

## **DEPARTMENT OF LABOR**

Office of the Secretary of Labor

Notice of Final Determination Updating the List of Products Requiring Federal Contractor Certification as to Forced or Indentured Child Labor Pursuant to Executive Order 13126

**AGENCY:** Bureau of International Labor Affairs

**ACTION:** Notice of Final Determination

**SUMMARY:** This final determination updates the list required by Executive Order No. 13126 (“Prohibition of Acquisition of Products Produced by Forced or Indentured Child Labor”), in accordance with the “Procedural Guidelines for the Maintenance of the List of Products Requiring Federal Contractor Certification as to Forced or Indentured Child Labor.” This notice sets forth an updated list of products, by country of origin, which the Departments of Labor, State and Homeland Security, have a reasonable basis to believe might have been mined, produced, or manufactured by forced or indentured child labor. Under a final rule by the Federal Acquisition Regulatory Council, published January 18, 2001, which also implements Executive Order No. 13126, federal contractors who supply products on this list are required to certify, among other things, that they have made a good faith effort to determine whether forced or indentured child labor was used to produce the item.

**DATES:** This document is effective immediately upon publication of this notice.

### **SUPPLEMENTARY INFORMATION:**

#### **I. Background**

Executive Order No. 13126 (EO 13126), which was published in the **Federal Register** on June 16, 1999 (64 FR 32383), declared that it was “the policy of the United States Government ... that the executive agencies shall take appropriate actions to enforce the laws prohibiting the manufacture or importation of good, wares, articles, and merchandise mined, produced or manufactured wholly or in part by forced or indentured child labor.” Pursuant to EO 13126, and

following public notice and comment, the Department of Labor published in the January 18, 2001, **Federal Register**, a final list of products (the “EO List”), identified by their country of origin, that the Department, in consultation and cooperation with the Departments of State and Treasury [relevant responsibilities now within the Department of Homeland Security], had a reasonable basis to believe might have been mined, produced or manufactured with forced or indentured child labor (66 FR 5353). In addition to the List, the Department also published on January 18, 2001, “Procedural Guidelines for Maintenance of the List of Products Requiring Federal Contractor Certification as to Forced or Indentured Child Labor” (Procedural Guidelines), which provide for maintaining, reviewing, and, as appropriate, revising the EO List (66 FR 5351). On September 11, 2009, in consultation and cooperation with the Department of State and the Department of Homeland Security, the Department of Labor published an initial determination proposing to update the EO List in the **Federal Register** (74 FR 46794), explained how the initial determination was made, and invited public comment through December 10, 2009. The initial determination and Procedural Guidelines can be accessed on the Internet at <http://www.dol.gov/ILAB/regs/eo13126/main.htm> or can be obtained from: OCFT, Bureau of International Labor Affairs, Room S-5317, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210; telephone: (202) 693-4843; fax (202) 693-4830.

Pursuant to Section 3 of EO 13126, the Federal Acquisition Regulatory Councils published a final rule in the **Federal Register** on January 18, 2001, providing, amongst other requirements, that federal contractors who supply products that appear on the EO List issued by the Department of Labor must certify to the contracting officer that the contractor, or, in the case of an incorporated contractor, a responsible official of the contractor, has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce or manufacture

any product furnished under the contract and that, on the basis of those efforts, the contractor is unaware of any such use of child labor. *See* 48 CFR Subpart 22.15.

## **II. Summary and Discussion of Significant Comments**

Forty three public comments were received either through written submissions or through meetings held with the Department of Labor. All comments are available for public viewing at [www.regulations.gov](http://www.regulations.gov) (reference Docket ID No. DOL-2009-0002). In developing the final list of products, the public comments have been carefully reviewed and considered. The following is a summary of the significant or common comments and the responses.

### *A. Comments Asserting that Forced Child Labor is not used in the Production of Products Named on the List*

Multiple comments were received asserting that child labor and forced or indentured child labor did not exist or were not pervasive in the production of a variety of products. However, these assertions were not substantiated through the provision of data or information to demonstrate that the assertions were true. When analyzing comments, the information provided was reviewed to determine if it negated the original conclusion published in the initial determination or if it demonstrated that forced or indentured child labor has been significantly reduced or eliminated. In all cases, except carpets from India (see below), such information was not provided.

