

104TH CONGRESS  
2D SESSION

# H. R. 4125

To inform and empower consumers in the United States through a voluntary labeling system for wearing apparel and sporting goods made without abusive and exploitative child labor, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 1996

Mr. MILLER of California (for himself, Mr. ANDREWS, Mr. BALDACCI, Mr. BARRETT of Wisconsin, Mr. BERMAN, Mr. BLUMENAUER, Mr. BONIOR, Mr. BORSKI, Mr. BROWN of California, Mrs. CLAYTON, Mr. CONYERS, Mr. DEFazio, Mr. DELLUMS, Mr. DURBIN, Mr. EVANS, Mr. FALOMAVAEGA, Mr. FARR of California, Mr. FATAH, Mr. FILNER, Mr. FOGLIETTA, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GENE GREEN of Texas, Mr. GUTIERREZ, Mr. HEFNER, Mr. HILLIARD, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. KAPTUR, Mr. KENNEDY of Massachusetts, Mr. LAFALCE, Mr. LANTOS, Mr. LEWIS of Georgia, Mr. LIPINSKI, Ms. LOFGREN, Mr. MANTON, Mr. MARKEY, Mr. MCDERMOTT, Ms. MCKINNEY, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. MORAN, Mr. MURTHA, Mr. OBEY, Mr. OLVER, Mr. OWENS, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. RANGEL, Ms. RIVERS, Ms. ROYBAL-ALLARD, Mr. SAWYER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SERRANO, Ms. SLAUGHTER, Mr. SPRATT, Mr. TORRICELLI, Mr. UNDERWOOD, Mr. VENTO, Mr. WATT of North Carolina, Ms. WOOLSEY, and Mr. YATES) introduced the following bill; which was referred to the Committee on Commerce

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## A BILL

To inform and empower consumers in the United States through a voluntary labeling system for wearing apparel and sporting goods made without abusive and exploitative child 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 “Child Labor Free  
5 Consumer Information Act of 1996”.

6 **SEC. 2. FINDINGS.**

7        The Congress finds that—

8            (1) the Secretary of Labor has conducted 2 de-  
9        tailed studies that document the fact that abusive  
10       and exploitative child labor exists worldwide;

11           (2) the Secretary of Labor has also determined,  
12       through the studies referred to in paragraph (1),  
13       that child laborers are often forced to work beyond  
14       their physical capacities and under conditions that  
15       threaten their health, safety, and development, and  
16       are denied basic educational opportunities;

17           (3) in most instances, countries that have abu-  
18       sive and exploitative child labor also experience a  
19       high adult unemployment rate;

20           (4) the International Labor Organization (com-  
21       monly known as the “ILO”) estimates that hun-  
22       dreds of millions of children are full-time workers,  
23       and many of those children manufacture wearing ap-  
24       parel and sporting goods that are offered for sale in  
25       the United States;

1           (5) consumers in the United States spend bil-  
2           lions of dollars each year on wearing apparel and  
3           sporting goods made by abusive and exploitative  
4           child labor;

5           (6) consumers in the United States have the  
6           right to information on whether the items of wearing  
7           apparel and sporting goods that they purchase are  
8           made without abusive and exploitative child labor;

9           (7) the labeling of wearing apparel and sporting  
10          goods would provide the information referred to in  
11          paragraph (5) to consumers; and

12          (8) it is important to recognize United States  
13          businesses that have effective programs to ensure  
14          that products sold in the United States are not  
15          made with abusive and exploitative child labor.

16           **TITLE I—CHILD LABOR FREE**  
17           **LABELING STANDARDS**

18           **SEC. 101. LABELING STANDARDS.**

19           (a) ESTABLISHMENT OF LABELING STANDARDS.—

20           (1) IN GENERAL.—Not later than 180 days  
21           after the date of enactment of this Act, the Sec-  
22           retary of Labor, in consultation with the Child  
23           Labor Free Commission established under section  
24           201 shall issue regulations to ensure that a label  
25           using the terms “Not Made With Child Labor”,

1 “Child Labor Free”, or any other term or symbol re-  
2 ferring to child labor does not make a false state-  
3 ment or suggestion that the article or section of  
4 wearing apparel or sporting good was not made with  
5 child labor. The regulations developed under this  
6 section shall encourage the use of an easily identifi-  
7 able symbol or term indicating that the article or  
8 section of wearing apparel or sporting good was not  
9 made with child labor.

10 (2) NOTIFICATION ON USE.—A producer, im-  
11 porter, exporter, distributor, or other person intend-  
12 ing to use any label referred to in paragraph (4)  
13 shall notify the Commission not later than 60 days  
14 after the product bearing that label becomes avail-  
15 able to the public for purchase. Upon receipt of the  
16 notification, the Commission shall review the notifi-  
17 cation. A response from the Commission shall not be  
18 required for use of the label.

