July 6, 2026

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

Re: Comments of the Forced Labor Working Group in Response to the Notice of Determinations and Request for Comments Concerning Actions in Section 301 Investigations (Docket Nos. USTR–2026–0265)

Dear Ambassador Greer:

The Forced Labor Working Group ("FLWG"), composed of 25 industry groups representing thousands of companies across diverse industries, submits this letter in response to the United States Trade Representative's ("USTR") Notice of Determinations and Request for Comments Concerning Actions in Section 301 Investigations (Docket No. USTR–2026–0265), published in the Federal Register on June 5, 2026 ("Notice") in response to the Report in Section 301 Investigations of the 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 ("Report").[1]

The FLWG shares the Administration's commitment to eradicating forced labor from global supply chains. Our members unequivocally condemn forced labor and have invested heavily in compliance infrastructure, supply chain traceability, and responsible sourcing to make progress on this shared goal.

Forced labor is a complex, multifaceted issue, and the proposed tariffs will not remedy this global problem. The FLWG respectfully urges USTR to pursue more directly impactful measures instead of tariffs, which would be counterproductive, legally unwarranted, and harmful to U.S. commerce. These comments explain why the proposed 10%–12.5% *ad valorem* tariffs on most products of 60 economies should not be imposed and offer constructive alternatives.

I. Responses to USTR Report and Proposed Actions

The FLWG does not agree with USTR's findings that all 60 economies have failed to impose or effectively enforce a prohibition on the importation of goods produced with forced

[1] 91 Fed. Reg. 34272, *Notice of Determinations and Request for Comments Concerning Actions in 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* (June 5, 2026) (Docket Nos. USTR–2026–0265, USTR–2026–0266).

labor, which is "unreasonable" and burdens or restricts U.S. commerce and is therefore actionable under Section 301.

A. Economies That Have Implemented Forced Labor Laws or Commitments Need Time for Implementation and Enforcement

USTR's proposed actions largely treat economies that have implemented bans on imports of products made with forced labor, or agreements to implement bans, the same as those lacking such commitments, undermining USTR's claimed connection between the purpose of these investigations and the proposed tariffs.

1. Economies That Have Enacted Forced Labor Laws Should Not Be Subject to Tariffs

USTR's Notice acknowledges that six economies—Canada, Ecuador, the European Union, Indonesia, Mexico, and Pakistan—have enacted forced labor import prohibitions. USTR also acknowledges that the United Kingdom has imposed a partial forced labor prohibition. Yet. USTR still proposes to impose 10% tariffs on these very economies. If the investigation's objective is to encourage the imposition and enforcement of such prohibitions, economies that have already enacted them should not be penalized through tariffs, particularly because the laws of many of these economies are new and enforcement mechanisms are still developing. These economies would benefit from time for implementation and technical assistance from the U.S.

We support USTR's decision to extend tariff relief to United States-Mexico-Canada Agreement (USMCA) compliant goods and textiles and apparel articles that enter duty-free under CAFTA-DR from the scope of the proposed actions. The FLWG applauds USTR for recognizing the efforts of trusted trade allies that have enacted forced labor import prohibitions.

The EU, having taken similar legislative steps, warrants the same consideration. The Forced Labour Regulation (Regulation (EU) 2024/3015) does not come into application until December 14, 2027. This timeline is necessary given the number of countries in the EU bloc with different legal implementation mechanisms for a law that is considered stronger than the U.S. forced labor statute in certain respects. Finding that the EU is "failing to effectively enforce" a law that has not yet taken effect is premature and sets an unreasonable standard that penalizes legislative action before it can reasonably produce enforcement results.

2. Economies with FTAs, ART Commitments, or Other Initiatives Should Be Addressed Through Government-to-Government Engagement, Not Tariffs

The U.S. is not alone in recognizing the urgency of this issue. Other major economies have demonstrated strong commitments to eliminating forced labor from global supply chains and are actively advancing legislation to that end. Rather than imposing punitive tariffs on these economies, the U.S. should continue engaging with them through information sharing and collaboration to strengthen their forced labor bans.

Nine economies have negotiated Agreements on Reciprocal Trade ("ARTs") that require implementation of forced labor import prohibitions: Argentina, Bangladesh, Cambodia, Ecuador, El Salvador, Guatemala, Indonesia, Malaysia, and Taiwan. Imposing tariffs on economies that have committed to prohibiting forced labor imports under new bilateral agreements undermines the credibility and incentive structure of those agreements and disincentivizes other countries from entering into ARTs. Because these agreements were recently negotiated, USTR should allow adequate time to implement legislation and enforcement.

