



Trade Facilitation and Trade Enforcement Act of 2015

Repeal of the Consumptive Demand Clause

Background:

Section 307 of the **Tariff Act of 1930** (19 U.S.C. § 1307) prohibits the importation of merchandise that has been mined, produced, or manufactured, wholly or in part, in any foreign country by forced labor – including prison labor and forced or indentured child labor. Such merchandise is subject to exclusion and/or seizure, and may lead to criminal investigation of the importer(s).

The **Trade Facilitation and Trade Enforcement Act of 2015**, signed by the President on February 24, 2016, strengthens the capabilities of U.S. Customs and Border Protection (CBP) to enforce U.S. trade laws and regulations. More specifically, the new law repeals the “consumptive demand” clause in 19 U.S.C. § 1307, which allowed importation of forced-labor goods, “if the goods were not produced in such quantities in the United States as to meet the consumptive demands of the United States.”

The **repeal of the consumptive demand exception enhances CBP’s ability to prevent products made with forced labor** from being imported into the United States.

How can you support CBP’s efforts to prevent forced labor imports?

CBP depends and acts on information. CBP encourages *anyone* with reason to believe that merchandise produced by forced labor is being, or is likely to be imported into the United States, to communicate his or her belief to any U.S. port director or the commissioner of CBP.

- ◆ Submit a **detailed information to CBP** that satisfies the requirements of 19 C.F.R. § 12.42(b)
- ◆ Instructions on how to submit information are provided at: <http://www.cbp.gov/trade/trade-community/programs-outreach/convict-importations>
- ◆ The above information is necessary as the law is **not an automatic ban** on whole categories of goods from specific countries

The repeal of the consumptive demand clause will promote the following benefits:

- ◆ Enhanced ability for CBP to prevent products made by forced labor (i.e., slave, convict, indentured, or forced or indentured child labor,) from being imported into the United States
- ◆ Leveled playing field for U.S. industry through a fair environment in which American manufacturers do not compete with foreign manufacturers or U.S. importers benefiting from the use of forced labor
- ◆ Increased ability to safeguard human rights and improve labor standards in the global supply chain through CBP’s enhanced authority to address violations and prevent future abuses from forced labor
- ◆ Expedited review; after CBP determines that sufficient information has been provided to warrant a withhold release order (WRO), consumptive demand considerations will no longer hinder issuance of the order

CBP Next Steps:

- ◆ Amend the regulations at 19 CFR § 12.42(b), which require certain information pertaining to consumptive demand, in order to comport with the updated law
- ◆ Continue to collaborate with U.S. Immigration and Customs Enforcement and other agencies to vigorously enforce U.S. trade laws