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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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June 10, 2024

Mr. Sebastian Mackensen
Chief Executive Officer
BMW of North America, LLC
300 Chestnut Ridge Road
Woodcliff Lake, NJ 07677

Dear Mr. Mackensen:

As you are aware, for the past two years I have been investigating potential exposure to forced labor in automotive industry supply chains. As part of this effort, last month I released a report on my investigation, which found that BMW manufactured and imported thousands of vehicles containing parts presumptively made with forced labor.¹ To assist with the Committee's ongoing investigation, I write to ask for additional information about BMW of North America and BMW Group's ("BMW") compliance with trade-based efforts by the United States to combat forced labor and other serious human rights abuses in China.

The United States considers the Chinese government's brutal oppression of Uyghurs in the Xinjiang Uyghur Autonomous Region ("Xinjiang") an "ongoing genocide and crimes against humanity."² According to the U.S. Department of State, more than one million Uyghurs and other minorities are held in as many as 1,200 state-run internment camps in Xinjiang.³ Chinese authorities "use threats of physical violence, forcible drug intake, physical and sexual abuse, and torture to force detainees to work in adjacent or off-site factories or worksites."⁴

The Uyghur Forced Labor Prevention Act⁵ (UFLPA) imposes a rebuttable presumption that goods mined or manufactured, wholly or in part, in Xinjiang were produced with forced labor

¹ *Insufficient Diligence - Car Makers Complicit With CCP Forced Labor*, Democratic Staff Investigation Report, United States Senate Committee on Finance, May 20, 2024, https://www.finance.senate.gov/imo/media/doc/insufficient_diligence_-_car_makers_complicit_with_ccp_forced_labor1.pdf, (hereinafter *Insufficient Diligence*).

² *Press Statement by U.S. Secretary of State Antony J. Blinken*, UN Office of the High Commissioner for Human Rights Report on the Human Rights Situation in Xinjiang, Sep. 1 2022, <https://geneva.usmission.gov/2022/09/01/statement-on-un-human-rights-office-report-on-xinjiang/>.

³ *Forced Labor in China's Xinjiang Region*, U.S. Department of State Office to Monitor and Combat Trafficking in Persons, July 2021, <https://www.state.gov/forced-labor-in-chinas-xinjiang-region/>.

⁴ *Forced Labor in China's Xinjiang Region*, U.S. Department of State Office to Monitor and Combat Trafficking in Persons, July 2021, <https://www.state.gov/forced-labor-in-chinas-xinjiang-region/>.

⁵ P.L. 117-78.

and are therefore prohibited from importation.⁶ Sichuan Jingweida Technology (“JWD”) was added by the Department of Homeland Security to the UFLPA Entity List in December 2023 over its alleged use of forced labor in China.

As outlined in the Committee’s report, BMW learned that JWD would be added to the UFLPA Entity List on December 8, 2023 and acknowledged to the Committee that it received a January 11, 2024 letter from its tier 1 supplier, Lear Corporation (“Lear”), informing BMW that JWD was a BMW tier 3 supplier that manufactured LAN transformers that Lear sold to BMW.⁷ Despite this, BMW disclosed to the Committee that it imported at least 8,000 MINI vehicles, as well as spare parts, with JWD LAN transformers presumptively made with forced labor after December 11, 2023, and continued to import these vehicles and spare parts even after January 11, 2024, when it received written notice that the components were manufactured by a company on the UFLPA Entity List.⁸

The Committee is continuing to investigate several aspects of BMW’s exposure to forced labor through JWD, its tier 3 supplier. This includes whether BMW knew, or had reason to know, on or before December 11, 2023 that JWD manufactured parts in its supply chain; why BMW continued importing vehicles even after receiving the January 11, 2024 letter from Lear; and, whether other vehicles, in addition to the 8,000 MINIs, that contain components presumptively made with forced labor were imported after December 11, 2023.

I request that you provide answers to these questions as soon as possible but no later than June 21, 2024. While I understand that many employees may be involved in drafting responses to these questions, I ask that you or the employee that you designate to sign BMW’s response be prepared to attest to the accuracy of all information contained in it.