Recent U.S. free trade agreements also incorporate forced labor import restrictions. For example, the USMCA prohibits imports of goods made by forced labor, demonstrating that government engagement can be a more effective and collaborative tool for combating forced labor.

Other countries have also been encouraged to implement forced labor-related efforts independently. For example, Brazil has introduced prohibitions on forced labor, including on imports produced with forced labor, in both its investment agreements and free trade agreements. The Brazilian Congress is also actively considering a forced labor import prohibition.[2]

Therefore, USTR should instead leverage its authority under Sections 301(a)(2)(B) and 301(c)(1)(D) of the Trade Act to enter binding agreements to eliminate forced labor, rather than imposing unilateral tariffs that undercut cooperative frameworks these economies have already embraced or are in the process of concluding. Economies that have adopted or made commitments to adopt forced labor import prohibitions should not be subject to tariff actions under Section 301.

B. Existing U.S. Forced Labor Laws Already Prevent These Goods from Entering the Market—No Demonstrated Injury to U.S. Industry

The U.S. already prohibits the importation of goods produced with forced labor under 19 U.S.C. § 1307 and the Uyghur Forced Labor Prevention Act ("UFLPA"). U.S. Customs and Border Protection ("CBP") has 58 Withhold Release Orders and 8 Findings currently in place, and since June 2022 has examined 42,807 shipments under UFLPA enforcement, denying entry to 24,344 shipments.[3]

If these authorities are effective, as USTR asserts, then goods produced with forced labor should not be entering the U.S. market. Accordingly, there is no demonstrated injury to U.S. industry resulting from the absence of similar import bans in other economies. Notably, the

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[2] *See* Submission ID USTR-2026-0133-00126873 ("The Brazilian Congress is presently considering legislation that would further prohibit the importation of goods produced with forced labor, underscoring that Brazil's commitment extends directly to the precise concern at the heart of this investigation").

[3] *See*, U.S. Customs and Border Protection, *Uyghur Forced Labor Prevention Act Statistics Dashboard*, https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics.

Report's theory of harm is premised on circumvention and commingling, rather than on the lack of foreign import bans themselves.

The Report also reflects an internal inconsistency. It positions the U.S. forced labor regime as the model other economies should follow, while simultaneously acknowledging that forced labor goods may still enter the U.S. market through circumvention. If the U.S. has not eliminated these challenges, it is unreasonable to penalize other economies, many of which lack comparable resources or experience, for not achieving a similar standard.

Moreover, across-the-board tariffs on all products from all 60 economies do not address circumvention or the underlying use of forced labor. Rather, they impose additional costs on American consumers and businesses, including on goods with no connection to forced labor. Similarly, encouraging 60 unique import ban regimes would create a fragmented compliance landscape, increasing administrative burdens, duplicative requirements, and supply chain inefficiencies. Companies that have already made substantial investments in compliance systems would face disproportionate costs without corresponding policy benefits.

The U.S. has an opportunity to lead globally on this issue and instead convene a coalition to build a coordinated approach. The FLWG urges the U.S. to refrain from imposing broad tariffs and instead support a more coherent and harmonized international approach to addressing forced labor that minimizes administrative complexity and avoids unnecessary economic disruption.

C. Section 301 Requires Individualized Investigations Linked to Injury—Not Blanket Rates Across 60 Economies

One of the primary weaknesses of the USTR Report is its failure to comply with Section 301's statutory framework which contemplates economy-specific analysis with individualized findings based on the injury to specific U.S. industries. Instead, USTR investigated 60 economies simultaneously —economies that account for the overwhelming majority of U.S. imports —in a span of two months. USTR also proposes to apply only two rates (10% and 12.5%) across the board, regardless of each economy's vastly different circumstances and the impact of the alleged burden or restriction on U.S. commerce. The proposed action does not differentiate among economies by the severity of forced labor risk, the volume of forced labor goods entering the U.S., or any demonstrated injury to specific U.S. industries. This one-size-fits-all approach is inconsistent with Section 301's requirement that action be "appropriate" to obtain the elimination of the specific acts, policies, or practices at issue.

D. No Clear Path for Economies to Resolve the Issue and Have Tariffs Removed

The Notice also does not articulate a clear compliance pathway regarding the specific steps an economy must take for USTR to eliminate or reduce the tariffs. The Report finds that even economies that have already enacted forced labor import prohibitions are "failing to effectively enforce," raising the question of what standard of enforcement will satisfy USTR.

