



## **Hearing of the Congressional Executive Commission on China (CECC)**

### **Implementation of the Uyghur Forced Labor Prevention Act and the Impact on Global Supply Chains**

April 18, 2023

#### **Testimony of Anasuya Syam**

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#### **Chairman Smith, Co-Chair Merkley, and Members of the CECC:**

It is an honor to testify today before the Congressional Executive Commission on China (CECC), and address the implementation of the Uyghur Forced Labor Prevention Act (UFLPA), which entered into force nearly ten months ago. My name is Anasuya Syam, and I serve as the Human Rights and Trade Policy Director at the Human Trafficking Legal Center, a non-profit organization that fights for systems change to end human trafficking. Addressing forced labor in global supply chains is central to our mission. The organization works to shine a light on the system failures that allow forced labor to flourish. We fight for accountability from traffickers, from governments, and from corporations.

Since 2019, the Human Trafficking Legal Center has been raising awareness<sup>1</sup> on the role trade law and policy - specifically import prohibitions - can play in creating financial and legal consequences for companies and governments that tolerate forced labor. Civil society organizations have made common cause to press for robust enforcement of import controls under Section 307 of the U.S. Tariff Act of 1930, as well as under the Uyghur Forced Labor Prevention Act (UFLPA). Import bans send a strong signal to industry and – in the case of state-imposed forced labor like in Xinjiang – governments, that they simply cannot profit from forced labor. In 2020, the Human Trafficking Legal Center, in partnership with nine other organizations, filed a petition<sup>2</sup> with U.S. Customs and Border Protection (CBP) requesting a region-wide import ban (a Withhold Release Order or WRO) on cotton products from Xinjiang ('Uyghur Region'). CBP responded by issuing a WRO<sup>3</sup> against Xinjiang cotton and cotton products in January, 2021, one of the broadest import prohibitions against forced labor ever issued (before the UFLPA).

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<sup>1</sup>[https://htlegalcenter.org/sdm\\_downloads/importing-freedom-using-the-u-s-tariff-act-to-combat-forced-labor-in-supply-chains/](https://htlegalcenter.org/sdm_downloads/importing-freedom-using-the-u-s-tariff-act-to-combat-forced-labor-in-supply-chains/)

<sup>2</sup><https://investorsforhumanrights.org/news/human-rights-groups-call-us-regional-ban-imports-china-made-uyghur-forced-labor>

<sup>3</sup><https://www.cbp.gov/newsroom/national-media-release/cbp-issues-region-wide-withhold-release-order-products-made-slave>



Multiple coalitions support aggressive enforcement of Section 307 and UFLPA. The Human Trafficking Legal Center serves as the Secretariat for the Tariff Act Advisory Group (TAAG), a coalition of non-governmental organizations dedicated to enforcement of import bans against forced labor. The organization is also a member of the Coalition to End Forced Labour in the Uyghur Region<sup>4</sup>, a group of 60+ civil society organizations, investors, and trade unions united to end state-sponsored forced labor and other egregious human rights abuses against people from the Uyghur Region in China.

Companies have been on notice about forced labor in Uyghur Region from the time the first Withhold Release Orders (WROs) against the region were issued by U.S. Customs and Border Protection (CBP) in 2019<sup>5</sup>, if not before. That was four years ago. There is a mountain of evidence, publicly available, on the PRC's forced labor policies in the Uyghur region. Even today, many Uyghurs, Kazakhs, and members of other ethnic groups continue to be arbitrarily detained and held in forced labor in Xinjiang and elsewhere in China.<sup>6</sup> Less than a month ago, two courageous survivors of Chinese detention camps provided first-hand testimony to a House panel, about the abusive prison-like conditions and forced 're-education' they suffered in Xinjiang.<sup>7</sup>

Many Uyghurs and other Turkic and/or Muslim-majority peoples are coerced into producing textiles, electronics, car parts, toys, solar panels, Poly Vinyl Chloride (PVC), and other products for domestic and global consumption. Recent reports from the Sheffield Hallam University<sup>8</sup> reveal hundreds of global brands that are implicated in forced Uyghur labor. My fellow witnesses testifying on this panel today will cover the details of the policies in Xinjiang and the supply chains that are implicated. My remarks will focus on the implementation of the Uyghur Forced Labor Prevention Act (UFLPA).

