

GLOBAL SUPPLY CHAINS, FORCED LABOR, AND THE XINJIANG UYGHUR AUTONOMOUS REGION

ROUNDTABLE

BEFORE THE

CONGRESSIONAL-EXECUTIVE COMMISSION ON CHINA

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

MARCH 11, 2020

Printed for the use of the Congressional-Executive Commission on China



Available at www.cecc.gov or www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE

40-452 PDF

WASHINGTON : 2021

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GLOBAL SUPPLY CHAINS, FORCED LABOR, AND THE XINJIANG AUTONOMOUS REGION

WEDNESDAY, MARCH 11, 2020

CONGRESSIONAL-EXECUTIVE
COMMISSION ON CHINA,
Washington, DC.

The roundtable was held from 9:32 a.m. to 11:04 a.m. in Room 2255, Rayburn House Office Building, Washington, D.C., Representative James P. McGovern, Chair, presiding.

Present: Senator Rubio, Cochair, and Senator Merkley, and Representatives Smith, Suozzi, and Wexton.

OPENING STATEMENT OF HON. JAMES P. MCGOVERN, A U.S. REPRESENTATIVE FROM MASSACHUSETTS; CHAIR, CON- GRESSIONAL-EXECUTIVE COMMISSION ON CHINA

Good morning, everybody, and welcome to today's Congressional-Executive Commission on China Roundtable on Global Supply Chains, Forced Labor, and the Xinjiang Autonomous Region.

Today I am proud to announce the release of a new China Commission report detailing how global supply chains are tainted with goods and products made with forced labor in Xinjiang. I want to thank the Commission staff, including Luke Adams, Megan Fluker, Amy Reger, Scott Flipse, and Steve Andrews for their excellent research in this report. We are fortunate to have such an effective and committed staff to support human rights and the rule of law in China.

Over the past several years, the Chinese government created and expanded a system of extrajudicial mass internment camps. As many as 1.8 million Uyghurs and members of other Muslim groups, including Kazakhs, Hui, and Kyrgyz have been arbitrarily detained in the camps and subjected to forced labor, torture, political indoctrination, and other severe human rights abuses. With the coronavirus outbreak, Uyghurs and other Muslim communities are even more vulnerable. There is great fear about the risk of disease spreading within the mass internment camps, where people are forced to live in close quarters under tremendous stress and with health issues.

This situation raises serious humanitarian concerns and is another reason why the repression of the Uyghurs and other Muslim minority groups violates international rights standards. Just last week, the Simon-Skjoldt Center for the Prevention of Genocide at the Holocaust Museum determined that there is a reasonable basis to believe that crimes against humanity are being committed. We know forced labor is widespread and systematic and exists both

within and outside the mass internment camps. These facts are confirmed by the testimony of former camp detainees, satellite imagery, and official leaked documents from the Chinese government.

We know that many U.S., international, and Chinese companies are complicit in the exploitation of forced labor involving Uyghurs and other Muslim minorities. Audits of supply chains are simply not possible because forced labor is so pervasive within the regional economy. Workers cannot speak freely and honestly about working conditions, given heavy surveillance and intimidation, and government officials face strong incentives to conceal the use of government-sanctioned forced labor. In June 2019, the State Department Trafficking-in-Persons report found that Chinese companies were receiving government subsidies to open factories in close proximity to the internment camps and were exploiting forced labor.

In September 2019, U.S. Customs and Border Protection banned the import of garments produced by Hetian Taida Apparel Company, due to the use of suspected prison or forced labor in its factories in the region. The Commission's new report finds that products made with forced labor include textiles, such as yarn, clothing, gloves, bedding, and carpet; electronics, including cellphones and computers; food products; shoes; tea; and handicrafts. Some companies suspected of directly employing forced labor or sourcing from suppliers suspected of using forced labor in public reporting include Adidas, Calvin Klein, Campbell's Soup, Coca-Cola, Esquel Group, Esprit, H&M, Kraft, Hines Company, Nike, Patagonia, and Tommy Hilfiger.

We were glad to see that on Monday the Fair Labor Association directed its affiliates, including some of the companies mentioned previously, to review their sourcing relationships in Xinjiang and identify alternative sourcing opportunities. Current U.S. law states that it is illegal to import into the United States goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part by forced labor. Such merchandise is subject to exclusion and/or seizure and may lead to criminal investigation of the importer. Unfortunately, products made with forced labor are still making their way into global supply chains and into our country.

So today I am pleased to announce that Senator Rubio, Congressman Chris Smith, Senator Merkley, Congressman Suozzi, Congresswoman Wexton, myself, and other Members are introducing the Uyghur Forced Labor Prevention Act. This new legislation prohibits imports from Xinjiang to the United States by creating a rebuttable presumption that all goods produced in the region are made with forced labor, unless U.S. Customs and Border Protection certifies, by clear and convincing evidence, that goods were not produced with forced labor.

The legislation also requires a secretary of state determination about whether forced labor in Xinjiang constitutes atrocities; requires a U.S. Government strategy to address the forced labor situation, including a list of Chinese companies engaged in forced labor and products produced therefrom; provides authority for targeted sanctions on individuals who knowingly engage with forced labor; and protects U.S. investors by requiring an additional SEC disclosure for companies working with Chinese entities engaged in human rights abuses, including forced labor.

I want to thank the many groups who are supporting this legislation, including the AFL–CIO. Any U.S. or international company working in or with suppliers in Xinjiang should reconsider whether they want to be producing products in a region where there is evidence that crimes against humanity are being committed. It is long past time for companies to reassess their operations and supply chains and find alternatives that do not exploit labor and violate human rights.

So today I'm pleased that we will hear from an expert panel to examine the impact of forced labor on global supply chains, as well as on U.S. and international consumers. And before we hear directly from our expert panel, I'm proud to recognize Cochair Rubio and other members of the Commission for their remarks. So I'll turn this over to Senator Rubio now.

STATEMENT OF HON. MARCO RUBIO, A U.S. SENATOR FROM FLORIDA; COCHAIR, CONGRESSIONAL-EXECUTIVE COMMISSION ON CHINA

Thank you. And I think we're all just learning how to do the fist-bump, elbow-bump greeting.

First of all, thank you all for being part of this very important discussion. I want to echo first what the chairman talked about with our staff. They've put together a very powerful document. And it's a document that should leave zero doubt about the evil policies and practices of the Communist Party of China toward Uyghurs, and toward other Muslim minority groups. The chairman outlined, through the names of various companies that he disclosed—I guarantee you there are products from those companies in this very room right now, because we've all bought them and we've all had to buy them.

But it's injected forced labor into American and global supply chains. It's injected forced labor under the Christmas tree. It's injected forced labor into the boxes we give over for birthdays. And it's injected forced labor into many of the things that we buy on a daily basis. And this is a disturbing reality. It's one that we need to confront and we need to face. And so the introduction of this bill today, the Uyghur Forced Labor Prevention Act, is important. And the chairman's outlined all the details of it, but the core of it is that it shifts the burden of proof to companies that insist on producing in this region. It shifts the burden of proof with the presumption that, given these practices and what's detailed in this report, we should assume that anything that's produced in this region is produced through forced labor.

By the way, these practices of the Chinese Communist Party in Xinjiang—this is one of the world's largest human rights tragedies. It remains unimaginable, frankly, that this is happening in the year 2020, where you have hundreds of thousands of people subjected to military discipline, to so-called reeducation—or what we know as political reeducation and indoctrination. We have families that are being separated, children being placed in orphanages and boarding schools, the elderly forced into nursing homes, people forced to change their names and abandon their identities. And commercial satellite imagery shows that factories have and are being placed next to or right inside these camps. And there's also

mounting evidence of forced labor in the cotton industry, in agriculture, and in other light manufacturing.

The widespread forced labor documented in the report clearly constitutes serious crimes sanctioned, perpetrated, approved, and directed by the Chinese Communist Party through their government. The Commission, in fact, noted in our annual report that what is taking place there probably rises to the level of a crime against humanity. And we're not the only ones. As was mentioned previously, the Holocaust Museum just last week concluded that what the Chinese government is doing to Uyghurs and other Muslim minorities is a crime against humanity.

Words, however, are not enough. And we must act and respond quickly to these horrific crimes being committed by the Chinese Communist Party. And this bill, I believe, does that. And we hope that other countries will join in working on similar legislation to ensure that the Chinese Communist Party and the people responsible for this are collectively and individually held accountable. Because this crisis will demand an international response. And I will predict that history will not look favorably on those who knew about it and did nothing, and stayed silent, or even worse were complicit in these crimes.

And so I want to thank all of you for being here. Again, I want to thank our staff. And I want to thank you, Mr. Chairman, and all the members who have come. Thank you.

Chair MCGOVERN. I am now happy to turn this over to Congressman Chris Smith of New Jersey, who is our top Republican on the Commission on the House side, who is also the cochair of the Tom Lantos Human Rights Commission.

