

- What action, if any, should be taken to address these issues, including:
 - The level and scope, if any, of duties on products of any economy subject to these investigations.
 - The level and scope, if any, of import restrictions on products of any economy subject to these investigations.
- The appropriate aggregate level of trade to be covered by any additional duties on products of any economy subject to these investigations.

IV. Hearing Participation

The Section 301 Committee will convene public hearings on April 28, 2026, in the main hearing room of the U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, beginning at 10:00 a.m. The hearings may continue, as necessary, until May 1. To testify at the hearings, you must submit a request to appear using the electronic portal at <https://comments.ustr.gov/s/>, following the instructions in Part V below. Requests to appear must include a summary of testimony, and may be accompanied by a prehearing submission. Remarks at the hearings are limited to five minutes to allow for possible questions from the Section 301 Committee. All submissions must be in English. To be assured of consideration, USTR must receive your request to appear and summary of the testimony by April 15, 2026.

V. Submissions Instructions

Interested persons must submit written comments, requests to appear at the hearing, summaries of testimony, and post-hearing rebuttal comments using the appropriate docket on the portal at <https://comments.ustr.gov/s/>. To make a submission, use the docket on the portal entitled 'Request for Comments on the Section 301 Investigation 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,' docket number USTR–2026–0133.

Interested persons wishing to provide testimony at the hearing must submit a notification of intent and summary of testimony using the docket entitled 'Request to Appear at the Hearing on the 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,' docket number USTR–2026–0134.

You do not need to establish an account to submit comments or a notification of intent to testify. The first screen allows you to enter identification

and contact information. Third party organizations such as law firms, trade associations, or customs brokers should identify the full legal name of the organization they represent and identify the primary point of contact for the submission. Information fields are optional. However, USTR may not consider your comment or request if insufficient information is provided.

Fields with a gray Business Confidential Information (BCI) notation are for BCI information that will not be made publicly available. Fields with a green (Public) notation will be viewable by the public.

After entering the identification and contact information, you can complete the remainder of the comment, or any portion of it, by clicking 'Next.' You may upload documents at the end of the form and indicate whether USTR should treat the documents as business confidential or public information. Any page containing BCI must be clearly marked 'BUSINESS CONFIDENTIAL' on the top of that page and the submission should clearly indicate, via brackets, highlighting, or other means, the specific information that is BCI. If you request business confidential treatment, you must certify in writing that the information would not customarily be released to the public. Parties uploading attachments containing BCI also must submit a public version of their comments. If these procedures are not sufficient to protect BCI or otherwise protect business interests, please contact the USTR Section 301 support line at 202.395.5725 to discuss whether alternative arrangements are possible.

USTR will post attachments uploaded to the docket for public inspection, except for properly designated BCI. You can view submissions on USTR's electronic portal at <https://comments.ustr.gov/s/>.

Jennifer Thornton,

General Counsel, Office of the United States Trade Representative.

Annex A

Economies subject to these investigations:

1. Algeria
2. Angola
3. Argentina
4. Australia
5. The Bahamas
6. Bahrain
7. Bangladesh
8. Brazil
9. Cambodia
10. Canada
11. Chile
12. China, People's Republic of
13. Colombia

14. Costa Rica
15. Dominican Republic
16. Ecuador
17. Egypt
18. El Salvador
19. European Union
20. Guatemala
21. Guyana
22. Honduras
23. Hong Kong, China
24. India
25. Indonesia
26. Iraq
27. Israel
28. Japan
29. Jordan
30. Kazakhstan
31. Kuwait
32. Libya
33. Malaysia
34. Mexico
35. Morocco
36. New Zealand
37. Nicaragua
38. Nigeria
39. Norway
40. Oman
41. Pakistan
42. Peru
43. Philippines
44. Qatar
45. Russia
46. Saudi Arabia
47. Singapore
48. South Africa
49. South Korea
50. Sri Lanka
51. Switzerland
52. Taiwan
53. Thailand
54. Trinidad and Tobago
55. Türkiye
56. United Arab Emirates
57. United Kingdom
58. Uruguay
59. Venezuela
60. Vietnam

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket No. USTR–2026–0067 and USTR–2026–0068]

Initiation of Section 301 Investigations: Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors

AGENCY: Office of the United States Trade Representative (USTR).

