August 5, 2022


The United States Council for International Business (USCIB) welcomes the U.S. Trade Representative’s (USTR) request for comment on a trade strategy to combat forced labor. USCIB condemns any and all forms of involuntary labor, including forced or indentured labor, child and slave labor, and human trafficking. We fully support the Administration’s efforts to develop a strategy to combat forced labor in traded licit and illicit goods (physical goods) and services. USCIB members are committed to preventing the use of forced labor in their supply chains for goods and services.

USCIB is a trade association representing over 300 primarily U.S.-based global companies and professional services firms with $5 trillion in revenues and 11.5 million employees representing every sector of the economy, including importers, exporters, manufacturers, retailers, and carriers, with trade relationships and operations around the world. Our companies support American workers and their families through well-paying jobs in manufacturing, services, and innovation, enabling a diversity of communities to flourish in every region of the United States. We promote open markets, competitiveness and innovation, sustainable development, and corporate responsibility, supported by international engagement and regulatory coherence. Not only is this critical to the vitality of our member companies and their workforce, but it is key to the continued prosperity of the U.S. economy and American competitiveness in the global marketplace.

USCIB supports trade policy initiatives that advance effective enforcement of national labor laws and decent work for all. Through our membership affiliation with the International Organization of Employers (IOE), USCIB holds the formal role as the U.S. employer representative authorized to engage and negotiate international labor standards within the International Labor Organization (ILO), and USCIB members have joined every U.S. tripartite delegation to the ILO’s International Labor Conference (ILC) since our founding. At the ILO, USCIB seeks to promote core labor standards, bolster human rights, and eradicate child labor and forced labor in global supply chains. As an especially important example of USCIB’s contributions to international labor rights governance, it was USCIB that first proposed and successfully advanced the proposal that culminated in the adoption of the ILO’s 1998 Declaration of Fundamental Principles and Rights at Work (ILO FPRW). The ILO FPRW incorporates core principles from ten ILO conventions deemed to be “core labor standards,” including on forced labor. These principles were designed to be adhered to by all ILO member states whether or not they are signatories to the underlying conventions. The United States has endorsed the ILO FPRW, incorporating them in recent free trade agreements (FTAs) as enforceable provisions.
USCIB looks forward to working closely with USTR and other federal agencies on a whole-of-government approach to address the root causes of forced labor. Efforts to address forced labor build off the U.S. National Action Plan to Combat Human Trafficking and fit within the U.S. State Department’s 4 Ps Framework: Prevention, Protection, Prosecution, Partnership. For the USTR and the trade community to take a comprehensive approach to addressing forced labor, all 4 Ps need to be addressed.

The problem of forced labor is complex and global in nature, demanding a multifaceted approach that not only includes trade policy elements, but relies heavily on promoting rule of law in nations struggling to adopt and enforce internationally recognized labor standards. USTR is uniquely suited to spearhead domestic and international collaboration addressing forced labor at its source. We also believe USTR should leverage its trade and development tools to include: (1) positive and accelerated market incentives and market access for countries making continuous improvements in tackling forced labor, as well as (2) aid packages to support capacity building and technical assistance to help governments struggling with compliance and to address problems in forced labor hot spots.

Our members agree that eradicating forced labor is important and would prioritize engagement and collaboration. It has been our experience that pure enforcement of import prohibitions or market restrictions have limited effectiveness in addressing core issues that lead to forced labor. As such, the United States should increase interagency collaboration and engagement with industry, allies, and multilateral institutions on increasing worker engagement tools and promoting solutions to common supply chain problems such as ensuring wages are paid, tracing global recruitment corridors, implementing effective grievance mechanisms, and bringing visibility to otherwise opaque sections of global supply chains. Success also requires significant capacity building and technical assistance for foreign governments struggling with compliance. We also caution against “name and shame” reporting of detentions and/or seizures in the press or before legislative representatives noting that, in the U.S., importers have been able to provide facts to clear their shipments, but reputational damage has already been done.

