



American Association of Exporters and Importers

August 8, 2023

Executive Assistant Commissioner AnnMarie Highsmith
U.S. Customs and Border Protection
Department of Homeland Security
1300 Pennsylvania Avenue, NW Suite 5.5C
Washington, DC 20229

CC:

Robert Silvers

Under Secretary for Strategy, Policy, and Plans Chair, Forced Labor Task Force
Office of Trade Policy
Department of Homeland Security
245 Murray Lane SW Suite 14
Washington, DC 20528

RE: Change in Policy as it Regards to Forced Labor Detention in Foreign Trade Zones (FTZ)

Dear EAC Highsmith:

On behalf of the American Association of Exporters and Importers (AAEI), we are writing to you today to urge U.S. Customs and Border Protection (CBP) to reconsider the shocking decision to limit the use of FTZs in the storage of detained cargo suspected of being made with forced labor.

For over 100 years, AAEI has been recognized for its expertise in the day-to-day facilitation of trade, including the administration and compliance with import and export laws of the United States, making it an indispensable resource for those directly involved in and impacted by developments in international trade. This unique expertise has afforded AAEI the opportunity to help CBP determine effective ways to enforce and administer the U.S. government and



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businesses' goal to eradicate forced labor from U.S. supply chains.

In 2021, the U.S. trade community persuaded CBP to allow shipments detained for review of Forced Labor under a withhold and release orders (WRO) to be moved to an FTZ while an importer worked with CBP to determine the shipments' admissibility. The benefits for a company that has a warehousing FTZ is that they can move the shipment to their FTZ site and keep the shipment intact at the FTZ for much less cost than moving the goods to a third-party bonded warehouse and being charged with bonded storage fees for the six months until whenever CBP is willing to issue a decision on admissibility of a shipment. This storage option is even more crucial now as the number of shipments being reviewed for WRO and Uyghur Forced Labor Prevention Act (UFLPA) which doubled each year over the last two years.

Importers in a targeted industry such as cotton and have multiple shipments being held and reviewed, the bonded warehouse fees for multiple shipments over multiple months will add up very quickly. The expense of storing the goods in your own warehouse, which is a custom's bonded facility where the goods are still under Customs control and Customs can inspect at any time, is much less than paying to store the goods at an external third-party warehouse.

The practice of moving detained goods to FTZ's is not an unusual practice. CBP allows the movement of goods to FTZs for other corrective actions, such as relabeling or marking of goods to bring them into compliance with U.S. regulations.

In the continued spirit of cooperation between trade and CBP that has been fostered since the 2021 decision to allow FTZs for forced labor detention storage with specific conditions to store a shipment under review and detention of a WRO or the UFLPA, we ask the CBP to reevaluate its decision.

We thank you for your attention to this matter. If you would like to discuss these matters in more detail, please contact: Mitchell Hart, Government Affairs Manager (mhart@aaei-hq.org).

Sincerely,
Eugene C. Laney



American Association of Exporters and Importers

President and CEO
American Association of Exporters and Importers