ACTION: Notice of initiation of investigations and hearings, and a request for comments.

SUMMARY: The United States Trade Representative (Trade Representative)

has initiated investigations under Section 301 of the Trade Act of 1974 regarding the acts, policies, and practices of certain economies relating to structural excess capacity and production in certain manufacturing sectors. Key trading partners have developed production capacity untethered from the incentives of domestic and global demand. This excess capacity leads to, among others, overproduction and large or persistent trade surpluses, as well as underutilized and unused capacity, in manufacturing sectors. These investigations will focus on economies that appear to exhibit structural excess capacity and production in various manufacturing sectors, such as through large or persistent trade surpluses or underutilized or unused capacity: China, the European Union (EU), Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, Korea, Vietnam, Taiwan, Bangladesh, Mexico, Japan, and India. The inter-agency Section 301 Committee is holding public hearings and seeking public comments in connection with these investigations. USTR will open dockets for submission of written comments and requests to appear at the hearings.

DATES:

March 11, 2026: The U.S. Trade Representative initiated the investigations.

March 17, 2026: USTR will open dockets for submission of written comments and requests to appear at the hearings.

April 15, 2026, at 11:59 p.m. EST: To be assured of consideration, submit written comments and any requests to appear at the hearings, along with a summary of the testimony, by this date.

May 5, 2026: The Section 301 Committee will convene public hearings in the main hearing room of the U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436, beginning at 10:00 a.m., continuing, as necessary, until May 8.

Seven calendar days after the last day of the public hearing: Due date for submission of post-hearing rebuttal comments.

ADDRESSES: Submit documents in response to this notice, including written comments, hearing appearance requests, summaries of testimony, and post-hearing rebuttal comments through the online USTR portal: <https://comments.ustr.gov/s/>.

FOR FURTHER INFORMATION CONTACT: For procedural questions concerning comments or participating in the public hearing, contact the USTR Section 301

support line at (202) 395–5725. Direct all other questions regarding this notice to Philip Butler, Chair of the Section 301 Committee, or Nanda Srikantaiah, Assistant General Counsel, at (202) 395–5725.

SUPPLEMENTARY INFORMATION:

I. Background

Structural excess capacity and production in manufacturing sectors presents a serious challenge to U.S. efforts to re-shore supply chains and provide good-paying jobs for American workers. Key trading partners have developed production capacity untethered from the incentives of domestic and global demand. This excess capacity leads to, among others, overproduction and large or persistent trade surpluses, as well as underutilized and unused capacity, in manufacturing sectors. Structural excess capacity has been characterized generally as underutilized industrial production capacity that is sustained through governmental interventions or policies incentivizing companies to maintain or grow their unused capacity inefficiently.¹

In 2024, global manufacturing generated \$16.6 trillion dollars in economic output, up from \$16.4 trillion in 2023, according to World Bank data. Nonetheless, according to U.S. government estimates, global manufacturing capacity utilization remains between 75.0 and 75.9 percent, below healthy utilization rates for many sectors of approximately 80 percent.² This is an indication that, for manufactured goods, although global production is expanding, underlying global supply exceeds underlying global demand. Further, unused foreign capacity can chill production and new investments in the United States. Indeed, many countries with excess capacity problems also have large trade surpluses with the world, or at least with the United States—the world’s consumer market of last resort.

When global manufacturing investment outstrips global demand for manufactured goods, and production surpluses are concentrated within certain countries, production surpluses in those markets undermine industrial ecosystems in other countries. Across numerous sectors, many U.S. trading partners are disregarding market-based

policies and producing more goods than they can consume or productively invest domestically. The result of this overproduction is large or persistent goods trade surpluses, including the expansion of exports to the United States or to third countries that, in turn, export to the United States. This displaces existing U.S. domestic production or prevents investment and expansion in U.S. manufacturing production that otherwise would have been brought online. These dynamics are reflected in U.S. global and bilateral goods trade deficits and the reduced contribution of manufacturing to U.S. gross domestic product. In the past fifteen years, U.S. capacity utilization peaked at 79.9 percent during President Trump’s first term, declining to a low of 75.2 percent in November 2024 near the end of President Biden’s term, further evidence that U.S. industry is not operating at its full competitive potential.