### *B. Comments on Efforts to Combat Forced or Indentured Child Labor*

Multiple comments from governments and industry groups were submitted that provided detailed descriptions of legislation, policies and efforts to combat child labor and forced or indentured child labor generally, and in some cases, in particular sectors. This information was considered carefully and, while the important role of setting a solid legislative and policy

framework and implementing initiatives by governments, industry and third party groups is clear, information on such efforts alone, without evidence that indicates that the efforts had significantly reduced or eliminated forced or indentured child labor, was not sufficient to remove an item from the EO List. Inclusion on the EO List indicates that the three Departments have a reasonable basis to believe forced or indentured child labor “might have” been used in the production of the named products and evidence of efforts alone would not be enough to require removal of a product from the EO List. The Department of Labor will continue to assess the progress of these efforts and welcomes further information from the public on the results of these efforts, in particular, evidence of actions and initiatives that have significantly reduced if not eliminated forced or indentured child labor in the production of a specific product named on the list.

### *C. Comments on Monitoring and Auditing Systems*

Multiple comments were received describing efforts by government, industry and third parties to monitor and audit the establishments that produce many of the products named on the preliminary list. While such information is important and valuable in determining compliance with a variety of labor and other standards, in most cases, the information received did not provide sufficient description, data or evidence to demonstrate that forced child labor is not being used in the production process. Examples of specific limitations of the information received included, submission of general and broad statements describing monitoring and auditing programs without including details; submissions only related to products that are inspected for export rather than industry as a whole; examples of individual monitoring and auditing forms without presentation of and analysis of overall data collected; presentation of information only at the primary factory level and not down the supply chain; and lack of evidence of explicit monitoring for forced or indentured child labor. It is important to clarify that the EO List does not make distinctions between products that are exported or those that are produced for domestic consumption, nor does it distinguish

between products produced in a main/final establishment versus products produced by suppliers and contractors further down the supply chain.

One submission did provide information that addressed many of the limitations described above. This submission described the nation-wide, third party monitoring of registered carpet looms in India, gave details of the monitoring program of registered looms and provided detailed analysis of data results related to child labor. Such detailed information on the monitoring of registered looms provided an analysis suggesting that child labor, including forced child labor, has been significantly reduced in the production of carpets in India. While the submission only addressed registered looms, it provided enough information to warrant further consideration of the matter especially given that a Department of Labor contractor is undertaking extensive research on child and forced labor in carpet production in South Asia, including India. The Department expects to receive information on the use of forced child labor on both registered and unregistered looms through this research and intends to wait until that time before a final decision is made on adding carpets from India to the EO List.

#### *D. Comments on Procedures Related to Publication of the List*

A variety of comments were received related to the methodology and process used to place products on the EO List, in particular on the date and reliability of sources, on the “reasonable basis to believe” criteria, and on the lack of perceived consultation prior to publication of the initial determination proposing to update EO List. Concerning the date and reliability of the sources, the Department of Labor considered information up to seven years old at the time of receipt. More current information has been generally given priority, and information older than seven years generally has not been considered, with the exception of child labor survey data, which the Department of Labor has found to be reliable over a longer period of time. The Department of Labor’s experience is that the use of forced or

indentured child labor in a country or in the production of a particular product typically persists for many years, particularly when no meaningful action is taken to combat it. Information about such exploitive activities is often actively concealed and therefore information that is several years old can still provide useful context for more current information. When determining whether a source should be included, the following factors were considered either from primary or secondary sources: the methodology, prior publications, degree of familiarity and experience with international labor standards, and/or reputation for accuracy and objectivity.

