana, Honduras, Hong Kong, India, Indonesia, Iraq, Israel, Japan, Jordan, Kazakhstan, Kuwait, Libya, Malaysia, Mexico, Morocco, New Zealand, Nicaragua, Nigeria, Norway, Oman, Pakistan, Peru, 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, Vietnam.

¹⁴ The latest edition of the NTE Report, published in March 31, 2025, accessible here: <https://ustr.gov/sites/default/files/files/Press/Reports/2025NTE.pdf>. USTR will likely publish the 2026 edition in late March 2026.

¹⁵ Press release: “USTR Initiates 60 Section 301 Investigations Relating to Failures to Take Action on Forced Labor,” USTR, March 12, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/march/ustr-initiates-60-section-301-investigations-relating-failures-take-action-forced-labor>; and Notice of initiation of investigations and hearings, and a request for comments: “Initiation of Section 301 Investigations of Acts, Policies, and Practices of Various Economies Related to the Failure to Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced with Forced Labor,” advance copy of the Federal Register Notice, accessible here: <https://ustr.gov/sites/default/files/files/Press/Releases/2026/FRN%20-%20Forced%20Labor%20Import%20Ban%20301%20-%20FINAL.pdf>.

Notably, the list includes economies that have already implemented or adopted prohibitions on imports made by forced labor and supply chain due diligence standards, such as the European Union, Canada, and Mexico. US trade partners that have committed to adopting forced labor import prohibitions in the Trump administration's Agreements on Reciprocal Trade (ARTs) are also covered by the investigation. USTR acknowledges the inclusion of these economies in the initiation notice but then states that "none of these countries has adopted and effectively enforced a forced labor import prohibition to date."

Forced labor interests in US trade policy

US trade restrictions targeting labor rights concerns in foreign countries, including efforts to counteract potential effects on US competitiveness, have expanded in recent years with broad bipartisan support. The Trump administration has taken these interests in new directions since early 2025, introducing new policies into the mix of compliance issues that companies and US trade partners must consider. In the past year, the US government has begun considering whether inadequate wages violate antidumping duty laws, proposing country-wide Section 301 tariffs to pressure countries to improve labor rights, and asking countries to commit to adopting prohibitions on imports of goods made with forced labor in President Trump's ARTs.

The Trump administration likely intends to use the Section 301 investigations and accompanying tariff threats to continue pressuring US trade partners into adopting and implementing forced labor import prohibitions, now that the United States Supreme Court has stopped President Trump from using the International Emergency Economic Powers Act (IEEPA) to impose tariffs. As part of the ART negotiations, USTR is asking trade partners to commit to implementing forced labor import prohibitions in exchange for a moderation of the now found unlawful IEEPA "reciprocal" tariffs. For example, in the last ART signed before the United States Supreme Court ended the IEEPA tariff program, Indonesia committed to "adopt and implement a prohibition on the importation of goods mined, produced, or manufactured wholly or in part by forced or compulsory labor" within two years of the ART's entry into force.¹⁶ The text does not specify how Indonesia should design the import prohibition, but it mentions that USTR would like Indonesia to coordinate its actions with the United States' actions under Section 307 of the Tariff Act, which is the United States' forced labor import prohibition.¹⁷ Similar language exists in all the other ARTs, and is likely part of USTR's model ART text. While the offer of reducing the IEEPA tariff rate was the incentive for trade partners to agree to the ARTs, the implicit threat by the Trump administration to raise the IEEPA tariffs if the commitments were not successfully implemented was the intended enforcement mechanism – a role that Section 301 could also now fulfill.

However, USTR may have other objectives as well. The Trump administration has said repeatedly that recreating the IEEPA-based tariff levels is an objective of the Section 301 investigations, making it possible that USTR will proceed with imposing tariffs under these investigations regardless of the target economy's policies against forced labor imports. USTR's dismissal of the adequacy anti-forced labor import measures that have already been implemented or adopted in the EU, Canada, and Mexico also raises concerns about USTR's objectives.

Japan

The initiation notice lists Japan among the economies subject to the investigations but provides no further details. USTR selected Japan for inclusion in the investigation because it was the fourth largest source of US goods imports in 2024, not because of any specific concern with the Japanese government's practices.

To the extent that USTR's objective is to pressure countries into adopting Section 307-style forced labor import prohibitions, discussions with Japan may already be underway as part of the negotiations for the Trump

¹⁶ Article 2.9, United States-Indonesia Agreement on Reciprocal Trade, accessible here: <https://ustr.gov/sites/default/files/files/Press/Releases/2026/02.19.26%20US-IDN%20ART%20Full%20Agreement%20-%20US%20Final%20for%20Website%20sanitized.pdf>.

¹⁷ 19 U.S.C. § 1307. Information on the United States' import prohibition is available on the US Customs and Border Protection website, accessible here: <https://www.cbp.gov/trade/forced-labor>.

administration's US–Japan Strategic Trade and Investment Agreement. It is possible that USTR intends to use the threat of Section 301 action to maintain political pressure on Japan to complete those negotiations.