U.S. policy makers for years have expressed concern over large or persistent goods trade imbalances. For example, in the Omnibus Trade and Competitiveness Act of 1988, the U.S. Congress instructed: “The principal negotiating objective of the United States regarding current account surpluses is to develop rules to address large and persistent global current account imbalances of countries, including imbalances which threaten the stability of the international trading system, by imposing greater responsibility on such countries to undertake policy changes aimed at restoring current account equilibrium, including expedited implementation of trade agreements where feasible and appropriate.”³ It is no coincidence that the same 1988 Act was passed in response to concerns about the decline of U.S. manufacturing competitiveness.

Low capacity utilization rates in the manufacturing sectors of some economies can be evidence of structural excess capacity in those sectors. For example, the Global Forum on Steel Excess Capacity (GFSEC) estimates that global steel excess capacity is expected to increase to 721 million metric tons by 2027. The worsening global steel excess capacity trend is being driven by a wide range of non-market practices that fuel new capacity growth that exceeds underlying market demand in some economies, in turn putting jobs, investments, and supply chains in other economies at risk.

Another example can be seen in the automotive sector where the United

¹ See, e.g., Rhodium Group, “Overcapacity at the Gate” (Mar. 26, 2024), <https://rhg.com/research/overcapacity-at-the-gate/>.

² See, e.g., Executive Office of the President, “Proclamation 10896: Adjusting Imports of Steel into the United States,” 90 FR 9,817 (Feb. 10, 2025) (identifying 80% as the target rate for steel capacity utilization).

³ 19 U.S.C. 2901(b)(5), Public Law 100–418, title I, § 1101(b)(5), Aug. 23, 1988, 102 Stat. 1121.

States is one key destination for other economies' automotive exports, logging \$157 billion and \$128 billion deficits in the sector in 2024 and 2025, respectively. Structural excess capacity and production may also be evidenced by a large number of firms that are unprofitable, or cannot meet interest expenses through their operations. There is evidence of a growing number of such firms in China, as well as Japan. In addition, some countries export their excess capacity and production by establishing distribution and production networks in other countries. For example, as industrial production of electric vehicles in China exhausts national demand, there is evidence that China's national champion BYD is aggressively expanding its overseas distribution and production network, with factories in Uzbekistan, Thailand, Brazil, Hungary and Turkey. Further, analysts project that Chinese automakers will likely build additional capacity in Europe, a strategy invited and courted by current European political and business leaders, notwithstanding the fact that there is evidence that European automotive factories are operating at only 55 percent capacity utilization.

An illustrative list of sectors plagued by excess capacity and production includes aluminum, automobiles, batteries, cement, chemicals, electronics, energy goods, glass, machine tools, machinery, non-ferrous metals, paper, plastics, processed food and beverages, robotics, satellites, semiconductors, ships, solar modules, steel, and transportation equipment. In many of these sectors, the United States has lost substantial domestic production capacity or has fallen worryingly behind foreign competitors.

The creation or maintenance of structural excess capacity and production may result from policy interventions by trading partners that increase their domestic capacity and production while suppressing their domestic demand. Such interventions maintain capacity and production well above what would be expected under more market-oriented conditions. This may include: (1) promoting production and export untethered from market drivers of supply, demand, and investment, including through subsidies; (2) suppressing domestic wages; (3) non-commercial activities of state-owned or -controlled enterprises; (4) sustained market access barriers; (5) lax or inadequate environmental or labor protection or social safety net; (6) subsidized lending; (7) financial repression and currency practices; and others.

Among others, structural excess capacity in manufacturing sectors can be evidenced by the existence of large or persistent trade goods surpluses in certain sectors, including the nature and quality of an economy's trade balance with the United States; as well as by underutilized or unused production capacity or unprofitable firms in a given economy or sector.

The delta between manufacturing capacity and demand is often particularly acute in economies that have large and persistent trade surpluses. Economists have noted that a large manufacturing surplus requires an offsetting deficit in manufacturing elsewhere in the global economy. Trade surpluses are often rooted in domestic saving-investment imbalances shaped by government policies that tend to weaken domestic demand and promote overproduction and capacity in surplus countries. Instead of gains from trade flowing to workers and shareholders, these governments encourage firms to use these gains to fund or stimulate additional production capacity, regardless of demand. The resulting weak or depressed domestic consumption compels these economies to export their overproduction to underwrite their excess capacity, generating trade surpluses. In turn, the trading partners of these economies must run trade deficits, meaning they will have smaller tradeable goods sectors than would otherwise prevail.

