



**Oral Testimony of Michael Stumo,  
CEO of the Coalition for a Prosperous America**

**Before The U.S. House Homeland Security Committee**

**Hearing On:**

**Exploitation and Enforcement: Evaluating the Department of Homeland Security's Efforts  
to Counter Uyghur Forced Labor**

**October 19, 2023**

Chairman Green, Ranking Member Thompson, and Honorable Members:

My name is Michael Stumo. I am the CEO of the Coalition for a Prosperous America (CPA). CPA is proud to be the nation's leading bipartisan organization representing exclusively domestic producers and workers across many industries.

You are rightly worried about narcotics coming through the southern border. But I will focus upon the forced labor goods, narcotics and contraband that comes into our mailboxes through the de minimis loophole.

CBP said this regarding de minimis: "Illicit opioids can now be purchased online from the comfort of one's home. Opioids entering the country through express consignment or international mail have a substantially higher purity level than the opioids entering along the Southwest Border."

On a typical day, 26,000 customs officers admit 107,000 goods shipments through normal entry. These entries have paperwork prepared by licensed customs brokers who are responsible for maintaining the integrity of our ports and complying with over 500 laws governing merchandise entry.

But thanks to the de minimis loophole, an additional three million shipments per day enter our ports. These shipments arrive by mail and express shipper without sufficient data, inspection or a broker's involvement. They are overwhelming our customs officers.

De minimis has been weaponized by our adversaries abroad, including China, and exploited by transnational criminal organizations. Express shippers and a handful of ecommerce platforms that profit from it are the only defenders.

Whether express shippers or customs brokers have the right to import is crucial.

Customs brokers are, as CBP says, trained and licensed to “act as force multipliers in combating fraud and other schemes against the government.” Customs brokers have a duty to know their customers and what is in the imported packages on ships, trucks and airplanes. If they facilitate imports that contain fentanyl or other unlawful goods, they can lose their license and livelihood.

Express shippers and postal services, on the other hand, just pick up sealed packages with addresses and information filled out by China post, regular citizens or criminal organizations.

De minimis was originally a rational administrative exception. It allowed customs officers to waive low-value mailed gifts or purchases by travelers. But in 1994, Customs changed its de minimis rules to eliminate the need for a customs broker for all commercial shipments. Now, if China post, for example, merely declares the value as less than \$800 in China, it is de minimis eligible. This allowed “consignees” like FedEx, DHL, the US postal service and express shippers to import merchandise without inspection or a trained broker.

Thirty years later, the result has been a massive, lawless disaster that destroys U.S. businesses, enriches forced labor purveyors and enables undetected delivery of the most potent fentanyl shipments. Criminal organizations and citizens can and do order contraband, including fentanyl, online then sit back and wait for the postman or the UPS delivery woman to deliver the package to their door from Mexico or China.

According to the State Department, most [shipments] originate in China with suppliers who use international mail consolidators to mask the origin of the shipments. Most U.S.-based traffickers utilize invalid addresses, relying on the large volume of e-commerce parcels from China as a means of concealment.

Congress rightly passed the Uyghur Forced Labor Prevention Act (UFLPA) to address forced labor Chinese goods. There are improvements that Congress should make to the Act, which I cover in detail in my written testimony.

But the de minimis loophole makes a mockery of the UFLPA. China’s Shein and Temu have built their enormous businesses around de minimis. Their fast fashion goods are rife with forced labor cotton and other materials but not inspected. The sheer volume of Shein and Temu goods are forcing U.S. stores and textile companies to close or lay off employees, RIGHT NOW. Tellingly, Shein and Temu do not sell any goods in China. The problem will get worse. TikTok is now launching its own ecommerce platform.

The de minimis loophole is ungovernable lawlessness. My organization estimates that \$188 billion in de minimis goods came in last year.

Some say we just need a bit more shipment data. That has been tried and failed. It will always fail.

No country uses de minimis like we do. And many effectively ban it.

De minimis should be ended or dramatically restricted. China should be barred. The Biden administration can fix this with executive action. And Congress can do so with legislation.

Thank you.