

Ambassador Jamieson Greer
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Re: Comments from the Forced Labor Working Group Regarding the USTR’s Initiation of Investigation into 60 Economies Pursuant to Section 301 of the Trade Act of 1974

Dear Ambassador Greer:

The Forced Labor Working Group (“FLWG”), composed of 17 industry groups representing thousands of companies across diverse industries, respectfully submits this letter in response to the United States Trade Representative’s (“USTR”) request for comments regarding its investigation into certain economies and the measures they have taken to prohibit the import of goods produced with forced labor.¹ The FLWG shares the Administration's commitment to eradicating forced labor from global supply chains, and our members are continuously taking steps to identify and address possible unfair labor practices in their own supply chains. From inception in 2019, FLWG has focused on establishing best practices and facilitating information sharing to prevent, mitigate, and eliminate the use of forced labor. We appreciate the opportunity to provide input on how to advance this shared objective through productive and focused efforts. Forced labor is a complex, multi-faceted issue and not all proposed remedies will prove effective. The FLWG respectfully urges USTR to pursue more directly impactful measures, instead of tariffs which would be counterproductive, legally unwarranted, and harmful to the very U.S. commerce that Section 301 is designed to protect.

In this comment, the FLWG demonstrates that (1) the record does not support the statutory prerequisites for tariff action under Section 301; (2) tariffs are likely to compound costs on U.S. businesses and consumers without addressing the root underlying causes of forced labor; and (3) diplomatic engagement, information sharing with targeted trading partners, and international cooperation offer more effective and durable solutions. The FLWG stands ready to serve as a constructive partner in this process.

I. Introduction

The FLWG is spearheaded by the National Retail Federation (NRF), American Apparel and Footwear Association (AAFA), the Retail Industry Leaders Association (RILA), and the U.S. Fashion Industry Association (USFIA). The following associations also join the FLWG in this comment: Alliance for Chemical Distribution (ACD), American Association of Exporters and

¹ 91 Fed. Reg. 12884, *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* (Mar. 17, 2026).

Importers (AAEI), American Chemistry Council (ACC), American Clean Power Association, American Seed Trade Association (ASTA), Autos Drive America, Consumer Technology Association (CTA), Footwear Distributors & Retailers of America (FDRA), MEMA, The Vehicle Suppliers Association, National Foreign Trade Council (NFTC), Jewelers Vigilance Committee, The U.S. Chamber of Commerce, and The National Fisheries Institute. A short summary of each association is included as **Exhibit A**. Collectively, these groups represent thousands of members and tens of millions of American workers across various industries including chemicals, apparel and footwear, motor vehicle, consumer electronics, agriculture, clean energy, jewelry, retail, and international trade, with global supply chains sourcing from, and selling to, many of the 60 economies named in this investigation.

FLWG members unequivocally condemn forced labor and have worked collectively since the organization's inception over 7 years ago, and individually for much longer, to combat the use of forced labor in global supply chains. On their own initiative, the FLWG members have invested heavily in the development of innovative solutions for traceability and tracking supply chains, collecting documentation, verifying origin and suppliers, and more. Through the assistance of the FLWG, member companies regularly visit suppliers to provide education and training on labor standards and traceability. In fact, member companies may also require their suppliers to maintain more stringent policies than required by law. The FLWG's efforts support worker protections and changes to industry supply chain diligence and labor standards.

Imposing any tariffs under Section 301 is likely to result in increased costs and disruption to the very supply chains that the FLWG and its members have worked to make more transparent and accountable. Companies that have invested significant resources in compliance infrastructure and are leading improvements designed to eliminate forced labor in supply chains should not be penalized through broad tariff measures that do not differentiate between responsible companies and bad actors.

II. The Use of Section 301 to Combat Forced Labor

USTR seeks comments that address whether the investigated economies' acts, policies, or practices constitute a persistent pattern of conduct that permits forced or compulsory labor. The FLWG respectfully submits that the record does not support such a blanket finding for all 60 economies. A meaningful analysis under Section 301 requires individualized, economy-specific assessment.

