

Proposed New Section 301 Tariffs and Other Trade-Related Developments

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On June 2, 2026, the Office of the U.S. Trade Representative (“USTR”) announced proposed tariffs under Section 301 of the Trade Act of 1974 (“Section 301”) following an investigation into alleged forced labor related policies and practices of 59 countries and the European Union. The proposed tariff rate is 10% for most goods of 15 trading partners, and 12.5% for most goods of 45 trading partners. The tariff action includes some exemptions under an Annex for certain agricultural products, aviation parts and equipment, industrial inputs, minerals, pharmaceutical goods, and goods that are subject to separate tariffs under Section 232 of the Trade Expansion Act of 1962 (“Section 232”). There is a public comment period that runs until July 6, 2026, and USTR will hold a public hearing on July 7, 2026.

We also describe other trade-related developments below, including additional Section 301 actions, changes to the Section 232 tariffs, a new Board of Trade to manage U.S.-China trade relations, and expected refunds to importers who paid duties under the invalidated tariff actions that cited the International Emergency Economic Powers Act (“IEEPA”).

Forced Labor Related Tariffs

This announcement and USTR’s [published findings](#) follow in the wake of the U.S. Supreme Court’s February 2026 [ruling](#) against President Trump’s global tariff actions under IEEPA. As we [reported](#), President Trump then issued a Section 122 global “import surcharge” at 10% as a replacement, which is set to expire in July 2026. The USTR shortly thereafter commenced two Section 301 investigations on forced labor and excess industrial capacity of trading partners. These investigations are widely expected to result in the re-imposition of tariffs to replace the invalidated tariffs.

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The 10% rate for 15 trading partners closely aligns with rates that the Trump Administration had negotiated with certain countries to reduce the IEEPA tariff rate on their goods. If finalized as proposed, this new Section 301 tariff action would reinstitute tariffs on those countries' goods on what the Trump Administration claims to be a more durable basis. Section 301 tariff actions are subject to review every four years.

The 12.5% rate proposed for the goods of the remaining 45 trading partners is only slightly higher than the proposed 10% tariff rate for the other 15 trading partners. However, it remains to be seen whether USTR will propose higher rates under the companion Section 301 investigation to reimpose tariff rates at or near the elevated rates seen under the global reciprocal tariffs in 2025. USTR also could adjust the proposed rates under the forced labor investigation after the public comment period ends, or as a result of subsequent developments.

While the effective date of this new Section 301 tariff action is not yet determined, the hearing date in July 2026 appears to closely track the expiration date of the current Section 122 tariff action. The proposed rates would provide continuity after the end of the Section 122 tariff action.

Other Developments

USTR issued its Section 301 forced labor report and proposed tariffs concurrently with other major trade developments.

- On May 29, 2026, USTR announced a new Section 301 investigation on intellectual property protection and enforcement in Vietnam.
- On June 1, 2026, President Trump issued a proclamation adjusting Section 232 duties on aluminum, copper, and steel and their derivative items that are subject to a 50% tariff. Reduced Section 232 duties will apply to certain agricultural equipment, certain industrial equipment from countries that reached trade deals with the Trump Administration, and goods that qualify for preferential treatment under the U.S.-Mexico-Canada Agreement ("USMCA"). The proclamation also allows certain derivative imports to be imported with reduced duties if they use at least 85 percent steel that was melted and poured steel in the United States, or 85% aluminum or copper that was smelted and cast in the United States.
- On June 1, 2026, USTR proposed a 25% tariff under a separate Section 301 investigation targeting Brazil's acts, policies, and practices that affect U.S. trade. Comments are due June 22, 2026, and USTR will hold a hearing on July 6, 2026.
- On June 2, 2026, USTR solicited public comments on a new Board of Trade that is intended to manage the U.S.-China bilateral trade relations, which the Trump Administration previewed after the meeting between Presidents Trump and Xi in May 2026. USTR seeks comments on non-sensitive goods that could be subject to tariff modifications on each side. The comments window closes on July 10, 2026, and any rebuttals or responses could be submitted by July 27, 2026.
- On June 3, 2026, President Trump issued an executive order, "Strengthening Customs Enforcement." The executive order directs the U.S. Department of Homeland Security and U.S. Customs and Border Protection to impose new requirements on customs clearance by foreign entities including new identification requirements and U.S. land ownership in some cases; sharply curtail the mitigation of penalties; and dispose of seized goods that are found to be non-compliant with import

requirements.

In a separate development in ongoing court proceedings over the refund of IEEPA tariffs paid by importers before they were invalidated, the Trump Administration appealed an injunction issued by the U.S. Court of International Trade (“CIT”) that would require the U.S. Government to pay refunds for “finally liquidated” import entries. In the ordinary course, these entries would not be refundable because of applicable deadlines. It remains to be seen whether the appeal of the CIT order to the U.S. Court of Appeals for the Federal Circuit will disrupt refund payments for claims already submitted by importers through CBP’s Consolidated Administration and Processing of Entries (“CAPE”) portal.

U.S. importers, companies that depend on imports, and U.S. companies that compete with imports may wish to follow closely these Section 301 trade investigations to see how they affect their business. Depending on the implementation dates for the new tariffs, there could be a window of opportunity to bring in products before the tariff rate increases on certain goods.