

USCIB - FINAL TESTIMONY - As given April 8, 2022

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Thank you.

Undersecretary Silvers, Task Force members and staff, my name is Brian Lowry. I am a Senior Vice President with the U S Council for International Business.

Our members span every sector of the economy and include importers, exporters, manufacturers, retailers, and carriers, all with global operations.

Please remember one thing:

Business is a committed, willing, and necessary partner in the global fight to eradicate forced labor from their supply chains.

Our members dedicate significant time and resources to end forced labor. The complexity of tracking supply chains across multiple levels of suppliers are real as recently recognized by the SEC in their proposed rule.

USCIB supports compliance with the ULFPA through partnership with Customs and Border Protection. We believe that application of the rebuttable presumption should be coordinated under a singular approach consistent with Section 307 enforcement. Our full submission provides proposals for Section 307 implementation. We ask that the Task Force fully consider and incorporate our recommendations.

CBP's current process for the detention or release of goods believed to be linked to forced labor is opaque and undermines the very concept of partnership that CBP has historically maintained with the Trade. It fails to effectively leverage businesses' capacity to deter the offending behavior as well as long-held and internationally-accepted principles related to transparency, stakeholder engagement, and remedy. Even now, it is unclear whether CBP will issue detentions or seize goods which violate the Act.

Compliant and expedited movement of goods – including clearances - is vital to the trade community, and paramount to the U.S. economy and jobs. Delays threaten business operations through cascading impacts on manufacturing, distribution, and logistics. The approach of the Act's Strategy and Guidance must meet compliance and enforcement requirements without contributing to further port congestion, ground transport back-ups, or other delays.

Enforcement can be both effective and efficient if we work together. We urge the Task Force to adopt our WRO process proposal which would:

1. Improve CBP's enforcement process;
2. Enhance compliance consistent with the requirements of Section 307;
3. Increase transparency;
4. Encourage greater collaboration with the trade community; and
5. Expedite shipment clearance.

The Task Force must provide the tools the trade community needs to effectively comply. To this end, CBP must –

1. Issue guidance before June 21, ahead of the rebuttable presumption's entry into force;
2. Provide an informed compliance publication of the requirements under reasonable care and the rebuttable presumption; and
3. Define a phased-in approach to the Act's requirements.

USCIB welcomes the opportunity to work with the Task Force and CBP to effectively implement the UFLPA.

Thank you.