As discussed in more detail below, should USTR contemplate taking Section 301 action, FLWG urges that it be transparent and tailored specifically to achieving the objective of prohibiting the importation of goods made with forced labor and in alignment with existing U.S. laws and requirements advancing that objective. The FLWG urges USTR to work with industry stakeholders to develop targeted, non-tariff measures as an alternative to broad tariff actions. This approach would advance the USTR's goal of eradicating forced labor, while preserving companies' ability to invest in supply chain compliance.

A. The Unreasonable or Discriminatory Standard under Section 301

Actionable matters under Section 301 include acts, policies, and practices of a foreign country that are unreasonable or discriminatory and burden or restrict U.S. commerce. The FLWG submits that the alleged failure to prohibit imports of goods made with forced labor does not satisfy these statutory standards.

1. Section 301 investigations should be conducted on an economy-by-economy basis.

The USTR is investigating 60 economies simultaneously, yet Section 301's statutory framework contemplates economy-specific analysis. Each economy's legal regime and capacity differ substantially and must be evaluated amongst the backdrop of the individual economy's inputs and market forces. A blanket investigation across 60 economies cannot yield the individualized findings the statute requires. The FLWG urges the USTR to conduct its analysis on an economy-by-economy basis to ensure that any findings and resulting actions are legally defensible and appropriately tailored.² In addition, as required under law, the individual investigations should identify the specific standards that USTR will use to measure effective imposition of forced labor import restrictions.

2. The absence of an import ban is not sufficient to be considered "unreasonable" under Section 301 authorities.

The Section 301 investigation defines an unreasonable act as one that "constitutes a persistent pattern of conduct that permits any form of forced or compulsory labor."³ However, the mere absence of a forced labor import ban does not equate to a pattern of conduct permitting forced labor or that it is present in a particular local economy. Many investigated economies maintain domestic prohibitions on forced labor, participate in international conventions against the practice, such as the International Labour Organization ("ILO") Nos. 29 and 105 and the United Nations Guiding Principles on Business and Human Rights, and employ alternative enforcement tools to address forced labor in the context of their own national circumstances. The absence of one particular mechanism, such as an import ban, cannot alone result in an affirmative finding that (1) forced labor is used to produce goods in the economy; (2) those goods enter the U.S.; and (3) the import of those goods burdens U.S. commerce. To hold otherwise would set a precedent that any economy lacking a carbon copy of U.S. enforcement policy is per se "unreasonable," a standard wholly unsupported by the Section 301 statute.

² While the Section 301 portal allows commenters to select individual economies for comment, as a practical matter, the consolidated form, focus on the collective 60 economies, and condensed timeline does not allow for a fulsome review on the labor practices of each individual economy or that the lack of forced labor prohibitions impacts U.S. commerce.

³ 91 Fed. Reg. at 12885.

3. Certain targeted economies have taken or are taking actions to advance their forced labor import prohibitions.

While the USTR invokes Section 301(d)(3)(B)(iii) in defining conduct that permits forced labor as unreasonable, Section 301(d)(3)(C), provides that acts, policies, or practices shall not be treated as unreasonable if the foreign country “has taken, or is taking, actions that demonstrate a significant and tangible overall advancement” in the relevant rights, or if such practices “are not inconsistent with the level of economic development of the foreign country.” Both exceptions apply to certain economies subject to the USTR’s investigation.

Significantly, numerous investigated economies have already taken concrete actions, demonstrating significant advancement in initiatives to protect workers:

- Mexico implemented its Forced Labor Regulation in May 2023 to ban the importation of goods produced with forced labor.
- Canada has banned the importation of goods produced using forced labor since July 2020. Canada’s forced labor import ban was expanded to child labor in 2024 pursuant to Canada’s *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*. Note the U.S. forced labor statute does not cover child labor.
- The EU’s Forced Labour Regulation (“FLR”), Regulation (EU) 2024/3015, which entered into force in December 2024, bans the sale, import, and export of products made with forced labor.
- In Agreements on Reciprocal Trade (“ART”) and framework negotiations with the U.S., several other economies subject to this investigation have already committed to protecting labor rights and to prohibiting the importation of goods made using forced labor.⁴ These economies include Malaysia, Cambodia, El Salvador, Thailand, Vietnam, Ecuador, Guatemala, Argentina, Bangladesh, Indonesia, and Taiwan. The ARTs also focus on identifying the root causes of forced labor and labor rights issues and implementing remedial measures such as responsible recruitment.
- Many economies subject to this investigation have been signatories to the ILO Convention C029 – Forced Labour Convention and the other forced labor related conventions cited above