The United Nations Industrial Development Organization's (UNIDO) recent quarterly report on Manufacturing Production and Trade indicates that China, Asia and Oceania (excluding China), and Europe have experienced trade surpluses in all manufactured goods, and in higher-tech manufactured goods, consistently for years.⁴ In contrast, UNIDO reports that North America and Latin America have shown growing trade deficits in such goods during the same time period. The Report characterizes the manufacturing trade surplus countries as "export-driven" economies.⁵ Moreover, North America—driven largely by the U.S. economy—accounts for less of world manufacturing output than it did in 2015. Not only does U.S. manufacturing account for less global manufacturing output, it also increasingly makes up a smaller share of the U.S. economy. According to U.S. Department of Commerce data, "U.S. manufacturing

value added was 10.5% of national GDP in 2023" while "Germany's manufacturing industry was 22.7%, China was 28.1%, and Japan was 21.7% with the world average being 17.2%."

The nature and quality of an economy's trade balance with the United States is also an indicator of excess capacity. The United States is the global consumer market of last resort, and economies with productive capacity that outstrip their domestic demand tend to send overproduction to the United States, directly or indirectly through third countries. Excess capacity can be focused in certain tradeable sectors, leading to a large and persistent goods surplus with the United States. This can be the case even if a given economy might experience balanced trade or have an overall goods trade deficit with the United States or with the world.

II. Investigated Economies

These investigations will focus on the following economies that appear to exhibit structural excess capacity in various manufacturing sectors, such as through large or persistent trade surpluses or underutilized or unused capacity: China, the European Union, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, Korea, Vietnam, Taiwan, Bangladesh, Mexico, Japan, and India.⁶

Evidence of structural excess capacity and production exists for China. China's global goods trade surplus exceeded \$1.2 trillion in 2025, a record high, and accounted for nearly 70 percent of global goods trade surpluses. In 2024, China's global goods trade surplus was \$993 billion. By volume, China's trade surplus meaningfully expanded—with net export volumes increasing to the highest recorded levels amid a decline in China's export prices. China's bilateral goods trade surplus with the United States was the largest of any U.S. trading partner in 2024, at \$361 billion in 2024. Additionally, China's data transparency is limited, and available data contains statistical anomalies that may suggest an even higher surplus. Overall, China's capacity utilization rate is 74.4 percent in 2025, which is down from 75 percent in 2024.

China maintains a global goods trade surplus across its economy, led by exports in sectors such as electronic equipment, machinery, automobiles and auto parts, plastics, furniture, articles of iron or steel, apparel, organic chemicals,

⁴ United Nations Industrial Development Organization, Quarterly Report, Q3 2025, Manufacturing Production and Trade, https://stat.unido.org/portal/storage/file/publications/qiip/world_Manufacturing_Production_2025_Q3.pdf.

⁵ *Id.*

⁶ See generally U.S. Department of Treasury, Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States (2020–2026) ("Report on Macroeconomic and Foreign Exchange Policies").

toys and sporting goods, optical, photo, technical, and medical apparatus, iron and steel, footwear, ships and vessels, aluminum, and many others. Evidence suggests that China's goods trade surplus is driven by increasing excess manufacturing capacity and production in numerous sectors. In some of these sectors, Chinese excess capacity has driven global overcapacity. For example, the GFSEC has found that China's share of global excess capacity in steel production has "risen significantly" during the course of 2025, to 54 percent of the world gap between capacity and demand in Q3 2025, from 47 percent in Q3 2024. Similarly, China's production of lithium-ion batteries reached 1.9 times the volume of domestically installed batteries in 2022. With respect to polyethylene terephthalate (PET), evidence suggests that as China continues to purchase low-cost Russian oil, Chinese chemical companies are creating overcapacity in PET production.