UFLPA is a powerful tool to confront a significant problem: preventing goods made with Uyghur forced labor from entering the U.S. market. No one should reap profits on the back of forced Uyghur labor. Allowing goods made using forced labor to circulate freely in global markets is not only morally reprehensible, it also significantly undermines fair trade and hurts local businesses and workers. Governments, policy makers, companies, civil society groups, and other stakeholders have a collective responsibility to ensure that we do not continue to be implicated in forced labor. Uyghurs and other persecuted groups deserve better. Consumers deserve better. As one of the world's largest economies, the United States has significant economic leverage and influence to push companies to eliminate forced labor in their supply chains, or risk losing access to U.S. markets.

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<sup>4</sup><https://enduyghurforcedlabour.org/>

<sup>5</sup><https://www.cbp.gov/newsroom/national-media-release/cbp-issues-detention-orders-against-companies-suspected-using-forced>

<sup>6</sup><https://www.dol.gov/agencies/ilab/against-their-will-the-situation-in-xinjiang>

<sup>7</sup><https://www.washingtonpost.com/opinions/2023/04/09/uyghur-camps-china-gulbahar-haitiwaji/>

<sup>8</sup><https://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/forced-labour-lab>



We are very encouraged by the U.S. government's continued commitment to prioritize forced labor and the enforcement of import prohibitions. The inter-agency Forced Labor Enforcement Task Force (FLETF)'s release of the UFLPA implementation strategy<sup>9</sup> on June 17, 2022, was an important first step. That strategy provided a blueprint for the law's enforcement and created expectations around traceability. There is no doubt that the UFLPA is already making waves in global supply chains and changing business practices.

These changes are a direct result of CBP's enforcement actions at U.S. ports - through shipment inspections, detentions, and seizures of goods made with forced labor. According to official data recently published<sup>10</sup>, between June 2022 and April 2023, U.S. Customs and Border Protection (CBP) stopped more than 3,588 shipments with suspected links to Xinjiang at U.S. ports of entry. However, only a small percentage (less than 13%) of these shipments were denied entry into U.S. commerce.

In a letter addressed to Department of Homeland Security (DHS) Under Secretary Robert Silvers a few weeks ago, members of this Commission, including Representative Smith and Senator Merkley, highlighted a few gaps in UFLPA implementation.<sup>11</sup> We agree that more can be done. I'd like to address the impact of the UFLPA and outline a few specific challenges. These include gaps in UFLPA enforcement based on insights from recently published data, the issue of low-value shipments evading customs scrutiny, the need for more trade data transparency and finally, the importance of pushing our international allies to adopt similar region-wide bans to address the forced labor situation in Xinjiang.

From the perspective of the Human Trafficking Legal Center, a good indicator of progress is in the way enforcement (both under prior Xinjiang WROs and the UFLPA) has catapulted forced labor into a serious compliance issue for companies and investors. Never before has forced labor achieved this level of attention from the C-suite. In September 2022, DHS Undersecretary and FLETF chair Robert Silvers, in an interview with the Wall Street Journal<sup>12</sup>, underscored this change in the way forced labor is being perceived by corporate management. According to Undersecretary Silvers, "[F]orced labor belongs in the same breath as Foreign Corrupt Practices Act (FCPA)." We agree. The message from the top is clear - forced labor is a "top tier" compliance issue. It is no longer the provenance of weak Codes of Conduct or Corporate Social Responsibility (CSR) measures. What changed? The advent of substantial enforcement risk.

In CBP's latest "Trade News Snapshot" publication, CBP Executive Assistant Commissioner (EAC) AnnMarie Highsmith noted that businesses are shifting their supply chain practices in order to retain access to the U.S. market.<sup>13</sup> Corporations are developing compliance and due diligence programs to ensure their supply chains are free of forced labor.

