

The Select Committee on the Chinese Communist Party: Gallagher, Krishnamoorthi send letters on forced labor concerns to Nike, Adidas, Shein, Temu

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WASHINGTON, DC - Rep. Mike Gallagher (R-WI) and Rep. Raja Krishnamoorthi (D-IL) Chairman and Ranking Member of the Select Committee on the Chinese Communist Party, yesterday sent letters to [Nike](#), [Adidas](#), [Shein](#), and [Temu](#) citing concerns about the companies' alleged continued use of Uyghur forced labor in their supply chains despite the 2021 Uyghur Forced Labor Prevention Act (UFLPA) which outlawed this practice.

In addition to concerns about forced labor, the representatives wrote to Chinese companies Shein and Temu with concern that the companies may be using the *de minimis* loophole in U.S. trade law as a way to skirt the UFLPA and continue selling goods under \$800 made with Uyghur forced labor to American consumers.

“Using forced labor has been illegal for almost a hundred years—but despite knowing that their industries are implicated, too many companies look the other way hoping they don’t get caught, rather than cleaning up their supply chains. This is unacceptable,” said Rep. Gallagher. “American businesses and companies selling in the American market have a moral and legal obligation to ensure they are not implicating themselves, their customers, or their shareholders in slave labor. Our message to industry in these letters is clear: either ensure your supply chains are clean — no matter how difficult it is — or get out of countries like China implicated in forced labor.”

“The American people deserve to know how much of what they’re wearing was produced by forced labor in China. We’ve heard from victims about the brutality of forced labor camps that are part of the CCP’s ongoing genocide against the Uyghurs and other ethnic minorities in China. These companies need to show that they’re following the law, and their supply chains are free from forced labor. This is just the first step of our investigation. I look forward to working with Chairman Gallagher to shine a light on how forced labor may contaminate our supply chains, and how we need to put an end to this going forward,” said Rep. Krishnamoorthi.

Click [HERE](#) to see all four letters.

Background

Nike

- [Recent reports](#) indicate that Nike may be sourcing materials—including cotton—from suppliers who produce in whole or part in the Xinjiang region.
- These allegations were reinforced in the written testimony of [Adrian Zenz](#) and [Nury Turkel](#) in the committee’s March hearing on The CCP’s Ongoing Uyghur Genocide.
- Nike was [previously accused](#) of using Uyghur forced labor to manufacture its products in China, and spent thousands of dollars lobbying against the UFLPA.

Adidas

- Researchers in Germany [recently tested](#) Adidas clothing and determined that the garments were made with cotton from the Xinjiang region.
- These allegations were also reinforced in the written testimony of [Adrian Zenz](#) and [Nury Turkel](#) in the committee’s March hearing on The CCP’s Ongoing Uyghur Genocide.
- [Previous studies](#) have linked the production of Adidas products to forced labor by Uyghurs in factories across China.

Shein

- Shein is the largest clothing retailer in the world by market capitalization with as much as [40%](#) of the fast fashion market in the U.S.
- Shein uses the de minimis channel to send products to U.S. consumers.
- [Recent laboratory testing](#) concluded that garments shipped to the U.S. by

Shein were made with cotton from China's Xinjiang region, potentially violating the UFLPA.

Temu

- Temu is the [most downloaded](#) shopping app in the U.S - and it is a marketplace made up primarily of Chinese manufacturers that sell directly to U.S. consumers.
- Temu also ships its products through the de minimis channel.

De Minimis Loophole

- The de minimis loopholes enables shipments that are valued at less than \$800 to avoid any US Customs and Border Patrol scrutiny, duty, or tax.
- More than two million packages a day enter the U.S. without forced labor scrutiny because of the de minimis exception.
- The de minimis exception was not originally intended to be a loophole for businesses—it was designed to minimize the burden on customs agents from examining packages with minimal value.
- Shein and Temu have built their businesses in part by using this loophole to underprice their American competitors, dodging the tax burden and legal scrutiny American companies face.