**STATEMENT OF HON. CHRIS SMITH,
A U.S. REPRESENTATIVE FROM NEW JERSEY**

Thank you very much, Mr. Chairman. And Chairman Rubio, great to see you as well. And this is a historic bill. I do believe it'll pass. I hope it'll become law.

You know, in 1991 Congressman Frank Wolf and I, soon after Tiananmen Square, went to Beijing Prison No. 2 in Beijing, a prison where there were at least 40 Tiananmen Square activists who were being forced to make jelly shoes and socks for export to the United States and elsewhere. We took copies, we took samples, and we went to Customs and got an import ban pursuant to the Tariff Act—the Smoot-Hawley Act of 1930. And that was about it, despite the fact that gulags, laogai all over China were making goods for export to the United States.

There was an MOU in effect—Bush used to tout it, Clinton used to tout it—that wasn't worth the paper that it was written on because when we had information we had to go to the Chinese police and say: Will you investigate? And they would come back 60 days later or so and say: "No problem here." I remember meeting with the customs people in Beijing on that trip. And they were like the Maytag repairman. They had nothing to do. There was no ability to investigate.

That is why the most important part of this bill, recognizing that these are crimes against humanity being committed against the Muslim Uyghurs—you know, this is a horrific tragedy, as both the

chairman and the Senate chairman pointed out. The Holocaust Museum has called these crimes against humanity. It is clear these are horrific crimes. The rebuttable presumption is the core to this important piece of legislation. It will say the presumption of innocence shifts, and how they've got to prove, those who want to import these products, that their supply chain is clear and clean of this kind of horrific behavior.

This is a great bill. We are introducing it today. It's a privilege to be part of this coalition. It's bipartisan and bicameral. And we have four great people who will be bringing further details to bear on this important issue. We need to stand in solidarity with the Uyghurs and all oppressed peoples. Thank you.

Chair MCGOVERN. I'm now happy to introduce another member of our Commission from the Senate, Senator Jeff Merkley of Oregon.

**STATEMENT OF HON. JEFF MERKLEY,
A U.S. SENATOR FROM OREGON**

Well, good morning, everyone. And thank you to everyone who's worked so hard to put this report together and to design this bill, the Uyghur Forced Labor Prevention Act. Your efforts have kept it front and center in many people's minds when the Chinese authorities would certainly much rather have swept it under the rug. Nothing is more dear and more sacred to us here in America than the concept of freedom. We have fought for our own freedom and we've gone to war to ensure the freedom of others around the world. We have marched. We have rallies. We have protested. We have boycotted. And now we need to stand up for those who are enslaved in China.

Time and time again we've stood up to dictators and tyrants who have threatened freedom. We cannot sit on our hands and do nothing as China repeatedly and systematically abuses the human rights of the Uyghurs and other Muslim ethnic minorities. For years, we have seen hundreds of thousands, even millions of individuals interned, tortured, interrogated, and brutally forced into labor camps by the Chinese government, stripping individuals of their freedom, their future, and their culture. And as we know from this latest report, this isn't an issue that is improving. In fact, it's getting worse.

This system of slavery is expanding. The internment camps are expanding. Between April 2017 and August of 2018, satellite imagery shows 39 reeducation camps have tripled in size. Without knowing it, Americans all across our country have a connection to these human rights abuses through the products we buy. Products, including popular name brands, have been made—in whole or in part—in the Xinjiang region. And no matter how much they try to make sure that forced labor is not part of the supply chain, the access to information, the lack of transparency, makes it impossible to be sure.

Just look at cotton. China is one of the world's largest producers. Eighty percent of it comes from this region. How much of that cotton is picked by Uyghurs and oppressed minorities? There's no real way of knowing. Until we can know and until we can do due diligence and ensure that supply chains are not, in fact, comprised of

enslaved workers, and until we can ensure the freedom and liberty of oppressed minorities in China, we should do everything possible to ensure that our nation and the American people are not complicit participants in the abuse of their human rights.

That's why I'm proud to partner with my colleagues here on this bill blocking the importation of items produced in this region. We need to tackle every aspect of this abuse, and this bill is an essential and urgent step forward. I'm pleased to be here with my colleagues making this case. Thank you.

Chair MCGOVERN. I now am pleased to introduce Representative Jennifer Wexton of Virginia, who has emerged as a champion for human rights in this Congress.

**STATEMENT OF JENNIFER WEXTON,
A U.S. REPRESENTATIVE FROM VIRGINIA**

Good morning. I represent a district in Northern Virginia that includes one of the largest populations of Uyghur Muslims in the United States. And before I was even sworn in as a member of Congress, I attended a forum at a local mosque, the ADAMS Center, where I met Uyghur Muslims living in the United States, Ms. Abbas being one of them. And I heard story after story of the horrors that their friends and families in Xinjiang had been subjected to, how they had been disappeared from their homes and placed in reeducation camps, how they had in many instances been forced to renounce their faith and to eat pork or drink alcohol.

And then once their reeducation was complete, how they were forced to work as part of a work training program. This, despite the fact that many of those who were disappeared were physicians, professors, and other professionals. And how the fruits of their forced labor have turned up in so many products here in the United States—in the clothes that we're wearing, in the shoes that we're wearing, in the food and tea that we eat and drink, and in the electronics that we use every day.

So I want to thank the CECC and the NGOs who brought this—who made this report happen. It's chilling. It needs to be public. We need people to be aware of what is happening. This rebuttable presumption, I cannot overstate how important that rebuttable presumption is going to be in terms of disclosures and everything else. Now, as a member of the House Financial Services Committee, the disclosure part of it is very important to me as well, because I believe that once U.S. companies, shareholders, and consumers are aware of the horrors that are going on in Xinjiang and beyond, they won't want to be a participant in that system.

So this is fantastic legislation. I want to thank Senator Rubio, Congressman McGovern, and the entire CECC for bringing it to our attention and for introducing this legislation, which I proudly support. Thank you.

Chair MCGOVERN. And our final speaker before we go to the panel is a member of our Commission, another powerful voice for human rights in Congress, Representative Tom Suozzi of New York.

**STATEMENT OF THOMAS R. SUOZZI,
A U.S. REPRESENTATIVE FROM NEW JERSEY**

Thank you, Jim. And thank you to all of my colleagues for their good work here.

Good morning. I say this at every one of our gatherings that, you know, in America, we've always believed, since the 1970s—since Nixon went to China—that the more China was exposed to the West, the more they were exposed to our way of democracy, the more they were exposed to Western economies, they'd become more like us. That just hasn't happened. And we have to keep on repeating the same thing over and over and over again, because most Americans don't realize what's actually transpiring right now in China. It's horrific.

Whether it's asking the Uyghur Muslims to eat pork, or making Uyghur Muslims eat pork during Ramadan, or whether it's the exile of the Tibetan government, or whether it's the treatment of the students in Hong Kong, or most importantly today the forced labor in Xinjiang, this is happening right now, as we speak. And people are suffering because of it. And this bill, which I'm so happy to be an original cosponsor of, the Uyghur Forced Labor Prevention Act, is so important because the only thing that the Chinese government will recognize is if we prevent them from continuing to export these goods made using forced labor into our marketplace.

I mean, it's hard to imagine. It's hard for anybody in America to believe that there are forced labor camps, people being forced to work with no pay, producing goods that are being shipped into the United States of America. And it's names that you've heard of. It's Adidas. It's Calvin Klein. It's Campbell's Soup Company. It's Costco. It's Nike. It's H&M. It's Patagonia. It's Tommy Hilfiger. And it goes on and on. So this bill is an important step forward in bringing attention to this very real situation that's happening, and in getting the attention of the Chinese Communist Party as well.

So I want to thank my colleagues for their good work. I want to thank the staff for the good work. I just want to remind people that—you know, I just went to the 75th anniversary of the Battle of the Bulge a few months ago. And in preparation for that I read a book called "Band of Brothers," which, you know, they did a TV series about and people have heard of it. And when the U.S. soldiers were literally days away, and only miles away from the concentration camps, millions of people had already been killed. They were literally miles away, days away from liberating the camps, they were debating among themselves: Is this really happening, or is this just propaganda? And we see now that, you know, the Holocaust, which has been so well documented over such a long period of time, people question it today.

It's going to take a lot of work and a lot of effort for us to continue to beat this drum to get people to acknowledge these atrocities that are taking place in China right now, as we speak. So that's why the work of the folks standing up here and so many others, the folks here sitting down, and all the staff that have worked on this, and all of you who are involved in this issue, is so important—to call the attention of the world to this horrible injustice. Thank you.

Chair MCGOVERN. Thank you very much. And let me again urge everybody to read this important report. Again, I want to thank the staff for an excellent job. This is a very powerful report. I hope all my colleagues will read it. And I—and let me just make a couple—I feel bad that everybody's standing here. We should've had a bigger room. But there are some empty chairs up here if people want to sit up here.

Let me just conclude with this. You know, you've just heard from a very diverse group of elected officials up here who represent both political parties, who represent vastly different ideologies. Some of us are very liberal. Some of us are very conservative. A lot of issues we can't come together on. We have come together on this issue. And I want to emphasize that point. And I'm hoping that the U.S. business community is listening carefully. We are together on this. And we believe it is long past time for companies to reassess their operations and supply chains and find alternatives that do not exploit labor and violate human rights.

