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Section 301 Investigations Relating to Importation of Goods Produced with Forced Labor

USTR Docket Nos. USTR-2026-0265, USTR-2026-0266

The International Sugar Trade Coalition (ISTC) submits the following comments in response to the Notice of Determinations and Request for Comments Concerning Actions in Section 301 Investigations Relating to Importation of Goods Produced with Forced Labor (hereinafter the Forced Labor Notice), issued by the Office of the U.S. Trade Representative (USTR) on June 5, 2026. (91 Fed. Reg. 34272 (June 5, 2026).)

ISTC is a non-profit association of sugar suppliers under the U.S. tariff rate quota (TRQ) on raw sugar from: Barbados, Belize, the Dominican Republic, Eswatini, Fiji, Guyana, Jamaica, Malawi, Mauritius, Mozambique, Panama, the Philippines, and Zimbabwe. The members of ISTC represent approximately half of the TRQ.

In the Forced Labor Notice, USTR proposed to impose tariffs of 10% or 12.5% on all products from the subject countries except those products listed in Appendix A to the Notice. In the Notice, USTR requested comments on, *inter alia*:

> "The specific products to be subject to increased duties, including whether products should be retained or removed from the scope of the action, or whether products currently listed in Annex A should be added to the scope of the action . . . ."

(91 Fed. Reg. at 34275.)[1]

ISTC urges that raw cane sugar imported under the U.S. TRQ satisfies the standards for exclusion from the scope of the tariffs proposed in the Forced Labor Notice.[2] Raw cane sugar imports

[1] The Forced Labor Notice further explained this request for comments:

> "In considering whether certain articles should be subject to additional duties under Section 301, USTR will consider the needs of the U.S. economy. In commenting on the inclusion or removal of particular tariff subheadings subject to the proposed action, USTR requests that comments address specifically whether the products under the tariff subheading are necessary raw materials that if subject to the proposed additional tariffs could lead to the unavailability of domestic supply; whether additional tariffs would cause serious dislocations in the supply of the products and could cause economy-wide disruptions, or other similar factors; and whether imposing additional tariffs on products under the tariff subheading would be practicable or effective in obtaining the elimination of the investigated acts, policies, and practices." (*Id.*)

under the TRQ are critical raw materials for the U.S. food supply chain and failure to exclude such raw cane sugar imports from additional tariffs could lead to sugar supply shortages and economy-wide disruptions in the food supply chain. At a minimum, imposing additional tariffs of 10%-12.5% on such critical food inputs will cause significant increases in food costs, which will ripple throughout the economy creating inflationary pressures.

Although it is a major sugar producer, the United States has never been self-sufficient in sugar, and has always had to import a significant portion of the sugar it consumes. The United States typically consumes approximately 12.0 million metric tons (MT) of sugar, but it produces only approximately 9.0 million MT. (Source: USDA World Agricultural Supply and Demand Estimates Report.) The difference of approximately 3.0 million MT has to be imported each year, and the vast majority of these imports are raw cane sugar to provide throughput for U.S. cane refiners.[3] Traditionally, the largest source of raw cane sugar to fill this gap has been the U.S. TRQ.[4] Because these raw cane sugar imports are essential to the U.S. food supply chain, they were traditionally allowed to enter duty-free.

Included among the countries that are the subject of the Forced Labor investigation are 19 out of the 38 countries that hold allocations under the U.S. raw sugar TRQ.[5] Together, these countries supply almost 80% of the total volume of sugar imported under the raw TRQ, which in turn is equivalent to nearly 30% of total U.S. sugar imports.[6]

Adding tariffs of 10%-12.5% to nearly one-third of total U.S. raw cane sugar imports will risk disrupting the U.S. food supply chain and could result in economy-wide sugar shortages. Moreover, because the potential sources of imported raw cane sugar are regulated by the TRQ, imposing

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[2] The Harmonized Tariff Schedule (HTS) tariff subheadings applicable to raw cane sugar imported under the raw sugar TRQ are HTS 1701.13.10 and 1701.14.10.

[3] In addition to bulk raw sugar for refining, comparatively small volumes of direct consumption specialty sugar products are also imported under the raw sugar TRQ.

[4] In recent years, imports from Mexico, which are governed by the terms of the Suspension Agreements in the antidumping and countervailing duty cases involving sugar from Mexico, and over-quota or second-tier imports have increased and become significant sources of sugar supply, although usually smaller than TRQ imports. Sugar imports from Mexico that comply with the requirements of the U.S., Mexico, Canada Agreement (USMCA) are excluded from the proposed forced labor tariffs. (91 Fed. Reg. at 34276.). There seems to be no logical policy reason why sugar from Mexico should be exempt from the forced labor tariffs, but imports under the TRQ should be subject to the tariffs. Both types of imports have traditionally been duty-free. Indeed, the Suspension Agreements resulted from antidumping and countervailing duty investigations that determined that Mexico had been guilty of unfair trade practices.

[5] The TRQ countries that are subjects of the Forced Labor investigation are: Argentina, Australia, Brazil, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, India, Nicaragua, Peru, the Philippines, South Africa, Taiwan, Thailand, Trinidad and Tobago, and Uruguay. Most of these TRQ holders regularly fill their TRQ allocations. The exceptions are Taiwan, Trinidad and Tobago and Uruguay, which no longer export their small allocations. In addition, Nicaragua's allocation has been suspended.

[6] The TRQ allocations assigned to the 19 countries that are subjects of the Forced Labor investigation total 870,060 MT out of the total TRQ of 1,117,195 MT.

additional tariffs on such imports is unlikely to cause importers to shift to different sources of supply. As a consequence, additional tariffs will have no practical impact in eliminating the acts, policies and practices complained of in the Forced Labor Notice. In short, the raw cane sugar required by the U.S. market would still be imported from the same countries, but at higher cost to consumers.

For these reasons, ISTC respectfully requests that raw cane sugar imports under the TRQ should be excluded from the additional tariffs proposed by the Forced Labor Notice. We would be pleased to provide any additional information that may be useful in considering this request.

July 2, 2026