

110TH CONGRESS
1ST SESSION

H. R. 1910

To amend the Tariff Act of 1930 to prohibit the import, export, and sale of goods made with sweatshop labor, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 18, 2007

Mr. MICHAUD (for himself and Mr. SMITH of New Jersey) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Armed Services, Oversight and Government Reform, Rules, Energy and Commerce, and Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Tariff Act of 1930 to prohibit the import, export, and sale of goods made with sweatshop labor, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Decent Working Con-
5 ditions and Fair Competition Act”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) Violations of core labor standards, as de-
5 fined under the laws of the United States and the
6 International Labor Organization, are widespread in
7 factories that produce goods for sale in the United
8 States.

9 (2) Factories that violate core labor standards
10 are commonly referred to as sweatshops.

11 (3) Subjecting factory workers to sweatshop
12 conditions that violate core labor standards is mor-
13 ally offensive to the American people both in their
14 roles as consumers and as investors, and is degrad-
15 ing to workers forced to labor under sweatshop con-
16 ditions.

17 (4) Workers have a right to be free of sweat-
18 shop working conditions.

19 (5) Consumers have a right to know that the
20 goods they purchase are not produced in sweatshops.

21 (6) Businesses have a right to be free from
22 competition with companies that use sweatshop
23 labor.

24 (7) Shareholders have a right to know that
25 their investments are not supporting sweatshop
26 labor.

1 (8) It is a deceptive trade practice and a form
2 of unfair competition for a business to sell sweat-
3 shop goods.

4 (9) Prohibiting the sale, manufacture, offer for
5 sale, transportation, and distribution of sweatshop
6 goods, regardless of the source of the goods, is con-
7 sistent with the international obligations of the
8 United States because the prohibition applies equally
9 to domestic and foreign products and avoids any dis-
10 crimination among foreign sources of competing
11 products.

12 (b) PURPOSES.—The purposes of this Act are to—

13 (1) prohibit the import, export, or sale of goods
14 made in factories or workshops that violate core
15 labor standards; and

16 (2) prohibit the procurement of sweatshop
17 goods by the United States Government.

18 **SEC. 3. DEFINITION OF CORE LABOR STANDARDS.**

19 (a) IN GENERAL.—In this Act, the term “core labor
20 standards” means—

21 (1) the right of association;

22 (2) the right to organize and bargain collec-
23 tively;

24 (3) a prohibition on the use of any form of
25 forced or compulsory labor;

1 (4) a minimum age for the employment of chil-
2 dren; and

3 (5) acceptable conditions of work with respect
4 to minimum wages, hours of work, and occupational
5 safety and health.

6 (b) ACCEPTABLE CONDITIONS.—For purposes of
7 subsection (a)(5), acceptable conditions of work shall be
8 determined by the laws, regulations, or competent author-
9 ity of the country where the labor is performed.

10 **TITLE I—TARIFF ACT OF 1930**

11 **SEC. 101. IMPORTATION AND SALE OF SWEATSHOP GOODS**

12 **PROHIBITED.**

13 Section 307 of the Tariff Act of 1930 (19 U.S.C.
14 1307) is amended to read as follows:

15 **“SEC. 307. PROHIBITION ON IMPORT AND SALE OF CON-**

16 **VICT-MADE GOODS AND SWEATSHOP GOODS.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) CONVICT-MADE GOOD.—The term ‘convict-
19 made good’ means any good, ware, article, or mer-
20 chandise mined, produced, or manufactured wholly
21 or in part in any foreign country by convict labor.

22 “(2) SWEATSHOP GOOD.—The term ‘sweatshop
23 good’ means any good, ware, article, or merchandise
24 mined, produced, or manufactured wholly or in part
25 in violation of core labor standards as defined in sec-

1 tion 3 of the Decent Working Conditions and Fair
2 Competition Act.

3 “(b) PROHIBITIONS.—It is unlawful for any person
4 to—

5 “(1) import into the United States any convict-
6 made good;

7 “(2) import into, or export from, the United
8 States any sweatshop good; or

9 “(3) introduce into commerce, sell, trade, or ad-
10 vertise in commerce, offer to sell, or transport or
11 distribute in commerce in the United States, any
12 sweatshop good.”.

