

104TH CONGRESS
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H. R. 910

To require the Secretary of State to establish a set of voluntary guidelines to promote socially responsible business practices for United States businesses operating in foreign countries.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 1995

Mr. EVANS (for himself, Ms. KAPTUR, Mr. BROWN of California, Mr. DEFAZIO, Mr. CONYERS, Mrs. SCHROEDER, Mr. FRANK of Massachusetts, Ms. PELOSI, Mr. LIPINSKI, Mr. DURBIN, Mr. DELLUMS, Mr. FROST, Mr. MCHALE, Mr. SERRANO, Mr. ROMERO-BARCELÓ, Mrs. COLLINS of Illinois, Mr. ABERCROMBIE, Mr. GUTIERREZ, Mr. HILLIARD, Mr. OLVER, Mr. VENTO, Mr. WATT of North Carolina, Ms. WOOLSEY, Ms. VELÁZQUEZ, and Mr. SANDERS) introduced the following bill; which was referred to the Committee on International Relations

A BILL

To require the Secretary of State to establish a set of voluntary guidelines to promote socially responsible business practices for United States businesses operating in foreign countries.

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. FINDINGS.**

4 The Congress finds that—

1 (1) in the 1990s and beyond, capital, tech-
2 nology, and services are and will be easily trans-
3 ferred anywhere in the world without due regard for
4 national boundaries and governmental policies, espe-
5 cially those pertaining to fundamental labor, envi-
6 ronmental, and agricultural standards;

7 (2) multinational corporations now play a major
8 role in the conduct of international trade and invest-
9 ment among all nations, yet multinational corpora-
10 tions are not accountable in important ways to any
11 national governments or international organizations
12 and are not bound by any universal international
13 agreements or standards of conduct;

14 (3) increasingly, multinational corporations are
15 crucial agents of commerce and investment between
16 developed and developing countries, wielding great
17 influence over whatever national standards exist in
18 respective countries pertaining to socially responsible
19 investment;

20 (4) some multinational corporations, including
21 some based in the United States, have adopted vol-
22 untary codes of conduct governing all aspects of
23 their operations with a view toward promoting so-
24 cially responsible investment; and

1 (5) there already exist some promising prece-
2 dents of corporate codes of conduct for multinational
3 corporations which, if widely adhered to and en-
4 forced, could facilitate socially responsible business
5 operations worldwide and reduce pressures to en-
6 hance competitiveness by ignoring fundamental
7 labor, environmental, and agricultural standards
8 where they exist.

9 **SEC. 2. ESTABLISHMENT OF GUIDELINES.**

10 (a) RESPONSIBILITY OF SECRETARY OF STATE.—
11 The Secretary of State, in consultation with the Secretary
12 of Labor, the Secretary of Commerce, the heads of appro-
13 priate Federal departments and agencies, labor represent-
14 atives, representatives of businesses with operations
15 abroad, and appropriate nonprofit organizations, shall es-
16 tablish guidelines which United States nationals should
17 use in conducting business operations anywhere in the ter-
18 ritory of any foreign country.

19 (b) CONTENTS OF GUIDELINES.—The guidelines es-
20 tablished under subsection (a) shall, at a minimum, be
21 based on the principles contained in the following:

22 (1) The “Guidelines for Multinational Enter-
23 prises” of the Organization for Economic Coopera-
24 tion and Development.

1 (2) The “Tripartite Declaration of Principles
2 Concerning Multinational Enterprises and Social
3 Policy” of the International Labor Organization.

4 (3) The child labor standards established by the
5 International Labor Organization.

6 (4) The standards regarding prison labor that
7 are contained in Article XX of the General Agree-
8 ment on Tariffs and Trade.

9 (5) The so-called “MacBride Principles”, “Sul-
10 livan Principles”, and “Slepek Principles”.

11 (6) The so-called “Minnesota Principles” or
12 “Caux Principles”.

13 As used in paragraph (4), the term “General Agreement
14 on Tariffs and Trade” refers to the General Agreement
15 on Tariffs and Trade annexed to the Agreement Establish-
16 ing the World Trade Organization that was entered into
17 on April 15, 1994.