Without clear, measurable benchmarks tied to tariff removal, the proposed action functions as a permanent tariff rather than an incentive for forced labor reform.

Section 306 of the Trade Act requires USTR to continuously monitor implementation, and Section 307 permits modification or termination of action if the burden on U.S. commerce decreases. USTR should define measurable benchmarks and a clear off-ramp at the outset, consistent with these statutory obligations.

E. The "Eight Elements" Framework Should Be a Roadmap, Not Justification for Tariffs

The Report relies heavily on a single independent researcher's framework (Laura Murphy's "Eight Elements" for an effective forced labor import prohibition) as the basis for evaluating other economies' enforcement.[4] The eight elements identified are: (1) a statutory definition of forced labor grounded in international law; (2) a designated enforcement authority; (3) a public entity list; (4) use of a rebuttable presumption; (5) clear evidentiary standards; (6) a remediation requirement; (7) an accessible reporting mechanism; and (8) transparency and public disclosure.

The FLWG questions the authority of relying on a single independent framework as justification for broad sweeping tariffs affecting 60 economies. USTR should instead apply the eight elements framework as examples that could be used to develop the parameters of a forced labor import ban but should not use that framework as specific criteria that must all be met to prevent assessment of immediate tariffs. Notably, the U.S.'s own enforcement framework does not satisfy all eight elements. For example, the U.S. publishes an entity list in connection with the UFLPA; however, that list is limited and based on enforcement targeting and inadmissibility determinations, and it does not cover all entities that the U.S. claims use forced labor. In addition, the U.S. does not maintain a general forced labor entity list in connection with other violations of 19 U.S.C. § 1307. Additionally, there are no clearly articulated evidentiary standards, and enforcement actions lack transparency, whether with respect to entity list designations, WROs and findings, or targeting and admissibility decisions.

F. Impact on American Consumers and Businesses

The FLWG maintains that tariffs are a tax on U.S. importers, *not* on foreign producers. Thus, the tariffs harm the domestic industry that Section 301 was designed to protect. Research demonstrates that approximately 96% of tariff costs pass through to U.S. importers.[5] The

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[4] Laura Murphy, *An International Blueprint for Forced Labor Import Bans*, Carr-Ryan Center for Human Rights, Harvard Kennedy School, Issue 2026-08.
[5] Julian Hinz et al., *America's Own Goal: Who Pays the Tariffs?*, Kiel Institute (Jan. 2026) ("the remaining 96% [of tariffs] passes through to US importers").

Congressional Research Service has found that import tariffs are "effectively a tax on domestic consumption and thus increase costs for U.S. consumers and downstream industries."[6]

The proposed tariffs cover virtually all products from the 60 economies, affecting a vast swath of consumer goods, industrial inputs, and raw materials. These proposed duties come on top of various existing and additional proposed duties, including those that have and may be imposed pursuant to country-specific Section 301 investigations, compounding the cumulative burden on American families, workers, and businesses, especially if these tariffs all stack on top of each other.

Significantly, the proposed tariffs undermine the growth of U.S. manufacturing capabilities and job development, a core tenet of the U.S. trade policy. As a result of USTR's proposed Section 301 actions, domestic manufacturers will be forced to incur substantially higher costs to import the critical inputs and machinery necessary to sustain U.S. production that are not available domestically. Capital that could have been invested in domestic operations and expansion will instead be spent on tariffs; weakening domestic production efforts and putting American jobs at risk.

Many U.S. companies have invested heavily in forced-labor compliance infrastructure. They should not be penalized through broad tariffs that fail to differentiate between responsible companies and bad actors. The tariffs could have the unintended consequence of benefiting bad actors that source from lower-cost suppliers in regions with less oversight and that are not covered by this investigation, directly contradicting Section 301's stated goals. Additionally, increased cost pressures may worsen working conditions, lead to factory layoffs and closures, and push production toward cheaper inputs produced with forced labor—the very outcome the investigation purports to address. Investigated economies could also retaliate, as occurred following IEEPA tariffs, further harming U.S. exporters.

Non-governmental and research organizations that investigate and report on forced labor similarly maintain that tariffs are not the solution to combating forced labor but instead may have the opposite effect. For example, the Human Trafficking Legal Center has urged USTR to use "the Section 301 investigations to prioritize worker rights and long-term systemic reform rather than narrow trade outcomes," and to use tariffs only as a tool of last resort. Transparentem, a leading forced labor research NGO, maintains that tariffs "have the potential to worsen conditions for a broad range of workers." The Alliance to End Slavery and Trafficking similarly believes that tariffs can undermine "a spirit of cooperation, provoking retaliatory governmental action against the U.S."