Timeline for the investigations

The initiation notice provides a timeline for the initial steps of the investigations:

- March 12, 2026: Initiation of investigation; public docket opens for submission of written comments and requests to appear at the hearings.
- April 15, 2026 (11:59 p.m. EST): Deadline for written comments and requests to appear at the hearings.
- April 28 – May 1, 2026: Public hearings held in Washington, DC.
- Seven calendar days after the last day of the public hearing: Due date for submission of post-hearing rebuttal comments.
- Dates to be determined: Issuance of the investigation determinations and proposals for remedial action, which may include additional opportunities for public feedback.
- July 24, 2026 (unofficial): Target date for completion of the investigations and remedy determinations, according to USTR and President Trump.

USTR has stated that it intends to conduct these investigations on an expedited basis, aiming to complete the process and be prepared to impose tariffs by around July 24, 2026. However, the initiation notice does not mention any specific actions USTR is taking to expedite its procedures. USTR has not invoked provisions under Section 301 that would permit it to proceed with these investigations without first holding the standard public consultation and advisory committee meetings.

Opportunity for public engagement

As part of the investigations, USTR is soliciting public comments and will hold public hearings. The docket for receiving comments and requests to appear at the hearing will be open from March 12 to April 15, 2026, via the USTR Comments Portal.¹⁸ The initiation notice provides further details on how to submit comments and participate in the hearings.

USTR highlights that it is particularly interested in receiving information about whether the target economies have implemented or are in the process of implementing forced labor import prohibitions, whether those policies are being effectively enforced, whether a failure to enforce those policies is harmful to US exports, and what actions the United States should take in response.

About Section 301

Section 301 of the Trade Act of 1974¹⁹ authorizes USTR, under the president's direction, to address foreign government conduct that (i) denies US rights under a trade agreement, (ii) constitutes “unjustifiable” action that “burdens or restricts” US commerce, or (iii) constitutes “unreasonable” or “discriminatory” action that “burdens or restricts” US “commerce” (defined to include goods, services, and investment).

Section 301 investigations are categorized as either “mandatory” or “discretionary,” depending on the nature of the alleged foreign conduct. Action is “discretionary” where the act, policy, or practice is “unreasonable or discriminatory”

¹⁸ See USTR Comments Portal, accessible here: <https://comments.ustr.gov/s/>. Use docket USTR-2026-0133 to submit comments and docket USTR-2026-0134 to request to appear at the hearing.

¹⁹ 19 U.S.C. §§ 2411–2420, accessible here: <https://www.govinfo.gov/app/details/USCODE-2024-title19/USCODE-2024-title19-chap12-subchapIII>; and 15 C.F.R. Part 2006, accessible here: <https://www.ecfr.gov/current/title-15/subtitle-C/chapter-XX/part-2006>.

and “burdens or restricts” US commerce. USTR will carry out the new forced labor import investigations under the discretionary provision, Section 301(b). The statutory time limit for a discretionary investigation is 12 months.

The statute authorizes USTR to (i) impose duties or other import restrictions, (ii) withdraw or suspend trade agreement concessions, or (iii) enter into a binding agreement with the foreign government to either eliminate the conduct in question (or the burden to US commerce) or compensate the United States with satisfactory trade benefits. If USTR decides to take the remedial actions authorized by Section 301 after concluding an investigation, it typically holds additional notice and comment periods to receive input on the specific remedies proposed. Upon making an affirmative determination to take remedial action, USTR must implement that action within 30 days, although there are options to extend this timeline.

Replacing IEEPA tariffs with Section 122 and 301 tariffs

In advance of the announcement, President Trump²⁰ and USTR²¹ described the Section 301 investigations as part of a broader plan to replace the tariffs previously imposed under IEEPA. The Trump administration was required to rescind the IEEPA tariffs on February 24, 2026, after the Supreme Court ruled that IEEPA does not grant the president authority to impose tariffs. In response, President Trump announced that he would immediately reconstruct the tariffs using alternative legal authorities:

- **Section 122 tariff:** President Trump imposed a temporary 10% global tariff on imports from all countries under Section 122 of the Trade Act of 1974 as a short-term measure on January 24, 2026.²² Section 122 tariffs can be implemented quickly but are limited to a maximum duration of 150 days and a maximum rate of 15%.
- **Section 301 investigations:** President Trump directed USTR to initiate new Section 301 investigations targeting US trade partners, which would provide a legal basis for longer-term tariffs. Unlike Section 122, Section 301 tariffs are not subject to the same practical time or rate limitations.

This two-stage approach enables rapid tariff implementation under Section 122 while using the 150-day window to develop and implement Section 301 tariffs as longer-term trade measures.

