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Contact: Keith Chu (202) 224-4515

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## **Wyden Hearing Statement on Stopping Illegal Trade at the Border to Protect American Workers** *As Prepared for Delivery*

Trade cheats in China and around the world are constantly looking for new ways to evade U.S. trade laws and rip off American jobs. They want to sell illegal products in America — goods made with forced labor, illegally harvested timber and products that steal American IP. Trade cheats are a grave threat to the American workers, farmers, and businesses who play by the rules.

The most egregious example of this trade cheating is the state-sponsored forced labor that's rampant in China's Uyghur Region. The Chinese government has arbitrarily detained more than a million Uyghurs and other Muslim minorities. These detainees are thrown into "re-education" camps, where they're isolated from their families and forced to work under the worst conditions.

The Chinese Communist Party's treatment of the Uyghur community is a moral abomination. It also threatens American jobs. The math is simple. By paying poverty wages and polluting as they please, Chinese companies have been able to flood U.S. markets with cheap goods and undercut all the competition. American workers are the best in the world — but no one can compete with slave labor.

What's the effect here at home? Factories are shuttered, and American jobs are lost to China. We'll hear today from Andy Meserve, a USW local president whose aluminum factory was idled, in part due to forced labor abroad. The problem is, when domestic aluminum factories like Andy's shut down, China becomes the only game in town.

So companies must commit to cleaning up forced labor in their supply chains. In December, I launched an investigation into allegations that the auto industry is still relying on supply chains tainted by forced labor. The allegation is that components of cars — from steel to batteries to tires — have a high likelihood of being made with Uyghur forced labor.

I asked eight major automakers about their supply chains, and how they're cleaning them up. This is a flagship American industry that employs more than 90,000 Americans and contributes over \$700 billion annually to the U.S. economy.

America can't allow those jobs to be ripped off and sent to an economy that strategically pays workers nothing.

U.S. law already prohibits importing products made with forced labor. The challenge is identifying those products and stopping them. Customs agents are on the front lines of these efforts.

Customs' job is twofold: First, they have to intercept shipments that violate U.S. law. Second, they have to keep legal goods moving efficiently through the ports.

A lot has changed since 2016, when the Finance Committee passed our last package of trade enforcement tools.

That legislation – the *Trade Facilitation and Trade Enforcement Act* – produced real results.

It gave Customs new tools to swiftly crack down on duty evasion that hurts American workers and businesses. It helped keep out counterfeits that threaten American innovation and public safety.

Senator Brown and I worked to close an egregious loophole that was letting products made with forced labor come through our borders. Products made with forced labor cannot be allowed to enter the United States, period.

Today Customs has a whole new set of challenges:

- COVID-19 changed the way people buy and sell goods. E-commerce has exploded, shipments have surged, and CBP is processing millions more small packages per day.
- Fentanyl and other illicit drugs continue to enter through our ports.
- Illegally-fished seafood is entering the U.S. markets and threatening the livelihoods of coastal communities.
- And counterfeits rip off American products, posing an economic and health threat to American citizens. Intellectual Property theft is estimated to cost the U.S. economy up to \$600 billion each year, much of it from China.

Foreign companies continue to find new ways to circumvent our trade laws. Keeping out the trade cheats has become a game of whack-a-mole.

In my view, stepping up enforcement requires finding and stopping today's trade cheats, and crafting tools that are flexible enough to stop the next round of trade cheaters too.

It's going to take better coordination with CBP across the U.S. government, from the Department of Labor to the fisheries experts at Commerce.

This year, the Finance Committee will be working with CBP and others on how Congress can improve our trade laws and give CBP the tools it needs to meet this moment.

The hearing this morning is an important first step in that process. We'll hear from American businesses that need inputs and logistics professionals who work with Customs to keep supply chains moving. We'll also hear from folks who work to get forced labor out of supply chains and an American worker personally impacted by this unfair competition.

I also want to hear how Customs can maximize enforcement while streamlining imports from trusted traders with clean supply chains. This will help U.S. producers get the inputs they need, reduce

bottlenecks, delays and price increases for consumers, and help Customs focus their resources on enforcement to keep out illegal goods.

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