

Testimony submitted to the US Congressional-Executive Commission on China By Judy Gearhart, Research Professor at the Accountability Research Center at American University October 23, 2023

<u>Recent reporting by the Outlaw Ocean Project</u> has highlighted the need for US leadership in improving ocean stewardship and advancing transparency in seafood supply chains. The CECC has an important role to play in both ensuring the implementation of the Uyghur Forced Labor Prevention Act (UFLPA) covers the seafood industry and enlisting US seafood industry leaders – both major retailers and importers – in efforts to prevent human rights abuses in the seafood industry. The Outlaw Ocean Project findings highlight the geopolitical importance of the US building stronger alliances around these goals.

US trade policy is a powerful tool, as demonstrated by the application of the UFLPA to apparel and other industries. To advance sustainable change, however, these efforts must be paired with an increase in seafood industry workers' access to remedy and regulatory incentives for greater producer and retailer cooperation. The solutions will require:

- A. Strengthening interagency cooperation and the Seafood Import Monitoring Program,
- B. Increasing reporting requirements on corporations,
- C. Enabling fishers' access to remedy, and
- D. Deepening alliances with other countries combating IUU and forced labor at sea.

A. Strengthening Interagency Cooperation and the Seafood Import Monitoring Program: In June 2022, the White House issued a <u>National Security Memorandum (NSM) on Combatting Illegal</u>, <u>Unreported</u>, and <u>Unregulated Fishing and Associated Labor Abuses</u> – calling for greater US leadership and increased interagency collaboration to address these issues. Strengthening interagency efforts and policy coherence will benefit US fishing companies and others operating legally.

The Outlaw Ocean articles highlight reasons to believe a significant portion of US seafood imports are processed by Uyghur forced labor in China. Notably, a significant portion of that seafood may even have been caught legally by US fishing vessels and exported to China to be processed and then re-exported back to the US or on to other countries. Such is the case for <u>a third of Alaska's seafood</u>, for example. Not only is the processing of seafood in China subsidized by forced labor, but the narrow scope of US regulations currently enables the comingling of IUU fish with other, similar species and then exported under the name of the unmonitored species. Fuel subsidies to distant water fleets, which <u>the WTO is attempting to address</u>, further enable these practices. Absent stronger trade regulations and reporting requirements on seafood producers and retailers, US consumers are helping to finance the operation of the Chinese fleet.

The CECC should encourage current efforts to expand the scope and strengthen the implementation of the US Seafood Import Monitoring Program (SIMP) and NOAA's efforts to work more closely and transparently with other US government agencies. In response to the June 2022 NSM and NOAA's proposed new rule for reforms to SIMP, a number of civil society organizations have called for additions to SIMP. These recommendations include: 1) reporting on all species of seafood imports



(via land, air, and sea), 2) the use of unique vessel identifiers to enable traceability, and 3) increased transparency in SIMP auditing procedures.

- Covering all seafood imports whether entering by sea, land, or air would help address issues relating to fraudulent labeling and challenges in identifying processed seafood correctly. NOAA's most recent proposal to expand SIMP would still only cover 21% of seafood imports coming from China.
- 2) Require importers report producer vessels' unique vessel identifiers or authorization and related key data elements to enable greater traceability and facilitate additional reporting requirements on both fishing practices, fisher protections, and producer vessels' ownership and control.
 - Traceability data on vessel suppliers that includes key data elements (KDEs) on the date and location of landing, offloading or transshipment, and on the comingling or transformation of the product will require businesses to adopt more responsible practices.
 - These and other IUU related KDEs should be paired with <u>increased reporting on labor</u> <u>issues</u> such as (but not limited to) crew manifests, duration of work at sea, the labor rights record and policies of supplier vessels and the manning agencies they use.
 - Both labor policies and catch documentation must be paired with requirements that buyers report on the vessels or vessel group supplying them and <u>the ownership and</u> <u>financing behind those vessels</u>.

This increased reporting would greatly expand the ability to identify forced labor risks at sea and thus enable Customs and Border Protection to better uphold its mandate under the UFPLA and more broadly the US Tariff Act to hold goods at port suspected of being made in whole or in part with forced labor.

3) Improve upon and increase transparency in SIMP audit procedures to facilitate the interagency collaboration and stakeholder engagement mandated by the NSM. This will enable NOAA and other US agencies to engage with greater credibility when seeking collaboration from key market actors and allies such as the EU and Japan in monitoring seafood supply chains.

B. Increase reporting requirements on Corporations:

To strengthen the implementation of SIMP, additional regulations and incentivizes should require increased reporting for both retailers and importers to track KDEs relating to both the provenance of their seafood and the treatment of fishers as outlined above. Transparent data sharing between corporations and SIMP could prove essential for preventing both IUU and forced labor. It may also benefit the US seafood processing industry.

C. Focus on access to remedy:

Multiple studies have documented the correlation between IUU and forced labor in the seafood industry. The revelation of Uyghur forced labor in seafood processing in China is an added area of risk. Much of the seafood processed in China has already come from vessels that may be using forced labor, some of which may or may not be Chinese vessels. Encouraging China's ratification and



WASHINGTON, DC

implementation of the Port State Measures Agreement (PSMA) could provide a constructive pathway to engage China on overfishing and labor rights abuse at sea. Although this will not directly address the problem of forced labor in China's seafood processing sector, it should be included in the context of future dialogue.

Additional policies are needed to prevent forced labor, human trafficking, and other pervasive human rights abuses at sea. These include the need for fishers to be allowed access to port services and connectivity at sea. The expansion of electronic catch documentation should also come with greater connectivity at sea that is then also extended to fishers. Access to port services and connectivity at sea also requires increased engagement of national and global trade unions. Representative fisher organizations need to be engaged in the development of greater fisher rights protections on all distant water fleets to be given access to port and at sea inspection data so they can better monitor fishers' welfare and the implementation of policies meant to protect them.

D. Deepening alliances with other countries combatting IUU and forced labor at sea.

US leadership is needed to build a coalition of countries that prioritize responsible ocean stewardship and the protection of seafood industry workers on the water and on land. Currently, the US requirements for electronic catch documentation are applied to a much smaller number of species than the EU requirements, yet the EU requirements also do not require key data elements on laborrelated issues.

The US needs to prioritize catch documentation and traceability and strengthen its collaboration with other countries committed to such improvements, including the EU and Japan. Such alliances will be essential to advancing more responsible ocean stewardship, coordinated policing, and market incentives for responsibly caught and processed seafood.