And we are introducing this legislation today. And I want to assure people that this is not merely a press release. We intend to push this bill through the various committees, move it to the House floor, move it to the Senate floor for a vote, pass it, and send it to the President for his signature. So this is not just us getting together and condemning the human rights atrocities and the forced labor in Xinjiang and against the Uyghurs. We are serious about moving this. And so to all those in the business community who are doing business in a way that will make them vulnerable to this legislation, now's the time to reassess. We will be reaching out to them individually.

There will be more hearings going on, not just in the China Commission but we have people on the Financial Services Committee. We have—we were talking to the Ways and Means Committee. And I'm on the Rules Committee. And we're going to make sure this goes to the House floor. So I just say that because this is a serious effort and this is an important moment. And I want the U.S. business community, the international business community—and I want China to know how serious this is. And now I'm pleased to introduce our esteemed panel of experts this morning.

Mr. Scott Nova is the executive director of the Worker Rights Consortium, which is an independent nonprofit organization that assesses working conditions in global supply chains on behalf of universities, pension funds, and other public entities. The Worker Rights Consortium has been conducting labor rights investigations of factories in China for nearly 20 years. The organization documented the use of detainee labor, and its research has linked multiple brands and retailers to forced labor in the region.

Ms. Shelly Han is chief of staff and director of engagement at the Fair Labor Association. Ms. Han has worked with NGOs around the world as a senior policy advisor at the Commission on Security and Cooperation in Europe from 2006 to 2016. She also worked in the executive branch in policy positions on trade, national security, and immigration at the Department of Commerce and Department of Homeland Security. Prior to joining the government she worked in the private sector helping companies do business and do the right thing in international markets.

Mr. Jeffrey Vogt is the rule of law director at the Solidarity Center, the largest U.S.-based international workers' rights organization, helping workers attain dignity on the job and greater equity at work and in their community. He supports trade unions on labor law and policy and advocacy before national, regional, and international tribunals. Jeff has also served as the legal director of the International Trade Union Confederation, a global organization that represents over 200 million workers in 162 countries and territories.

And finally, Ms. Rushan Abbas is the director at the Campaign for Uyghurs, which she founded. She started her activism work while she was a student, participating in pro-democracy demonstrations at Xinjiang University in 1985 and 1988. Since her arrival in the United States in 1989, Ms. Abbas has been an ardent campaigner for human rights of the Uyghur people. She was vice president of the Uyghur American Association for two terms and is a former reporter at Radio Free Asia. In September 2018 her sister, Dr. Gulshan Abbas, was abducted and became a victim in China in retaliation for Rushan's activism here in the United States.

I want to thank you all for being here today, and we look forward to hearing from you on this important topic. And again, if people want to sit up here, they're more than welcome to do so. I just feel bad that everybody's standing. But I appreciate you all being here. And I'll turn this over to you.

**STATEMENT OF SCOTT NOVA,
EXECUTIVE DIRECTOR, WORKER RIGHTS CONSORTIUM**

Chairman McGovern, Chairman Rubio, thank you for convening this roundtable and for the opportunity to speak this morning. The Chinese government's brutal campaign of oppression in the Xinjiang Uyghur Autonomous Region, including widespread forced labor, has been exposed in grim detail through firsthand refugee testimony and the Chinese government's own documents. Forced labor is integral to the government's strategy to establish social control and cultural dominance through force over the Uyghur people and other Turkic and Muslim groups.

While the government's clampdown on information has made documentation at specific workplaces a daunting task, we know—both from the specific documented cases and from the vast scope of the government's program of forced labor as social control—that the risk is broad. That virtually any workplace in the XUAR, whether a cotton farm, a yarn spinning mill, or other industrial worksite, is a potential locus of forced labor. The implications for the apparel industry in particular are profound, because many of these farms and factories are links in the supply chains of major apparel brands and retailers.

Every year, the apparel industry imports more than 10 billion cotton garments into the United States. Roughly one in five is produced, at least in part, in the XUAR. The apparel industry sources 20 percent of its global cotton supply from the XUAR. The Chinese government has established a major yarn industry in the region to further supply apparel brands. It is important to understand that the fabric that Chinese textile mills fashion out of Xinjiang cotton

and yarn feeds not just garment factories in China but factories across the world, from Bangladesh, to Vietnam, to Central America.

Further embroiling the apparel industry in the human rights crisis in Xinjiang, several leading Chinese companies with ties to global brands are active participants in the Chinese government's labor schemes. This includes Esquel Group, a partner of more than a dozen U.S. brands, Luthai Textiles, Youngor Group, Huaifu Fashion, and Shandong Ruyi, among others. For apparel brands and retailers, the risk of complicity in forced labor is enormous.

At the same time, the mechanism companies would normally use to address labor rights risk in the supply chain, conducting workplace inspections or audits, is no longer feasible in the XUAR. Interviews with workers are an essential element of any audit, especially when the issue is whether the worker's labor is voluntary. Such interviews are only meaningful if workers can speak candidly. No Uyghur worker in the XUAR can possibly feel safe speaking candidly. The government's ubiquitous surveillance apparatus makes the term "confidential interview" an oxymoron. And every worker knows that contradicting the government's official position—that there is no forced labor in the XUAR—will guarantee harsh reprisals.

The only answer a worker can safely give to the question of whether her labor is voluntary is "yes." Attempts to conduct audits under these circumstances have yielded predictable results. The Hetian Taida Apparel Company operated a factory in a reeducation camp in Hotan and another a few hundred yards from the camp. Under the auspices of two labor rights certification bodies, Worldwide Responsible Accredited Production and Business Social Compliance Initiative, auditors assessed the factory outside the reeducation camp and gave it a clean bill of health as to forced labor. They did so despite the fact that the parent company operated a facility inside an internment camp, despite the facility's location next to this camp, and despite the presence of what the Chinese government calls "camp graduates" among the workforce. The auditors interviewed workers, who unsurprisingly did not choose that moment to denounce their employer and the Chinese government as forced labor profiteers. In October, Customs and Border Protection issued a detention order against all goods from Hetian Taida because of overwhelming evidence that it uses forced labor.

The Wall Street Journal exposed the involvement of Huaifu Fashion, a major yarn manufacturer, in forced labor in the town of Aksu. Huaifu promptly commissioned an audit from a leading audit firm called Bureau Veritas. The result was another clean bill of health. Bureau Veritas was also responsible for an audit that found no forced labor at a glove factory called Yili Zhuowan Garment, where credible refugee accounts had already proven that forced labor was present. At this point, no firm should be conducting audits in the XUAR. The only purpose labor rights audits can serve in the XUAR now is to create the false appearance of due diligence and thereby facilitate continued commerce in products made with forced labor.

Given the substantial risk of forced labor at any farm or factory and the absence of credible due-diligence methods, the only option

for brands and retailers that want to comply with U.S. law and their own ethical standards is to exit the XUAR at every level of the supply chain. While heavy dependence on Chinese cotton, yarn, and fabric make exit a cumbersome proposition, this cannot justify complicity in what the U.S. Holocaust Memorial Museum has deemed crimes against humanity, nor can it excuse breaches of U.S. law. No apparel brand wants to be associated with the abuses taking place in Xinjiang.

Bearing in mind that it won't happen overnight, brands and retailers must work with urgency to remove XUAR-produced content from their supply chains and to sever ties with Chinese companies implicated in forced labor. This is a goal they should accomplish in months, not years. Stronger action from the U.S. Government to block imports from the XUAR is also crucial. Thank you.

**STATEMENT OF SHELLY HAN, CHIEF OF STAFF
AND DIRECTOR OF ENGAGEMENT, FAIR LABOR ASSOCIATION**

Good morning. Chairman McGovern, Chairman Rubio, esteemed members of the Commission, I want to thank you for the opportunity to be here today on this important panel on forced labor in China. I'm pleased to be here. And as a matter of organizational policy, I just need to state that the Fair Labor Association (FLA) cannot endorse legislation, but we're really looking forward to reading the bill.

As the world has learned about the human rights abuses in Xinjiang, and particularly against the Uyghurs and other ethnic minorities, the connection to global supply chains, including evidence of forced labor, is really clear. The FLA works with companies, universities, and civil society organizations to improve labor conditions in global supply chains. And I want to state clearly that forced labor is not acceptable anywhere in our affiliate supply chains.

When a company finds forced labor, it can usually take immediate action to not only stop the abuse but also find ways to effectively remediate the labor violation for the worker. A critical aspect of this remediation is direct engagement with the worker. Through engagement, the company gets firsthand information and can tailor any remediation of the abuse to what is appropriate for that worker in that circumstance.

In the context of forced labor in Xinjiang or in other parts of China, Uyghurs are not able to speak up or speak out on their own behalf. That means that companies cannot engage with them in the detection or remediation of forced labor, which raises the risk not only for workers but also for companies. We have provided guidance to our affiliates over the past year and updated it as new information becomes available. In January of this year, we informed companies that due diligence in Xinjiang would not be able to reliably detect or rule out forced labor.