- 1) On May 6, 2024 BMW⁹ informed the Committee that it had imported approximately 8,000 vehicles containing components produced by JWD. On May 17, 2024, BMW informed the Committee that it was continuing to examine its supply chains to determine whether other products it imported into the United States after December 11, 2023 included components produced by JWD.
 - a. Please describe the process BMW used to examine its supply chain to determine whether other products it imported into the United States after December 11, 2023 included components produced by JWD.
 - b. Has BMW completed its examination of its supply chain to determine whether other products it imported into the United States after December 11, 2023 included components produced by JWD? If not, when does BMW anticipate completing its examination?
 - c. To date, has this search identified any additional vehicles or spare parts imported by BMW containing components produced by JWD since December 11, 2023? If so,

⁶ *Uyghur Forced Labor Prevention Act*, U.S. Customs and Border Protection, Oct. 25, 2022, <https://www.cbp.gov/trade/forced-labor/UFLPA>.

⁷ *Insufficient Diligence* at 11.

⁸ *Id.*

⁹ “BMW,” anywhere it appears in these questions, refers to BMW of North America, BMW Group, and all of their subsidiaries and brands.

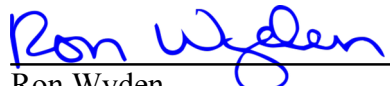
please identify the model, model year, and number of each type of vehicle affected. Please also identify how many of the affected vehicles or spare parts were imported during each calendar week from December 11, 2023 to present.

- 2) Is BMW certain that it is not currently importing vehicles containing components produced by JWD?
- 3) Do any corporate records of any type (including, but not limited to, production part approval documents, product change notifications, bills of material, emails, presentations, or other internal communications), produced by any party, possessed by BMW before December 11, 2023 indicate that LAN transformers BMW purchased from Lear Corporation, included components produced by JWD?
 - a. If so, please provide copies of all such records and describe the methods used by BMW to conduct a reasonably diligent search for such records.
 - b. If not, please describe the methods used by BMW to conduct a reasonably diligent search for such records.
- 4) On January 11, 2024 BMW was informed in writing by Lear that LAN transformers Lear sold to BMW included components made by JWD and that JWD had been added to the UFLPA Entity List. BMW continued importing vehicles containing these JWD components for months.
 - a. Please provide a copy of the written notification referenced above.
 - b. Please explain what action BMW took when it received this notification.
- 5) BMW informed the Committee that it “began the process of stopping imports” of vehicles containing components made by JWD on April 5, 2024.
 - a. Was April 5, 2024 the date on which BMW became aware that it was importing vehicles containing components made by JWD? If not, please identify the date on which BMW became aware that it was importing vehicles containing components made by JWD. Please describe, fully and in detail, how BMW became aware on that date that it was importing vehicles containing components made by JWD. If outreach from any external party was in any way involved in this process, please identify this party and describe its role, including, but not limited to, the date and details of this outreach.
 - b. If BMW became aware that BMW was importing vehicles containing components made by JWD after reviewing its own records, please describe, fully and in detail, what prompted this review. If outreach from any external party was in any way involved in this process, please identify this party and describe its role, including, but not limited to, the date and details of this outreach.
 - c. Please describe the “process of stopping imports” in detail from April 5, 2024 to its conclusion, if it has concluded, or, if it had not concluded, to the present.
 - d. Please describe, from the date on which BMW became aware that it was importing vehicles containing components made by JWD to April 25, 2024, how information

- was shared internally about BMW importing vehicles containing components made by JWD. Please include the dates on which key BMW employees were informed of this incident.
- e. Please describe any remedial actions BMW has undertaken to address any cars or spare parts containing JWD parts improperly imported by BMW after December 11, 2023.
- 6) Please describe BMW's "supplier list," including, but not limited to, what companies are listed on it, how it is updated, and how BMW employees access and search it.

If you have any questions, you may contact my Senate Finance Committee oversight staff at 202-224-4515. Thank you for your prompt attention to this important matter.

Sincerely,



Ron Wyden
United States Senator
Chairman, Committee on
Finance