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<sup>9</sup><https://www.dhs.gov/uflpa-strategy>

<sup>10</sup><https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics>

<sup>11</sup><https://www.nationalreview.com/wp-content/uploads/2023/04/UFLPA-Implementation-Letter-to-FLETF.pdf>

<sup>12</sup><https://www.wsj.com/articles/forced-labor-a-top-tier-compliance-issue-says-u-s-official-11664271003>

<sup>13</sup><https://www.cbp.gov/trade/snapshot/volume-5-issue-2>



While we still have a long way to go to achieve FCPA anti-bribery levels of compliance, forced labor is now getting more traction from senior management, as well as from investors. Beyond reputational damage, there are significant financial and legal risks for companies that profit from forced labor. Slowly, but surely, we are raising the stakes for offending companies. But this progress is predicated on robust enforcement of the UFLPA. As Scott Nova, Executive Director of the Worker Rights Consortium (WRC), noted in his testimony before the Senate Finance Committee last month, the cost (for companies) of *failing* to perform due diligence should be higher than the cost of performing it.<sup>14</sup> According to Mr. Nova, only when we enforce the law, that is, when importers with forced labor in their supply chains are caught, and financial consequences are imposed, will they feel the pressure to perform adequate due diligence that *prevents* the use of forced labor.

The Human Trafficking Legal Center and our partners welcome the Biden Administration's efforts to enforce UFLPA. But challenges remain.

#### **Insights from CBP's new UFLPA "data dashboard":**

CBP recently released a long-anticipated "data dashboard"<sup>15</sup> with UFLPA enforcement statistics from June 21, 2022. The release of the dashboard is an important step in the direction of UFLPA enforcement transparency. We commend the agency for making this disaggregated data available. However, insights from this dashboard raise a few concerns around enforcement.

Over \$3 trillion in imports have entered the United States since the UFLPA went into effect.<sup>16</sup> CBP has reviewed only about \$1 billion worth of imports: 0.03% of the total. Although it would appear that CBP has targeted - that is either examined, denied entry, or released - more than 3,588 shipments valued at \$1.07 billion in the last ten months, only 490 (13%) of these shipments were actually denied entry into the U.S. market. In general, we are concerned by the low number of shipments denied entry into the United States.

Of the total 3,588 shipments stopped at port, CBP released more than 1,323 shipments into U.S. commerce after reviewing their admissibility. There are 1,778 shipments valued at 541 million USD still pending review. Apparel, footwear, and textile products valued at just \$3 million make up 291 of the 490 shipments denied entry by CBP since June, 2022. These low shipment numbers - and low dollar value - of apparel shipment detentions are also concerning, especially since this sector is prioritized in the UFLPA implementation strategy.

The UFLPA implementation strategy<sup>17</sup> notes that CBP will "prioritize illegally transshipped goods with inputs from Xinjiang." While a few apparel shipments from Vietnam and China have been caught in the enforcement net, CBP does not seem to be scrutinizing a significant number of

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<sup>14</sup><https://www.finance.senate.gov/hearings/ending-trade-that-cheats-american-workers-by-modernizing-trade-laws-and-enforcement-fighting-forced-labor-eliminating-counterfeits-and-leveling-the-playing-field>

<sup>15</sup><https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics>

<sup>16</sup><https://www.bea.gov/news/2023/us-international-trade-goods-and-services-december-and-annual-2022#:~:text=increased%20%2424.3%20billion>

<sup>17</sup>[https://www.dhs.gov/sites/default/files/2022-06/22\\_0617\\_fletf\\_uflpa-strategy.pdf](https://www.dhs.gov/sites/default/files/2022-06/22_0617_fletf_uflpa-strategy.pdf)



apparel, textile, or footwear shipments from major exporting countries like Bangladesh, Indonesia, Pakistan, Cambodia, all of which have historically used substantial Chinese-made cloth in their textile production. This is just one example. We are worried that CBP may be missing shipments – illegally transshipped or otherwise – containing inputs from Xinjiang that could be entering the United States from other countries. Transshipment is certainly a big challenge for CBP. The agency should have a specific strategy to address the issue of transshipment of Xinjiang-origin goods via third countries, a critical element of which must be a robust program of on-site, third country verifications of the provenance of potentially transshipped goods.