USTR’s plans for the new Section 301 investigations

The Section 301 investigation into forced labor import rules is the second in a series of anticipated cases. USTR has stated that these investigations will proceed on an “accelerated timeframe,” covering most major trade partners and addressing a broad array of issues, including “industrial excess capacity, forced labor, pharmaceutical pricing practices, discrimination against US technology companies and digital goods and services, digital services taxes, ocean pollution, and practices related to the trade in seafood, rice, and other products.” The industrial excess capacity investigation is the first that USTR has initiated. USTR Jamieson Greer stated today that he still expects to initiate investigations into most of these topics, but that certain details are still unsettled.

The topics reflect cross-cutting US concerns with foreign trade practices, instead of country-specific, bilateral market access concerns. These issues are also already known to USTR staff and their counterparts in foreign governments, which could assist with quickly developing the investigations and consultations. USTR’s annual National Trade

²⁰ Truth Social post of February 20, 2026 by President Trump, accessible here: <https://truthsocial.com/@realDonaldTrump/posts/116104407604484915>.

²¹ “Ambassador Greer Issues Statement on Supreme Court IEEPA Decision,” USTR, February 20, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/february/ambassador-greer-issues-statement-supreme-court-ieepa-decision>.

²² Presidential Proclamation 11012 of February 20, 2026: “Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems,” 91 FR 9339, accessible here: <https://www.federalregister.gov/documents/2026/02/25/2026-03824/imposing-a-temporary-import-surcharge-to-address-fundamental-international-payments-problems>; and CSMS # 67844987 - Imposing Temporary Section 122 Duties, February 23, 2026, accessible here: <https://content.govdelivery.com/accounts/USDHSCBP/bulletins/40b3b7b>.

Estimate (NTE) Reports routinely highlight concerns with the practices of specific countries relating to these topics.²³ The Trump administration's trade deal negotiations have also covered these topics. USTR has included language in the ARTs related to management of industrial excess capacity, import prohibitions on goods made with forced labor, pharmaceutical pricing practices, measures to protect digital services trade, commitments to not adopting digital services taxes, disciplines on fisheries management and subsidies, and commitments to improved agriculture market access.

²³ The latest edition of the NTE Report, published on March 31, 2025, is accessible here: <https://ustr.gov/sites/default/files/files/Press/Reports/2025NTE.pdf>. USTR will likely publish the 2026 edition in late March 2026.

Trade Agreements

None

Petitions & Investigations

Investigations

Department of Commerce Issues Final Negative Determination for Administrative Review of Antidumping Duty Order on Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products from Japan

On March 10, 2026, the Department of Commerce (Commerce) issued the final results of the 2023–2024 administrative review of the antidumping duty (ADD) order on diffusion-annealed, nickel-plated flat-rolled steel products from Japan. Commerce determined that Toyo Kohan Co., Ltd., the producer/exporter subject to the review, did not sell the merchandise below normal value during the review period (May 1, 2023, to April 30, 2024).²⁴ The final weighted-average dumping margin for Toyo Kohan Co., Ltd. is 0.00%. As a result, Commerce will direct US Customs and Border Protection to liquidate the relevant entries without imposing antidumping duties.

Commerce previously released the preliminary results on July 22, 2025, also finding that Toyo Kohan did not sell nickel-plated steel products below normal value during the review period.²⁵ In the preliminary results, Commerce rescinded the review for KAGA, Marubeni, Okaya, Oneda Corporation, Oneda Electric, Nikken Lath, and Panasonic, following the petitioner's withdrawal of review requests

Covered product

The diffusion-annealed, nickel-plated flat-rolled steel products included in this order are flat-rolled, cold-reduced steel products, regardless of chemistry; whether or not in coils; either plated or coated with nickel or nickel-based alloys and subsequently annealed (*i.e.*, "diffusion-annealed"); whether or not painted, varnished or coated with plastics or other metallic or nonmetallic substances; and less than or equal to 2.0 mm in nominal thickness. For purposes of this order, "nickel-based alloys" include all nickel alloys with other metals in which nickel accounts for at least 80% of the alloy by volume.

Imports of merchandise included in the scope of this order are classified primarily under HTSUS subheadings 7212.50.0000 and 7210.90.6000, but may also be classified under HTSUS subheadings 7210.70.6090, 7212.40.1000, 7212.40.5000, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.90.0010, 7220.90.0015, 7225.99.0090, or 7226.99.0180. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

²⁴ "Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products From Japan: Final Results of Antidumping Duty Administrative Review; 2023-2024," 91 FR 11507 (March 10, 2026), accessible here: <https://www.federalregister.gov/documents/2026/03/10/2026-04611/diffusion-annealed-nickel-plated-flat-rolled-steel-products-from-japan-final-results-of-antidumping>.

²⁵ "Diffusion-Annealed, Nickel-Plated Flat-Rolled Steel Products From Japan: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review; 2023-2024," 90 FR 34416 (July 22, 2025), accessible here: <https://www.federalregister.gov/documents/2025/07/22/2025-13795/diffusion-annealed-nickel-plated-flat-rolled-steel-products-from-japan-preliminary-results-and#citation-2-p34416>.