U.S. companies lead the world in responsible business conduct, practices consistent with internationally adopted and U.S. Government endorsed international standards, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (MNEs), as well as authoritative due diligence frameworks, such as the OECD’s Due Diligence Guidance on Responsible Business Conduct (OECD DDG). When we trade and invest in the global marketplace, we deploy and export responsible business practices and promote social responsibility around the world. Any U.S. forced labor strategy and trade policies should acknowledge existing efforts and the fact that many companies have extensive fully functioning compliance programs in place to prevent forced labor in their supply chains. USCIB urges the United States to partner with industry to support trade, investment, and supply chain due diligence, and ensure clear guidance is provided to companies to successfully implement any new rules and/or regulations in furtherance of forced labor eradication strategies.
Below, we offer specific responses to questions set out in the Federal Register notice (87 FR 40332) based on a broad array of inputs reflecting the unique subject matter expertise of USCIB, including trade and investment, corporate responsibility and labor, as well as customs and trade facilitation. Where possible, we have identified areas where there are gaps that we believe need strengthening, including addressing the challenges USCIB and the trade community continue to face with the current U.S. approach to Section 307 of the Tariff Act of 1930, as amended.

I. What actions could the U.S. Government pursue with like-minded trade partners and allies to combat forced labor as an unfair trade practice?

USCIB welcomes efforts by the U.S. Government to align with allies on policies relating to forced labor and encourages a focus on globally consistent approaches. We are participating actively in the labor components of the trade pillars of the various new dialogues announced by the Biden-Harris Administration including the U.S.-EU Trade and Technology Council, the Indo-Pacific Economic Framework (IPEF) and other initiatives with the UK, Taiwan, and Western Hemisphere.

Working with like-minded partners, the United States could explore mechanisms to incentivize countries to adopt stringent measures to combat forced labor and devote resources to investigating and criminalizing forced labor, including law enforcement coordination under appropriate mechanisms. The United States and its partners should leverage trade and investment tools for positive change. An incentive-based approach should be central in considering ways to use trade preference programs and free trade agreements to help combat forced labor as their benefits help achieve global economic growth and stability, higher paying jobs, increased living standards, upward mobility, and improved quality of life in lower income countries. Trade restrictions should be used as a last resort, and must be targeted, proportional and non-discriminatory. In addition, we encourage differentiated treatment determined by countries circumstances and performance, noting for example some more problematic countries may be or are more cooperative than others. Tools utilized to address forced labor should remain narrowly focused on targeting forced labor, rather than be utilized for broader political objectives such as supply chain shifts. Enforcement mechanisms should focus on targeted proven problems, rather than be applied in a broad-brush manner that fails to address national-level and root causes of forced labor. Overly broad enforcement risks undermining the global competitiveness of U.S. firms or are counterproductive in development terms if they disincentivize investment and trade with countries who need it the most.

Coherence and consistency are crucial in crafting trade and labor policies with our trading partners. They create market stability and predictability, fomenting trade and investment, and facilitating industry compliance. These fundamental principles ensure a shared responsibility amongst global industries in safeguarding supply chains, enhancing interoperability, and strengthening supply chain integration with like-minded partners.

The approach to combating forced labor through trade policy must be risk-based and informed by findings described in the U.S. Department of State’s Human Rights Reports and Trafficking in Persons Report (TIP), as well as U.S. Department of Labor’s (DOL) Worst Forms of Child Labor Report and other related reports. Additionally, the approach should be founded on and consistent with proven international standards such as the UNGP, core ILO Conventions and the OECD...
MNEs and Responsible Business Conduct (RBC) and reflect input from governments, business, and civil society in addressing human rights risks across supply chains.