The dashboard tells us that electronics shipments constitute a majority of CBP's enforcement actions under the UFLPA since June, 2022. CBP defines 'electronics' to include solar products, information technology, integrated circuits, automated data processing equipment, and consumer electronics. However, in the last few months, a staggering third of these shipments were released into the U.S. markets by CBP.<sup>18</sup> Only 22 electronics shipments were denied entry since the UFLPA law entered into force. Since solar is designated as a high-priority sector for enforcement, we need more clarity on what percentage of electronics shipments reviewed by CBP are solar panels or modules versus others. This is an important data point because we know that more than 45% of the world's supply of solar-grade polysilicon comes from Xinjiang.<sup>19</sup>

Another big gap is in the data around re-exportation. According to CBP's data dictionary<sup>20</sup> the term "denied entry", could mean several different things: the term includes shipments that were either seized, excluded, exported, or destroyed. Of the 490 shipments denied entry since June, 2022 we do not know how many shipments were simply re-exported to Canada, Mexico, or another country. We need to ensure that other countries –including Canada and Mexico, which are subject to the forced labor provisions of the USMCA– are not "dumping grounds" for goods refused entry by CBP for being made with forced labor. Re-exportation data is critical for civil society groups as we support international partners in advocating for similar import bans in other countries.

According to the UFLPA implementation strategy, CBP is taking a "risk-based approach, dynamic in nature, that prioritizes the highest-risk goods based on current data and intelligence. Currently the highest-risk goods include those imported directly from Xinjiang into the United States and from entities on the UFLPA Entity List." We know that direct exports from Xinjiang have dropped significantly and that the current list of companies on the Entity List<sup>21</sup> is very thin. We urge the agency to expand its enforcement efforts by increasing the number of highest-risk goods and adding more entities to the UFLPA Entity List.

**CBP's UFLPA applicability review determinations:**

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<sup>18</sup><https://www.reuters.com/world/us/us-releases-third-electronics-detained-under-china-forced-labor-law-d-ata-shows-2023-03-14/>

<sup>19</sup><https://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/in-broad-daylight>

<sup>20</sup><https://www.cbp.gov/document/stats/uyghur-forced-labor-prevention-act-data-dictionary>

<sup>21</sup><https://www.dhs.gov/uflpa-entity-list>



The Uyghur Forced Labor Prevention Act created a rebuttable presumption that goods made *wholly or in part* in Xinjiang or goods involving a company on the UFLPA Entity list are made with forced labor. This presumption may only be refuted with “clear and convincing evidence”, a fairly high evidentiary threshold. Naturally, only a handful of importers have even attempted to rebut the presumption and meet the high burden of proof. Under the UFLPA, importers can also contest in “applicability reviews” whether the rebuttable presumption even applies to their shipments, by maintaining that they have no connections to Xinjiang. It appears that the burden of proof applied by CBP in such reviews is much less than “clear and convincing evidence.” This is precisely the route that hundreds of companies are taking, according to CBP.

We know from the UFLPA data dashboard that at least 1,778 shipments are currently being examined by CBP under the UFLPA, and have been classified as “pending” - which could either mean “shipments pending importer action such as providing documentation to support applicability or exception review or pending CBP review/decision.” Many of these shipments are ostensibly mired in UFLPA applicability reviews. If the importer is successful in such a review, CBP will release the importer’s goods into the U.S. market. In the last 10 months, CBP has released at least 1,323 of the total 3,588 shipments it had identified as being potentially subject to the UFLPA.

Only successful rebuttals of the forced labor presumption have to be made public and reported to Congress under Section 3(c) of the UFLPA. CBP’s applicability review determinations are not subject to similar disclosures. In this information vacuum, it is important that CBP share details, at least in the aggregate, of how many applicability reviews it has conducted. It is important to have visibility into how many applicability reviews were successful or rejected, as well as the types of documents importers are submitting to demonstrate that their goods are not touched by Xinjiang or by companies on the Entity list. CBP should also explain the standards under which these reviews are conducted.

