

Practice Update

Office of the U.S. Trade Representative Initiates Section 301 Investigation on Nicaragua Relating to Labor and Human Rights

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On December 10, 2024, U.S. Trade Representative Katherine Tai initiated a Section 301 investigation on Nicaragua relating to labor rights, human rights, and the rule of law. Section 301 of the Trade Act of 1974 is designed to address unfair foreign practices that burden or restrict U.S. commerce. Over the years, the Office of the U.S. Trade Representative (USTR) has launched investigations of China relating to forced technology transfer policies and practices, the European Union relating to large civil aircrafts and beef, and Vietnam relating to currency and timber.

In response to a Section 301 investigation, the USTR could take retaliatory action against Nicaragua, including:

- additional duties or other import restrictions on imports from Nicaragua;
- withdrawing or suspending trade agreement concessions; and
- negotiating and entering into a binding agreement with Nicaragua to eliminate the conduct in question or compensate the U.S. with satisfactory trade benefits.

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The Section 301 investigation on Nicaragua relates to labor, human rights, and the rule of law in Nicaragua. The investigation will initially focus on the following issues:

- Where the government of Nicaragua has committed or allowed violations and abuses of internationally recognized labor rights, including harassing unions, repressing freedom of association, eliminating the right to join independent unions, violating collective bargaining and labor laws, seizing assets and steps to remove citizenship of members of such worker/employer organizations, dissolving unions, and arresting union leaders. It is also alleged that the government of Nicaragua has committed or allowed violations of child and forced labor, human trafficking, and discrimination on the basis of sex and political opinion.
- Where the government of Nicaragua has committed human rights violations against its own citizens and foreign residents through arrests and unjust detentions, property expropriation, stripping citizens of Nicaraguan nationality, and revoking the legal status of NGOs.
- Where the government of Nicaragua has dismantled the rule of law by radically rewriting the national constitution to nullify the independence of the courts and the legislature and imposing prejudicial administrative measures toward U.S. and foreign firms to benefit domestic competitors.

The USTR invites public comments and requests to appear at a hearing. Written comments must be submitted by January 8, 2025, via docket number USTR-2024-0021, and a list of topics is included in the USTR's [announcement](#). The public hearing will take place on January 16, 2025, at 10:00 am ET in Washington, D.C.

If you are interested in discussing the potential impacts of this investigation or would like help in preparing comments, please contact our team members [Li X. Massie](#) or [Felicia Leborgne Nowels](#).

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