The shift was based on three key factors. The first is based on the Chinese government's restrictions on travel to Xinjiang and the heavy surveillance presence there. The second, we know that workers, factory management, and auditors may not be able to freely communicate with brands or auditors. And then three, we also

know that suppliers and brands may not be able to effectively remediate any forced labor that is found.

Last week, the FLA directed our affiliates to take three actions. The first is to review their direct and indirect sourcing relationships. The second is to identify alternative sourcing opportunities. And the third is to develop time-bound plans to ensure that their sourcing is in line with FLA principles, including the prohibition of forced labor.

This directive applies to sourcing from Xinjiang, everything from raw material to finished goods. It also applies to production that may take place in another part of China. And it also applies to production that takes place in third countries, such as Vietnam or Cambodia, where the supplier is sourcing raw materials, yarn, or fabric from Xinjiang. We all agree that companies cannot be complicit in forced labor. Companies must do their part, and we are working with them on that effort.

We also know that this is not an issue that companies alone can fix. It will take the collective action of business, governments, multilateral organizations, civil society, unions, and others to address the broader policies that are leading to forced labor. Because the ultimate responsibility lies with the Chinese government for resolving this issue, we'd like to suggest that the CECC consider some specific steps the U.S. Government can take to address this directly with the Chinese government.

First, we believe the U.S. Government should actively engage with the European Union and other governments bilaterally to effectively engage the Chinese government. Forced labor is not showing up only in U.S. supply chains. By solely focusing on U.S. supply chains we risk losing the critical mass that we need to focus the attention of the Chinese government and effectively address the issue.

Second, the U.S. Government should establish a diplomatic channel to address this issue directly with the Chinese government. It could set up a bilateral dialogue focused specifically on prison labor and forced labor, picking up where the two governments left off some years ago with the—as Congressman Smith mentioned—the 1992 MOU, because if forced labor is not on the agenda, we will not see change.

Additionally, it's not clear that the Chinese government and Chinese suppliers specifically fully understand the changes to the Tariff Act that took place in 2016 and how the nexus between the so-called poverty alleviation program applies to forced labor. While companies have done a lot to educate their suppliers on this change and what the risks are, the suppliers, we believe, and also the Chinese government, still don't understand what those changes are and how impactful they have been. So the U.S. Government can help facilitate education in China on this new legal requirement.

Thank you again for this opportunity. And I look forward to your questions.

**STATEMENT OF JEFFREY VOGT,
RULE OF LAW DIRECTOR, SOLIDARITY CENTER**

Dear Chair Representative McGovern, dear Cochair Senator Rubio, and dear members of the Commission, and my co-panelists,

thank you for the opportunity to participate in this roundtable today.

The Xinjiang Uyghur Autonomous Region of China is home to over 13 million Uyghur and other Turkic Muslim peoples. The government has claimed erroneously that the population constitutes a domestic security threat and therefore has implemented a program of so-called reeducation and de-extremification. However, as many have reported, a key component of this program is the use of forced or compulsory labor, including in prisons and internment camps in the XUAR, as well as the mobilization of workers from the XUAR to manufacturers elsewhere in China.

Objects made in whole or in part from forced or compulsory labor now include textiles and apparel, agricultural goods, electronics, and many other manufactured consumer goods, which are exported around the world, including to the United States. This program in its design and execution brazenly violates numerous international human rights norms and likely constitutes crimes against humanity, as has been said before.

A reeducation program typically involves prison-style detention, with some vocational training, indoctrination, and finally release to factories in nearby industrial parks or camp factories. The political reeducation is an extrajudicial system that operates outside the criminal justice and regular prison system. Government documents state that the released reeducated minorities will be part of the manufacturing workforce and are expected to assist the government in meeting its quota requirements. These reeducation facilities are, quite clearly, internment camps, complete with police stations, high surrounding walls and watchtowers, a surveillance and monitoring system, and other apparatus commonly found in prisons.

There's a clear government policy to forcefully ensure that former detainees are under the control of the government through labor-intensive manufacturing jobs at factories built in and near such centers, thereby ensuring a continuous implied threat of return to the internment camp for refusal to participate in this manufacturing. The exact number of former detainees who have been coerced into working in a factory is not known, but estimates based on interviews and government statements are well over 100,000 former detainees who are forced to work in garment and textile factories.

In addition to those in internment camps, there are some within the traditional prison system. The Xinjiang Production and Construction Corps administers its own prison system and factories and forces its own prison population to conduct commercial activities, many in cotton harvesting and production. XPCC was the enterprise to establish the Xinjiang cotton industry, and some estimates suggest that XPCC, through its forced prison labor, produces about a third of China's overall cotton output. This reeducation program is further carried out in an environment of total surveillance, where residents of the XUAR are subject to multiple and overlapping systems of digital and in-person monitoring, collection of biometric data, and even homestays by authorities. Those who refuse to comply with public officials face severe retaliation to themselves and to their families and communities.

The human rights situation related to the XUAR is a very serious concern for the global labor movement. The state-sponsored internment and forced labor of a population because of their ethnic or religious beliefs is unconscionable and has been widely condemned by unions worldwide. The government is in serious breach of numerous international human rights instruments, including, obviously, those of the ILO—the 1998 ILO Declaration on Fundamental Principles and Rights at Work and ILO Convention 122 on employment policy, which is one of the few conventions China has ratified, as well as the International Covenant on Economic, Social and Cultural Rights, which it has also ratified.

The government's mobilization of forced labor for the export of manufactured goods to the U.S. likely violates several U.S. laws, including 19 U.S.C. 2411, better known as section 301 of our Trade Act, which allows the USTR to take action against an act, policy, or practice of a foreign country that is unreasonable or discriminatory and burdens or restricts U.S. commerce, with any form of forced or compulsory labor being deemed unreasonable.

The import of such goods also violates 19 U.S.C. 1307, which allows the CBP to issue and withhold release orders to exclude or seize goods and to take civil action against importers. And of course, the Uyghur Forced Labor Prevention Act would further empower CBP to act accordingly. The CBP has issued one WRO with regard to the import of goods from Hetian Taida, but much more obviously can and should be done, as members of this Commission have called for today.

Further, companies who source from the XUAR may also be violating the civil and criminal provisions of the Trafficking Victims Protection Act, which in 2008 was amended to include supply chain language which would sanction those who knowingly benefit financially or who receive anything of value as a result of their participation in a venture which that person knew or should have known has engaged in an act which is in violation of that chapter, which would include, of course, forced labor.

The global labor movement hopes and expects the U.S. to take action using these and other tools at its disposal and to encourage other major importers of goods from the XUAR, including the European Union, to take similar action. U.S. brands must, of course, also accept their responsibility to extricate themselves immediately from the XUAR by ensuring that none of their suppliers are using inputs linked to the government-sponsored reeducation program. Thank you.

**STATEMENT OF RUSHAN ABBAS,
DIRECTOR, CAMPAIGN FOR UYGHURS**

Thank you for the opportunity to speak about China's genocide and the world's largest government-directed human trafficking forced-labor network. What's happening to Uyghurs and other Turkic people is common knowledge by now. The Uyghur ethnic identity is stigmatized, and their religion is demonized. Racism and cutting-edge technology are used as a weapon of Chinese nationalism to exterminate my people, while challenging human dignity and basic survival rights.

My sister, Gulshan Abbas, a retired medical doctor, is one of these victims. She was abducted by the Chinese government in September 2018 in retaliation for my speaking out about China's human rights abuses in East Turkestan at the Hudson Institute. China has allowed no contact with her since her disappearance and has not even provided proof of life or her whereabouts. China claims that these sprawling camps are humane vocational job training centers. This is a lie. Detainees include medical doctors, academics, businesspeople, professionals, as well as young people and the elderly—none of whom need job training, while researched reporting indicates these camps serve to break people's spirit and turn them into an abundant supply of forced labor.

My question is this: Who is the buyer of my sister's forced labor? The Gap, L.L. Bean, H&M? Is my sister in one of your contractors' factories? Are you complicit in China turning a doctor into a textile worker as a forced laborer in your factories? Nike, is one of your largest factories in China using my sisters-in-law as part of its Uyghur forced labor from Hotan? One of them is a nurse, and the other is a teacher. Were they transformed by the camps into modern-day slaves to produce your shoes? What about younger Uyghur women forced to work thousands of miles from home so that they would not bear children, like my third missing sister-in-law?

When my sister was taken by China, I had no idea that finding her again would involve finding out that U.S. companies are so shockingly complicit in such disappearances. Seventy-five years ago companies like Siemens, BMW, and Volkswagen used forced Jewish labor, and are now once again complicit in their suppliers' use of forced Uyghur labor, making today's concentration camps a profitable venture. But this time the rest of the world's top companies have joined in such complicity.