13 **SEC. 102. WAIVER AUTHORITY.**

14 (a) IN GENERAL.—The President, for reasons of na-
15 tional interest, may recommend that the application of
16 section 201 of this Act or section 307(b) (2) and (3) of
17 the Tariff Act of 1930 (19 U.S.C. 1307) be waived in con-
18 nection with the goods of any country with respect to 1
19 or more of the principles and rights defined as core labor
20 standards in section 3 of this Act. Any such recommenda-
21 tion shall—

22 (1) be transmitted to the House of Representa-
23 tives and the Senate setting forth the President’s
24 reasons for the waiver;

1 (2) include, for each waiver recommendation, a
2 determination that the waiver is necessary to protect
3 the national interest of the United States; and

4 (3) include, for each principle or right for which
5 a waiver is recommended, an explanation of why the
6 President recommends waiving application of that
7 principle or right.

8 (b) PERIOD OF WAIVER.—A waiver under this sec-
9 tion shall be effective for a 12-month period unless Con-
10 gress enacts a joint resolution described in subsection (c).

11 (c) JOINT RESOLUTION REQUIREMENTS AND PROCE-
12 DURES.—

13 (1) RESOLUTION DESCRIBED.—For purposes of
14 this subsection, the term “resolution” means only a
15 joint resolution of the two Houses of Congress, the
16 matter after the resolving clause of which is as fol-
17 lows: “That Congress does not approve the waiver of
18 section 201 of the Decent Working Conditions and
19 Fair Competition Act or section 307(b) (2) and (3)
20 of the Tariff Act of 1930 (19 U.S.C. 1307) rec-
21 ommended by the President to Congress on
22 _____ with respect to the application of
23 _____ to the goods of_____.”,
24 with the first blank space being filled with the ap-
25 propriate date, the second blank space being filled

1 with the principle or right to be waived, and the
2 third blank space being filled with the name of the
3 country with respect to which the waiver of author-
4 ity is disapproved.

5 (2) APPLICATION OF PROCEDURAL PROVI-
6 SIONS.—The provisions of section 152 (b) through
7 (f) of the Trade Act of 1974 (19 U.S.C. 2192 (b)
8 through (f)) shall apply to resolutions described in
9 paragraph (1).

10 (3) APPROVAL BY CONGRESS.—If Congress ap-
11 proves the joint resolution, Congress shall send the
12 resolution to the President before the end of the 90-
13 day period beginning on the date that Congress re-
14 ceives the waiver recommendation described in sub-
15 section (a).

16 (4) EFFECT OF VETO.—If the President vetoes
17 the joint resolution, the resolution is enacted into
18 law if each House of Congress votes to override the
19 veto on or before the later of the last day of the 90-
20 day period referred to in paragraph (3) or the last
21 day of the 15-day period, excluding any day de-
22 scribed in section 154(b) of the Trade Act of 1974
23 (19 U.S.C. 2194(b)), beginning on the date Con-
24 gress receives the veto message from the President.

1 (5) INTRODUCTION.—A joint resolution to
2 which this subsection applies may be introduced at
3 any time on or after the date the President trans-
4 mits to Congress the waiver recommendation de-
5 scribed in subsection (a).

6 (d) TERMINATION OR EXTENSION OF WAIVER.—A
7 waiver with respect to the goods of any country terminates
8 on the day after the waiver authority granted by this sub-
9 section ceases to be effective with respect to such country,
10 unless an extension of the waiver authority is granted. The
11 President may recommend an extension of the waiver au-
12 thority in the same manner as the original recommenda-
13 tion, except that the President may not recommend an ex-
14 tension later than the date that is 30 days before the waiv-
15 er authority expires. The President may, at any time, ter-
16 minate by Executive order any waiver under this section.

17 **TITLE II—FEDERAL TRADE**
18 **COMMISSION**

19 **SEC. 201. VIOLATION OF FEDERAL TRADE COMMISSION**
20 **ACT.**

21 (a) IN GENERAL.—It is unlawful for any person to
22 introduce into commerce, sell, trade, or advertise in com-
23 merce, offer to sell or transport or distribute in commerce
24 any sweatshop good.

1 (b) SWEATSHOP GOOD.—For purposes of this title,
2 the term “sweatshop good” means any good, ware, article,
3 or merchandise mined, produced, or manufactured wholly
4 or in part in violation of core labor standards, as defined
5 in section 3 of this Act.

6 (c) ENFORCEMENT.—

7 (1) IN GENERAL.—The Federal Trade Commis-
8 sion shall enforce the provisions of this section with
9 respect to the prohibitions under subsection (a) as if
10 the violation were an unfair or deceptive act or prac-
11 tice proscribed under section 18(a)(1)(B) of the
12 Federal Trade Commission Act (15 U.S.C.
13 57a(a)(1)(B)).

