



Hearing on “Consumer Products from China: Safety, Regulations, and Supply Chains”

March 1, 2024

Opening Statement of Commissioner Kimberly T. Glas

Thank you, Chairman Cleveland, and good morning everyone.

China remains the United States’ largest supplier across a range of consumer products, however ongoing and emerging issues in trade challenge the United States’ ability to protect the U.S. market and consumers from harm.

The recent Section 301 duties on Chinese imports have fueled efforts by Chinese exporters to avoid or evade tariffs and continue selling to U.S. consumers. These tactics range from illegal schemes like transshipment to legitimate channels for avoiding tariffs.

In particular, the *de minimis* exception allows for the importation of duty-free products to the U.S. marketplace through the international mail system as long as the declared value of the items is less than \$800. Recent reports indicate close to 4 million *de minimis* shipments enter the United States every day, up 30% since last year. Such packages arrive to the United States with minimal inspection, minimal scrutiny, and minimal information, challenging the United States’ capacity to monitor product safety at the border and making it virtually impossible to police and have the legal authorities to go after predators of unsafe products.

This flood of small packages not only poses a substantial threat to U.S. manufacturers and workers but also undermines our consumer safety laws and trade laws, including Section 301. E-Commerce has become a superhighway of the wild west—rewarding *de minimis* shipments with duty free market access—facilitating unsafe products, illegal products, and stealing intellectual property and harming domestic manufacturers, retailers, and the American people. You will hear real examples ranging from children’s toys to pool filters that claim to be made to safety standards yet fail to fulfill any safety regulations. You will hear from the CPSC and the government about their challenges in this environment.

Today’s hearing also provides an opportunity to assess China’s support for its manufacturing sector and evaluate the challenges China’s strategy poses to the United States and U.S. efforts to de-risk the economic relationship. Chinese producers continue to grow marketshare by investing in alternative manufacturing hubs including Mexico and Vietnam. And while data may indicate

these countries are taking marketshare from China, further examination notes how Chinese manufacturers are key suppliers of component parts to these countries, further solidifying China's dominance in supply chains. The trade data can't mask the influence China continues to have on the world stage directly and indirectly through other markets.

Before we begin, I would like to remind you all that the testimonies and transcript from today's hearing will be posted on our website. I would like to thank the Senate Committee on Commerce, Science, and Transportation for securing this room for our use today and the Senate Recording Studio for their assistance in livestreaming this event. We'll now begin today's hearing with our first panel.