**The issue of low value direct-to-consumer or “de minimis” packages evading customs scrutiny:**

*De minimis* shipments refer to goods that are imported into the United States and are exempt from certain taxes and duties because their value falls below a certain threshold. Currently, the *de minimis* threshold for the U.S. is \$800. These are typically direct-to-consumer shipments that receive almost no customs scrutiny or inspection. Under current practice, *de minimis* shipments may enter the United States without formal entry documentation, which impedes the collection of information necessary to enforce U.S. law prohibiting the import of goods made with forced labor. CBP is conducting a voluntary test of a *de minimis* commercial entry process through the creation of the new Entry Type 86<sup>22</sup>, which provides additional information to CBP that can be useful for enforcement purposes. The Type 86 process should therefore be made mandatory to the maximum feasible extent.

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<sup>22</sup><https://www.cbp.gov/trade/trade-enforcement/tftea/section-321-programs>



A strategy for circumventing enforcement of the UFLPA might be to break up a shipment that is clearly subject to all reporting requirements into multiple *de minimis* packages. And companies are doing just that. On November 20, 2022, Bloomberg reported that Xinjiang cotton was found in apparel shipped by fast fashion giant Shein to U.S. consumers, based on the results of a laboratory test.<sup>23</sup> This confirmed what many had long suspected. The exposé prompted a letter<sup>24</sup> addressed to Shein’s CEO from Sen. Warren, Sen. Cassidy, and Sen. Whitehouse, demanding the company reveal details about its supply chain ties to Xinjiang and use of *de minimis* shipments.

On average, the United States receives three million uninspected *de minimis* packages per day.<sup>25</sup> In FY22, the United States imported an estimated \$685 million in *de minimis* shipments.<sup>26</sup> The U.S. *de minimis* threshold is one of the highest in the world.<sup>27</sup> There are many other companies with similar direct-to-consumer business models that may be implicated in Xinjiang forced labor. We urge the agency to conduct ‘spot checks’ on *de minimis* packages from companies like Shein at all U.S. ports of entry and begin detaining such packages for potentially violating the UFLPA. This will send a strong message to direct-to-consumer platforms that the *de minimis* provision is not a *carte blanche* for companies to send goods made using forced labor into U.S. markets.

There is an urgent need to monitor the *de minimis* shipping environment and ensure that it is not exploited as a backchannel entry for goods made using forced Uyghur labor.

**Need for more public disclosure of trade data - including air, rail, and road cargo:**

Last fall, three months after the UFLPA entered into force, the Associated Press reported on a corporate ploy to hide shipping manifest data from the public.<sup>28</sup> Public disclosure of import/export data is critical to tracing and monitoring forced labor risks in supply chains. This data is especially crucial for civil society organizations, which conduct investigations to petition CBP to enforce import prohibitions. A leaked proposal from a few corporate members of the Commercial Customs Operations Advisory Committee (COAC) revealed efforts to eviscerate existing customs transparency.

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<sup>23</sup><https://www.bloomberg.com/news/features/2022-11-21/shein-s-cotton-clothes-tied-to-xinjiang-china-regi-on-accused-of-forced-labor#xj4y7vzkg>

<sup>24</sup><https://www.cassidy.senate.gov/newsroom/press-releases/cassidy-warren-whitehouse-press-shein-on-c-connection-to-chinese-slave-labor-supply-chains>

<sup>25</sup><https://www.forbes.com/sites/kenrapoza/2023/02/19/how-a-us-trade-loophole-called-de-minimis-is-china-s-free-trade-deal/?sh=50fcb09d4c9b>

<sup>26</sup><https://www.cbp.gov/newsroom/stats/trade>

<sup>27</sup><https://prosperousamerica.org/the-trade-deficit-is-worse-than-we-thought-de-minimis-hides-128-billion-of-u-s-imports/>

<sup>28</sup><https://apnews.com/article/business-global-trade-regulation-us-customs-and-border-protection-c878caa703150f417342c9777504b9a1>



Rapid mobilization by civil society groups thwarted these efforts. A broad-based coalition of civil society organizations sent a letter<sup>29</sup> to the CBP Commissioner requesting that the agency summarily reject this highly-problematic COAC proposal. The letter was signed by 38 organizations, including the AFL-CIO. The letter noted that the trajectory should be for *more* customs transparency, not less. Trade data transparency is already far too limited. Currently, U.S. federal law (19 U.S.C § 1431) provides for public access only to ocean freight data. Data on air and land cargo is still not accessible to the public. Moreover, U.S. law already grants both importers and shippers the right to request confidentiality of their data on a case-by-case basis (19 C.F.R. § 103.31).

