



Section 301 Investigation—Forced Labor and Import Policies of U.S. Trading Partners

March 24, 2026

In March 2026, the Office of the U.S. Trade Representative (USTR) [initiated](#) an investigation, under [Section 301 of the Trade Act of 1974 \(19 U.S.C. §§2411–2420\)](#), into the “acts, policies, and practices” of 60 economies (representing 99% of all U.S. imports) related to their alleged “failure to impose and effectively enforce a prohibition on the importation of goods produced with forced labor.” USTR has solicited public comments and scheduled public hearings for April 2026.

Prohibitions on Forced Labor Imports

The United States has had a prohibition on imports of goods produced wholly or in part with forced labor since 1930, when Congress [enacted](#) Section 307 of the Tariff Act ([19 U.S.C. 1307](#)), is [commonly cited](#) as the world’s first (and, for more than 90 years, [only](#)) prohibition on such goods. Section 307 originally included an [exception](#) for goods not available domestically in sufficient quantities to meet U.S. consumptive demand. Because of that exception, few imports were denied entry under the provision until Congress [removed](#) the exception in 2015. Since then, Congress has [prioritized the enforcement](#) of the prohibition by adjusting [presumptions](#) about what goods are made with forced labor and increasing [funding](#) to U.S. Customs and Border Protection (CBP).

In addition, successive U.S. Administrations have used trade agreements to press trading partners to adopt comparable import prohibitions. The 2020 [U.S.-Mexico Canada Agreement \(USMCA\)](#) was the first comprehensive U.S. free trade agreement (FTA) in which the parties [agreed](#) to prohibit the import of goods made with forced labor. The parties also [committed](#) to cooperate in enforcement. Similarly, in 2025 and 2026, following the use of the International Emergency Economic Powers Act (IEEPA) to [impose tariffs](#) on virtually every U.S. trading partner, the Trump Administration negotiated several agreements that include [commitments](#) to adopt and implement a prohibition on the importation of goods produced, wholly or in part, by forced labor (**Table 1**). In contrast to comprehensive FTAs the United States has entered into, these agreements were [not specifically authorized or approved by Congress](#). The legal and political durability of such agreements has been [debated](#) and they may be subject to legal challenge or legislative modification.

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Following USMCA's entry into force, [Canada](#) and [Mexico](#) adopted legislative and administrative measures related to forced labor. Although not pursuant to a trade agreement, the EU also [adopted](#) a regulation prohibiting imports of goods made with forced labor in 2024. According to the International Labor Organization, beyond these three economies, [no other government has adopted](#) prohibitions comparable to Section 307.

Section 301 Investigation on Forced Labor

[Section 301](#) grants USTR a range of responsibilities and authorities to investigate and take action to enforce U.S. rights under trade agreements and respond to certain unreasonable or discriminatory foreign trade practices. Section 301 provides that an unreasonable act, policy, or practice may [include](#) “a persistent pattern of conduct that ... permits any form of forced or compulsory labor,” as well as the failure of a foreign government “to effectively enforce commitments under agreements to which the foreign country and the United States are parties,” including commitments related to “labor.” The focus of the new investigation is on the alleged failure of trading partners to impose and enforce prohibitions on the importation of goods produced with forced labor. [According to USTR](#), firms using forced labor “incur artificially lower labor costs,” allowing them to sell goods at an artificially low price. USTR has asserted that a failure to prevent trade in such products may negatively affect U.S. commerce, as U.S. exports may compete abroad with goods produced with forced labor.

If USTR were to make an affirmative determination in the investigation, it could potentially [impose tariffs](#) or other import restrictions, [withdraw or suspend concessions](#) under a trade agreement, or [enter into a binding agreement](#) with a government to eliminate the foreign practice or otherwise compensate the United States.

The investigation is one of two Section 301 investigations initiated in March 2026 following a [Supreme Court holding](#) that the tariffs imposed by President Trump using IEEPA were unlawful. A [separate investigation](#) into excess industrial capacity covers 16 economies, all of which also are named in the forced labor investigation. If foreign practices were found to be actionable under one or both new Section 301 investigations, USTR could potentially impose a regime of economy-specific tariffs similar in scope to tariffs imposed under IEEPA.

Issues for Congress

The U.S. Constitution authorizes Congress to regulate trade with foreign economies. The agreements with commitments on forced labor that were entered into by the Trump Administration and not approved by Congress could arguably be less legally and political durable than trade agreements, like USMCA, that have been approved by Congress. Congress could consider whether to approve these agreements retrospectively (e.g., as in the past case of [Taiwan](#)) to increase their legal and political durability, or whether to set terms and conditions on the executive branch for implementation.

Many of the agreements with commitments on forced labor were entered into in return for reduction of U.S. tariffs imposed by President Trump under IEEPA. As noted, the Supreme Court subsequently invalidated the IEEPA tariffs on which those tariff reductions were predicated. While some trading partners (including those without terms related to forced labor) have [indicated they intend](#) to uphold their commitments under these agreements, others have [called into doubt](#) the validity of the deals. Congress also may consider the extent to which trading partners, particularly smaller developing countries, could be expected to have fully implemented a forced labor import ban or other labor reforms in less than a year. In the past, FTA labor provisions typically have been supplemented with U.S. support for [trade capacity building and technical assistance](#) to support developing country reforms, as [directed by Congress](#).

In addition, Congress could consider whether or not to amend Section 301 or oversee USTR’s processes. USTR has indicated an intent to conduct the new investigations on an “[accelerated timeframe](#).” Congress may assess whether accelerated investigations allow USTR the time to adhere to the multiple public notice and comment periods required by statute. Some Members have noted that Section 301 depends on “[thorough investigations and reporting](#).” Members also may consider whether they support or oppose the possible reinstatement of an economy-specific tariff regime.

Table I. U.S. Trade Agreements with Forced Labor Import Ban Provisions

Economy	Agreement (Year Signed)	Article	Approved by Congress?
Argentina	United States–Argentina Agreement on Reciprocal Trade and Investment (2026)	art. 2.9(1)	No
Bangladesh	United States–Bangladesh Agreement on Reciprocal Trade (2026)	art. 2.9(1)	No
Cambodia	United States–Cambodia Agreement on Reciprocal Trade (2025)	art. 2.8(1)	No
Canada	United States–Mexico–Canada Agreement (2018)	art. 23.6(1)	Yes
Ecuador	United States–Ecuador Agreement on Reciprocal Trade (2026)	art. 2.9(1)	No
El Salvador	United States–El Salvador Agreement on Reciprocal Trade (2026)	art. 2.7(1)	No
Guatemala	United States–Guatemala Agreement on Reciprocal Trade (2026)	art. 2.7(1)	No
Indonesia	United States–Indonesia Agreement on Reciprocal Trade (2026)	art. 2.9(1)	No
Malaysia	United States–Malaysia Agreement on Reciprocal Trade (2025)	art. 2.9(1)	No
Mexico	United States–Mexico–Canada Agreement (2018)	art. 23.6(1)	Yes
Taiwan	United States–Taiwan Agreement on Reciprocal Trade (2026)	art. 3.9(1)	No

Source: Compiled from USTR and the White House.

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