18 (c) EFFECTIVE DATE.—The guidelines established
19 under subsection (a) shall be published in the Federal
20 Register and shall take effect 6 months after the date of
21 the enactment of this Act.

22 **SEC. 3. COMPLIANCE.**

23 (a) SUBMISSION OF STATEMENTS.—Not later than 1
24 year after the effective date described in section 2(c), and
25 not later than the end of each 1-year period thereafter,

1 each United States national that conducts business oper-
2 ations, directly or through a foreign subsidiary or contrac-
3 tor, in any foreign country shall submit a statement to
4 the Secretary of State, in such form as the Secretary of
5 State shall prescribe, indicating whether or not such na-
6 tional, in conducting such business operations, is comply-
7 ing with the guidelines.

8 (b) REGISTRATION.—

9 (1) REQUIREMENT.—The Secretary of State
10 shall require United States nationals subject to the
11 requirement of subsection (a) to file with the Sec-
12 retary a registration with respect to their business
13 operations in foreign countries. Such registration
14 shall include the name of the business operations in
15 each foreign country, and the location and chief offi-
16 cers of such business operations. No fee shall be re-
17 quired for registration under this subsection.

18 (2) EFFECTIVE DATE.—The registration re-
19 quirement of paragraph (1) shall take effect 6
20 months after the date of the enactment of this Act.

21 (c) HEARINGS.—The Secretary of State shall conduct
22 public hearings at least once each year on the compliance
23 with the guidelines of United States nationals subject to
24 the requirement of subsection (a). The Secretary shall pro-

1 vide interested persons with an opportunity to testify at
2 such hearings.

3 (d) ANNUAL REPORT.—The Secretary of State shall
4 submit a report to the Congress describing the level of
5 compliance with the guidelines by United States nationals
6 subject to the requirement of subsection (a). This report
7 shall be submitted not later than 18 months after the date
8 of the enactment of this Act and not later than the end
9 of each 1-year period occurring thereafter.

10 **SEC. 4. EXPORT MARKETING SUPPORT.**

11 (a) SUPPORT.—Departments and agencies of the
12 United States may intercede with a foreign government
13 or foreign national regarding export marketing activity in
14 a foreign country on behalf of a United States national
15 subject to the requirement of section 3(a) only if that
16 United States national complies with the guidelines.

17 (b) TYPE OF CONTACT.—The term “intercede with
18 a foreign government or foreign national” includes any
19 contact by an officer or employee of the United States with
20 officials of any foreign government or foreign national in-
21 volving or contemplating any effort to assist in selling a
22 good, service, or technology in a foreign country. Such
23 term does not include multilateral or bilateral government-
24 to-government trade negotiations intended to resolve trade

1 issues which may affect United States nationals who do
2 not comply with the guidelines.

3 (c) EFFECTIVE DATE.—Subsection (a) shall take ef-
4 fect 18 months after the date of the enactment of this
5 Act.

6 **SEC. 5. DEFINITIONS.**

7 For purposes of this Act—

8 (1) the terms “comply with the guidelines”,
9 “complying with the guidelines” and “compliance
10 with the guidelines” mean—

11 (A) implementing the guidelines estab-
12 lished under section 2(a) by taking good faith
13 measures with respect to each such guideline;
14 and

15 (B) reporting accurately to the Depart-
16 ment of State on the measures taken to imple-
17 ment those principles;

18 (2) the term “business operations” refers to a
19 for-profit activity, but does not include a small busi-
20 ness concern as defined under section 3 of the Small
21 Business Act (15 U.S.C. 632); and

22 (3) the term “United States national” means—

23 (A) a citizen or national of the United
24 States or a permanent resident of the United
25 States; and

1 (B) a corporation, partnership, and other
2 business association organized under the laws
3 of the United States, any State or territory
4 thereof, the District of Columbia, the Common-
5 wealth of Puerto Rico, or the Commonwealth of
6 the Northern Mariana Islands.

7 **SEC. 6. REGULATIONS.**

8 The Secretary of State may issue such regulations
9 as are necessary to carry out this Act.

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