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[6] Brock R. Williams et al., *Trump Administration Tariff Actions (Sections 201, 232, and 301): Frequently Asked Questions*, Congressional Research Service (Feb. 22, 2019); Erica York & Alex Durante, *Tracking the Impact of the Trump Tariffs & Trade War*, Tax Foundation (Mar. 13, 2026).

G. Forced Labor Should Not Be Invoked to Authorize Tariffs That Replace IEEPA and Section 122

Immediately after the Supreme Court decided that President Trump's use of the International Emergency Economic Powers Act ("IEEPA") was unlawful, the Administration implemented Section 122 tariffs, which are limited by a statutory timeframe, and stated that it would initiate several investigations under Section 301, including for forced labor, as a means to recreate the tariff structure.[7] The Administration continues to maintain that Section 301 tariffs will be used replace IEEPA tariffs.[8] This suggests that the stated purpose of the Section 301 investigation —to remedy harm to domestic industry caused by the absence of forced labor import bans in 60 economies —is divorced from the true intent of the proposed tariffs: to replace the invalidated IEEPA and expiring Section 122 tariff regimes and reimpose tariffs on goods imported from most U.S. trading partners.

Furthermore, if the IEEPA and Section 122 tariffs were truly imposed to reduce the trade deficit or incentivize the onshoring of U.S. manufacturing, the proposed forced labor ban-related tariffs pursuant to this investigation are unlikely to advance that goal. The Administration has justified tariffs as a tool for narrowing the deficit; however, there is no evidence to suggest that tariffs support that objective. The U.S. has maintained persistent trade deficits despite the imposition of significant tariffs in recent years. These consistent deficit levels strongly suggest that additional Section 301 tariffs will similarly fail to produce the intended economic results. Nor is there any basis to conclude that broad-based tariffs on 60 economies will meaningfully incentivize onshoring of U.S. production. Indeed, the FLWG believes the opposite is true; by increasing the cost of inputs used in manufacturing and in upstream and adjacent industries, tariffs make the U.S. less competitive as a production economy, while also contributing to an environment of policy uncertainty that deters investment.

II. Recommendations

The FLWG supports USTR's goal of eradicating forced labor and respectfully proposes alternative solutions that will be more directly effective than tariffs.

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[7] Press Release, Off. of the U.S. Trade Representative, Ambassador Greer Issues Statement on Supreme Court IEEPA Decision (Feb. 20, 2026), https://ustr.gov/about/policy-offices/press-office/press-releases/2026/february/ambassador-greer-issues-statement-supreme-court-ieepa-decision.

[8] In a recent interview with CNBC's "Squawk Box," U.S. Treasury Secretary Scott Bessent stated that, if Section 301 investigations are successful, "then the tariff rates are going to go back to exactly where they were." Interview by Joe Kernen with Scott Bessent, U.S. Sec'y of the Treasury, *Squawk Box* (CNBC television broadcast June 24, 2026), https://www.cnbc.com/2026/06/24/cnbc-transcript-us-treasury-secretary-scott-bessent-speaks-with-cnbcs-joe-kernen-on-squawk-box-today.html.

A. Tariffs Are Not the Solution

For the reasons above, the FLWG strongly urges USTR not to impose the proposed tariffs. Broad tariffs covering nearly all products from the 60 economies are disproportionate, inflationary, and untethered from the objective of eliminating forced labor. They burden American consumers and businesses without addressing root causes and may in fact worsen forced labor as economic conditions deteriorate and cost pressures mount.

B. Negotiations Are More Impactful Than Tariffs

Instead of implementing tariffs, USTR should leverage its authority to enter binding agreements with investigated economies to "eliminate or phase out" forced labor practices, including import bans. Several economies have already demonstrated willingness through ARTs and frameworks negotiated with this Administration. The FLWG urges USTR to:

- Continue negotiating agreements that focus on measures to address the root cause of forced labor, with concrete timelines and measurable milestones. USTR should define the specific standards it will use to measure "effective" enforcement so that economies have a clear compliance target;
- Provide capacity-building support and technical assistance—sharing enforcement methodologies, technologies, and investigative approaches;
- Restore funding to the International Labour Organization (ILO), International Organization for Migration (IOM), Bureau of International Labor Affairs (ILAB), and Bureau of Democracy, Human Rights, and Labor (DRL) programs that build partner-country enforcement capacity;
- Preserve and recognize the benefits of preexisting trade agreements and programs (e.g., USMCA) that offer their own negotiation mechanisms, especially as the imposition of tariffs would undermine the advantages established under such frameworks; and
- Act as a leader in helping develop forced labor import bans, including supporting company programs, multilateral engagement, and enforcement coalitions.

