

CORPORATE
ACCOUNTABILITY
LAB

VERITÉ
Fair Labor. Worldwide.

GLOBAL
LABOR
JUSTICE
G
ILRF
J
INTERNATIONAL
LABOR RIGHTS
FORUM



FOR IMMEDIATE RELEASE

December 21, 2020

**Joint Statement on the Implications of U.S. Customs' Unprecedented Detention Order
Against Cotton from the Xinjiang Production and Construction Corps (XPCC)**

Less than four months after a coalition of domestic and international non-governmental organizations filed multiple [petitions](#) to U.S. Customs and Border Protection (CBP) to exclude Xinjiang cotton, on December 2, 2020 the agency issued a [detention order](#) called a Withhold Release Order (WRO), prohibiting the importation of cotton and cotton products from XPCC into the United States. CBP issued the order based on reasonable suspicion of prison labor and forced labor in cotton harvest and production in Xinjiang ('Uyghur Region'). The WRO covers all products that are produced 'wholly' or 'in part' with cotton by the Chinese paramilitary conglomerate, including its affiliates and related entities.

Non-governmental organizations and unions have been drawing attention to forced labor in cotton harvest and processing in the Uyghur Region for years. Now, CBP is too. Recent enforcement actions, [advisories](#), and detentions by CBP demonstrate increased scrutiny on forced labor in the Uyghur Region and on corporations that continue to source from the region. In the last fiscal year alone, CBP issued nine detention orders (or WROs) against entities and products from China over forced labor.

The scope of this WRO is truly unprecedented. Over [22 percent](#) of the world's cotton comes from China. XPCC accounts for almost 33% of all cotton grown in China. It is difficult to imagine how any good made with Chinese cotton is not affected by this enforcement action from CBP. It is also [estimated](#) that XPCC has over 862,600 direct and indirect holdings across 147 countries. No doubt, the issuance of this WRO will present heightened legal and financial risks for companies that either have links to cotton suppliers in Xinjiang or receive finished goods containing this tainted cotton.

The WRO will implicate thousands of U.S. apparel and retail companies who will have to do more than simply point to company policies, codes of conduct, Corporate Social Responsibility (CSR) initiatives or audit reports. Many of these initiatives and voluntary measures have failed to disclose the use of prison and forced labor in Xinjiang-based suppliers. In fact, [audit firms](#) have pulled out of the region citing the impossibility of conducting labor audits in a restrictive and highly surveilled environment like Xinjiang. The onus is on corporations to prove that they are not importing any product that contains the offending cotton covered by the WRO.

[Reports](#) suggest that CBP has been swift to enforce the WRO, already detaining shipments at U.S. borders. In addition to detaining shipments at U.S. borders, CBP has the authority to impose civil penalties against U.S. importers and collaborate with other U.S. government agencies to prosecute importers criminally. The agency has signalled its intention to increase these parallel enforcement routes, after issuing the agency's [first penalty](#) for forced labor earlier this year. In a recent [interview](#), CBP reiterated its commitment to enforce the WRO in its broadest sense. According to the agency,

“The fact that it [raw material] goes into a product in mainland China is not going to eliminate the fact that the cotton would have originated in Xinjiang. And so, companies will have to provide evidence that the cotton that is incorporated into their product is not cotton that came out of Xinjiang.”

We expect CBP enforcement of the WRO to continue under the Biden administration. It is critical that the WRO is enforced actively and effectively at U.S. borders to create a sufficient economic disincentive for cotton and apparel companies to completely disengage from the Uyghur region. Effective enforcement is key in exerting tangible economic pressure on China to address human rights abuses and [persecution](#) of the Uyghur people.

Signed,

Corporate Accountability Lab
Global Labor Justice-International Labor Rights Forum
The Human Trafficking Legal Center
Verité