



Trade Facilitation and Trade Enforcement Act of 2015 (H.R. 644)

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The Problem

In the past few years, media reports of modern slavery and forced labor in the seafood industry have increased. [The Guardian](#), [Associated Press](#), and [The New York Times](#) have all reported on human rights abuses in global seafood supply chains. While the issue received growing attention, there was limited legal precedent to prevent forced labor products from entering U.S. supply chains. Until now, a loophole in the Tariff Act of 1930 has allowed the importation of products made abroad by convict, forced, or indentured labor as long as American domestic production did not meet demand. The closing of the loophole affects the seafood industry as the U.S. imports more than 90 percent of seafood consumed domestically and reducing and eliminating forced labor in global seafood supply chains is challenging. States like California have called for increased transparency regarding retailers' actions to eradicate slavery and human trafficking in their supply chains, but those actions come at the discretion of individual businesses. Although some retailers and suppliers have a Code of Conduct prohibiting human rights abuses in their supply chains, historically the U.S. has had no legal precedent for refusing shipments from foreign countries tainted with labor violations.

What is the Trade Facilitation and Trade Enforcement Act?

The Trade Facilitation and Trade Enforcement Act closes the loophole in Section 307 of the Tariff Act of 1930 to prohibit the importation of products made, produced, or manufactured by convict, forced, or indentured labor in any foreign country. Now that the amendment has gone into effect, the U.S. Customs and Border Protection (CBP) is required to report the measures it has taken to prevent these goods from entering U.S. supply chains. CBP's reporting begins no later than 180 days after the enactment of the bill and will occur annually thereafter. Specifically, the Commissioner and Director of U.S. Immigration and Customs Enforcement will be required to report how many times goods made with forced labor are denied entry to the United States, describe the merchandise that is denied entry, and disclose any other information relevant to monitoring and enforcing compliance.

Status

- President Obama signed the act on February 24, 2016.
- The amendment to Section 307 of the Tariff Act of 1930 went into effect on March 10, 2016.
- CBP is required to report the steps it has taken to prevent forced labor goods from entering U.S. supply chains on, or before, August 22, 2016.



Why is the Trade Facilitation and Trade Enforcement Act important to U.S. seafood businesses?

H.R. 644 will have major implications for U.S. seafood businesses that receive international seafood shipments. With this legislation, U.S. Customs and Border Protection can refuse forced labor goods that have been investigated and traced to a particular vessel or factory with human rights abuses. In order to begin an investigation, customs must receive a petition showing that there is reason to suspect that a good is made at least partly with forced labor. The petition can come from a business, agency, citizen, or even a non-citizen. Although these guidelines are in place, CBP's strategy for implementing the law has yet to be announced.

What does this mean for seafood companies?

While many U.S. seafood businesses are taking steps to address human rights abuses in their seafood supply chains, this act adds legislative teeth at the U.S. border. Although implementation and enforcement may prove challenging, companies now have a legal incentive to improve traceability, set expectations for their supply chains, and create human rights improvement plans with the ultimate goal of preventing modern slavery and forced labor.

What happens next?

After CBP reports the steps it is taking to prevent forced labor goods, which should occur before September 2016, clarity surrounding the enforcement of the act should increase. However, the mere signing of the act places U.S. seafood businesses in a different regulatory environment – one with an increased focus on traceability and the prevention of labor abuses in supply chains. Businesses should anticipate that individuals or groups may petition to review products that have possible associations with forced or child labor. To remain compliant with legislative and governmental action, companies should be able to demonstrate the steps they are taking to prevent forced labor in their supply chains.

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