U.S. law requires Global Magnitsky sanctions on individual offenders and prohibits any trade in products made with forced labor. So who's preventing enforcement of the law? Has Xi Jinping been granted veto power over U.S. laws? Exactly what part of "never again" translates into not sanctioning the Chinese perpetrators of today's concentration camps, and not separating them from their enablers?

China's coronavirus response is highly concerning, as Uyghur forced labor is being used as disposable to reopen idled factories and to be sent to Wuhan. China's rigid totalitarian reaction created this global pandemic. Today, China is failing to empty its concentration camps for people's safety with the current spread of Wuhan virus. It saddens me to see the venal ruthlessness of the world communities, as they are idle against this genocide of my people. Not only is China getting away with genocide, it is getting rewarded with hosting the 2022 Winter Olympics.

It angers me to see my sister and the other millions of innocent Uyghurs becoming the human collateral of international trade deals and the economic benefits. It worries me to see China become a power able to strongarm the world with trade threats, the power of the Belt and Road Initiative, debt-trap diplomacy, and the manipulation in the United Nations. Furthermore, China is bribing and leveraging some politicians, the media, and scholars around

the world and has successfully silenced international condemnation of its shameful crimes.

What do you think is going to happen if this remains unchecked? Continuing to do business as normal with China today is being complicit with genocide and supporting the spread of China's totalitarian communistic nationalism to the world. History will remember those who acted, and those who failed to do so. We are all responsible for what happens next. Thank you.

[Applause.]

[The prepared statement of Ms. Abbas appears in the Appendix.]

Mr. STIVERS. Thank you. Thank you, panelists, for those compelling presentations. We'll now start the question-and-answer portion of the event. First I'd like to recognize Congressman Smith for on-the-record questions.

Representative SMITH. Thank you so very much. Thank you to this tremendous panel for what you have helped enlighten us with, to provide additional details, too. I have a couple of questions. And to Ms. Abbas, so sorry for your sister. And, you know, the Chinese government is so cruel that not only do they incarcerate people, and jail and torture people who speak out in-country, but when someone speaks out here—and you worked for Radio Free Asia—many of the journalists there have seen their entire families rounded up and sent to these forced labor camps. I'm not sure there are too many precedents anywhere in history where that kind of massive incarceration—Rebiya Kadeer has had her entire extended family—and she's not unique in that—rounded up and put into these reeducation/forced labor camps. And it's just—it's despicable. And for us to be complicit in any way, shape, or form in like manner is terribly wrong.

To Mr. Nova, I have a couple questions to you real quick. You know, you talked about the auditors and the Achilles heel in decades of auditors going to China, interviewing people. Not just in Xinjiang, but elsewhere as well, coming back with glowing reports. I chaired hearings in the past with Apple and others, where we got the auditor's report and then simultaneously we looked and we found out that it was nothing but a sham. How many of those have been allowed into Xinjiang in recent days? What—how seriously does anybody take an audit now? And I'm so glad you have punched holes in the fact of the false appearances of due diligence. You know, it looks great to the shareholders. "We did it." And you didn't do anything. If anything, you enabled by doing this false audit.

Shelly, if I could ask you—and Shelly, it's great to see Shelly Han. She worked with great distinction as a senior staffer of the Commission for Security and Cooperation in Europe when I chaired it. And she talked in her intro about working on legislation. We did the Azerbaijan bill, and she was the one who did yeoman's work on that piece of legislation, which helped get political prisoners out of Azerbaijan. So thank you for that. But you mentioned, again, and thank you for all your recommendations, that we work actively with the European Union. Would you also extend that to the African Union, which increasingly has Chinese companies, and they bring their own laborers in, as we know, and the OAS? Because we

see a huge presence of Chinese companies and the—government and companies all over. And they're usually one and the same.

And finally, to Mr. Vogt, if you could just speak to the surveillance state; we've never seen anything like this throughout all of China. And it seems it's with particular ubiquitousness—(laughs)—if there's such a word—in Xinjiang. There are no labor rights. Both Democrats and Republicans here in the Congress—I've chaired hearings on the fact that ILO standards are broken with impunity by the Chinese government all the time. And now we see with forced labor it's gone to a lower degree on that order. What does the UN do? What does the ILO do? What does the Human Rights Council do when these rights are being violated with such impunity? And I thank my friend for yielding and look forward to your answers.

Mr. NOVA. It's impossible to know exactly how much auditing is happening right now in the XUAR and exactly where, because in addition to the Chinese government's strenuous efforts to prevent information from coming out of the region, the auditing industry itself is quite opaque. There's very little public disclosure. But we do know auditing is happening. We know of specific audits conducted at specific workplaces as recently as late last year.

And it's important to note that as the pressure mounts on the global apparel industry and other sectors, as the pressure mounts on specific Chinese companies to take action with respect to these issues, there will be more demand for auditing because companies like Huaifu Fashion and Esquel will need something to show their customers. Brands will need something to show their customers. And so it's critical for auditing firms, for certification bodies, to understand that they cannot now be engaging in labor rights audits in the XUAR. And if they're doing so, they themselves are complicit.

This is why our organization joined with one of the leading researchers on human rights in the XUAR, Dr. Adrian Zenz, to send a letter this week to major auditing firms and certification bodies asking them to commit as a matter of corporate policy to suspending all auditing in the XUAR. And we'll be reporting on the responses of the audit firms and the certification bodies to that request.

Representative SMITH. Thank you. Shelly.

Ms. HAN. Yes, thank you. Congressman Smith, you know better than anybody what it takes to get the Chinese government to change, or not change. And I think that your question is exactly right. It's not just getting the European Union. It's getting every government we can, every industry, and every country that we can, to speak out about this because that will create the critical mass where China has to listen. So I think we're hamstringing ourselves if it's only a U.S.-led effort.

Representative SMITH. Thank you. Mr. Vogt.

Mr. VOGT. Thank you for those good questions. With regard to the ILO, and to your underlying point, yes, I think the violations of fundamental labor rights have been a problem within China for a very long time. And this Commission in particular has shined a light on that consistently. The ILO, to this point, has recently taken up a case filed by the International Trade Union Confed-

eration around the violation of freedom of association, in particular the retaliation, and arrest and disappearance of workers around the Jasic Technology case just a couple of years ago. And we've seen a real tightening of the space in which labor activists can work under the Xi Jinping administration.

I mean, the ILO as a body, obviously, does what its constituents tell it to do. So I think certainly the U.S., within the ILO system, can be trying to move this issue within the governing body and trying to make this a discussion which obviously, as you mentioned, touches the whole world. There needs to be a global response. And the ILO is well situated to do something about it, if it is called upon to do so. So that would be good. And equally with regard to the United Nations, the U.S. and others—a leading voice within these global institutions, putting this on the agenda is something strongly needed.

Representative SMITH. I would just conclude—and I thank my friend for yielding this time—I mentioned earlier about the trip to China, to Beijing, in 1991, in March. We literally got—and the warden at Beijing Prison No. 2 couldn't believe we got into this horrible prison camp where men had shaved heads; they looked like concentration camp victims, which they were. And we took the products back, went to customs enforcement here, and got an enforcement ban. And it closed down that gulag—only to be opened up somewhere else. So it was a horizontal transfer.

But I say this because the superficiality of having an MOU—time and time again when I and others would raise it with both the Bush Administration, that's George Herbert Walker, and the Clinton Administration, they said: But we have an MOU with China on gulag-made labor, to enforce Smoot-Hawley. And it wasn't worth, as I said earlier, the paper it was printed on, because we tell them of something that we think is happening, and then they investigate and give us a report. Good luck with that.

It's superficial. And I'm afraid that we may see some kind of response that would parallel that as this legislation makes its way. You know, that's why the rebuttable presumption is the core of this legislation. And I think we all have to keep our eye on that ball so that whole region is sanctioned for the importation of slave-made goods. And I thank you.

Mr. STIVERS. Great. Thank you. Now we'll open it up to the audience for questions for the panelists. We don't have a roving microphone, so if you all could speak up when you ask your questions, and also please identify yourself. And if you work for an organization, please identify that organization also. And of course, Commission staff should feel free to ask questions also.

Who wants to be first? Louisa.

Q: Thank you. Louisa Greve from the Uyghur Human Rights Project. Thank you all for very powerful testimony, and everyone on the Commission for powerful questions, and a great report.

My question is about the Congress responding to the overall crisis, the persecution of the Uyghurs. Just yesterday there are now 50 cosponsors of the Uyghur Human Rights Policy Act, S. 178, and with the original cosponsor, Senator Rubio, who was here, it's now a majority. Could we have some comments perhaps from Mr. Smith about the path forward to get that passed?

Representative SMITH. Obviously, the legislation passed here, you know, the original bill. I had introduced a facsimile that was then overcome by the Rubio bill that came over. But it had 127 cosponsors. You know, the actionable part is probably what has been the problem with that legislation. It's a very good—you know, the idea that sanctions would follow. The problem with the Senate is the filibuster. The problem with the Senate is holds that could be put on any bill. I mean, we have 400-plus bills pending over there. I have one on combating anti-Semitism. Still hasn't moved. There are others that have holds. It is an institutional problem that you need 60 votes to do anything in the United States Senate.