International engagement must also recognize the geopolitical challenges companies face when states are implicated in forced labor, including transparency challenges for companies attempting to do the necessary due diligence to ensure the absence of forced labor in their supply chains. As such, U.S. Government led multilateral dialogues should focus on frameworks that increase pressure on those nations to improve effective enforcement of national labor laws, strengthen information collection systems, and improve communication and transparency of government actions to enforce national labor laws, all the while ensuring workers’ human rights are protected and companies are protected from state-sponsored retaliation. The framework must also ensure that companies are accorded due process, including the opportunity to respond fully to allegations of forced labor in their supply chains before enforcement action is taken.

We urge the United States to redouble the commitment of financial resources and efforts with allies to advance around the globe respect, promotion, and realization of the ILO Declaration on the Fundamental Principles and Rights at Work to foster greater enforcement and implementation of human rights laws at the national level. To the extent possible, the United States should also promote trading partner alignment with ILO Convention 29 and the 2014 Protocol on forced labor. Concurrently, the United States should work with allies to provide sufficient funds for capacity building and technical assistance to improve governance, rule of law and enforcement in countries struggling to meet their international labor commitments.

The U.S. Government should encourage partner governments to bolster the growth of secure and legitimate jobs, improve conditions and protections for workers in supply chains, and safeguard workers from harmful recruitment and engagement practices. This effort should include advancing multilateral frameworks through intergovernmental organizations that can help ensure that migrant workers are protected under national law; workers should not be forced to pay recruitment fees or other costs associated with employment, should have knowledge of terms and conditions before they enter employment, should be able to maintain access to their identification documents, and should be able to leave work and terminate employment at their discretion.

Likewise, U.S. Government technical assistance and support to trading partners can focus on economic development, job creation and entrepreneurship training, gender, and girls’ education, as well as awareness programs – community-based efforts to inform workers about risks and opportunities in the labor market, and contract formation that enable business owners to understand their duties and obligations to respect the rights of workers.

Finally, USTR should advance trade policy that rewards countries demonstrating continuous improvement on tackling forced labor (one indicator is recognized improvement in the State Department’s TIP Report); these rewards could be incentives such as enhanced trade preferences and foreign direct investment. Championing a “leaders circle” or similar positive and proactive approaches that recognize trading partners who make meaningful progress in combatting forced labor is a critical element in advancing economic development and growth around the world based on decent work. The example of Uzbekistan in eliminating systematic child and forced labor in its national cotton production is a success story that has been recognized by the ILO, USTR, the DOL,
the U.S. Department of State, the World Bank, the EU, and the UK. We urge USTR to identify ways to build on Uzbekistan’s success by exploring how that success could be replicated in other countries. In addition, the State Department TIP Office can dialogue with the host government to enforce laws and address policy gaps.

II. How can the U.S. Government bolster the forced labor components of trade agreements and trade preference programs to have greater effect?

Technical assistance and capacity building support are key tools that the U.S. Government can deploy to bolster the forced labor components of trade agreements and trade preference programs. For example, the United States committed over $142 million in funds from FY2005 - FY2010 for labor capacity building for countries participating in the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). These technical assistance funds were directed towards programs focused on strengthening labor ministries and courts, promoting informal labor rights, supporting responsible competitiveness, and investing in national employer organizations and worker organizations to strengthen their awareness of labor laws and to engage more effectively in national tripartite social dialogue. USCIB urges USTR and federal agencies to further consider such proactive technical assistance programs to better advance the effectiveness of the forced labor components of U.S. trade agreements and trade preference programs, and to include USCIB in its formal and informal stakeholder engagement on this important issue area.

More broadly, members of the trade community do not feel that import and/or commercial (being sold on domestic market) prohibitions or restrictions (e.g., EU) are the best approach for combatting forced labor. For import prohibitions, addressing the issue at the border limits the use of economic and consumer leverage to actually address the underlying issue of forced labor. As a general matter, USCIB supports regulatory changes providing for early engagement with the trade community as it relates to allegations or investigations into allegations of forced labor. However, USCIB member companies are not supportive of policies that result in a “cut-and-run approach.” Moreover, an import prohibition only addresses physical goods.\(^1\) The approach to enforcement under the Withhold Release Order (WRO) process and/or rebuttable presumptions under the Uyghur Forced Labor Prevention Act (UFLPA) and the Countering America’s Adversaries Through Sanctions Act (CAATSA) are not examples the trade community would like to see implemented, as such, in other countries as they do not address the root cause, nor do they engage with the trade community to help truly bring about change. It is critical if these and/or other unilateral, punitive trade measures are applied, that they must be used thoughtfully and only when other tools fail to work.