⁴ Agreement Between the United States of America and Malaysia on Reciprocal Trade, Article 2.9 (Oct. 26, 2025); Agreement Between the United States of America and the Kingdom of Cambodia on Reciprocal Trade, Article 2.8 (Oct. 26, 2025); Agreement Between the United States of America and The Republic of El Salvador on Reciprocal Trade, Article 2.7 (Jan. 29, 2026); Joint Statement on a Framework for a United States-Thailand Agreement on Reciprocal Trade (Oct. 26, 2025); Joint Statement on a Framework for a United States-Viet Nam Agreement on Reciprocal, Fair, and Balanced Trade (Oct. 26, 2025); Agreement Between the United States of America and The Republic of Ecuador on Reciprocal Trade, Article 2.9 (Mar. 13, 2026); Agreement Between the United States of America and The Republic of Guatemala on Reciprocal Trade, Article 2.7 (Jan. 30, 2026); United States of America – Argentine Republic Agreement on Reciprocal Trade and Investment, Article 2.9 (Feb. 05, 2026); Agreement Between the United States of America and The People’s Republic of Bangladesh on Reciprocal Trade, Article 2.9 (Feb. 09, 2026); Agreement Between the United States of America and The Republic of Indonesia on Reciprocal Trade, Article 2.9 (Feb. 19, 2026); Fact Sheet on U.S.-Taiwan Agreement on Reciprocal Trade (Feb. 15, 2026).

for decades. This commitment demonstrates their commitment to eradicating forced or compulsory labor.

Furthermore, many investigated economies are substantially smaller than the United States and lack the institutional and financial resources to develop comparable enforcement regimes. The U.S. government itself dedicated \$34 million in its FY 2025 budget⁵ to combating forced labor and human trafficking, including \$19.9 million specifically for forced labor enforcement and \$10.8 million⁶ for intelligence and investigations. Most trading partners have little to no equivalent resources. This disparity reflects genuine financial constraints, not bad faith, and we strongly encourage the USTR to account for this under the statute’s economic development clause in Section 301(d)(3)(C)(i)(II).

B. Effects on U.S. Commerce

USTR’s Section 301 investigation seeks to determine whether the investigated economies’ lack of a forced labor import ban burden or restrict U.S. commerce. The record does not support such a finding; rather, tariffs implemented based on this investigation are likely to create the unintended consequence of producing this result.⁷ The USTR’s theory, that the investigated economies lack of a forced labor import ban results in an “artificial cost advantage” from the use of forced labor conflates two distinct issues: the existence of forced labor in production and the absence of an import ban. This investigation examines only the latter. However, there is no evidence that forced labor imports are present in all 60 economies or of a quantifiable causal link between the absence of an import ban, standing alone, and concrete harm to U.S. commerce. Without such evidence, the statutory prerequisite for action is not satisfied.

Existing U.S. measures, including 19 U.S.C. 1307 and the Uyghur Forced Labor Prevention Act (“UFLPA”), protect the domestic market from goods produced with forced labor, at a significant compliance expense to U.S. companies and producers. Implementation of Section 301 tariffs on imports from the investigated economies would raise landed costs, disrupt supply chains, and inflict direct harm on U.S. businesses, workers, and consumers. Tariffs are a tax on U.S. importers, not on foreign producers, and would compound the compliance costs for the very companies that are already heavily investing in forced-labor compliance and fair labor practices within their own supply chains. The tariffs could also benefit bad actors who are sourcing goods

⁵ The Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2025*, pp. 40 and 86, https://www.whitehouse.gov/wp-content/uploads/2024/03/budget_fy2025.pdf.

⁶ See Department of Homeland Security, *Budget-in-Brief - Fiscal Year 2025*, pp. 31 and 37, https://www.dhs.gov/sites/default/files/2024-04/2024_0311_fy_2025_budget_in_brief.pdf.