So 51, clear majority. I'm for scrapping the filibuster at the earliest possible time because it so inhibits good legislation that often passes the House. And you might want to speak to this as well. But that is the problem—supermajorities for just everyday bills that make a difference.

Mr. STIVERS. Yes. I don't have any other comment, except to say that from Congressman McGovern's standpoint, he's pushing to get it passed in the Senate as soon as possible.

Questions for the panelists? Back there.

Q: Hi. Rayhan Asat. I'm an attorney actually working on this particular issue. I know that internationally there is legislation. For instance, in the U.K. their (inaudible) Act, and in Australia, which was inspired by this specific legislation. Is it possible for us to mandate and require companies to, on their labels, make sure they state that it is ethically sourced? Is this something that is ethically sourced?

Mr. NOVA. In theory, yes. And certainly—I agree with the premise of your question, that there should be transparency and disclosure. Of course, the great challenge in such an enterprise would be verification. There is a massive auditing industry, as we were discussing earlier, in the garment sector, and in other sectors, in electronics. And its track record is poor in terms of actually uncovering the reality of what is taking place in workplaces. So I think a label without an effective verification mechanism would probably only serve to create the appearance of progress, rather than to create progress. But the idea itself is sound. The challenge is: How do you ensure that there's genuine verification and enforcement?

In the case of the issue of what's taking place in the XUAR and U.S. corporations in particular, we do have strong U.S. law ready, and other law that is now in process. And so hopefully we will see the law actually serve as an effective mechanism for addressing labor rights and human rights issues in global supply chains in other countries that are not normally addressed via U.S. legislation.

Mr. STIVERS. Thanks. Sophie.

Q: Hi. I'm Sophie Richardson from Human Rights Watch. Thank you for the fantastic panel. Maybe if any of you could tell us a little bit about what you think the prospects are either for activating more consumers—since a number of the brands that you've identified are obviously hugely popular ones—but also about the possibility of mobilizing shareholders? Thanks.

Ms. HAN. I can't talk about consumers, because that's not a role that we play in terms of activating consumers. We certainly hope that they're interested in the responsible sourcing of the companies that they buy from. But in terms of getting them to pay more attention to it, I'd have to defer to other organizations who specialize in that.

In terms of mobilizing investors, I think that that's something that certainly we've all been thinking about on all issues. And I've been a little bit surprised that some investors haven't taken this up more quickly. But it's a good idea.

Mr. NOVA. There is growing interest in the investor community. And I think there will be action and pressure coming from that community.

With respect to consumers, one thing that is clear is that brands and retailers in the garment industry and beyond understand that this issue carries enormous reputational risk. That consumers do not want to buy products associated with the horrors unfolding in Xinjiang. And corporations recognize that that risk is growing as there is more attention and scrutiny, partly as a result of the work of this Commission and many other actors in this process, and an increasing recognition on the part of brands and retailers that there isn't an alternative to leaving.

Mr. STIVERS. Next question?

Q: I'm Allison Sherlock from the Eurasia Group. Ms. Han, you briefly mentioned poverty alleviation in China. Could you elaborate a little bit on the relationship between China's domestic poverty alleviation campaigns and forced labor? Thank you.

Ms. HAN. Sure. And I want to be clear, I used the term so-called poverty alleviation, because I don't agree with the terminology. It's a Chinese government term. And really it serves as an excuse by the Chinese government to place Uyghurs in jobs.

Q: Hi. Cathy Feingold, international director at the AFL-CIO and deputy president at the global labor movement International Trade Union Confederation. I want to thank everyone today—the panelists, the great work of the staff who did this report, and really just go on record for our support for the legislation today. We just released a press release about this and really want to reinforce our commitment to working with everyone here. It absolutely will take working with all of you in government, with the business community, and with civil society to really solve this problem. We need to act quickly. We need to take these great conversations that are happening in places like this and really move to action. So thanks so much for organizing this today.

Mr. STIVERS. Thank you, Cathy. And thank you for the AFL-CIO's support for the legislation. It's really appreciated and a big boost. Next question.

Q: Hi. Max Gelber, Uyghur American Association. Mr. Nova, you talked about alternatives and the difficulty with companies identifying alternatives in their supply chains. Could anyone on the panel comment a little further about that, and how we overcome that immense challenge, especially when we talk about way upstream when it comes to raw materials like cotton in the Xinjiang Uyghur Autonomous Region?

Ms. HAN. Yes. It is—it's not something that most companies are used to doing. I think after the Supply Chain Act was amended in 2016 and began being implemented, companies realized that they did need to start looking downstream in their supply chains, or upstream, whichever way you want to look at it. And so we've been doing quite a bit of work with companies on helping them map their supply chains and understand how they can talk to different suppliers. Most companies' responsible sourcing efforts focus on tier one, which is the manufacturing level, that's the factory themselves, because that's where they have the contractual relationship, and thus the leverage with their buyer with that factory.

Most companies don't have any contractual relationship further down. So wherever the yarn is coming from, or wherever the textile or the fabric is coming from, they don't have that relationship. There are exceptions to that, but in general. So for them to understand, that does take time. And it depends on the size of the company whether or not they have the types of resources to figure that out. But we're working actively with companies to help them understand those relationships.

Mr. NOVA. But only the brands and retailers themselves know at a great level of detail how this question can be answered. Their supply chains are not transparent enough for anyone outside to have a full understanding. There is no question that there are logistical challenges in terms of alternate sourcing. And that's something all of us need to understand. It's a practical reality. At the same time, the brands and retailers have the ability to move quickly if their goal is to move quickly. And what brands and retailers should be doing is finding out just how fast they can move to extract themselves from a situation in which every day within their supply chains they're complicit in human rights abuses.

Q. Can I ask a followup? It seems to me, given that there's forced Uyghur labor being transferred to work in factories in greater China, rather than simply in the Xinjiang Uyghur Autonomous Region, that even if you were to deem the whole region as a no-go zone for companies as an explicit forced labor zone, that wouldn't capture all, maybe not even a portion. Can you talk about that a little bit?

Mr. VOGT. You're absolutely right about that. And yes, I think that's why many groups have been calling for action to be taken not only with regard to those factories that are physically housed within the XUAR, but also recognizing that those factories are outside the XUAR, and frankly it was the subject of the APSI report that came out just very recently, that identified a number of the brands that people have mentioned today; that those are not necessarily factories in the region but are government-transferred workers from the region to factories throughout China. So absolutely, it needs to be a comprehensive plan that weeds out the entirety of the forced labor apparatus, wherever it may be in China.

Mr. STIVERS. OK. Next question. Commission staff? Megan Fluker, one of the authors of the Forced Labor report.

Q: Sorry. You don't have to turn. (Laughs.) This is mostly for Mr. Vogt, but anyone can kind of jump in. I think that we've rightfully been focusing on the impact of this on Uyghurs and other ethnic minority workers. But I'm curious, how does forced labor within

global supply chains impact labor rights internationally, and potentially impact workers in the U.S.?

Mr. VOGT. Right. I think—I don't have the estimate right off the top of my head, but the ILO routinely puts out the number of people who are in forced labor in any given year, which is, you know, tens of millions of people. So this is being brought to our attention in large part because of it's the factor of government policy that is driving this, again, based on people's religious or ethnic identities; that there are millions of people around the world who are in forced labor, trafficked for forced labor. And in many cases, they are working for products that are eventually exported around the world, including here to the United States.

And again, we've seen CBP in the last couple of years obviously taking action not only with regard to China, but a number of other countries. Certainly the Trafficking Victims Protection Act could be much more robustly used to weed out forced labor and trafficking for forced labor in supply chains. As I mentioned, it was specifically amended in 2008 to really address supply chain issues. Others have mentioned the Magnitsky Act. There are a number of tools that are available to us. We just need a concentrated plan and the political will to do it.

Mr. STIVERS. Next question?

Q: Hi there. Michael Sutherland with the Congressional Research Service. I was wondering if anyone on the panel can speak to the role Bingtuan, or the Xinjiang Production and Construction Corps, plays in the forced labor in the region. Thank you.

Mr. NOVA. The Bingtuan, the XPCC, has historically, and currently plays a massive role in the cotton industry in Xinjiang, still controlling about a third of all cotton production. And apart from the acute crisis of forced labor via the internment camp system and the broader use by the Chinese government of forced labor as a means of social control in the XUAR, the XPCC has long operated its own prison labor system, further exacerbating the situation for Uyghurs and others in the XUAR.

It is an indication of how deeply embedded the garment industry has been in the XUAR, that the Better Cotton Initiative, an important industry organization that does environmental and social certification of cotton farms, a partner of many of the leading brands and retailers in the U.S. who use certified cotton from BCI in their production—that BCI up until a year ago, as recently as less than a year ago, had XPCC as a main implementation partner for its program in the XUAR. Now, to its credit, it's important to note that BCI either has announced, or will later today, that it is suspending its licensing and certification operation in the XUAR. This is a significant step for the industry.