Civil society organizations have joined together to demand full disclosure of air, road, and rail manifests, in addition to maritime vessel manifests. Thousands of shipments subject to the UFLPA could be entering U.S. borders through air or land transportation. The UFLPA data dashboard does not provide a breakdown of shipments by mode of transportation.

In fact, in February 2023, maritime trade accounted for only 41.08% of the total import value processed by CBP.<sup>30</sup> Almost 60% of U.S. imports enter via air, land, or road. We therefore call on members of Congress to mandate public disclosure of trade data involving all modes of transportation.

**Pushing for “no safe harbor for forced labor” - need for information sharing and international coordination around import bans against forced labor:**

Forced labor persists because it is propped up by large multinational corporations in some of the world’s biggest importing economies. Companies are confident that, if caught, they can simply re-export tainted goods from U.S. ports to other markets. Under both the U.S. Tariff Act and the UFLPA, companies have the option to re-export goods that CBP suspects were made using forced labor (if they choose not to contest this suspicion). In the absence of international coordination, with more shipments being targeted by CBP under the UFLPA, we run the very real risk of companies simply dumping these products in other countries. We urge the U.S. government to push for “no safe harbor” for goods made using forced labor, especially with its key allies. We certainly hope that this will be a key pillar of the State Department’s *Diplomatic Strategy to Address Forced Labor in Xinjiang*<sup>31</sup>, which was submitted to Congress on April 12, 2022 and as required under Section 4 of the UFLPA.

Under the U.S.-Mexico-Canada Trade Agreement (USMCA), all three countries are required to have import bans and coordinate with each other on the cross-border movement of goods made using forced labor. However, we currently do not know what infrastructure has been set up under the USMCA to identify such shipments. It is also unclear whether the three countries have even agreed on a coordinated approach to Xinjiang.

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<sup>29</sup><https://htlegalcenter.org/wp-content/uploads/Open-Letter-on-Trade-Data-Transparency-FINAL.pdf>

<sup>30</sup><https://www.cbp.gov/newsroom/national-media-release/cbp-releases-february-2023-monthly-operational-update>

<sup>31</sup>[https://www.dhs.gov/sites/default/files/2022-06/22\\_0617\\_fletf\\_uflpa-strategy.pdf](https://www.dhs.gov/sites/default/files/2022-06/22_0617_fletf_uflpa-strategy.pdf)





Canada amended its Customs Tariff<sup>32</sup> to include an import ban in 2020, but is seriously lagging behind on enforcement. Media reports<sup>33</sup> suggest that in the last three years, Canadian authorities have detained only one shipment over forced labor concerns. That lone shipment - clothing from China - was released into the Canadian market almost immediately, following a successful appeal by the concerned importer. One reason for the slow pace of enforcement could be that Canada is enforcing its forced labor import ban on a shipment-by-shipment basis - something that the U.S. government should push back on.

Mexico announced its import ban in February 2023, and will begin implementing the law in May.<sup>34</sup> Unfortunately, there is little consistency between the forced labor trade remedies in each of the three USMCA countries. There is no agreement on how state-imposed forced labor will be treated. There does not seem to be reciprocity for CBP's enforcement actions under the UFLPA. The United States should push its neighbors to the north and south to enact a region-wide prohibition on goods made using forced Uyghur labor. CBP's UFLPA enforcement will be severely hobbled without similar actions by Canada and Mexico. Forced labor tainted goods blocked by one country should be denied entry in all other countries.