Customs authorities enforce their own customs specific laws and regulations, as well as other government agency requirements. As a general matter, importers and the broader trade community expect a clear, predictable, and transparent regulatory structure at the domestic level. For forced labor, customs agencies require clear, precise, and identified roles and responsibilities. For many reasons, including the scope and remit of customs authorities, we do not believe that customs

---

\(^1\) The import prohibition under Section 307 applies to imports of physical goods, regardless of value, into the United States. However, neither service imports and/or domestic physical goods or services are impacted by Section 307 of the Tariff Act of 1930. Section 307 was written as a consumption law and not a human rights law.
should be the only or lead agency managing forced labor related issues. Rather, the role of customs officials should be limited to their core area of expertise, border enforcement.

We believe an effective forced labor enforcement approach must include early engagement with the trade community, allowing ample opportunity for facts and evidence to be presented. Allegations made against companies are not always timely, and often rely on outdated or unverified information and/or reports or press articles. Thus, when investigations begin, the involved entities should be engaged to verify there is an actual forced labor risk. Ensuring there are such practices in our international agreements will also protect U.S. companies, U.S. investment, and U.S. supply chains.

Import prohibitions or bans should not be the mechanism of first resort for free trade agreements or other trade tools under consideration to combat forced labor. Where import prohibitions are put in place, customs regulatory guidance will be more effective if it is co-created with industry customs experts to ensure the requirements are administrable and do not over-extend customs enforcement resources. It is critical that any regulations or guidance reflect the function and reality of 21st century supply chains. They must be put in place in an open and transparent manner with sufficient notice to the trade community.

Moreover, we have concerns with the approach the EU is taking aimed at prohibiting goods produced with forced labor to be “put on the market in the EU.” This proposed approach is not an import ban but does have both import and domestic production implications. At this time, however, the EU path forward to implementing the proposed ban is unclear.

Countries that consider and/or put in place a “rebuttable presumption,” which essentially says all goods are considered tainted and not allowed into the commerce of the country unless this is disproved, should provide clear guidance to the trade community about proving the negative and securing import of their goods when their supply chains and the shipment in question do not involve forced labor. Where possible, guidance should be co-created with the trade community to ensure, for example, that the documentation and proof can actually be provided from a legal perspective.

Due diligence and reporting requirements in trade agreements should be flexible and practicable, outlining objectives without overly prescriptive obligations. Trade agreements should incorporate improved mechanisms for collaboration with industry and align with existing regulatory and supply chain disclosure requirements. Any due diligence related requirements focusing on forced labor should align with international standards (UNGP, OECD, ILO). If a measure includes legal liability, its focus should be on intentional non-compliance or intentional provision of false information.

The issue of forced labor in supply chains is complex, opaque, and often hidden upstream. It is key to conduct research into the true prevalence of the problem and understand vulnerabilities at different nodes on the supply chain. There needs to be insight into vulnerabilities and areas where

---

there is breakdown in rule of law, social protections, and identification of where exploitation occurs. The U.S. Government should continue funding work by the DOL – such as through technical assistance and the reporting on Goods Made with Forced Labor. USTR can use this information to identify forced labor hot spots and build strategies to dialogue and problem solve with trade partners. For the past three years, USCIB has provided feedback to the DOL on its reporting on forced labor, as well as recommendations for greater investment in technical assistance to labor ministries in other countries to support building their capacity to more effectively conduct labor inspections, collect and publish labor market and enforcement data, and effectively enforce their national labor laws. We believe that adoption of our recommendations would advance the U.S. Government’s aims to combat forced labor overall, including through trade policy, and we welcome the opportunity to discuss our recommendations with USTR as well.