They're doing so because they recognize that there is no way to do credible labor rights assurance under present circumstances. And I think that move by Better Cotton Initiative, by BCI, is going to be the beginning of a broader and accelerating process of exit by the garment industry from the XUAR.

Mr. STIVERS. Congressman Smith.

Representative SMITH. Just very briefly. Mr. Vogt, on the issue of the Trafficking Victims Protection Act ... as you may know, I'm the author of the original TVPA and co-sponsor of the Wilberforce

Act in 2008, which Howard Berman was the prime sponsor of. Is it your view that the Trafficking in Persons office is not doing what it could do? You know, we need to know what you really think on this. Ambassador Richmond I think is a very, very credible and effective leader of the TIP office. What more can we be doing? And what constructive criticism can we bring back to them?

Mr. VOGT. Thank you. As you know, there are the civil and criminal provisions of the Acts. You know, I think certainly there is much more forced labor that is linked to goods that are being imported into the United States, so I think, certainly, more resources to the TIP office could help with the focus on supply chains. I think much of the work of the office has really been focused on sex trafficking, and obviously that's a very important issue. Both with regard to forced labor, and in particular forced labor in supply chains, I think there could be more resources and more fruitful output in that direction. We do have a migration specialist in my organization who I can have come back with more ideas on this, but certainly I think the resources would be useful.

Representative SMITH. That'd be great. I'd be more than happy to put together a meeting with him and his top people and you to talk about that. Thank you.

Mr. VOGT. Sure. That'd be great. Thank you.

Mr. NOVA. Rushan had a comment on the Bingtuan.

Ms. ABBAS. Yes, I just wanted to add a couple things on that so-called poverty alleviation and also on the Bingtuan. The Uyghur economy has been completely destroyed by the Chinese Communist regime. The Uyghurs' wealth, and houses, and land are being redistributed to Chinese settlers. And Bingtuan has been operating, as Mr. Nova said, for years under the name of political prisoners and the different systems, and also even long before that, forced labor has been something that the Chinese government was conducting for years under the name of hashar, which is taking the Uyghur farmers and the Uyghur people out, filling quotas from the neighborhoods and towns; just take them out, just make them work for free. So basically, hashar, what the Bingtuan was doing, is all just modern-day slavery that the Chinese government was getting away with for years. Just wanted to add that. Thanks.

Mr. STIVERS. Thank you. I'll take a moment to ask my own question. When we bring up this issue with companies, we usually get an answer that they can't possibly monitor every aspect of their supply chain because it's too complex and we just don't understand the complexities there. Or the other answer is that it will take too long; it will take years to actually shift some of these supply chains. How would you answer that question?

Mr. NOVA. When you ask the sourcing director of an apparel brand or retailer, the person who organizes and runs the supply chain, the question: How long will it take to get out of Xinjiang—and indeed, this question is being asked within companies, of the sourcing directors, by the executives within the companies responsible for labor rights issues—the answer you'll get is something like three to five years. But the reason that's the answer is because the sourcing director is hearing the wrong question. The question the sourcing director is hearing is: How long would it take if the company wanted to avoid all inconvenience, all cost, all supply chain

disruption—if the priority is the company’s immediate interests. That’s not the right question at this juncture. There’s going to need to be some inconvenience. There is going to be some cost. There is going to be some disruption. The priority has to be compliance with the law and the human rights of people in Xinjiang. And if a corporation makes that the priority, then the question can be answered not in a matter of years, but in a matter of months.

Mr. STIVERS. Amy Reger, from the Commission staff.

Q: I have two questions for you guys. One is, are there currently sufficient alternative sources to the XUAR for cotton and yarn? And the second question is, what have the recent experiences with how companies have reacted to the impact of the coronavirus situation shown you in terms of these companies’ ability to deal with supply chain disruptions?

Ms. HAN. Sure. Amy, I can’t speak specifically to the world picture for cotton production, if we’re just looking at cotton. But it is something that companies are looking at. And it will create huge shifts in markets, I think. But what we’re looking at is, we want to make sure that as the shift takes place, we don’t want to inadvertently then create more human rights issues in the places where companies now will shift their purchasing. So if it’s India, or somewhere in sub-Saharan Africa, or somewhere else where they’re going to be sourcing this cotton, we want to make sure that labor standards are respected there as well. So that’s what we’ve been focusing on.

And then in terms of the coronavirus, I’m not sure that I have a lot to say. I think it’s another lesson for companies in supply chain flexibility. I think we all as consumers have seen what over-reliance, maybe, on a market can do. But I don’t have anything specific related to coronavirus and the Uyghurs.

Mr. NOVA. And quickly, on the issue of alternate sources. The primary issue here is cotton. Yarn is significant in the XUAR but it’s still less than 5 percent of China’s yarn production. Cotton is a bigger issue, because it’s 20 percent of the global supply. It’s also a particularly important supplier of what’s called extra-long staple cotton. This is longer fiber, higher-quality cotton. It’s used, for example, in better men’s dress shirts. But there are alternative sources in general, and for extra-long staple. The two next-largest producers of extra-long staple cotton are the United States and Egypt.

There are sources around the world for the various types of inputs that the industry needs. I agree with Shelly that shifting to new sources means addressing human rights issues in the countries that become more important sources. But necessity is the mother of invention. And it is necessary for brands and retailers to find these sources quickly and access them.

Ms. HAN. And I would also just add that the human rights issues that are happening in Xinjiang are not the same as those that are happening in India, or Egypt, or even in U.S. cotton production. And we know there are ways to overcome those using our traditional responsible sourcing methods. Whereas in Xinjiang we can’t. So you know, even despite those difficulties, we still think that it’s necessary.

Mr. STIVERS. Thank you. Questions from the audience?

Q: Hi. Max Gelber, Uyghur American Association. Are there any companies that you can point to that these companies should benchmark themselves against, and say, well, they did a really good job, let me follow in their footsteps—historically or what they're doing right now?

Ms. HAN. I can't speak to specific companies. I would get in trouble for that. (Laughs.) We have a lot of members who do a lot of really great work. And so I really can't call out one more. But maybe Scott can.

Q: Name a few?

[Laughter.]

Ms. HAN. Yeah.

Mr. NOVA. No, I mean, we're not aware of a company that has, at least publicly, acknowledged that it's extricated itself from the XUAR at every level of its supply chain. I do think, though, that in the not-too-distant future, there will be companies that step forward and make that commitment and set a model for the industry for others to follow. I do think that companies will step up. That there is a recognition within the garment industry in particular that this is not a normal issue. This is not the usual labor rights or human rights issue that the industry confronts. This is unprecedented, it's fundamentally different, and it requires a fundamentally different response.

Mr. STIVERS. Didn't Badger Sportswear—

Ms. ABBAS. I was just about to say—

Mr. NOVA. Oh! After the documentation of forced labor at the Hetian Taida factory, which we contributed to—although it's important to note that it was the Associated Press that first found the connection between that factory and Badger Sport. Badger Sport is a relatively small brand in the U.S. that's a licensee of universities. They did agree, in response to a report we produced, not to do any sourcing from the XUAR. Badger understands that in the context of garment assembly. It's unclear to us whether Badger has extricated itself at the level of cotton, at the level of yarn. They may have. Their supply chain is much smaller. But they did at least make a commitment not to do any sourcing, as they conceive of it, in the XUAR.

Ms. HAN. And I would just add that just because you haven't read in the New York Times that companies are doing something, it is happening. It has taken time, but there are companies that are well on their way to taking actions that they think are appropriate for their supply chain. (Laughs.) But it is difficult to talk about it publicly at this moment, simply because they may not be completely there and there's other considerations. So I think that just because you're not reading about it doesn't mean it's not happening. And hopefully they will—as Scott said, they will be talking about that eventually.

Q: Name a few companies that may be highlighted instead of just one?

Ms. HAN. Yeah, sorry. (Laughs.)

Mr. STIVERS. She'll be happy to highlight companies that do so.

[Laughter.]

Ms. HAN. Yeah. Yeah.

Mr. STIVERS. Sophie? Sophie Jin from the China Commission.

Q: Hi. I wonder if the panelists could speak to what you think appropriate remediation by the companies ought to be in this situation, and also perhaps by auditors as well.

Mr. NOVA. Do you mean at the level of specific workplaces where violations are identified? Or do you mean in—

Q: For workers who are victims who have been harmed by forced-labor practices.

Mr. NOVA. Does someone else want to take that?

Ms. ABBAS. I think in many companies maybe they are not aware of what's happening, and they are sourcing factories there. So it's—we are not here to try to bash them or try to blame them for what's happening. But really we hope that now, with the ASPI report, they are going to just end what they are doing in our homeland. And this is, as I mentioned in my opening remarks, it's complicity with genocide. They need to realize that “made in China” right now is almost like “made with forced labor”—when you look at every company almost, in other parts of China—they are sending a few hundred to a few thousand Uyghurs as, let's say, cheap labor or slaves. So they need to investigate, and they need to look into stopping doing business as usual with China. That's something that every company should consider. Thank you.

