

Alert | International Trade/Tariff Task Force



March 2026

CBP Shares Update on IEEPA Refund Process; USTR Initiates Section 301 Investigations into Global ‘Structural Excess Capacity’ and Forced Labor

IEEPA Tariff Refund Update

On March 12, 2026, U.S. Customs and Border Protection (CBP) Executive Director of Trade Programs Brandon Lord updated the Court of International Trade (CIT) on CBP’s progress in developing the refund process for the International Emergency Economic Powers Act (IEEPA) tariffs, which the Supreme Court **struck down last month**. In his update, Lord stated that CBP was 70% done with the development of the refund claim portal.

According to Lord’s CIT filing, CBP’s proposed refund process includes the following:

- Filers will upload a list of entries to CBP’s claims portal. CBP will confirm accuracy and file accessibility.
- Once CBP accepts the list of entries, it will use a mass-processing program to remove IEEPA Harmonized Tariff Schedule numbers and run duty calculations for other tariffs owed.

- The system will review and liquidate or re-liquidate entries, while giving CBP a chance to manually review certain entries if needed and calculate interest.
- Refunds will be consolidated by importer and liquidation date.

In response to CBP’s progress, Judge Richard Eaton continued to suspend his order requiring liquidation of entries without IEEPA tariffs and the reliquidation of other entries. He found that CBP is making “satisfactory progress to timely complete the development” of a refund process and directed the agency to file a subsequent update on the refund process on March 19, 2026.

Section 301 Investigations: Global ‘Structural Excess Capacity’

Initiation of Section 301 Investigations Regarding Manufacturing Excess Capacity in 15 Countries and the EU

On March 11, 2026, and March 12, 2026, the United States Trade Representative (USTR) **announced** the initiation of a sweeping series of investigations under Section 301 of the Trade Act of 1974. The first set of 301 investigations target the “acts, policies, and practices” of 16 key trading partners that lead to “structural excess capacity” and “overproduction” in manufacturing sectors.

The USTR alleges that these economies maintain production levels that are “untethered” from global demand, resulting in persistent trade surpluses that displace U.S. domestic production and threaten American supply chain resilience. The investigations include:

- *Major Industrial Powers:* China, European Union (specifically citing Germany and Ireland), and Japan.
- *Key Asian Trading Partners:* Korea, Taiwan, Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, Bangladesh, and India.
- *Other Regions:* Switzerland, Norway, and Mexico.

Affected sectors span nearly all of modern manufacturing, including:

- Automobiles and Auto Parts
- Semiconductors and Electronics
- Steel and Aluminum
- Batteries and Solar Modules
- Chemicals, Pharmaceuticals, and Medical Apparatus

Key Justifications for Investigation

The USTR identifies several indicators and practices as evidence of “unreasonable” trade behavior:

- *Low-Capacity Utilization:* Global manufacturing utilization is hovering around 75%, below the “healthy” benchmark of 80%.
- *Persistent Trade Surpluses:* Economies that export overproduction because domestic demand is suppressed by government policy.

- *Non-Market Practices*: Subsidies, subsidized lending, currency practices, and inadequate labor/environmental protections that lower costs artificially.
- *“Zombie” Firms*: A growing number of unprofitable firms in China and Japan that continue to operate despite being unable to meet interest expenses.

Timeline and Public Participation

The USTR invites comments regarding “the acts, policies, and practices of each investigated economy creating or maintaining structural excess capacity or production in specific sectors,” and other related aspects.

Once the USTR receives comments, it will hold hearings to determine if these practices are actionable under Section 301, adhering to the following schedule:

- *March 17, 2026*: Online portal opens for comments and hearing requests.
- *April 15, 2026*: Deadline to submit written comments and requests to appear at hearings.
- *May 5, 2026*: Public hearings begin in Washington, D.C.
- *Post-Hearing*: Rebuttal comments due within seven days of the final hearing day.

Section 301 Investigations: Forced Labor Investigations

On March 12, 2026, USTR announced the initiation of Section 301 investigations into 60 of the United States’ largest trading partners regarding their failure to impose and effectively enforce bans on the importation of goods produced with forced labor. These investigations reflect an expansion of U.S. trade enforcement tools targeting forced labor in global supply chains — representing a novel avenue distinct from prior initiatives, such as the Uyghur Forced Labor Prevention Act (UFLPA) and long-standing CBP withhold release orders.

Whereas the UFLPA and related CBP enforcement have focused on blocking the import of specific goods produced with forced labor into the United States, the Trump administration said the new Section 301 investigations will examine whether foreign governments’ failure to adopt and enforce similar prohibitions is “unreasonable or discriminatory and burdens or restricts U.S. commerce.” In short, the USTR is assessing not only the presence of forced labor in supply chains, but also foreign governments’ regulatory responses — or lack thereof — as a trade issue actionable under U.S. law.

Scope of Investigations

The USTR’s action covers a broad spectrum of economies, including:

- *Major Trading Partners*: China, the European Union, Canada, Mexico, Japan, South Korea, India, Australia, Brazil, and the United Kingdom.
- *Key Regional Economies*: Vietnam, Malaysia, Indonesia, Thailand, Bangladesh, Hong Kong, Singapore, and other countries across Africa, the Middle East, and the Americas.

These investigations will address a range of sectors, given the pervasive nature of forced labor in global supply chains — particularly in agriculture, textiles, apparel, electronics, minerals, and other

manufacturing industries identified in the Department of Labor's 2024 [List of Goods Produced by Child Labor or Forced Labor](#).

Key Justifications and Novelty

This marks the first time the USTR has invoked Section 301 to target foreign governments' inaction on forced labor as an "unreasonable" trade practice, supplementing previously existing import bans targeting specific products or regions. The USTR cites both the humanitarian imperative and the adverse competitive effects on U.S. workers and firms, who are often forced to compete with artificially low-priced imports produced with forced labor.

Timeline and Public Participation

The USTR is soliciting public input on the investigations, including:

- Whether the listed economies maintain, or are in the process of establishing, effective forced labor import prohibitions;
- The impact of any failure to do so on U.S. commerce, including lost exports, depressed prices, or lower wages; and
- Suggested remedies, including duties or import restrictions, and their appropriate scope.

Key dates for participation:

- *March 17, 2026*: Online portal opens for comments and hearing requests.
- *April 15, 2026*: Deadline to submit written comments and requests to appear at the public hearing (with summary of testimony) via USTR's electronic portal.
- *April 28, 2026*: Public hearings begin at the U.S. International Trade Commission in Washington, D.C., continuing as necessary through May 1, 2026.
- *Seven days after final hearing*: Deadline for post-hearing rebuttal comments.

Potential Impact

For both sets of Section 301 investigations, the USTR will determine whether the investigated countries' respective manufacturing practices burden or restrict U.S. commerce and/or whether the absence of effective forced labor prohibitions constitutes an actionable trade practice. On the USTR's recommendations, the president may impose additional tariffs or other trade restrictions. Each country will be individually investigated, whereas the EU will be investigated as a group. Any new Section 301 tariffs might stack on top of General or Most Favored Nation tariffs, Antidumping and Countervailing duties, or other duties already in place.

[According to Jamieson Greer](#), the administration hopes to conclude the investigations prior to the July 24, 2026, deadline for the 10% Section 122 duties imposed on Feb. 24, 2026.

The first Trump administration implemented Section 301 duties on most products of China at either 25% or an additional 7.5%, which are still in place today and have, to date, been upheld by court challenges. Companies with supply chains involving the listed countries and sectors may wish to assess their exposure to potential additional tariffs and consider participation in the investigations.

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