14 (2) ACTIONS BY THE COMMISSION.—The Com-
15 mission shall prevent any person from violating this
16 title in the same manner, by the same means, and
17 with the same jurisdiction, powers, and duties as
18 though all applicable terms and provisions of the
19 Federal Trade Commission Act (15 U.S.C. 41 et
20 seq.) were incorporated into and made a part of this
21 title. Any person that violates the provisions of this
22 title shall be subject to the penalties and entitled to
23 the privileges and immunities provided in the Fed-
24 eral Trade Commission Act in the same manner, by
25 the same means, and with the same jurisdiction,

1 power, and duties as though all applicable terms and
2 provisions of the Federal Trade Commission Act
3 were incorporated into and made a part of this title.

4 (3) INVESTIGATIONS.—Notwithstanding any
5 other provision of law, the Federal Trade Commis-
6 sion shall investigate any complaint received from a
7 worker alleging a violation of this title with respect
8 to a good, ware, article, or merchandise produced by
9 that worker.

10 (4) REGULATIONS.—Not later than 180 days
11 after the date of the enactment of this Act, the Fed-
12 eral Trade Commission shall publish rules to carry
13 out the provisions of this title.

14 **SEC. 202. PRIVATE RIGHT OF ACTION.**

15 (a) PRIVATE SUITS.—A person with standing to sue
16 under subsection (c) may bring a civil action against any
17 seller of goods, wares, articles, or merchandise on grounds
18 of violation of section 201.

19 (b) JURISDICTION.—The United States district
20 courts shall have jurisdiction, without regard to the
21 amount in controversy or the citizenship of the parties,
22 to enforce this section.

23 (c) STANDING TO SUE.—The following persons have
24 standing to sue under this section:

1 (1) Competitors of the retailer of any good,
2 ware, article, or merchandise sold in violation of sec-
3 tion 201.

4 (2) Investors of the retailer of any good, ware,
5 article, or merchandise sold in violation of section
6 201.

7 (3) Any employee of a person against whom an
8 enforcement action has been brought for a violation
9 of section 307 of the Tariff Act (19 U.S.C. 1307),
10 as amended by this Act.

11 (4) Any labor organization representing employ-
12 ees of the manufacturer or contractor or rep-
13 resenting employees in the same industry or sector.

14 (5) Any human rights organization whose pur-
15 pose, in whole or in part, is to promote the enforce-
16 ment of international labor rights and standards.

17 (d) DAMAGES; INJUNCTIVE RELIEF; ATTORNEY
18 COSTS AND FEES.—

19 (1) DAMAGES.—When a violation of section 201
20 is established in any civil action arising under this
21 section, the plaintiff shall be entitled to recover
22 \$10,000 or the fair market value of the goods,
23 whichever is greater.

1 (2) INJUNCTIVE RELIEF.—The plaintiff may
2 sue for injunctive relief against threatened loss or
3 damage due to a violation of section 201.

4 (3) COSTS AND FEES.—The court shall award
5 the cost of the suit, including reasonable attorneys'
6 fees, to a prevailing plaintiff.

7 (e) INTERAGENCY COOPERATION.—All Federal de-
8 partments and agencies shall cooperate with the Commis-
9 sioner of the United States Customs and Border Protec-
10 tion and the Federal Trade Commission, to the extent
11 practicable in the enforcement of this title.

12 (f) LIST OF VIOLATORS; DISCLOSURE AND PUBLICA-
13 TION BY FEDERAL TRADE COMMISSION.—On January 1
14 and July 1 of each year, the Federal Trade Commission
15 shall publish in the Federal Register and post on an Inter-
16 net website the following information:

17 (1) An alphabetical list of the name, address,
18 and chief executive officer of each person that has,
19 during the 2 years prior to publication, violated the
20 provisions of this title, along with a summary de-
21 scription of each violation and the cumulative num-
22 ber of violations by each person on the list.

23 (2) A detailed description of each violation that
24 includes the following information:

1 (A) The name, address, and chief executive
2 officer of each violator.

3 (B) The circumstances under which core
4 labor standards, as defined in section 3 of this
5 Act, were violated in the course of the mining,
6 production, or manufacturing of the goods in
7 question.

8 **TITLE III—GOVERNMENT**
9 **PROCUREMENT**

10 **SEC. 301. GOVERNMENT PROCUREMENT OF SWEATSHOP**
11 **GOODS PROHIBITED.**

12 (a) AMENDMENT TO FEDERAL PROPERTY AND AD-
13 MINISTRATIVE SERVICES ACT OF 1949.—Title III of the
14 Federal Property and Administrative Services Act of 1949
15 (41 U.S.C. 251 et seq.) is amended by adding at the end
16 the following new section:

17 **“SEC. 318. PROHIBITION ON PROCUREMENT OF SWEAT-**
18 **SHOP GOODS.**

19 “(a) CERTIFICATION REQUIREMENT.—The head of
20 an executive agency shall ensure that each covered con-
21 tract entered into by such official for the procurement of
22 property includes a clause that requires the contractor—