⁷ In a Congressional Research Service (“CRS”) report, CRS analysis found that import tariffs are “effectively a tax on domestic consumption and thus increase costs for U.S. consumers and downstream industries that use products subject to tariffs.” Brock R. Williams et al., *Trump Administration Tariff Actions (Sections 201, 232, and 301): Frequently Asked Questions*, Congressional Research Service (Feb. 22, 2019). Additional tariffs will also reduce after-tax incomes and significantly increase prices for consumers. Erica York and Alex Durante, *Tracking the Impact of the Trump Tariffs & Trade War*, Tax Foundation, (Mar. 13, 2026); Durante, *Tariffs Increased Retail Prices of Imports by 7 Percentage Points Prior to Supreme Court Ruling*, Tax Foundation, (Mar. 3, 2026).

from lower-cost alternatives outside of the 60 investigated economies, often in regions with less robust oversight and fewer traceability mechanisms. This outcome directly contradicts the stated goals of Section 301 and undermines years of progress by responsible companies. Domestic consumers will also be impacted, as U.S. companies unable to fully absorb the cost of any additional tariffs will also be forced to pass costs onto U.S. consumers.

Furthermore, the countries investigated could retaliate against any additional tariffs imposed, as occurred following the International Emergency Economic Powers Act tariffs. Such retaliation would further harm U.S. companies that would not only pay additional tariffs at home but would be subject to increased duties in export markets.

Tariff actions taken under Section 301 will not create meaningful incentive for foreign economies to develop forced labor import prohibitions. We strongly encourage USTR to resolve forced labor concerns through the actions summarized below, rather than punitive trade measures that would harm the very U.S. businesses and consumers Section 301 was intended to protect.⁸

III. Recommended Actions

The FLWG urges the USTR to prioritize targeted, non-tariff measures as an effective path towards preventing the use of forced labor in production of goods entering the U.S. Implementation of broad tariffs are unlikely to advance the intended goal of reducing forced labor globally. For the reasons discussed above, broad tariffs would be disproportionate, inflationary, and counterproductive, burdening American consumers and businesses without addressing the root causes of forced labor.

The FLWG proposes the following alternative actions:

A. If Implemented, Tariffs Should be Limited in Scope and Duration

1. Scope

For the reasons stated above, the FLWG strongly urges USTR not to impose tariffs. Notwithstanding these significant concerns, any implemented Section 301 tariffs should not be broadly imposed at the country or industry level. To comply with the Section 301 requirements, any action should be narrowly targeted to specific products or producers with credible, explicitly documented and validated evidence of the use of forced labor in goods imported into the U.S., and subject to notice and comment. In addition, USTR should carry over any tariff relief already granted under Section 122 and expand relief to critical inputs and goods, particularly those that are not available in the U.S.⁹ We respectfully request that USTR also continue to honor the

⁸ Julian Hinz et. al., *America's Own Goal: Who Pays the Tariffs?*, KIEL Institut (Jan. 2026) (“the remaining 96% [of tariffs] passes through to US importer”).

⁹ See Annexes I and II, Proclamation 11012 of February 20, 2026, *Imposing a Temporary Import Surcharge To Address Fundamental International Payments Problems*.

current agreements made with trading partners that prevent stacking of duties imposed under various authorities and that establish duty ceilings.

2. Duration

Any tariff measures must be limited in duration, subject to periodic review, and include automatic sunset provisions. To minimize negative impacts on domestic companies and to give importers time to shift supply chains, any tariffs should be implemented with at least one-year advanced notice. The rates should begin low, with staged triggers tied to objective benchmarks, similar to the approach in the Section 301 findings for Nicaragua.¹⁰

In the event that USTR implements tariffs pursuant to Section 301, Section 306 of the Trade Act requires USTR to continuously monitor their implementation. Tariffs should not remain in place indefinitely. If an economy demonstrates measurable progress in addressing the importation of goods made with forced labor, USTR should reassess the need for continued action and remove or modify tariffs as appropriate under Section 307, which permits USTR to modify or terminate any action if the burden or restriction on United States commerce has decreased. Maintaining tariffs despite clear progress risks undermining incentives for reform and contradicts the statute's framework for responsive trade policy.