Evidence of structural excess capacity and production exists for the European Union. Measured as a share of GDP, in 2024, the Euro area maintained a surplus on trade in goods of \$451 billion and 2.3 percent of GDP. The European Union maintained a bilateral surplus of trade in goods with the United States of \$237 billion in 2024. The European Union maintains a global goods trade surplus, led by exports in sectors such as chemicals and related products and machineries and vehicles. The European Union maintains this surplus despite very high energy prices and regulatory obstacles that inhibit economic growth.

Among EU Member States, for example, Germany has run a large trade surplus for well over a decade as production levels are consistently above domestic absorption. The goods trade surplus reached 5.6 percent of GDP in 2024. At the same time, Germany's bilateral goods trade surplus with the United States reached \$102 billion in 2024. Germany maintains a large and persistent goods trade surplus, led by exports in sectors such as automobiles and auto parts, machinery, electronic equipment, pharmaceutical products, chemicals, and others. At the same time, capacity utilization rates in these sectors as of January 2026, such as chemicals (72.7 percent), have reached low levels.

Similarly, Ireland has run a significant goods trade surplus, amounting to \$97 billion, or 15.9 percent of GDP in 2024. In 2023, its goods trade surplus with the rest of the world was \$57 billion. In 2024, its bilateral goods trade surplus with the United States was \$55 billion, driven by exports of the pharmaceutical sector. At

only 72.7 percent in Q1 2026, Ireland's level of capacity utilization is low.

Evidence of structural excess capacity and production for Singapore includes large or persistent trade surpluses. Singapore maintains a global goods trade surplus, led by exports in sectors such as semiconductors, electronic equipment, petrochemicals, and pharmaceuticals. In 2024, the goods trade surplus was \$47 billion, or 8.6 percent of GDP. Furthermore, evidence suggests Singapore's trade surplus in the semiconductor supply chain will grow. Similarly, evidence suggests that Singapore's state-owned industrial landlord continues to expand manufacturing capacity notwithstanding a recent drop in its industrial occupancy rate.

Evidence of structural excess capacity and production for Switzerland includes large or persistent goods trade surpluses. Switzerland's trade surplus reached 8.0 percent of GDP or \$75 billion in 2024, and similarly was \$54 billion in 2023. Switzerland had a bilateral surplus of trade in goods with the United States of \$44 billion in 2024. Switzerland maintains a global goods trade surplus, led by exports in sectors such as refined gold, pharmaceutical products, organic chemicals, and machinery. Switzerland does not report official statistics on capacity utilization, but it has pursued policies in the past, such as currency intervention and sterilization of foreign exchange inflows, that contribute to structural excess capacity.

Evidence of structural excess capacity and production exists for Norway. Norway maintains a global goods trade surplus, led by exports in sectors such as mineral fuels and oils, certain electronic equipment, and machinery. In 2024, Norway's goods trade surplus was 13.8 percent of GDP, or \$67 billion, down from a goods trade surplus of \$79 billion in 2023. Norway's seafood exports hit a record high in 2025, with Norwegian companies exporting 2.8 million metric tons of seafood worth \$18 billion, representing a 4 percent increase from 2024. At 77.7 percent in Q4 2025, Norway's rate of capacity utilization was more than a full percentage point below what it was a year ago, and over two percentage points less than it was three years ago. In addition, Norway engages in policies and practices that have the effect of undervaluing its domestic currency, including the use of state-owned or -controlled enterprises to recycle oil revenues into non-domestic currencies, like the U.S. dollar, rather than its domestic currency.

Evidence of structural excess capacity and production exists for Indonesia through large or persistent goods trade surpluses. In 2024, Indonesia had a \$31 billion global goods trade surplus, led by exports in metals, agricultural products, fuels, textiles, and construction goods. Indonesia's bilateral goods trade surplus with the United States reached \$18 billion in 2025. Indonesia's cement industry faces a persistent oversupply due to a significant imbalance between production and domestic demand.

Evidence of structural excess capacity and production exists for Malaysia through its large or persistent goods trade surpluses. Malaysia maintains a global goods trade surplus, led by exports in sectors such as electronic equipment, mineral fuels and oils, machinery, animal and vegetable fats and oils, and optical, photo, technical, and medical apparatuses. In 2024, Malaysia's trade surplus was 7.3 percent of its GDP, or \$31 billion, down from \$47 billion in 2023. In 2025, Malaysia maintained a bilateral goods trade surplus with the United States of \$24 billion. Most of this surplus is focused on goods trade, driven by sectors such as electronics or machinery. Evidence suggests that Malaysia has significant excess capacity in its steel sector, which recorded capacity growth of 22 percent between 2018 and 2022, despite a 25 percent decline in steel demand during that timeframe.

