Implementation of the Uyghur Forced Labor Prevention Act and the Impact on Global Supply Chains Congressional-Executive Commission on China Rep. Christopher H. Smith April 18, 2023

Good morning, and welcome to the first hearing held in Congress on implementation of the Uyghur Forced Labor Prevention Act, a truly landmark piece of legislation that has the potential to alter the dynamic of our ongoing *struggle* with the People's Republic of China – but only if it is implemented properly.

And make no mistake about what the stakes are: we are in a *struggle* with Communist China – not something anodyne, like simple "strategic competition."

Rather, the United States is in a *survival struggle* with an authoritarian state that seeks global hegemony and the

economic order. To that end, the PRC will take advantage of the Western world's liberal trade regime, while utilizing forced labor to give itself an unfair trade advantage – all with the ultimate objective of imposing its governance model upon the rest of the world.

We have known for years that the PRC has used forced and indeed prison slave labor... Indeed, I knew this as far back as 1991, when former Congressman Frank Wolf and I went to Beijing Prison No. 2 and found at least 40 Tiananmen Square activists being forced to make jelly shoes and socks for export to the United States. We asked for, and were given samples, which we then promptly brought back to the United States and had an import ban imposed, pursuant to the Smoot Hawley Act of 1930.

There was some personal satisfaction to be had from that, but in terms of net practical effect, in impacting the PRC's policy of utilizing forced prison labor, it was next to zero. In this case we had direct evidence, but that was a unique set of circumstances. How else could Customs and Border Protection prove that goods were being made by prison labor, absent a couple of Congressmen bringing back jelly shoes from a visit to a prison factory?

This is where the genius of the Uyghur Forced Labor

Prevention Act comes in – the burden is no longer upon the good men and women of CBP to prove goods have been made by forced labor, but upon importers to prove that goods made in Xinjiang Uyghur Autonomous Region and elsewhere are free from the taint of forced labor.

For we now know that the CCP under Xi Jinping has declared war on the Uyghur people, labeling them terrorists who must be destroyed "root and branch." This has led to massive detentions of more than a million Uyghurs, many of whom are forced to labor and subjected to horrific human rights abuses, including forced sterilization, forced abortion and, indeed, forced organ harvesting.

These egregious human rights abuses are what the UFLPA is designed to combat. We know from reports released yesterday in advance of this hearing, CBP has seized over \$961 million worth of goods since last June. This is an important start, as is CBP's holding of a tech expo for industry last month and its launch of a dashboard to track trade statistics.

As Co-chair Merkley and I, joined by Ranking Member McGovern and Senator Rubio, stated in a letter addressed to the Department of Homeland Security last week, however, we do remain concerned over the lack of full transparency that would enable Congress to evaluate the efficacy of implementation.

We are also concerned as to whether the "rebuttable presumption" standard is being fully implemented, and whether goods that are initially detained are subsequently being released without congressional or public reporting.

We have questions as to why the robust Entity List of bad actors that UFLPA requires remains so spartan.

We also question whether CBP is utilizing technology to its fullest to identify goods produced in the Xinjiang Uyghur Autonomous Region, such as <u>isotopic and DNA testing</u>.

Finally, we also question whether goods produced by forced labor outside of the Autonomous Region are being captured. We have been working with Homeland Security to follow up on well-founded reports that work gloves sold under the Milwaukee Tool label in venues such as Home Depot are indeed produced by prison labor — at Chishan Prison in Hunan province to be precise.

Going forward, we will be taking a closer look at companies such as Milwaukee Tool and their alleged profiteering from forced labor, just as we have highlighted the role of Thermo Fisher Scientific in genetic data collection that

enables repressive practices in both the Xinjiang Uyghur and Tibet Autonomous Regions – and, more nefariously, has been implicated in finding DNA matches from organ harvesting victims.

It is my hope that UFLPA will prick the consciences of corporate actors, and encourage them to scour their supply chains to make sure they are free from the taint of forced labor. If not motivated by altruism, then by raising the cost of doing business in the PRC, it is my further hope that companies will determine that bottom line concerns will motivate them to do the right thing. Finally, for those that are incorrigible and seek to skirt the law, we will seek enforcement action and bring public scrutiny to bear.

With that, I look forward to enlightening testimony from our witnesses, and I now yield to my esteemed colleague and co-chair of this Commission, Senator Merkley.