III. What new and innovative trade tools can the U.S. Government develop and utilize to advance efforts to combat forced labor in traded goods and services?

USCIB advances the following three new and innovative approaches to trade policy for USTR to consider in advancing efforts to combat forced labor.

First, enhanced coordination and better cooperation within the U.S. Government on forced labor trade policy is an imperative. For example, USCIB urges USTR to work in coordination with CBP toward a common goal. In that context, given the need to meet the clear and convincing legal standard, consideration must be given to establishing as an accepted principle that the U.S. Government accepts certified audit procedures and outcomes as one piece of reliable evidence, in conjunction with any other documents kept in the ordinary course of business, in responding to any enforcement actions (e.g., detentions, seizures). Related document requests must be reasonable and focused on compliance and traceability. USCIB also recommends deeper collaboration between federal agencies, including industry experts and civil society, to utilize better existing resources including, but not limited to, the DOL List of Goods Produced by Child or Forced Labor and the State Department TIP in order to identify, prioritize, communicate, and partner on known forced labor risks. USCIB stands ready to engage with USTR in this regard.

Second, governments should also lead by example, by working to tackle forced labor risks in government supply chains. Governments can adopt a risk assessment policy or risk-based approach in the procurement of goods. As an example, the U.S. Government has the framework of the 2015 Federal Acquisition Regulation or (FAR) rule, entitled “Ending Trafficking in Persons,” implemented for trafficking related prohibitions for federal contractors and subcontractors. However, training on and technical assistance on due diligence (identify, prevent, mitigate, remedy and account for how they address human trafficking) for federal contractors and subcontractors and their suppliers (domestic and foreign) would meaningfully advance efforts to combat trafficking. For example, USTR can work with the FAR Council to strengthen requirements on Trade Agreement Act (TAA) countries to maintain their TAA benefits.

Overall, U.S. trading partners should demonstrate government accountability and supply chain due diligence by analyzing, developing, and implementing measures to identify, prevent and reduce forced labor in government procurement supply chains. The U.S. Government, via USTR, can exchange best practices with other governments regarding government procurement.
Third, responsible recruitment is another fundamental way for the U.S. Government and trade community to tackle forced labor and trafficking in persons. The objective of responsible recruitment is to build employment procedures across supply chains that have been carried out in an ethical manner, respect human rights and align with the “Employer Pays Principle.” Sound responsible recruitment policy entails principles creating demand for responsible recruitment, increasing the supply of ethically sourced labor, and improving protection for migrant workers through effective regulation. This work also entails stemming fraud and exploitation in the supply chain recruitment process. USTR should advance responsible recruitment by making progress on responsible recruitment an integral part of trade agreements and trade preference programs.

USTR can take a lead on improving protection for migrant workers through encouraging effective enforcement of national regulations by trading partners. Also, the U.S. Government should participate in global efforts to enforce laws and fill policy gaps in migration corridors, such as through the International Organization for Migration (IOM) Global Policy Network on Recruitment. There can be greater cooperation on cross-border law enforcement and promotion of technical assistance to increase access to justice. The U.S. Government can advance responsible recruitment practices via technology, platforms, and other investments to protect vulnerable migrant workers along key migration corridors.

IV. How can the U.S. Government make the development of trade policy on forced labor a more inclusive process?

Combatting forced labor by establishing that there is no place for it in global supply chains requires multi-stakeholder collaboration. Proactively engaging industry (including small and medium sized enterprises – SMEs) and civil society is the best way to develop effective and longstanding solutions to potential labor concerns that are not punitive for companies. As an example, we urge USTR to reconstitute its Labor Advisory Committee to include industry participation akin to other advisory committees such as the USTR Trade and Environment Policy Advisory Committee. The U.S. Government should look to industry as a partner and build on industry best practices and industry experiences in countries where problems may vary based on sector and locale. With respect to the State Department’s 4 Ps Framework referenced in our introduction, the “P” we are emphasizing in this regard, is an approach based on partnership, allowing for the use of the “power of the purse” to push for changes that would contribute more effectively to eradicating (combating) forced labor versus simply stopping imports at the border.