Evidence of structural excess capacity and production exists for Cambodia. Cambodia maintains a bilateral trade surplus with the United States, which in 2025 was approximately \$12 billion. Evidence indicates its garment, footwear, and travel goods (GFT) sector exported \$11.8 billion in the first nine months of 2025, a 16 percent increase from the same period in 2024. When Cambodia's GFT industry was facing uncertainty with U.S. tariffs, Cambodia's Deputy Secretary-General stated that enhancing capacity along the product chains was an option to further boost the manufacturing sector and create lucrative opportunities.

Evidence of structural excess capacity and production exists for Thailand. It maintains a global goods trade surplus in sectors such as autos and auto parts, machinery, and rubber. Thailand's bilateral goods trade surplus with the United States totaled \$51 billion in 2025, up from \$35 billion in 2024. Evidence suggests Thailand's manufacturing sector has significant excess capacity, as it is operating at below 60% capacity for two consecutive years, with only one-third of industries recovering to pre-pandemic levels.

Evidence of structural excess capacity and production exists for Korea through large or persistent trade surpluses. Korea maintains a global goods trade surplus, led by exports in sectors such as electronic equipment, automobiles and auto parts, machinery, steel, and ships and marine vessels. Korea's global goods trade surplus expanded considerably in 2024, reaching \$52 billion, up from a global goods trade deficit of \$10 billion in 2023. Korea's bilateral goods trade surplus with the United States increased to \$56 billion over the course of 2024, and remained around \$49 billion through 2025. The Korean Government has acknowledged the need to cut capacity in the petrochemicals sector.

Evidence of structural excess capacity and production exists for Vietnam through large or persistent trade surpluses. Vietnam maintains a global goods trade surplus, led by exports in sectors such as electronic equipment, machinery, footwear, apparel, furniture, and steel. In 2025, Vietnam's trade surplus was \$196 billion and \$127 billion in 2024. Vietnam's bilateral goods trade surplus with the United States has expanded dramatically over the past six years, primarily driven by growth in goods trade, led by electronics and machinery. Vietnam's bilateral goods trade surplus with the United States stood at \$178 billion in 2025. Vietnam also functions as a hub for the final assembly of goods before export, which contributes to its trade surplus. Evidence suggests Vietnam has excess capacity in its cement sector, including continued cement overcapacity of nearly 100 percent of domestic demand. Furthermore, Vietnam's intervention in foreign exchange markets and undervaluation of its currency were found to be unreasonable in a Section 301 investigation conducted by the U.S. Trade Representative in 2021.⁷

Evidence of structural excess capacity and production exists for Taiwan through large or persistent trade surpluses. Taiwan maintains a global goods trade surplus, led by exports in sectors such as semiconductors, electronic products, information technology products, and machinery. Taiwan's trade surplus in goods was \$73.3 billion in 2024, similar to its goods trade surplus of \$73.4 billion in 2023. Taiwan's bilateral goods trade surplus with the United States grew to a record \$65 billion in 2024.

Evidence of structural excess capacity and production exists for Bangladesh, which has a bilateral goods trade surplus of \$6.15 billion with the United States. This bilateral surplus is led by exports in the textiles sector. The government provides cash incentives for exports across forty-three sectors, including domestic textiles and leather products. Furthermore, Bangladesh's cement industry is wrestling with significant excess capacity in the midst of the industry's worst downturn in years, with Bangladesh's national consumption of cement dropping to 38MT in 2024—less than 40% of total capacity—and declining further in 2025.

Evidence of structural excess capacity and production exists for Mexico. Mexico's bilateral goods trade surplus with the United States was \$197 billion in 2025, led by the automotive sector, as well as construction, rail and ship transportation, and health. Mexico's automotive industry is ranked fifth-largest globally in light vehicle and heavy-duty manufacturing, with global exports amounting to \$104.8 billion in 2024. The United States accounts for 79.7 percent of Mexico's exports in the automotive sector. Furthermore, evidence suggests its steel industry achieved rapid capacity growth between 2000 and 2019. Specifically, Mexico's steel sector experienced a capacity increase of 9 MMT, representing a 46 percent increase, during that timeframe. There is also evidence of structural excess production in numerous other sectors of the Mexican economy, including process manufacturing in food and beverages.