Some submissions raised concern that the “reasonable basis to believe” standard is relatively low. This standard was established in EO 13126 and the Department believes that the standard is appropriate given the nature of the EO List and the challenge in finding data. The EO List does not reflect a determination that forced or indentured child labor actually was used to produce a particular product. Rather, it establishes the need for further inquiry by a federal contractor who wishes to supply the product, in order to make sure that forced or indentured child labor was not, in fact, used. The factors consider in determining whether a “reasonable basis to believe” exists for the inclusion of a product on the EO List are set forth in the Department of Labor’s January 18, 2001, Procedural Guidelines (66 FR 5351), as well as the Department’s September 11, 2009, Notice of Initial Determination (74 FR 46794).

Several submissions from both governments and industry groups described their frustration at not being consulted prior to publication of the initial determination on September 11, 2009. EO 13126 does not require the Department to engage in such consultations, although the Department did undertake a series of activities to gather information from the public on child labor and forced labor more broadly prior to publication of the initial determination, including a public request for information published in the **Federal Register** and a public hearing on May 28, 2008. Additionally, the primary purpose of the initial determination

proposing to update the EO List and the accompanying 90-day public comment period was to gather additional information from the public and a wide variety of stakeholders prior to publication of the final determination.

*E. Comments Related to Impact of the List on Industries and Exports*

Some comments raised concerns that being named on the EO List would negatively affect their trade and export income. It is important to note that while the scope of the EO List is global, the application of EO 13126's requirements is narrow. The EO only affects products being procured by the U.S. Government. It is designed to make sure that U.S. federal agencies do not buy products made with forced or indentured child labor. The EO reinforces the current law (the Tariff Act of 1930, 19 U.S.C. § 1307, enforced by the Department of Homeland Security) prohibition on the import of products made with forced or indentured child labor. There is nothing in the EO that provides for trade sanctions or penalties against countries. Rather, EO 13126 requires U.S. federal contractors who furnish a product on the EO List to certify that forced or indentured child labor was not used to make the product.

*F. Comments on Discrepancies between the 2001 List and the Current List*

Several comments noted that products are included in the proposed update to the EO List that were not included in the existing EO List, most specifically carpets from India, Nepal and Pakistan. The research for the current proposed update to the EO List covers information published from 2001 onward, which includes information not available at the time of the publication of the 2001 EO List. Therefore, the product lists will not necessarily be the same as the period of review and available data sources are different.

*G. Comments Related to the Trafficking Victims Protection Reauthorization Act List of Goods Made with Child Labor or Forced Labor*

Multiple submissions included information that addressed goods named on the List of Goods Made with Child Labor or Forced Labor pursuant to the 2005 Trafficking Victims Protection Reauthorization Act (TVPRA List), which was published on the same date as the proposed update to the EO List. The Department would like to clarify that these two lists are produced under separate mandates and the public comment period identified for submissions relevant to the EO List initial determination did not apply to the TVPRA List. EO 13126 is intended to ensure that federal agencies enforce laws relating to forced or indentured child labor in the procurement process. Thus, the EO List differs from the TVPRA List, which is intended to promote efforts to monitor and combat forced labor and child labor in the production of goods in foreign countries. The EO on federal procurement applies only to the goods on the EO List, not to those on the TVPRA List. In addition, the EO List covers forced or indentured child labor, while the TVPRA List focuses on a broader population, including adults in forced labor and children in exploitive labor that is not necessarily forced or indentured.

While the process for updating the EO List does not apply to the TVPRA List, the ongoing maintenance of the TVPRA list is governed by procedural guidelines that are available at <http://www.dol.gov/federalregister/PdfDisplay.aspx?DocId=20376>. The Department of Labor considered all information received during the EO List public comment period addressing goods named on the TVPRA List as an official TVPRA list submission and provided that information to the appropriate Department staff for their review. Additional information on the TVPRA List can be found at <http://www.dol.gov/ILAB/programs/ocft/typra.htm>.

#### *H. Comments Related to Procurement of Products Named on the List*

Two comments were received urging additional measures related to enforcement of EO 13126 and clarifications related to the EO List. The Department of Labor's only mandate

pursuant to the EO is to produce the EO List in collaboration with the Departments of State and Homeland Security. The enforcement of the procurement regulation (48 CFR Subpart 22.15) issued by the General Services Administration pursuant to the EO falls to the various procurement offices in each of the Executive Branch agencies. It is up to each agency to determine what guidance, if any, is provided to contractors on the EO regulation, as well as to determine how they monitor compliance with the EO regulation. Any changes to the content of regulation fall under the authority of the General Services Administration.

