

107TH CONGRESS  
1ST SESSION

# H. R. 2661

To provide certain requirements for labeling textile fiber products and for duty-free and quota-free treatment of products of, and to implement minimum wage and immigration requirements in, the Northern Mariana Islands, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2001

Mr. GEORGE MILLER of California (for himself, Mr. SPRATT, Mr. BONIOR, Ms. MCKINNEY, Mr. KENNEDY of Rhode Island, Mr. FRANK, Mr. KUCINICH, Ms. KAPTUR, Mr. HILLIARD, Mr. CAPUANO, Ms. SCHAKOWSKY, Mr. FILNER, Mr. SANDERS, Mr. STARK, Mr. FROST, Mr. ABERCROMBIE, Ms. HOOLEY of Oregon, Mr. INSLEE, Mr. LUTHER, Mr. BRADY of Pennsylvania, Ms. PELOSI, Mr. HINCHEY, Mrs. CLAYTON, Ms. LEE, Mr. UDALL of New Mexico, Mr. UDALL of Colorado, Ms. WOOLSEY, Mrs. MINK of Hawaii, Mr. BARRETT of Wisconsin, Mr. CROWLEY, Mr. ENGEL, Mr. JACKSON of Illinois, Mr. PASCRELL, Mr. EVANS, Ms. LOFGREN, Mr. LANTOS, Mr. GUTIERREZ, Mr. BERMAN, Mr. OWENS, Ms. BALDWIN, Mr. KLECZKA, Mr. PALLONE, Mr. MASCARA, Mr. RAHALL, Mr. TRAFICANT, Mr. ALLEN, Ms. SLAUGHTER, Mr. McDERMOTT, and Mr. VISCLOSKY) introduced the following bill; which was referred to the Committee on Resources, and in addition to the Committee on Ways and Means, 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 provide certain requirements for labeling textile fiber products and for duty-free and quota-free treatment of products of, and to implement minimum wage and immigration requirements in, the Northern Mariana Islands, 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 “United States-Com-  
5 monwealth of the Northern Marianas Human Dignity  
6 Act”.

7 **SEC. 2. FINDINGS.**

8       Congress finds the following:

9           (1) Between 1955 and 1975, the people of the  
10       Northern Mariana Islands, through their duly elect-  
11       ed representatives, expressed on numerous occasions  
12       formally and informally to the United States and to  
13       the United Nations their strong desire to become a  
14       part of the United States.

15           (2) In 1975 the legislature of the Northern  
16       Mariana Islands unanimously endorsed the Covenant  
17       to Establish a Commonwealth of the Northern Mar-  
18       iana Islands in Political Union with the United  
19       States of America, and the Covenant was put before  
20       the voters of the Northern Mariana Islands on June  
21       17, 1975, with 95 percent of eligible voters casting  
22       ballots and 78.8 percent voting to approve the Cov-  
23       enant.

24           (3) To allay any concerns of the Commonwealth  
25       of the Northern Mariana Islands that United States

1 immigration laws would allow mass immigration into  
2 the small island communities, article V of the Cov-  
3 enant which established a Commonwealth of the  
4 Northern Mariana Islands provided the Common-  
5 wealth of the Northern Mariana Islands with a par-  
6 tial exemption from the Immigration and Nationality  
7 Act until the United Nations trusteeship over the Is-  
8 lands ended in 1986.

9 (4) The Commonwealth of the Northern Mar-  
10 iana Islands then instituted a largely unrestricted  
11 immigration policy, resulting in a population explo-  
12 sion of over 250 percent in 15 years, so that in  
13 1999, 80,000 people live in the Northern Mariana  
14 Islands of which only 40 percent are United States  
15 residents and 60 percent are foreign contract work-  
16 ers.

17 (5) The Commonwealth of the Northern Mar-  
18 iana Islands has used its immigration policy to re-  
19 cruit a large, low-cost foreign workforce of des-  
20 perately poor individuals with virtually no voice to  
21 demand safe living and working conditions or better  
22 wage and benefit options.

23 (6) In 1999, more than 85 percent of all pri-  
24 vate sector jobs in the Northern Mariana Islands  
25 were held by temporary contract workers from for-

1       eign countries while nearly 50 percent of all em-  
2       ployed United States citizens in the Northern Mar-  
3       iana Islands work for the local government.

4           (7) The recruitment of this large, low-cost for-  
5       eign workforce has led to a consistent unemployment  
6       rate of 10 percent among United States citizens in  
7       the Northern Mariana Islands compared to less than  
8       5 percent in the United States as a whole.