19 (3) FEE.—The Secretary is authorized to  
20 charge a fee to cover the expenses of the Commis-  
21 sion in reviewing a notification under paragraph (2).  
22 The level of fees charged under this subparagraph  
23 shall not exceed the administrative costs incurred in  
24 reviewing a notification. Fees collected under this  
25 paragraph shall be available to the Secretary of

1 Labor for expenses incurred in the review and re-  
2 sponse of the Commission under this subsection.

3 (4) APPLICABILITY.—The regulations issued  
4 under paragraph (1) shall apply to any label con-  
5 tained in—

6 (A) an article or section of wearing apparel  
7 or sporting good that is exported from or of-  
8 fered for sale in the United States; or

9 (B) any packaging thereof.

10 (b) VIOLATION OF SECTION 5 OF THE FEDERAL  
11 TRADE COMMISSION ACT.—It is a violation of section 5  
12 of the Federal Trade Commission Act for any producer,  
13 importer, exporter, distributor, or seller of any article of  
14 wearing apparel (or section of an article of wearing ap-  
15 parel) or sporting good that is exported from or offered  
16 for sale in the United States—

17 (1) to falsely indicate on the label of that article  
18 (or section) or sporting good or the packaging of the  
19 article (or section) or sporting good that the article  
20 (or section) or sporting good was not made with  
21 child labor; or

22 (2) to otherwise falsely claim or suggest that  
23 the article (or section) or sporting good was not  
24 made with child labor.

1 (c) AMENDMENT TO THE FEDERAL TRADE COMMIS-  
2 SION ACT.—Section 5(m)(1) of the Federal Trade Com-  
3 mission Act (15 U.S.C. 45(m)(1)) is amended—

4 (1) in subparagraph (A), by striking “The  
5 Commission” and inserting “Except as provided in  
6 subparagraph (D), the Commission”;

7 (2) in subparagraph (B), by striking “If the  
8 Commission” and inserting “Except as provided in  
9 subparagraph (D), if the Commission”; and

10 (3) by adding at the end the following new sub-  
11 paragraph:

12 “(D)(i) In lieu of the applicable civil penalty under  
13 subparagraph (A) or (B), in any case in which the Com-  
14 mission commences a civil action for a violation of section  
15 101 of the Child Labor Free Consumer Information Act  
16 of 1996 under subparagraph (A) or under subparagraph  
17 (B) for an unfair or deceptive practice that is considered  
18 to be a violation of this section by reason of section 101(b)  
19 of such Act, if that violation is a knowing or willful viola-  
20 tion, the amount of a civil penalty for the violation shall  
21 be determined under clause (ii).

22 “(ii) The amount of a civil penalty for a violation  
23 under clause (i) that is committed shall be—

24 “(I) for an initial violation, an amount equal to  
25 the greater of—

1           “(aa) 2 times the retail value of the arti-  
2           cles of wearing apparel or sporting goods mis-  
3           labeled; or

4           “(bb) \$200,000; and

5           “(II) for any subsequent violation, an amount  
6           equal to the greater of—

7           “(aa) 4 times the retail value of the arti-  
8           cles of wearing apparel or sporting goods mis-  
9           labeled; or

10           “(bb) \$400,000.”.

11           (d) SPECIAL FUND TO ASSIST CHILDREN.—

12           (1) CREATION OF FUND.—There is established  
13           in the United States Treasury a special fund to be  
14           known as the Free the Children Fund.

15           (2) DEPOSITS INTO FUND.—An amount equal  
16           to the amount of penalties collected under this sec-  
17           tion shall be deposited into the special fund. The  
18           Secretary of the Treasury shall, upon request of the  
19           Secretary of the Labor, make the amounts deposited  
20           into the special fund available to the Secretary of  
21           Labor for use by the Secretary of Labor for edu-  
22           cational and other programs described in paragraph  
23           (3).

24           (3) AUTHORIZATION.—Amounts deposited into  
25           the special fund are authorized to be appropriated

1       annually for educational and other programs with  
2       the goal of eliminating child labor.

3       **SEC. 102. REVIEW OF PETITIONS BY THE CHILD LABOR**  
4                                   **FREE COMMISSION.**

5       (a) **IN GENERAL.**—In addition to the procedures es-  
6       tablished under section 5 of the Federal Trade Commis-  
7       sion Act, the Child Labor Free Commission established  
8       under section 201 shall assist the Federal Trade Commis-  
9       sion by reviewing petitions under this section.