23 “(1) to certify to the contracting officer that
24 the contractor has made a good faith effort to deter-
25 mine whether any product furnished under the con-

1 tract is a sweatshop good, and that, on the basis of
2 those efforts, the contractor is unaware that any
3 such product is a sweatshop good; and

4 “(2) to cooperate fully in providing reasonable
5 access to the contractor’s records, persons, or prem-
6 ises if requested by the contracting agency, the De-
7 partment of Homeland Security, or the Department
8 of Justice for the purpose of determining whether
9 any product furnished under the contract is a sweat-
10 shop good.

11 “(b) INVESTIGATIONS.—Whenever a contracting offi-
12 cer of an executive agency has reason to believe that a
13 product furnished under a covered contract is a sweatshop
14 good, the head of the executive agency shall refer the mat-
15 ter for investigation to the Inspector General of the execu-
16 tive agency and, as the head of the executive agency or
17 the Inspector General determines appropriate, to the At-
18 torney General and the Secretary of Homeland Security.

19 “(c) REMEDIES.—

20 “(1) IN GENERAL.—The head of an executive
21 agency may impose remedies as provided in this sub-
22 section if the head of the executive agency finds that
23 the contractor—

24 “(A) has furnished under a covered con-
25 tract a product that is a sweatshop good;

1 “(B) has submitted a false certification
2 under subsection (a)(1); or

3 “(C) has failed to cooperate with an inves-
4 tigation under this section.

5 “(2) TERMINATION OF CONTRACT.—The head
6 of an executive agency may terminate a covered con-
7 tract on the basis of a finding of a violation that oc-
8 curs under paragraph (1) after the date the require-
9 ments of this section are implemented through the
10 amendment of the Federal Acquisition Regulation
11 under sections 6 and 25 of the Office of Federal
12 Procurement Policy Act (41 U.S.C. 405 and 421).

13 “(3) DEBARMENT AND SUSPENSION.—The head
14 of an executive agency may debar or suspend a con-
15 tractor from eligibility for Federal contracts on the
16 basis of a finding that the contractor has committed
17 a violation described in paragraph (1). The debar-
18 ment period may not exceed 3 years.

19 “(4) INCLUSION ON LIST OF PARTIES EX-
20 CLUDED FROM FEDERAL PROCUREMENT AND NON-
21 PROCUREMENT PROGRAMS.—The Administrator of
22 General Services shall include on the List of Parties
23 Excluded from Federal Procurement and Non-
24 procurement Programs maintained by the Adminis-
25 trator under part 9 of the Federal Acquisition Regu-

1 lation each contractor that is debarred, suspended,
2 proposed for debarment or suspension, or declared
3 ineligible by the head of an executive agency on the
4 basis that the contractor has committed a violation
5 under paragraph (1).

6 “(5) REMEDIES NOT EXCLUSIVE.—This section
7 shall not be construed to limit the use of other rem-
8 edies available to the head of an executive agency or
9 any other official of the Federal Government on the
10 basis of a finding under paragraph (1).

11 “(d) DEFINITIONS.—In this section:

12 “(1) COVERED CONTRACT.—The term ‘covered
13 contract’ means a contract for a total amount in ex-
14 cess of the micro-purchase threshold, as that term is
15 defined in section 32(f) of the Office of Federal Pro-
16 curement Policy Act (41 U.S.C. 428(f)).

17 “(2) SWEATSHOP GOOD.—The term ‘sweatshop
18 good’ means all goods, wares, articles, and merchan-
19 dise mined, produced, or manufactured wholly or in
20 part in violation of core labor standards, as defined
21 in section 3 of the Decent Working Conditions and
22 Fair Competition Act.”.

23 (b) AMENDMENT TO TITLE 10, UNITED STATES
24 CODE.—

1 (1) IN GENERAL.—Chapter 137 of title 10,
2 United States Code, is amended by adding at the
3 end the following new section:

4 **“§ 2334. Prohibition on procurement of sweatshop**
5 **goods**

6 “(a) CERTIFICATION REQUIREMENT.—The head of
7 an agency shall ensure that each covered contract entered
8 into by such official for the procurement of property in-
9 cludes a clause that requires the contractor—

10 “(1) to certify to the contracting officer that
11 the contractor has made a good faith effort to deter-
12 mine whether any product furnished under the con-
13 tract is a sweatshop good, and that, on the basis of
14 those efforts, the contractor is unaware that any
15 such product is a sweatshop good; and

16 “(2) to cooperate fully in providing reasonable
17 access to the contractor’s records, persons, or prem-
18 ises if requested by the contracting agency, the De-
19 partment of Homeland Security, or the Department
20 of Justice for the purpose of determining whether
21 any product furnished under the contract is a sweat-
22 shop good.