9           (8) 35 percent of locally born United States  
10      citizens live below the poverty rate, despite this high  
11      poverty rate every 2.6 local households employ at  
12      least 1 foreign contracted live-in maid.

13          (9) More than \$1,025,000,000 worth of gar-  
14      ments made by alien contract workers using mostly  
15      foreign-made fabric entered the United States in  
16      2000, quota- and duty-free, at a cost to the United  
17      States treasury of more than \$200,000,000.

18          (10) On February 4, 1999, the Senate of the  
19      Commonwealth of the Northern Mariana Islands  
20      passed legislation to allow up to an additional 2,400  
21      contract workers to be brought into the Northern  
22      Mariana Islands.

23          (11) Article V of section 503 of the Covenant  
24      which established a Commonwealth of the Northern  
25      Mariana Islands provided the Commonwealth of the

1 Northern Mariana Islands with a temporary exemp-  
2 tion from the minimum wage provisions of the Fair  
3 Labor Standards Act of 1938 in order to assist the  
4 growth of the Islands' economy.

5 (12) The economy of the Northern Mariana Is-  
6 lands has grown significantly and, in 2000, the gar-  
7 ment industry alone sent over \$1,025,000,000 worth  
8 of garments to the United States mainland; yet the  
9 current minimum wage in the Northern Mariana Is-  
10 lands is as low as \$3.05 per hour.

11 (13) The legislature of the Commonwealth of  
12 the Northern Mariana Islands reversed a law that  
13 would have provided for small, incremental increases  
14 in the minimum wage in the Northern Mariana Is-  
15 lands until that wage reached the federally man-  
16 dated wage.

17 (14) All workers on United States soil should  
18 be paid a living wage.

19 (15) Garments made in the Northern Mariana  
20 Islands may carry a "Made in USA" label, deceiving  
21 consumers as to the conditions under which the gar-  
22 ments have been made and competing directly with  
23 garments made on the United States mainland by  
24 workers paid a living wage, working in a safe envi-  
25 ronment.

1           (16) “Sweatshop” conditions exist in the North-  
2           ern Mariana Islands, where employers—

3                   (A) provide unsafe and unhealthy working  
4                   and living environments;

5                   (B) use bonded and indentured foreign la-  
6                   borers;

7                   (C) do not pay wages required under the  
8                   Fair Labor Standards Act; and

9                   (D) refuse to recognize the legal rights of  
10                  workers to form labor unions without fear of re-  
11                  taliation.

12           (17) The Government of the Commonwealth of  
13           the Northern Mariana Islands has repeatedly re-  
14           fused to raise the wage and living standards for  
15           workers, or to aggressively prosecute labor and  
16           human rights abuses.

17           (18) United States Customs agents and Cus-  
18           toms agents of the Commonwealth of the Northern  
19           Mariana Islands are not permitted under current  
20           law to open and inspect cargo containers entering  
21           the Northern Mariana Islands without the owner of  
22           the container present.

23 **SEC. 3. AMENDMENTS.**

24           The Joint Resolution entitled “Joint Resolution to  
25           approve the ‘Covenant To Establish a Commonwealth of

1 the Northern Mariana Islands in Political Union with the  
2 United States of America’, and for other purposes” ap-  
3 proved March 24, 1976 (48 U.S.C. 1801 et seq.), is  
4 amended by adding at the end the following new sections:

5 **“SEC. 7. LABELING OF TEXTILE FIBER AND OTHER PROD-**  
6 **UCTS.**

7 “(a) IN GENERAL.—No product, including textile  
8 fiber products, shall have a stamp, tag, label, or other  
9 means of identification or substitute therefor on or affixed  
10 to the product stating ‘Made in USA’ or otherwise stating  
11 or implying that the product was made or assembled in  
12 the United States unless—

13 “(1) each individual providing direct labor in  
14 production of such product was paid a wage equal  
15 to or greater than the wage set by the Fair Labor  
16 Standards Act of 1938 (29 U.S.C. 201 et seq.);

17 “(2) the product was produced or manufactured  
18 in compliance with all Federal laws relating to labor  
19 rights and working conditions, including, but not  
20 limited to, the National Labor Relations Act, the  
21 Occupational Safety and Health Act of 1970, and  
22 the Fair Labor Standards Act of 1938;

23 “(3) the factory or other business concern pro-  
24 ducing or manufacturing the product does not em-

1       ploy individuals under conditions of indentured ser-  
2       vitude.

3       “(b) RESULT OF NONCOMPLIANCE REGARDING TEX-  
4       TILE FIBER PRODUCTS.—A textile fiber product, which  
5       is stamped, tagged, labeled, or otherwise identified in vio-  
6       lation of subsection (a) shall be deemed to be misbranded  
7       for purposes of the Textile Fiber Products Identification  
8       Act (15 U.S.C. 70 et seq.).