C. If Tariffs Are Imposed, Use a Staggered and Tailored Approach

1. Scope

In the alternative, if USTR determines that tariff action is warranted, the FLWG urges the following minimum conditions.

- Notwithstanding these significant concerns, any Section 301 tariffs implemented should not be broadly imposed at the country or industry level.
- To comply with Section 301 requirements, actions should be narrowly targeted to specific products or producers with credible, explicitly documented and validated

evidence of the use of forced labor in goods that affect U.S. trade, and subject to notice and comment.

- USTR should carry over any tariff relief already granted under Section 122 and the ARTs, and expand relief to critical inputs and goods, particularly those that are not available in the U.S.
- We respectfully request that USTR also continue to honor the current agreements made with trading partners that prevent the stacking of duties imposed under various authorities and that establish duty ceilings.
- Tariff relief from any potential tariff action should be provided for used goods, which are generally resold years after original manufacture and are not materially connected to current forced labor risks in production supply chains. Applying additional duties to these products would do little to advance the objectives of this investigation while increasing costs for U.S. consumers and businesses.
- Goods made primarily with U.S. cotton should also be afforded tariff relief from any potential tariff actions.
- Entities that are members of the Customs-Trade Partnership Against Terrorism ("CTPAT") Trade Compliance program should be exempt from Section 301 forced labor duties. CTPAT Trade Compliance members are already required to maintain a documented forced labor compliance program, which must be submitted as part of their annual notification letter to retain membership in the program. Their continued participation in CTPAT serves as a validated, government-approved demonstration that these importers have established robust forced labor safeguards within their supply chains. Imposing additional tariff burdens on entities that have already invested in and satisfied these rigorous compliance standards is both duplicative and counterproductive, penalizing the very importers who have proactively committed to eradicating forced labor from their operations.

2. Duration

Any tariff measures must be limited in duration, subject to periodic review, provide a pathway for economies to address forced labor import bans 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 advance notice. The rates should begin low, with staged triggers tied to objective benchmarks, similar to the approach in the Section 301 findings for Nicaragua.

As discussed above, Section 306 of the Trade Act requires continuous monitoring, and Section 307 permits modification or termination of action if the burden on U.S. commerce decreases. Tariffs should not remain in place indefinitely. If an economy demonstrates measurable progress, USTR should reassess the need for continued action and remove or modify tariffs accordingly. Maintaining tariffs despite clear progress risks undermining incentives for reform.

Further, the FLWG strongly opposes any modifications to increase Section 301 actions without formal notice and the opportunity to comment. USTR should not use Section 307 to impose higher tariffs on imports from countries that do not respond positively to USTR's requests to impose forced labor import bans. Section 307 grants USTR only narrow authority to "modify or terminate" an existing Section 301 action. Section 307 does not authorize USTR to impose sweeping new tariffs—let alone to do so while bypassing the robust procedural safeguards that Section 301 expressly requires. Accordingly, the FLWG maintains that USTR cannot use Section 307 to expand existing Section 301 forced labor tariffs to additional products or countries, or to increase existing tariff rates. If USTR contemplates any significant expansion of tariffs, such action should be conducted in accordance with Section 301 procedural requirements including notice, comment, and a clear explanation of the basis for the action.

III. Conclusion

The FLWG fully supports robust efforts to eradicate forced labor from global supply chains. However, for the reasons stated above, the proposed tariffs will impose significant costs on American consumers and businesses while failing to address the root causes of forced labor. USTR should instead prioritize diplomatic engagement, binding agreements, capacity building, and enhanced CBP enforcement as more effective tools for preventing goods made with forced labor from entering the U.S.

In the alternative, any tariff action must be narrowly targeted, staged with adequate advance notice, and subject to sunset provisions tied to measurable progress. The FLWG stands ready to serve as a constructive partner in this process.

We look forward to a continued 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 U.S.

Sincerely,

Forced Labor Working Group:

American Apparel and Footwear Association
Retail Industry Leaders Association
United States Fashion Industry Association
National Retail Federation
American Association of Exporters and Importers
American Clean Power Association
Consumer Technology Association
Footwear Distributors & Retailers of America
MEMA. The Vehicle Suppliers Association
National Fisheries Institute
U.S. Chamber of Commerce
Autos Drive America

CC: Megan Grimball, Chair of the Section 301 Committee