23 “(b) INVESTIGATIONS.—Whenever a contracting offi-
24 cer of an agency has reason to believe that a product fur-
25 nished under a covered contract is a sweatshop good, the

1 head of the agency shall refer the matter for investigation
2 to the Inspector General of the agency and, as the head
3 of the agency or the Inspector General determines appro-
4 priate, to the Attorney General and the Secretary of
5 Homeland Security.

6 “(c) REMEDIES.—(1) The head of an agency may im-
7 pose remedies as provided in this subsection if the head
8 of the agency finds that the contractor—

9 “(A) has furnished under a covered contract a
10 product that is a sweatshop good;

11 “(B) has submitted a false certification under
12 subsection (a)(1); or

13 “(C) has failed to cooperate with an investiga-
14 tion under subsection (b).

15 “(2) The head of an agency may terminate a covered
16 contract on the basis of a finding of a violation that occurs
17 under paragraph (1) after the date the requirements of
18 this section are implemented through the amendment of
19 the Federal Acquisition Regulation under sections 6 and
20 25 of the Office of Federal Procurement Policy Act (41
21 U.S.C. 405 and 421).

22 “(3) The head of an agency may debar or suspend
23 a contractor from eligibility for Federal contracts on the
24 basis of a finding that the contractor has committed a vio-

1 lation described in paragraph (1). The debarment period
2 may not exceed 3 years.

3 “(4) The Administrator of General Services shall in-
4 clude on the List of Parties Excluded from Federal Pro-
5 curement and Nonprocurement Programs maintained by
6 the Administrator under part 9 of the Federal Acquisition
7 Regulation each contractor that is debarred, suspended,
8 proposed for debarment or suspension, or declared ineli-
9 gible by the head of an agency on the basis that the con-
10 tractor has committed a violation under paragraph (1).

11 “(5) This section shall not be construed to limit the
12 use of other remedies available to the head of an agency
13 or any other official of the Federal Government on the
14 basis of a finding under paragraph (1).

15 “(d) DEFINITIONS.—In this section:

16 “(1) The term ‘covered contract’ means a con-
17 tract for a total amount in excess of the micro-pur-
18 chase threshold, as that term is defined in section
19 32(f) of the Office of Federal Procurement Policy
20 Act (41 U.S.C. 428(f)).

21 “(2) The term ‘sweatshop good’ means all
22 goods, wares, articles, and merchandise mined, pro-
23 duced, or manufactured wholly or in part in violation
24 of core labor standards, as defined in section 3 of

1 the Decent Working Conditions and Fair Competi-
2 tion Act.”.

3 (2) CLERICAL AMENDMENT.—The table of con-
4 tents at the beginning of such chapter is amended
5 by adding at the end the following new item:

“2334. Prohibition on procurement of sweatshop goods.”.

6 (c) IMPLEMENTATION THROUGH THE FEDERAL AC-
7 QUISSION REGULATION.—Not later than 120 days after
8 the date of the enactment of this Act, the Federal Acquisi-
9 tion Regulatory Council shall amend the Federal Acquisi-
10 tion Regulation issued under sections 6 and 25 of the Of-
11 fice of Federal Procurement Policy Act (41 U.S.C. 405
12 and 421) to provide for the implementation of the require-
13 ments of section 318 of the Federal Property of Adminis-
14 trative Services Act of 1949 and section 2334 of title 10,
15 United States Code, as added by subsections (a) and (b),
16 respectively.

17 (d) REPORT.—Not later than 2 years after the re-
18 quirements of this section and of section 318 of the Fed-
19 eral Property of Administrative Services Act of 1949 and
20 section 2334 of title 10, United States Code, as added by
21 subsections (a) and (b), respectively, are implemented
22 through the amendment of the Federal Acquisition Regu-
23 lation pursuant to subsection (c), the Administrator of
24 General Services, with the assistance of other executive

1 agencies, shall submit to the Office of Management and
2 Budget a report on the actions taken under such sections.

3 **TITLE IV—EFFECT ON STATE**
4 **LAW**

5 **SEC. 401. RULE OF CONSTRUCTION.**

6 Nothing in this Act or the amendments made by this
7 Act shall be construed to preempt any law of a State or
8 political subdivision of a State relating to labor standards
9 required in the mining, production, or manufacture of any
10 good, ware, article, or merchandise purchased by the State
11 or political subdivision.

○