9       “(c) DEFINITIONS.—For purposes of the section:

10           “(1) DIRECT LABOR.—The term ‘direct labor’  
11       includes any work provided to prepare, assemble,  
12       process, package, or transport a textile fiber prod-  
13       uct, but does not include supervisory, management,  
14       security, or administrative work.

15           “(2) INDENTURED SERVITUDE.—The term ‘in-  
16       dentured servitude’ includes all labor for which an  
17       alien worker is in the Commonwealth of the North-  
18       ern Mariana Islands solely by virtue of an employ-  
19       ment contract with a specific and sole employer or  
20       ‘master’ who is in control of the duration of the stay  
21       of the indentured alien worker in the Commonwealth  
22       of the Northern Mariana Islands. If the worker dis-  
23       pleases the employer/master, the contract is termi-  
24       nated and the employee must leave the Common-  
25       wealth of the Northern Mariana Islands.

1 **“SEC. 8. MINIMUM WAGE.**

2 “Section 503(c) of the foregoing Covenant shall be  
3 construed and applied as if it read as follows:

4 ““(c) The minimum wage provisions of the Fair  
5 Labor Standards Act of 1938 (29 U.S.C. 201 et seq.),  
6 shall apply to the Commonwealth of the Northern Mariana  
7 Islands, except that—

8 ““(1) until the beginning of the day that is 30  
9 days after the date of the enactment of this Act, the  
10 minimum wage applicable to the Commonwealth of  
11 the Northern Mariana Islands shall be \$3.55 per  
12 hour;

13 ““(2) on the day that is 30 days after the date  
14 of the enactment of this Act, and every six months  
15 thereafter, the minimum wage applicable to the  
16 Commonwealth of the Northern Mariana Islands  
17 shall be \$1.00 per hour more than the minimum  
18 wage that was applicable to the Commonwealth of  
19 the Northern Mariana Islands for the preceding 6-  
20 month period until the minimum wage applicable to  
21 the Commonwealth of the Northern Mariana Islands  
22 is equal to the minimum wage rate set forth in sec-  
23 tion 6(a)(1) of the Fair Labor Standards Act of  
24 1938; and

25 ““(3) after the minimum wage applicable to the  
26 Commonwealth of the Northern Mariana Islands is

1 equal to the minimum wage rate set forth in section  
2 6(a)(1) of the Fair Labor Standards Act of 1938,  
3 pursuant to paragraph (2), the minimum wage ap-  
4 plicable to the Commonwealth of the Northern Mar-  
5 iana Islands shall increase as necessary to remain  
6 equal to the minimum wage rate set forth in section  
7 6(a)(1) of the Fair Labor Standards Act of 1938.’

8 **“SEC. 9. CONDITIONS FOR DUTY-FREE AND QUOTA-FREE**  
9 **TREATMENT.**

10 “(a) CONDITIONS.—No product of the Northern Mar-  
11 iana Islands may enter the customs territory of the United  
12 States duty-free or not subject to quota as the product  
13 of an insular possession, unless—

14 “(1) each individual providing direct labor in  
15 production of the product was paid a wage equal to  
16 or greater than the wage set by the Fair Labor  
17 Standards Act of 1938 (29 U.S.C. 201 et seq.);

18 “(2) the product was produced or manufactured  
19 in compliance with all Federal laws relating to labor  
20 rights and working conditions, including, but not  
21 limited to, the National Labor Relations Act, the  
22 Occupational Safety and Health Act of 1970, and  
23 the Fair Labor Standards Act of 1938;

24 “(3) the factory or other business concern pro-  
25 ducing or manufacturing the product does not em-

1       ploy individuals under conditions of indentured ser-  
2       vitude; and

3               “(4) the Commissioner of Customs has certified  
4       that the Commonwealth of the Northern Mariana Is-  
5       lands is taking adequate measures—

6               “(A) to prevent unlawful transshipment of  
7       goods that is carried out by rerouting, false  
8       declaration concerning country or place of ori-  
9       gin, falsification of documents, evasion of  
10      United States rules of origin, or any other  
11      means; and

12              “(B) to prevent being used as a transit  
13      point for the shipment of goods in violation of  
14      the Agreement on Textiles and Clothing re-  
15      ferred to in section 101(d)(4) of the Uruguay  
16      Round Agreements Act or any other applicable  
17      trade agreement.

