



November 9, 2020

The Honorable Sherrod Brown  
United States Senate  
503 Hart Senate Office Building  
Washington, DC 20510

The Honorable Ron Wyden  
United States Senate  
221 Dirksen Senate Office Building  
Washington, DC 20510

**Re: Regarding Forced Labor Issues in China and Withhold Release Orders**

Dear Senators Brown and Wyden:

We write today to commend your recent comments and efforts to fight for supply chain integrity and transparency. We agree that multinational companies should take a stand against forced labor and that corporate leadership needs to take a stand against human right violations across the globe – but especially in China.

And while corporate America needs to do more – so can Congress. Below we outline how Congress can improve its efforts with enforcement agencies to ensure these human rights atrocities are not profitable.

These human rights violations are facilitated by China’s central government – the Chinese Communist Party (CCP). And the Australian Strategic Policy Institute found earlier this year that, “the Chinese government has facilitated the mass transfer of Uyghur and other ethnic minority citizens from the far west region of Xinjiang to factories across the country.”<sup>1</sup> This sort of forced labor allocation should sound the alarm bells for our policymakers on trade.

That is why we are calling for a country wide ban that would prohibit forced labor products from all of China – not just a regional ban. Any regional ban would prove toothless and ineffective because the CCP have been actively moving forced labor from Xinjiang to regions all across the country of China. Regional bans would just encourage more movement of forced labor and would not work.

Further, Customs and Border Patrol (CBP) the agency in charge of enforcing such bans already uses whole of country-Withhold Release Orders (WROs) and has never used regional based-WROs. For example, in 2018, CBP issued an order against “All Turkmenistan Cotton or products produced in whole or in part with Turkmenistan cotton”. One year ago, it banned “all products containing tobacco produced in Malawi.”<sup>2</sup>

Country-wide import bans are straightforward and effective for CBP, while regional-WROs are not and lack merit. This is because when merchandize is imported, CBP receives information on the identity of

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<sup>1</sup> Vicky Xiuzhong Xu, Danielle Cave, James Leibold, Kelsey Munro and Nathan Ruser, “Uyghurs for Sale,” Australian Strategic Policy Institute, March 1, 2020, <https://www.aspi.org.au/report/uyghurs-sale>.

<sup>2</sup> CBP, *Withhold Release Orders and Findings*, <https://www.cbp.gov/trade/programs-administration/forced-labor/withhold-release-orders-and-findings>.



the shipper, the tariff line (HTS number) of the imported merchandise, its country of origin, and not much else.

For CBP to consider a regional-WRO, the agency would have to develop a new filter for the tens of millions of import entries it processes each year.<sup>3</sup> CBP would then have to tag addresses within a region as subject to the WRO. But the Chinese could easily evade such tags by listing an address outside of the targeted region. Put simply, this thought proposal would have more holes than swiss cheese.

We also note that company specific-WRO's would not work. CBP told the Government Accountability Office (GAO) recently that it "does not have enough resources and staff to reassess the effectiveness of existing WROs to determine if revocation or modification is warranted. As a result, the division staff reviews active WROs only in response to importers' requests to modify or revoke WROs."<sup>4</sup> Again – a meritless approach to stopping multinational corporations from profiting off of forced labor.

That is why a country wide-WRO is the only approach to stopping forced labor. WRO implemented against specific tariff lines for goods with a specific country of origin is far simpler to implement and precedent shows its success. For example, the WRO against tobacco products from Malawi, has proven successful. CBP earlier this year was able to offer exemptions to two particular shippers who were able to prove to CBP that they did not use forced labor in tobacco coming from Malawi. This is a sound approach that we believe should be followed for any WROs targeting Chinese forced labor goods.

Thank you for raising the profile of this important issue. As your offices continue engagement with CBP and look at ways to ensure multinational corporations are not profiting off of forced labor – we would be happy to meet and explain more about this country-wide WRO approach in more detail.

Thank you,

A handwritten signature in blue ink that reads "Michael C. Stumo".

Michael Stumo, CEO

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<sup>3</sup> 35.5 million entries in Fiscal Year 2019.

<sup>4</sup> Government Accountability Office, *Forced Labor Imports: DHS Increased Resources and Enforcement Efforts, but Needs to Improve Workforce Planning and Monitoring*, GAO-21-106 (October 27, 2020).