Importantly, if USTR contemplates any significant expansion of tariffs, such action should be conducted in accordance with the Section 301 procedural requirements including notice, comment, and a clear explanation of the basis for the action.¹¹

B. Continued Diplomatic Engagement

The FLWG recommends that USTR continue to leverage its authority under the Trade Act to enter binding agreements with the investigated economies to “eliminate or phase out” the practices at issue. In 2025, several investigated economies already demonstrated willingness to develop forced labor prohibitions through ART and frameworks negotiated with the Trump Administration.¹² Instead of tariffs, USTR should continue to negotiate agreements with concrete timelines and measurable milestones for developing and enforcing forced labor import prohibitions.

C. Trade Facilitation Approach

The FLWG recommends that the Administration offer targeted trading partners assistance to develop forced labor programs, including sharing enforcement methodologies, technologies, and investigative approaches. Many partners lack the institutional infrastructure to identify and interdict forced-labor goods. Providing access to U.S. expertise would accelerate implementation of labor standards and produce durable results that align foreign markets directly with the United

¹⁰ 90 Fed. Reg. 57807, *Notice of Action: Nicaragua's Acts, Policies, and Practices Related to Labor Rights, Human Rights and Fundamental Freedoms, and the Rule of Law* (Dec. 12, 2025).

¹¹ See Section 307(a)(2), (b) and (c).

¹² See Sections 301(a)(2)(B) and 301(c)(1)(D).

States. This would be a more effective approach than tariffs, which address none of the underlying enforcement gaps in overseas markets.

D. Resume Funding of Organizations that Support Labor Rights

In FY 2025, the U.S. suspended funding to key organizations that combat forced labor, and focus on labor and human rights issues, including the International Labour Organization (ILO) and International Organization for Migration (IOM). Additionally, the U.S. Department of Labor terminated nearly all funding of the Bureau of International Labor Affairs (ILAB) and the State Department significantly reduced staff at its Bureau of Democracy, Human Rights, and Labor (DRL). These programs are essential infrastructure for building partner-country enforcement capacity and should be restored and empowered to pursue targeted programs that align foreign trading partners with the U.S. approach to forced labor enforcement.

IV. Additional Considerations

The USTR has stated that it will conduct these investigations on an expedited basis. While the FLWG appreciates the urgency, expedited proceedings across 60 economies risks producing inadequate records and unwarranted actions. The FLWG recommends that the USTR publish a preliminary report summarizing its findings, proposed scope, and economic modeling prior to finalizing any recommendations, followed by a second comment period to address scope and remedy.

V. Conclusion

The FLWG's position is unequivocal: forced labor is categorically unacceptable, and the FLWG fully supports robust efforts to eradicate it from global supply chains. However, tariffs are not an effective solution.

USTR's Section 301 investigation should be grounded in rigorous, economy-specific analysis, not blanket determinations applied to all 60 economies. Any remedies must be proportional and targeted to goods and supply chains that use forced labor, as evidenced with clear documentation. Non-tariff tools including diplomatic engagement, capacity building, information sharing, and enhanced CBP enforcement address the root causes of forced labor and should be the primary vehicles for action because they are more effective than trade restrictions. The FLWG also urges the U.S. government to restore international labor engagement programs, including those administered by ILAB, DRL, ILO, and IOM, which have proven effective at building partner-country enforcement capacity.

The FLWG and its member associations remain committed to constructive engagement with the USTR. Given the breadth of industries represented by the FLWG and the potential impact of the USTR's determinations on U.S. businesses and workers, a representative from the FLWG intends to participate in the USTR's April 28, 2026 public hearing.

We look forward to a continuing partnership with the U.S. Government to create an effective process to eliminate bad actors from supply chains, support good actors, and prevent products made with forced labor from entering the United States.

CC: Megan Grimball, Co-Chair of the Section 301 Committee

Benjamin Allen, Associate General Counsel

Sincerely,

Forced Labor Working Group:

Alliance for Chemical Distribution

American Apparel and Footwear Association

American Association of Exporters and Importers

American Chemistry Council

American Clean Power Association

American Seed Trade Association

Autos Drive America

Consumer Technology Association

Footwear Distributors & Retailers of America

Jewelers Vigilance Committee

MEMA. The Vehicle Suppliers Association

National Fisheries Institute

National Foreign Trade Council

National Retail Federation

Retail Industry Leaders Association

United States Fashion Industry Association

U.S. Chamber of Commerce