

[REDACTED] (CAB-DOMBROVSKIS)

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**From:** [REDACTED] CAB-DOMBROVSKIS)  
**Sent:** mardi 1 juin 2021 10:04  
**To:** [REDACTED] (CAB-DOMBROVSKIS)  
**Subject:** FW: CAB and EBCA meeting 27/05/2021\_report

Meeting CAB and EBCA members on 27/05/2021

Participants:

DG TRADE : Zaneta Vegnere (CAB), [REDACTED] (DG TRADE, E.3).  
EBCA : EBCA Secretariat, Inditex, Levi's, Tendam, PVH, H&M

**EBCA** asked for a meeting to discuss the main challenges and opportunities for their sector in Trade policy. EBCA reiterated that they are strong supporters of open trade agenda and that reshoring is not an option for them. EBCA supports diversification, however it is not easy to decouple from China. EBCA expressed their support for possible negotiations with India. EBCA (Levi's) also asked about the Green Deal and the CBAM. EBCA (Tendam) explained that brands are already well advanced in social due diligence via voluntary schemes and are fast advancing on environmental footprint. The conversation also touched upon labour issues, notably in China. EBCA would like to be involved in the dialogue.

**CAB** explained the concept of open strategic autonomy, the recent trade policy review and invited industry to be vocal on their need for open trade. CAB also replied to questions on sustainability, CBAM and possible Commission proposals for labour issues. CAB also welcomed EBCA suggestion to keep the dialogue open regarding labour issues.



From: [REDACTED] (CAB-DOMBROVSKIS)  
Sent: mercredi 3 mars 2021 06:42  
To: CAB DOMBROVSKIS ARCHIVES  
Subject: FW: Meeting request with EBCA

Importance: High

Good morning, dear friends!  
For registration, please. CF=Zaneta.  
Many thanks!  
[REDACTED]

-----Original Message-----

From: secretariat@ebca-europe.org <secretariat@ebca-europe.org>  
Sent: Friday, February 26, 2021 2:46 PM  
To: [REDACTED] (CAB-DOMBROVSKIS) [REDACTED]  
Subject: Meeting request with EBCA  
Importance: High

Dear [REDACTED]

I hope this email finds you well! Following our previous exchange in November 2020, I am contacting you on behalf of EBCA to reschedule the meeting that was cancelled.

As a reminder, the European Branded Clothing Alliance (TR: 61866543669-46) is a coalition of major retail clothing brand companies, representing over 60 brands. The alliance works to ensure a positive trade agenda and a more predictable business environment, while also ensuring sustainability throughout the global value chains. Twice per year senior representatives of our members travel to Brussels to meet stakeholders. Given the circumstances, we would like to host these meetings virtually on the 16 March or the 17 March 2021.

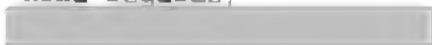
EBCA members would be very much interested in meeting Commissioner Dombrovskis' cabinet to introduce EBCA and our priorities related to sustainable value chains and a free trade agenda; and to exchange views on the latest trade policy developments such as the recently published Trade Policy Review, the post-COVID recovery and the Myanmar-EU relationship.

Due to some of our members being in the US and the time difference, we would like to organize all meetings in the afternoon (preferably between 3.30 and 7pm CET) of the 16 March or the 17 March 2021. Understanding the time pressures on your agenda, may I kindly ask you to let us know whether you would be available and what time would suit you?

We would be very grateful if you could send us a response at your earliest convenience.

Thank you in advance for your time and consideration and we look forward to your reply.

Kind regards,

A grey rectangular box redacting the signature of the sender.

From: [REDACTED] (CAB-DOMBROVSKIS)  
Sent: Dienstag, 15. Juni 2021 17:01  
To: CAB DOMBROVSKIS ARCHIVES  
Subject: FW: Information on US forced labour rules and the textiles and clothing industry

Importance: High

For registration, please.