Specific areas where clarifications were requested related to the type and state of the products listed. It was stated that product descriptions were often too broad and it was suggested that products be named using the harmonized tariff schedule. We believe that the descriptions are sufficiently specific based on the nature of the list and the types of information that are available. The EO does not require the use of the harmonized tariff schedule in the products list. At this time, the Departments do not have reason to believe that the use of such terminology in the EO List would result in more efficient implementation of EO 13126. Additionally, it was requested that the Department of Labor clarify that 48 CFR Subpart 22.15 only applies to the end product named on the EO List. It is not the Department's role to interpret the applicability of the regulation on behalf of the General Services Administration. However, the Department of Labor can clarify that the placement of a good on the EO List depends on the stage of production at which forced or indentured child labor was involved. For example, if forced child labor was used in the extraction, harvesting, assembly, or production of raw materials or component articles, and these materials or articles are subsequently used under non-violative conditions in the manufacture or processing of a final good, only the raw materials or component articles are on the EO List and only for those countries where they were extracted, harvested, assembled, or produced. If forced or indentured child labor was used in both the production or extraction of raw

materials or component articles and the manufacture or processing of a final good, then both the raw materials or component articles and the final good are included on the EO List.

### **III. Final List of Products**

We have determined that it would be appropriate to publish a final list of products that comprises the products included in the initial determination, with the exception of carpets from India.

Other than with regard to the one exception described above, no new information was provided through public comments to negate the original conclusion or to indicate that forced or indentured child labor has been significantly reduced or eliminated in the production of the listed products. The basis for including those products on the list is set forth in the Department of Labor's September 11, 2009, notice in the **Federal Register** (74 FR 46794). As noted in the September 11 notice, information provided in a public submission by Free the Slaves, alleging forced or indentured child labor in the cocoa industry in Cote d'Ivoire, and a public submission by State Department Watch, alleging forced or indentured child labor in the production of eight products in China, both filed pursuant to Section D of the Procedural Guidelines (66 FR 5351), was considered in finalizing the update to the EO List. This final determination completes consideration of the two submissions. The final list of products appears below.

Based on recent, credible, and appropriately corroborated information from various sources, the Department of Labor, the Department of State, and the Department of Homeland Security have concluded that there is a reasonable basis to believe that the following products, identified by their country of origin, might have been mined, produced, or manufactured by forced or indentured child labor:

<b>PRODUCT</b>	<b>COUNTRIES</b>
Bamboo	Burma
Beans (green, soy, yellow)	Burma
Brazil Nuts/Chestnuts	Bolivia
Bricks	Burma, China, India, Nepal, Pakistan

Carpets	Nepal, Pakistan
Charcoal	Brazil
Coal	Pakistan
Coca (stimulant plant)	Colombia
Cocoa	Cote d'Ivoire, Nigeria
Coffee	Cote d'Ivoire
Cotton	Benin, Burkina Faso, China, Tajikistan, Uzbekistan
Cottonseed (hybrid)	India
Diamonds	Sierra Leone
Electronics	China
Embroidered Textiles (zari)	India, Nepal
Garments	Argentina, India, Thailand
Gold	Burkina Faso
Granite	Nigeria
Gravel (crushed stones)	Nigeria
Pornography	Russia
Rice	Burma, India, Mali
Rubber	Burma
Shrimp	Thailand
Stones	India, Nepal
Sugarcane	Bolivia, Burma
Teak	Burma
Tilapia (fish)	Ghana
Tobacco	Malawi
Toys	China

The bibliographies providing the basis for including each product on the list are available on the Internet at <http://www.dol.gov/ILAB/regs/eo13126/main.htm>.

Signed at Washington, D.C., this 7th day of July, 2010.

Sandra Polaski  
Deputy Undersecretary, Bureau of International Labor Affairs

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