Evidence of structural excess capacity and production exists for Japan. In 2024, Japan had a global goods trade deficit of about \$36 billion, but with the United States, Japan had a bilateral goods trade surplus of \$57 billion in 2024. Japan maintains a global goods trade surplus in sectors such as automobiles and auto parts, and optical, photo, technical, and medical apparatuses. Japan's trade surplus with the United States is heavily focused on the automotive sector, which accounts for more than one-third of its exports to the United States. Today, Japan is one of the world's largest global vehicle exporters, exporting 4.2 million units in 2024. The share of Japanese firms that fail to make a profit, yet nonetheless continue to operate, is an indication of excess capacity in Japan's economy.

Evidence of structural excess capacity and production exists for India. In 2025, India had a bilateral trade surplus with the United States of \$42 billion. India's global goods trade surplus sectors include textiles, health, construction

goods, and automotive goods. For example, evidence suggests the solar module sector is plagued by excess capacity, including that India's current module manufacturing is nearly triple annual domestic demand. India also has created significant excess capacity in petrochemicals, steel, and other industries.

III. Initiation of Section 301 Investigation

Section 302(b)(1)(A) of the Trade Act of 1974, as amended (Trade Act), authorizes the U.S. Trade Representative to initiate an investigation to determine whether an act, policy, or practice of a foreign country is actionable under section 301 of the Trade Act. 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. An act, policy, or practice is unreasonable if, while not necessarily in violation of, or inconsistent with, the international legal rights of the United States, it is otherwise unfair and inequitable.

On March 11, 2026, the U.S. Trade Representative initiated section 301 investigations of the acts, policies, and practices of certain economies relating to structural excess capacity or production in certain manufacturing sectors. Pursuant to section 302(b)(1)(B) of the Trade Act, USTR has consulted with appropriate advisory committees and the inter-agency Section 301 Committee. Pursuant to section 303(a) of the Trade Act, USTR is requesting consultations with the respective governments of each investigated economy.

Pursuant to section 304 of the Trade Act, USTR must determine whether the act, policy, or practice under investigation is actionable under section 301. If that determination is affirmative, the U.S. Trade Representative must determine whether action is appropriate, and if so, what action to take.

IV. Request for Public Comments

You may submit written comments on any issue covered by the investigation. In particular, USTR invites comments regarding:

- The acts, policies, and practices of each investigated economy creating or maintaining structural excess capacity or production in specific sectors.
- Whether the acts, policies, and practices are unreasonable or discriminatory.
- Whether the acts, policies, and practices burden or restrict U.S. commerce, and if so, the nature and

⁷ Office of the United States Representative, "Section 301 Investigation: Report on Vietnam's Acts, Policies, and Practices Related to Currency Valuation," (Jan. 15, 2021).

level of the burden or restriction. This would include economic assessments of the burden or restriction.

- Whether the acts, policies, and practices are actionable under section 301(b) of the Trade Act, and what action, if any, should be taken, including tariff and non-tariff actions.
- Whether there are additional considerations for assessing acts, policies, and practices that contribute to structural excess capacity or production in manufacturing sectors.

To be assured of consideration, USTR must receive written comments by 11:59 p.m. EST on April 15, 2026. Additional instructions on how to submit written comments are provided below in Part VI.

V. Hearing Participation

The Section 301 Committee will convene a public hearing covering each investigated economy beginning on May 5, 2026. To testify at the hearing, you must submit a request to appear using the electronic portal at <https://comments.ustr.gov/s/>, following the instructions in Part VI below. Requests to appear must indicate each investigation to which it applies, include a summary of testimony, and may be accompanied by a prehearing submission. Remarks at the hearing are limited to five minutes to allow for possible questions from the Section 301 Committee. All submissions must be in English. To be assured of consideration, USTR must receive your request to appear and summary of the testimony by April 15, 2026.