[REDACTED]

[REDACTED]



-----Original Message-----

From: secretariat@ebca-europe.org <secretariat@ebca-europe.org>  
Sent: Tuesday, June 15, 2021 4:51 PM  
To: VEGNERE Zaneta (CAB-DOMBROVSKIS) <Zaneta.VEGNERE@ec.europa.eu>  
Cc: [REDACTED] (TRADE) [REDACTED]  
(CAB-DOMBROVSKIS) [REDACTED]

Subject: Information on US forced labour rules and the textiles and clothing industry  
Importance: High

Dear Ms Vegneré,

The European Branded Clothing Alliance (EBCA) wanted to thank you for meeting with the members on 27 May. As discussed during the meeting, we gathered some inputs from our members in the United States and from other US apparel associations concerning the American rules on forced labour in view of the discussions ongoing at the Commission on how to tackle the issue of imported goods produced with forced labour. Please find below our input we received mainly from the American Apparel & Footwear Association (AAFA), with whom we're collaborating on these issues:

- The industry fully supports the US forced labour statute and it is committed to fight against forced labour.

- The US legislation has been banning imported goods produced by exploiting forced labour since 1930 (Tariff Act), but said ban has been properly enforced only from 2016 with the Trade Facilitation and Trade Enforcement Act. The latest Xinjiang Uyghur Autonomous Region Withhold Release Order targets cotton in particular.

- So far, enforcement has been focused on China, since the US Customs and Border Protection (CBP) has not enough resources to check products from elsewhere.

- The new regulations introduced by the CBP in these last years have created confusion and uncertainty for the industry, which is now facing several challenges:

- Many shipments have been detained because of the Xinjiang WRC (around 300), but the US CBP does not share information on these detentions with companies (e.g., percentage of the shipment that is not compliant, etc.), creating uncertainty and unpredictability. Only 10 detentions were lifted.

- Each individual port can decide if the shipment violates US rules and issue detention orders, which results in a very uneven enforcement.

- After the detention order is issued, companies have 90 days to prove that the shipment is compliant, or they can re-export the product to other countries or destroy it. The process to lift the detention is very slow (up to 8 weeks) and that creates harmful delays for the apparel industry, which is seasonal, causing significant loss of money for companies. In addition, firms have no visibility in the decision process.

- If companies receive a rejection of their petition to lift the detention, they do not receive any reason why nor additional information. They can decide to go to the Court for International Trade (so far, only one case was brought to the Court).

- When importing, companies have to provide proof of the origin of cotton and how it is used in the final product (e.g., shipment documents, production documents, invoices, proof of payment of wages of workers, etc.) For companies it is impossible to provide all these documents, which also need to be translated and provided in electronic format. The industry argues that it is irrelevant to prove that the wages have been paid, since the origin is the most important factor. Moreover, the industry had experience of shipments detained because the company in question provided too many documents, giving the idea it had something to hide. Thus, it is unclear what authorities expect from companies.

- Companies encounter great difficulties in tracing cotton, given the complexity of cotton value chain. Cotton from Xinjiang can be mixed with cotton from other countries. US authorities have been looking into traceability technologies (e.g., blockchain, chemical tracing), but that would be very expensive for companies. Firms would also have to face capacity issues and other challenges like chemical tracing when cotton is mixed with polyester.

- Traceability issues are worsened by China ramping up opposition: many Chinese suppliers are prohibited to provide documents and information on the supply chain.

- It is possible to have criminal cases when the importer company is violating the statute, but that has not happened so far. Sanctions are also possible under the Treasury department.

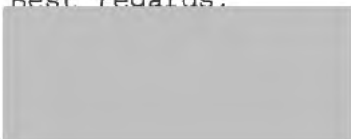
- There is pending legislation in Congress to expand the legislation to all products, not only cotton. The Senate is pushing to review the existing provisions in light of the concerns of the industry, but the House of Representative does not envisage such changes.

- Because of the issues they face in China, some companies are

considering the possibility to pull out progressively from the country. However, China produces around 25% of the world cotton, so it is difficult to pull out. AAFA has the feeling that China will force western companies to choose between it and the US/western world at a certain point.

Hope it helps. Do not hesitate to contact me should you have any questions. Have a nice day!

Best regards,



EBCA

Mobile:



Square de Meeûs 35 B-1000 Brussels

