

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5261

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.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1994

Mr. EVANS (for himself, Ms. KAPTUR, Mr. BROWN of California, Mr. CONYERS, and Mr. DEFAZIO) introduced the following bill; which was referred to the Committee on Foreign Affairs

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## 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—

5               (1) in the 1990s and beyond, capital, tech-  
6       nology, and services are and will be easily trans-  
7       ferred anywhere in the world without due regard for  
8       national boundaries and governmental policies, espe-

1 cially those pertaining to fundamental labor, envi-  
2 ronmental, and agricultural standards;

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

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

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

21 (5) there already exist some promising prece-  
22 dents of corporate codes of conduct for multinational  
23 corporations which, if widely adhered to and en-  
24 forced, could facilitate socially responsible business  
25 operations worldwide and reduce pressures to en-

1       hance competitiveness by ignoring fundamental  
2       labor, environmental, and agricultural standards  
3       where they exist.

4       **SEC. 2. ESTABLISHMENT OF GUIDELINES.**

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

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

17              (1) The “Guidelines for Multinational Enter-  
18              prises” of the Organization for Economic Coopera-  
19              tion and Development.

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

23              (3) The child labor standards established by the  
24              International Labor Organization.

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

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

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

10 **SEC. 3. COMPLIANCE.**

11           (a) SUBMISSION OF STATEMENTS.—Not later than 1  
12           year after the effective date described in section 2(c), and  
13           not later than the end of each 1-year period thereafter,  
14           each United States national that conducts business oper-  
15           ations, directly or through a foreign subsidiary or contrac-  
16           tor, in any foreign country shall submit a statement to  
17           the Secretary of State, in such form as the Secretary of  
18           State shall prescribe, indicating whether or not such na-  
19           tional, in conducting such business operations, is comply-  
20           ing with the guidelines.

21           (b) REGISTRATION.—

22           (1) REQUIREMENT.—The Secretary of State  
23           shall require United States nationals subject to the  
24           requirement of subsection (a) to file with the Sec-  
25           retary a registration with respect to their business

1 operations in foreign countries. Such registration  
2 shall include the name of the business operations in  
3 each foreign country, and the location and chief offi-  
4 cers of such business operations. No fee shall be re-  
5 quired for registration under this subsection.

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

9 (c) HEARINGS.—The Secretary of State shall conduct  
10 public hearings at least once each year on the compliance  
11 with the guidelines of United States nationals subject to  
12 the requirement of subsection (a). The Secretary shall pro-  
13 vide interested persons with an opportunity to testify at  
14 such hearings.

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

22 **SEC. 4. EXPORT MARKETING SUPPORT.**

23 (a) SUPPORT.—Departments and agencies of the  
24 United States may only intercede with a foreign govern-  
25 ment or foreign national regarding export marketing activ-

1 ity in a foreign country on behalf of a United States na-  
2 tional subject to the requirement of section 3(a) if that  
3 United States national complies with the guidelines.

4 (b) TYPE OF CONTACT.—The term “intercede with  
5 a foreign government or foreign national” includes any  
6 contact by an officer or employee of the United States with  
7 officials of any foreign government or foreign national in-  
8 volving or contemplating any effort to assist in selling a  
9 good, service, or technology in a foreign country. Such  
10 term does not include multilateral or bilateral government-  
11 to-government trade negotiations intended to resolve trade  
12 issues which may affect United States nationals who do  
13 not comply with the guidelines.

14 (c) EFFECTIVE DATE.—Subsection (a) shall take ef-  
15 fect 18 months after the date of the enactment of this  
16 Act.

17 **SEC. 5. DEFINITIONS.**

18 For purposes of this Act—

19 (1) the terms “comply with the guidelines”,  
20 “complying with the guidelines” and “compliance  
21 with the guidelines” mean—

22 (A) implementing the guidelines estab-  
23 lished under section 2(a) by taking good faith  
24 measures with respect to each such guideline;  
25 and

1 (B) reporting accurately to the Depart-  
2 ment of State on the measures taken to imple-  
3 ment those principles;

4 (2) the term “business operations” refers to a  
5 for-profit activity which employs more than 25 indi-  
6 viduals or has assets greater than \$25,000; and

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

8 (A) a citizen or national of the United  
9 States or a permanent resident of the United  
10 States; and

11 (B) a corporation, partnership, and other  
12 business association organized under the laws  
13 of the United States, any State or territory  
14 thereof, the District of Columbia, the Common-  
15 wealth of Puerto Rico, or the Commonwealth of  
16 the Northern Mariana Islands.

17 **SEC. 6. REGULATIONS.**

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

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