As stated in the State Department’s TIP Report, areas to collaborate to prevent forced labor include: developing and monitoring labor recruitment programs to protect workers from exploitation; strengthening partnerships among law enforcement, government, employers, and NGOs; emphasizing effective policy implementation with stronger enforcement, better reporting, and government-endorsed business standards; and monitoring supply chains to address forced labor, including through government procurement policies.

This engagement, however, must be more than a “check the box” effort. Federal agencies must actually hear and absorb the inputs of the trade community. It is only through considering industry’s practical ideas and recommendations that both better enforcement and better trade
policy will be achieved. USCIB has expressed in multiple submissions (congressional testimony,\(^3\) congressional submission,\(^4\) article(s),\(^5\) and public comment including detailed proposals to implement U.S.C. Section 1307),\(^6\) that there are policy and legislative approaches that can make the enforcement process more inclusive and based on collaboration and engagement with the trade community before enforcement actions are taken.

Collaboration through partnership and industry engagement is critical with respect to CBP, importers, and the broader trade community. Unfortunately, thoughtful ideas and recommendations have been advanced by USCIB in submissions and recommendations on customs operational matters as well as by CBP’s Commercial Customs Operational Advisory Committee (COAC) Forced Labor Working Group (FLWG), which have not yet been acted upon in whole or in part by CBP. USCIB members, and the broader trade community, believe adoption of business recommendations, including those advanced by USCIB on technical operational matters since the Trade Facilitation and Trade Enforcement Act was signed into law in 2016, would lead to greater enforcement, clarity, and predictability to the trade, providing engagement with the trade community earlier in the process to avoid a “gotcha” mentality at the border.

However, it is critical that as inputs and recommendations are advanced through written submission or verbally in meetings that accountability is not lost. Importers must have the ability to provide fact-based evidence into either the enforcement and/or strategy setting processes.

Inter-governmental collaboration with industry stakeholders is also key. An example is the principle setting during UN General Assembly 2018, where five governments developed the Principles to Guide Government Action to Combat Human Trafficking in Global Supply Chains. Also, countries in the Asia-Pacific region collaborated with the United States to advance the Bali Process Government and Business Forum AAA Recommendations. Overall, USTR can facilitate dialogue between public and private actors, encouraging governments and businesses to work together to develop policy and legislation, addressing issues around enforcement and access to remedy. Moreover, the U.S. Government can benefit from active participation and learning via forums hosted by the IOM – such as the Colombo Process and the Global Policy Network in Ethical Recruitment – to work with technical experts to develop policy, legislation, and advance best practices. Making progress on this complex set of issues will require enhanced and increased multi-stakeholder collaboration on all 4 Ps (Prevention, Protection, Prosecution, Partnership).

\(^6\)https://www.regulations.gov/comment/DHS-2022-0001-0137
V. Do you have additional recommendations for monitoring, tracing, or eliminating forced labor in traded goods and services in supply chains?

USCIB has provided extensive recommendations with respect to monitoring, tracing, or eliminating forced labor in trade in goods in supply chains. The following provides summary points from these past submissions:

1. **CTPAT/Trusted trader trade compliance:** The Trusted Trader Trade Compliance program has been under development with CBP and the respective COAC Working Group (formerly CTPAT/Trusted Trader Working Group and now known as Partnership Programs Industry Engagement [PPIE] Working Group) for some time. It is important that CBP identifies what due diligence processes a company can implement to be deemed trusted and receive the related benefits for obtaining such status. CBP must clearly articulate what is required for CTPAT cargo security vs. trade compliance. To date, the promised white paper related to benefits has not been shared with the public. The broader trade community, not just the COAC, must have the opportunity to provide inputs on benefits to be extended and to propose additional benefits for consideration based on recent UFLPA and WRO related experiences. USCIB stands ready to provide consensus recommendations on benefits and looks forward to working with CBP as well as USTR.