18      “(b) PENALTIES AGAINST EXPORTERS.—If the  
19      President determines, based on sufficient evidence, that  
20      an exporter has willfully falsified information regarding  
21      the country of origin, manufacture, processing, or assem-  
22      bly of a product of the Northern Mariana Islands for  
23      which duty-free or quota-free treatment is claimed, then  
24      the President shall deny to such exporter, and any succes-

1 sors of such exporter, for a period of 2 years, duty-free  
2 and quota-free treatment for such product.

3 “(c) DEFINITION.—For purposes of this section:

4 “(1) DIRECT LABOR.—The term ‘direct labor’  
5 includes any work provided to prepare, assemble,  
6 process, package, or transport a product, but does  
7 not include supervisory, management, security, or  
8 administrative work.

9 “(2) INDENTURED SERVITUDE.—The term ‘in-  
10 dentured servitude’ includes all labor for which an  
11 alien worker is in the Commonwealth of the North-  
12 ern Mariana Islands solely by virtue of an employ-  
13 ment contract with a specific and sole employer or  
14 ‘master’ who is in control of the duration of the stay  
15 of the indentured alien worker in the Commonwealth  
16 of the Northern Mariana Islands. If the worker dis-  
17 pleases the employer/master, the contract is termi-  
18 nated and the employee must leave the Common-  
19 wealth of the Northern Mariana Islands.

20 **“SEC. 10. APPLICABILITY OF IMMIGRATION LAWS.**

21 “Section 506 of the foregoing Covenant shall be con-  
22 strued and applied as if it included at the end the fol-  
23 lowing subsection:

24 ““(e)(1) The provisions of the Immigration and Na-  
25 tionality Act shall apply to the Northern Mariana Islands

1 as if the Northern Mariana Islands were a State (as de-  
2 fined in section 101(a)(36) of such Act), and a part of  
3 the United States (as defined in section 101(a)(38) of  
4 such Act). Such Act shall supersede and replace all laws,  
5 provisions, or programs of the Commonwealth of the  
6 Northern Mariana Islands relating to the admission and  
7 removal of aliens from the Northern Mariana Islands.

8 ““(2)(A) The Attorney General may adjust the status  
9 of an alien described in subparagraph (B) to that of an  
10 alien lawfully admitted for permanent residence if the  
11 alien—

12 ““(i) applies for such adjustment;

13 ““(ii) is physically present in the Common-  
14 wealth of the Northern Mariana Islands on the date  
15 such application is filed;

16 ““(iii) is admissible to the United States as an  
17 immigrant;

18 ““(iv) during the 5-year period preceding such  
19 application, has been and still is a person of good  
20 moral character;

21 ““(v) has not accepted or continued in unau-  
22 thorized employment in the Commonwealth of the  
23 Northern Mariana Islands prior to filing such appli-  
24 cation, is not in unlawful immigration status on the  
25 date of filing such application, and has not failed

1 (other than through no fault of the alien or for tech-  
2 nical reasons) to maintain continuously a lawful sta-  
3 tus since entry into the Commonwealth of the  
4 Northern Mariana Islands; and

5 “(vi) establishes to the satisfaction of the At-  
6 torney General that the denial of such application  
7 would result in exceptional and extremely unusual  
8 hardship to the alien.

9 “(B) The benefits provided by subparagraph (A)  
10 shall apply to any alien who—

11 “(i) during the 4-year period preceding the  
12 date of the enactment of the United States-Com-  
13 monwealth of the Northern Marianas Human Dig-  
14 nity Act, was continuously authorized by the Govern-  
15 ment of the Northern Mariana Islands (pursuant to  
16 the immigration laws of the Commonwealth of the  
17 Northern Mariana Islands) to enter into and remain  
18 temporarily in the Northern Mariana Islands in  
19 order to perform temporary service or labor in the  
20 Northern Mariana Islands; or

21 “(ii) is the alien spouse or minor child of an  
22 alien described in clause (i).

23 “(C) When an alien is granted the status of having  
24 been lawfully admitted for permanent residence pursuant  
25 to this paragraph, the Secretary of State shall not be re-

1 quired to reduce the number of immigrant visas author-  
2 ized to be issued under the Immigration and Nationality  
3 Act and the Attorney General shall not be required to  
4 charge the alien any fee.

5       “(D) The definitions contained in the Immigration  
6 and Nationality Act shall apply in the administration of  
7 this paragraph. Nothing contained in this paragraph shall  
8 be held to repeal, amend, alter, modify, effect, or restrict  
9 the powers, duties, functions, or authority of the Attorney  
10 General in the administration and enforcement of such  
11 Act or any other law relating to immigration, nationality,  
12 or naturalization. The fact that an alien may be eligible  
13 to be granted the status of having been lawfully admitted  
14 for permanent residence under this paragraph shall not  
15 preclude the alien from seeking such status under any  
16 other provision of law for which the alien may be eligible.