Post-hearing rebuttal comments, which should be limited to rebutting or supplementing testimony presented at the hearing, may be submitted within seven calendar days after the last day of the public hearing. Rebuttal comments must be submitted using the electronic portal at <https://comments.ustr.gov/s/>, following the instructions in Part VI below.

VI. Submission Instructions

Interested persons must submit written comments, requests to appear at the hearing, summaries of testimony, and post-hearing rebuttal comments using the appropriate docket on the portal at <https://comments.ustr.gov/s/>. To make a submission, use the docket on the portal entitled 'Request for Comments on the Section 301 Investigations of Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors,' docket number USTR-2026-0067. Interested persons wishing to provide testimony at the hearing must submit a

notification of intent and summary of testimony using the docket entitled 'Request to Appear at the Hearing on the Section 301 Investigations of Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors,' docket number USTR-2026-0068.

You do not need to establish an account to submit comments or a notification of intent to testify. The first screen allows you to enter identification and contact information. Third party organizations such as law firms, trade associations, or customs brokers should identify the full legal name of the organization they represent and identify the primary point of contact for the submission. Information fields are optional. However, USTR may not consider your comment or request if insufficient information is provided. Fields with a gray Business Confidential Information (BCI) notation are for BCI information that will not be made publicly available. Fields with a green (Public) notation will be viewable by the public. After entering the identification and contact information, you can complete the remainder of the comment, or any portion of it, by clicking 'Next.' You may upload documents at the end of the form and indicate whether USTR should treat the documents as business confidential or public information. Any page containing BCI must be clearly marked 'BUSINESS CONFIDENTIAL' on the top of that page and the submission should clearly indicate, via brackets, highlighting, or other means, the specific information that is BCI. If you request business confidential treatment, you must certify in writing that the information would not customarily be released to the public.

Parties uploading attachments containing BCI also must submit a public version of their comments. If these procedures are not sufficient to protect BCI or otherwise protect business interests, please contact the USTR section 301 support line at (202) 395-5725 to discuss whether alternative arrangements are possible. USTR will post attachments uploaded to the docket for public inspection, except for properly designated BCI. You can view submissions on USTR's electronic portal at <https://comments.ustr.gov/s/>.

Jennifer Thornton,

General Counsel, Office of the United States Trade Representative.

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DEPARTMENT OF TRANSPORTATION

Federal Highway Administration

Notice of Final Federal Agency Actions on Proposed Highway Projects in Texas

AGENCY: Federal Highway Administration (FHWA), DOT.

ACTION: Notice of limitation on claims for judicial review.

SUMMARY: The FHWA, on behalf of the Texas Department of Transportation (TxDOT), is issuing this notice to announce actions taken by TxDOT and other Federal agencies that are final agency actions. The actions relate to various proposed highway projects in the State of Texas. These actions grant licenses, permits, and approvals for the projects.

DATES: By this notice, the FHWA, on behalf of TxDOT, is advising the public of final agency actions subject to 23 U.S.C. 139(l)(1). A claim seeking judicial review of the Federal Agency actions on the highway projects listed below will be barred unless the claim is filed on or before August 14, 2026. If the Federal law that authorizes judicial review of a claim provides a time period of less than 150 days for filing such a claim, then that shorter time period still applies.

FOR FURTHER INFORMATION CONTACT:

Patrick Lee, Environmental Affairs Division, Texas Department of Transportation, 125 East 11th Street, Austin, Texas 78701; telephone: (512) 419-8604; email: Patrick.Lee@txdot.gov. TxDOT's normal business hours are 8 a.m. to 5 p.m. (Central Standard Time), Monday through Friday, except State holidays.

SUPPLEMENTARY INFORMATION: The environmental review, consultation, and other actions required by applicable Federal environmental laws for these projects are being, or have been, carried out by TxDOT pursuant to 23 U.S.C. 327 and a Memorandum of Understanding dated July 17, 2025, and executed by the FHWA and TxDOT.

Notice is hereby given that TxDOT and Federal agencies have taken final agency actions by issuing licenses, permits, and approvals for the highway projects in the State of Texas that are listed below.

The actions by TxDOT and Federal agencies and the laws under which such actions were taken are described in the Categorical Exclusion (CE), Environmental Assessment (EA), or Environmental Impact Statement (EIS) issued in connection with the projects and in other key project documents. The