2. **U.S. Government should support, work and coordinate with business and other stakeholders in developing a diplomatic strategy.** This is also applicable to the development of a trade policy strategy.

3. **Tracing technology:** Supply chain mapping and material tracing efforts are dependent upon the quality of the information being provided at every node in the supply chain. A gap at any one point may cause the entire exercise to fail. Standardization and clear U.S. Government guidance in this space would be helpful.

USCIB represents all sectors ranging from basic agriculture inputs to the most complex high-tech products to antiques and everything in between. As such, the measures that can be taken to trace the origin of goods, offer greater supply chain transparency, and identify third-country supply chain routes are also quite varied. In some cases, technology can play a significant role. In others, broad stakeholder engagement, including with government stakeholders, can yield increased knowledge and awareness. Finally, social compliance audits remain an important measure to address a range of labor issues. In all cases, effective due diligence programs invariably include utilizing tools that increase supply chain transparency and allow for greater traceability to help combat forced labor. Where national legislation hinders or obstructs supply chain social compliance programs, due diligence programs can be hindered.

---

7 Refer to footnotes 3-6 regarding congressional testimony, congressional submission, article, and public comment including detailed proposals to implement U.S.C. Section 1307.
While tracing technologies may exist in or for some sectors, they do not equally exist for all sectors. Technology is an aid, but it has its limitations, given that no one approach is applicable to all sectors, commodities, geographies, or products. While technology may be appropriate for analyzing some types of risks, technology cannot be used to determine every aspect, including the labor conditions under which the goods were mined, produced, or manufactured wholly or in part. As noted above, supply chain mapping and material traceability efforts are dependent on the quality of information being provided at every node in the supply chain.

Conducting supply chain mapping and establishing material traceability are complex exercises that take considerable time and resources. These efforts become incredibly complex and attenuated beyond importers’ direct tier (Tier 1 or Tier 2) suppliers. Any related policy must take into account the varying capabilities of companies to engage in these practices. The U.S. Government should prioritize transparency and collaboration with industry on supply chain tracing technologies, including but not limited to tools used by CBP and the Department of Homeland Security (DHS) on UFLPA enforcement. Importers and the broader trade community should be invited to review potential risk modeling and supply chain mapping technologies before they are deployed by U.S. Government agencies. In this connection, import and/or market prohibitions or restriction measures are not preferable or effective in preventing the underlying conditions of forced labor and should be considered only when other tools fail. It is important that the trade community has visibility into the “sources” and nature of the information that is used for targeting purposes. USTR should support CBP, DHS, and the FLETF prioritizing transparency and early engagement with importers possibly through a Border Interagency Executive Council (BIEC) focused on forced labor.

Government could support the development of supply chain tracing tools – through grants or partnerships with multilateral organizations – that will benefit both SMEs and governments looking to manage and trace supply chain complexities.

For all of these reasons, we reiterate the importance of varied compliance approaches. Most of all, we give pride of place to targeted efforts to address root cause factors at national levels – including good governance and effective labor law enforcement. At a more basic level, it is important to understand the question(s) that the technology is seeking to solve.

**Conclusion**

USCIB is committed to working with USTR as it coordinates with all relevant U.S. federal agencies to develop a focused trade strategy to combat forced labor. An effective strategy must identify priorities and establish an action plan for utilizing existing and potential new trade tools to combat forced labor in traded goods and services. USCIB and our member companies are interested and available – ready, willing, and able – to provide general policy as well as technical customs and trade facilitation guidance to support the effort to develop a focused trade strategy to combat forced labor. We are grateful for your consideration of our views and look forward to lending USCIB’s unique expertise in our continued work with USTR.