Ms. HAN. You know, remediation is really, after the problem is found, how do you fix it? You know, how do you know—OK, you found it, you've got to fix it. And, you know, for us, effective remediation has at least two key elements. And the first one is that the worker who suffered the abuse is made whole . . . that there's some sort of way that they're made whole because of the abuse. And then the second is that the company identify the root cause or the underlying problem, so that it doesn't happen again, and they can fix that within—with their supplier, or however that issue may have come up.

You know, just as we can't do effective due diligence in Xinjiang, we also think that it's really difficult to do effective remediation as well. And so the tools that we normally have in our toolkit for working on these issues around the world require—you know, China requires us to revisit them and find out what new things—what new methods we might need to effectively remediate it.

Mr. NOVA. I agree with Shelly that just as the traditional auditing mechanisms aren't viable in Xinjiang, neither are the traditional industry remediation mechanisms viable within Xinjiang. Which is why the only answer is to exit. I think the situation with respect to factories elsewhere in China that may have imported labor from the XUAR is somewhat different and more complicated. And we could talk about that. But within the XUAR, there is no means of remedy.

Mr. VOGT. And obviously the reason why we're calling for brands to be pulling out from the XUAR is not simply for the purpose of pulling out, but in the expectation that it changes government policy, and that it would not be possible for the government to continue this policy of reeducation and so forth, and internment, if essentially they're losing hundreds of billions of dollars as the industry moves elsewhere. So I mean, one of the expectations is that this realignment of the garment industry would have that impact. Obvi-

ously we would also expect people to be speaking out on this issue as a reason why they are pulling out.

Mr. STIVERS. Great. Thanks. I think we have time for one or two more questions from the audience. Luke Adams, another member of the China Commission staff.

Q: Yes. We've talked a lot about what governments can do, what businesses can do. But what about consumers? I know we're all consumers in this room. And I think I don't speak just for myself when I say there's a little bit of concern. How do you know when you're purchasing something—is this made with forced labor from China? Is there—what can we do as consumers to be better purchasers of items?

Ms. ABBAS. When we look at the history, now history is repeating itself. The concentration camps in Germany, first built in 1933, and then twelve years later claimed millions of lives, while the world community continued to do business with Nazi Germany, enabling Germany's economy to murder more people. So now when we look at what's happening to Uyghur, Kazakh, and the other Turkic people, the first concentration camp in China was built under the Strike Hard Campaign in 2014. Six years on, the people are still doing business with China, traveling to China, buying "made in China"—enabling China's economy to murder more people and continue its police state. So everyone should remember, when they see the label, "Made in China," this is complicity with China's crimes against humanity, genocide against Uyghurs. So just stop buying "made in China."

Mr. STIVERS. Thank you. Any last questions? Well, I'd just like to thank you—thank you to the panelists for your excellent presentations and for your important work on forced labor and human rights in Xinjiang. Thank you to the China Commission staff for their important work. And thank you all. You all are experts on this issue in some way. Thank you for your excellent work on this. And for more information on the legislation that Congressman McGovern and Congressman Smith will be introducing in the House—they should introduce that today—and the Commission's happy to provide any more information on that legislation as it moves forward through the process. Thank you.

[Applause.]

[Whereupon, at 11:04 a.m., the roundtable was concluded.]

A P P E N D I X

PREPARED STATEMENTS

PREPARED STATEMENT OF RUSHAN ABBAS

Congressman McGovern, Senator Rubio, and distinguished members of the Commission, thank you for this opportunity to testify before you today on behalf of my own missing family members and the millions of Uyghurs disappeared into China's concentration camps and the world's largest government-directed human trafficking forced labor network.

What is happening to Uyghurs and other Turkic people in West China today is common knowledge by now. The Uyghur culture and ethnic identity is stigmatized, and religion is demonized. Racism and cutting-edge technology are being used in combination to exert control over all Uyghurs and they become victims of Chinese nationalism.

My sister, Gulshan Abbas, a retired medical doctor, is one of these victims. She was abducted by the CCP on the 11th of September 2018, in retaliation for my speaking out at the Hudson Institute, a DC conservative think tank, about China's human rights abuses in Xinjiang. China has allowed no contact with her since she disappeared and has not even provided proof of life or her whereabouts.

According to testimony from former inmates, detainees are subjected to mental and physical torture. China claims that these sprawling camps with barbed wire and armed guard towers are humane vocational training centers. This is a lie. Detainees include medical doctors, academics, professors, businesspeople, writers and professionals, as well as young children and the elderly, none of whom need job training. The Uyghur economy has been completely destroyed, and the government is distributing Uyghurs' wealth and re-allocating their land to Han Chinese.

China's final solution to the Uyghurs is disturbingly clear and simple:

1. In addition to our religion, to attack our cultural norms, and our language and ethnic identity.

2. To silence Uyghurs who have a voice and who are respected in the community. The CCP is systematically targeting the Uyghur elite with the goal of totally purging anyone who might produce, extend, or defend Uyghur ideologies and values.

3. To eradicate Uyghur identity by forcing Uyghur girls and women to marry Han Chinese. By forcing Uyghur women to share beds with Han Chinese men while their husbands are in the camps/forced labor facilities, the CCP is orchestrating mass rape. To unconditionally supervise Uyghurs by inserting Han Chinese cadres inside their homes under the "Double Relative" program, thus exposing women to sexual abuse. How are more people not disturbed by this? Where are the advocates, celebrities, and strong voices for the women's rights movement and the feminist movement?

4. To target Uyghur children in an effort to wipe out the next generation. Over 500,000 Uyghur children have been sent to orphanages where they are indoctrinated in Chinese communist ideology. According to an RFA report, these kids are locked up like farm animals and many suffer severe injuries which oftentimes result in death.

5. To send Uyghurs to facilities where they are subject to forced labor, in essence making them slaves. As per a recent report by ASPI, Uyghurs who, as the Chinese claim, "graduate" from concentration camps graduate into forced labor.

Well-researched reporting indicates these camps serve to break people's spirit and to turn them into an abundant supply of forced labor.

So, my question is this: Who is the buyer of my sister's forced labor? The Gap, L.L. Bean, Calvin Klein, or H&M—is my sister in one of your contractors' factories? Have you checked for the forced Uyghur labor the Australian Strategic Policy Institute's report found? Are you complicit in China turning a doctor into a textile worker as a forced laborer in your factories?

Nike, is one of your largest factories in China using my sisters-in-law as part of Uyghur forced labor from Hotan? One was a nurse and another a teacher—were they transformed by the camps into pliant workers and delivered as advertised under "semi-military management" to produce your shoes? And what about younger Uyghur women forced to work thousands of miles from Xinjiang so they will not bear children, like my third missing sister-in-law.

The Bingtuan, the Xinjiang Production and Construction Corps, is most certainly by far the world's largest trafficker in persons for both forced labor and sexual exploitation. Yet it is somehow not sanctioned under existing U.S. laws. Why not? It's because China makes due diligence impossible in Xinjiang. U.S. Customs and Bor-

der Protection should immediately recognize Xinjiang as a Forced Labor Zone and sanction any company enabling Xinjiang to profit from slave labor.

When my sister was taken by China, I had no idea that my search for her would involve finding out that U.S. companies are so shockingly complicit in disappearances. Seventy-five years ago, companies like Siemens, BMW, and Volkswagen used Jewish forced labor and are now once again complicit in their suppliers' use of forced Uyghur labor, making today's concentration camps a profitable venture. But this time the rest of the world's top companies have joined in such complicity.

U.S. law requires Global Magnitsky sanctions on individual offenders and prohibits any trade in products made with forced labor. So who is preventing the enforcement of the law? Has Xi Jinping been granted veto power over U.S. laws? Exactly what part of "Never Again!" translates into not sanctioning the Chinese perpetrators of today's concentration camps and not separating them from their enablers?

China's coronavirus response is highly concerning as Uyghur are being used as disposable labor to reopen idled factories and to be sent to Wuhan. It is China's authoritarian reaction that created this global pandemic. Its actions to deny, keep quiet, misinform, punish whistleblowers, and take a security crackdown approach, rather than one that saves as many lives as possible, is precisely what we should not emulate! Today, China is failing to empty its concentration camps for people's safety.

It saddens me to see the venal ruthlessness of the world community, as they stand idle against this genocide of my people. Not only is China getting away with genocide, but it is getting "rewarded" with hosting the 2022 Winter Olympics. It angers me to see my sister and millions of other Uyghurs become the human collateral of international trade deals and economic benefits. It worries me to see China become a power able to strongarm the world with trade threats, the power of the Belt and Road Initiative, debt-trap diplomacy, and manipulation within the UN.

Furthermore, China is bribing and leveraging some key politicians, the media, and scholars around the world and has successfully silenced international condemnation of its shameful crimes. What do you think is going to happen if this remains unchecked?

Continuing to do business as normal with China today is to support the spread of China's totalitarian communistic nationalism to the world, and to be complicit in genocide. History will remember those who act and those who fail to do so. We are all responsible for what happens next.

Thank you.