17       “(3)(A) Except as provided in subparagraph (B),  
18 paragraphs (1) and (2) shall take effect after the expira-  
19 tion of the 3-month period beginning on the date of the  
20 enactment of the United States-Commonwealth of the  
21 Northern Marianas Human Dignity Act.

22       “(B) With respect to an alien who, on the day pre-  
23 ceding the date of the enactment of the United States-  
24 Commonwealth of the Northern Marianas Human Dignity  
25 Act, is authorized by the Government of the Northern

1 Mariana Islands (pursuant to the immigration laws of the  
2 Commonwealth of the Northern Mariana Islands) to enter  
3 into and remain temporarily in the Northern Mariana Is-  
4 lands in order to perform temporary service or labor in  
5 the Northern Mariana Islands (and any relatives of the  
6 alien if such relatives were authorized to accompany or  
7 follow to join the alien)—

8           “(i) paragraph (1) shall apply to the alien be-  
9           ginning after the earlier of—

10                   “(I) the date on which such authorization  
11                   expires (such authorization not being subject to  
12                   extension or renewal by the Government of the  
13                   Northern Mariana Islands after the expiration  
14                   of the 3-month period beginning on the date of  
15                   the enactment of the United States-Common-  
16                   wealth of the Northern Marianas Human Dig-  
17                   nity Act);

18                   “(II) the date that is 2 years after the  
19                   date of the enactment of the United States-  
20                   Commonwealth of the Northern Marianas  
21                   Human Dignity Act; or

22                   “(III) the date on which the status of the  
23                   alien is adjusted to that of an alien lawfully ad-  
24                   mitted for permanent residence under para-  
25                   graph (2); and



1 unless the project is subject to a contract that contains  
2 the following:

3           (1) A provision requiring that the minimum  
4 wages to be paid the laborers and mechanics work-  
5 ing on or in relation to the project shall be at a rate  
6 set by the Secretary of Labor that is not less than  
7 the minimum wage set forth in section 6 of the Fair  
8 Labor Standards Act of 1938 (29 U.S.C. 206).

9           (2) A provision requiring the contractor or his  
10 subcontractor to pay all mechanics and laborers em-  
11 ployed directly upon the site of the work, uncondi-  
12 tionally and not less often than once a week, and  
13 without subsequent deduction or rebate on any ac-  
14 count, the full amounts accrued at time of payment,  
15 computed at wage rates not less than those stated  
16 in the contract, regardless of any contractual rela-  
17 tionship which may be alleged to exist between the  
18 contractor or subcontractor and such laborers and  
19 mechanics.

20           (3) A provision requiring that the scale of  
21 wages to be paid shall be posted by the contractor  
22 in a prominent and easily accessible place at the site  
23 of the work in English and the predominant lan-  
24 guage of each worker.

1           (4) A provision requiring that there shall be  
2 withheld from the contractor so much of accrued  
3 payments as may be considered necessary by the  
4 contracting officer to pay to laborers and mechanics  
5 employed by the contractor or any subcontractor on  
6 the work the difference between the rates of wages  
7 required by the contract to be paid laborers and me-  
8 chanics on the work and the rates of wages received  
9 by such laborers and mechanics and not refunded to  
10 the contractor, subcontractors, or their agents.

11 **SEC. 6. STUDY; REPORT.**

12           (a) **STUDY.**—The Secretary of the Interior shall con-  
13 duct a study of the extent of human rights violations and  
14 labor rights violations in the Northern Mariana Islands,  
15 including the use of forced or indentured labor, and any  
16 efforts being taken by the Government of the United  
17 States or the Government of the Northern Mariana Island  
18 to address or prohibit such violations.

19           (b) **REPORT.**—Not later than 1 year after the date  
20 of the enactment of this Act, the Secretary of the Interior  
21 shall transmit to the Committee on Resources of the  
22 House of Representatives and the Committee on Energy  
23 and Natural Resources of the Senate a report on the re-  
24 sults of the study required by subsection (a).

1           (c) CONSULTATION.—Appropriate local government  
2 officials, law enforcement agencies, and nongovernmental  
3 organizations active in instituting and protecting human  
4 and labor rights may be consulted when conducting the  
5 study and preparing the report required by this section.

6 **SEC. 7. EFFECT ON OTHER LAW.**

7           The provisions of the amendments made by this Act  
8 shall be in addition to, but shall not otherwise modify, the  
9 requirements of the Textile Fiber Products Identification  
10 Act (15 U.S.C. 70 et seq.).

○