The European Union (EU) is currently in the process of developing a so-called "product ban" against goods made with forced labor; this would apply both to imports and goods produced inside the EU. However, leading European civil society groups have highlighted major gaps<sup>35</sup> in the proposal published by the European Commission on September 17, 2022.<sup>36</sup> Criticisms include ambiguities in the way the EU plans to address cases of state-imposed forced labor (like Xinjiang). We urge the U.S. government, especially the USTR and State Department, to use its leverage through the U.S.- E.U. Trade and Technology Council (TTC)<sup>37</sup> to push the EU to take a region-wide import ban approach to Xinjiang. Last year, we read reports<sup>38</sup> claiming that Xinjiang's exports to the European Union (EU) rose by more than 34%. Without a similar regional approach to Xinjiang, the EU will continue to be a dumping ground for goods manufactured using Uyghur labor.

The United States should also push its G7 and G20 allies to enact import bans against forced labor. The U.S. government has an opportunity to make the case for "no safe harbor" for goods made using forced labor at the upcoming G7 summit in Hiroshima.<sup>39</sup> With Japan's G7 presidency this year, there is great potential for the two countries to work closely on trade. We were encouraged to see the creation of the U.S. - Japan Task Force on the Promotion of Human

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<sup>32</sup> <https://www.publicsafety.gc.ca/cnt/trnsprnc/brfng-mtrls/prlmntry-bndrs/20210625/10-en.aspx>

<sup>33</sup> <https://www.cbc.ca/news/world/canada-u-s-forced-labour-scorecard-1.6686977>

<sup>34</sup> [https://dof.gob.mx/nota\\_detalle.php?codigo=5679955&fecha=17/02/2023#gsc.tab=0](https://dof.gob.mx/nota_detalle.php?codigo=5679955&fecha=17/02/2023#gsc.tab=0)

<sup>35</sup> <https://www.antislavery.org/wp-content/uploads/2022/10/Joint-Statement-on-EU-FLI-10.22-v3-1.pdf>

<sup>36</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_5415](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5415)

<sup>37</sup> <https://ustr.gov/useuttc>

<sup>38</sup> <https://www.euractiv.com/section/economy-jobs/news/eu-imports-from-xinjiang-rose-by-34-in-2022/>

<sup>39</sup> <https://www.g7hiroshima.go.jp/en/>



Rights and International Labor Standards in Supply Chains in January this year.<sup>40</sup> We urge the trade ministers of the two countries to prioritize import ban enactment and coordination.

If we hope to achieve the goals outlined in the UFLPA, the United States cannot act alone. A patchwork of laws with different standards will only frustrate enforcement of import bans. A more coordinated approach between countries to identify and track goods made with forced labor will result in profound impact. No safe harbor for goods made with forced labor will make re-export impossible. These goods should not find *any* market.

### **Conclusion**

We are at a pivotal moment in global trade. Market restrictions, import bans, and economic sanctions have become the norm in efforts to address forced labor across the supply chain. UFLPA is a powerful tool to end state-sponsored forced labor. But it must be enforced.

We acknowledge the enormity of the task before CBP and other agencies in the FLETF. By addressing the gaps outlined in the hearing today, along with a more robust forced labor enforcement strategy, we are confident that the U.S. government can create pressure to disrupt forced labor in the Uyghur region and throughout China. In addition, enforcement will reduce our market exposure to products made using forced labor. This will also protect U.S. workers, who cannot compete against forced labor. Ultimately, we want UFLPA enforcement to have a ripple effect, encouraging other countries to impose import prohibitions against forced labor.

As Professor Laura Murphy poignantly noted in her keynote address at CBP's recent Forced Labor Tech Expo<sup>41</sup>, we need to reframe our discourse around supply chains and forced labor in Xinjiang. What we're really talking about here is the risk to the Uyghur people - this is not just an issue of 'risk' to business operations.

Companies have a duty to prevent the use of forced labor in their supply chains. They have been on notice for years. And now is the time to eradicate forced labor in global supply chains, once and for all.

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<sup>40</sup><https://ustr.gov/about-us/policy-offices/press-office/press-releases/2023/january/united-states-and-japan-launch-task-force-promote-human-rights-and-international-labor-standards>

<sup>41</sup> <https://www.dvidshub.net/tags/video/cbp-forced-labor-technical-expo/page/1>