10      (b) **CONTENTS OF PETITIONS.**—A petition under this  
11      section shall—

12                   (1) be submitted in such form, and in such  
13      manner as the Federal Trade Commission, in con-  
14      sultation with the Child Labor Free Commission,  
15      shall prescribe;

16                   (2) contain the name of the—

17                           (A) petitioner; and

18                           (B) person or entity involved in the alleged  
19      violation of the labeling standards under section  
20      101; and

21                   (3) provide a detailed explanation of the alleged  
22      violation, including all available evidence.

23      (c) **REVIEW BY COMMISSION.**—The Commission  
24      shall—

1           (1) to the maximum extent practicable, not  
2 later than 90 days after receiving a petition, review  
3 the petition to determine whether there appears to  
4 have been a violation of the labeling standards; and

5           (2) upon completion of that review, forward  
6 that petition to the Federal Trade Commission, to-  
7 gether with a report by the Child Labor Free Com-  
8 mission containing a determination by the Child  
9 Labor Free Commission whether—

10           (A) it is appropriate for the Federal Trade  
11 Commission, in consultation with the Secretary  
12 of Labor, to take such action as may be nec-  
13 essary under the Federal Trade Commission  
14 Act to cause the person or entity in violation of  
15 the labeling standards under section 101 to  
16 cease and desist from violating those standards;  
17 and

18           (B) there appears to have been a willful or  
19 repeated violation of the labeling standards.

20 **SEC. 103. COOPERATION BY THE SECRETARY OF COM-**  
21 **MERCE.**

22           (a) IN GENERAL.—If, in the course of an investiga-  
23 tion conducted by the Secretary of Commerce, the Sec-  
24 retary of Commerce discovers a violation of the require-

1 ments of this Act, the Secretary of Commerce shall report  
2 that violation to the Secretary of Labor.

3 (b) ACTION BY THE SECRETARY OF LABOR.—The  
4 Secretary of Labor shall review each report made by the  
5 Secretary of Commerce under subsection (a), and, as ap-  
6 propriate, refer the violation to the Federal Trade Com-  
7 mission for enforcement under the Federal Trade Com-  
8 mission Act.

## 9 **TITLE II—CHILD LABOR FREE** 10 **COMMISSION**

### 11 **SEC. 201. ESTABLISHMENT OF COMMISSION.**

12 (a) ESTABLISHMENT.—There is established a com-  
13 mission to be known as the Child Labor Free Commission.

14 (b) MEMBERSHIP.—

15 (1) COMPOSITION.—The Commission shall be  
16 composed of 17 members, of whom—

17 (A) 1 shall be the Secretary of Commerce  
18 or a designee of the Secretary of Commerce;

19 (B) 1 shall be the Secretary of the Treas-  
20 ury or a designee of the Secretary of the Treas-  
21 ury;

22 (C) 1 shall be the United States Trade  
23 Representative or a designee of the United  
24 States Trade Representative;

1 (D) 1 shall be the Secretary of Labor or  
2 a designee of the Secretary of Labor, who shall  
3 serve as the Chairperson of the Commission;

4 (E) 3 shall be representatives of non-  
5 governmental organizations that work toward  
6 the eradication of abusive and exploitative child  
7 labor and in the promotion of human rights,  
8 appointed by the Secretary of Labor;

9 (F) 3 shall be representatives of labor or-  
10 ganizations, appointed by the Secretary of  
11 Labor;

12 (G) 3 shall be representatives of the wear-  
13 ing apparel industry, appointed by the Sec-  
14 retary of Labor;

15 (H) 3 shall be representatives of the sport-  
16 ing goods industry; and

17 (I) 1 shall be an additional member, ap-  
18 pointed by the Secretary of Labor.

19 (2) DATE.—The appointments of the members  
20 of the Commission shall be made not later than 60  
21 days after the date of enactment of this Act.

22 (c) PERIOD OF APPOINTMENT; VACANCIES.—

23 (1) FEDERAL EMPLOYEES.—Each member of  
24 the Commission who is an officer or employee of the  
25 United States shall be appointed for the life of the

1 Commission. Any vacancy in the Commission shall  
2 not affect its powers, but shall be filled in the same  
3 manner as the original appointment.

4 (2) NON-FEDERAL MEMBERS.—Each member  
5 of the Commission who is not an officer or employee  
6 of the Federal Government shall serve for a term of  
7 4 years, except that in appointing the initial mem-  
8 bers of the Commission, the Secretary of Labor shall  
9 stagger the terms of the non-Federal members.

10 (d) INITIAL MEETING.—Not later than 30 days after  
11 the date on which all members of the Commission have  
12 been appointed, the Commission shall hold its first meet-  
13 ing.

14 (e) MEETINGS.—The Commission shall meet at the  
15 call of the Chairperson or at the request of a majority  
16 of the members.

17 (f) QUORUM.—A majority of the members of the  
18 Commission shall constitute a quorum, but a lesser num-  
19 ber of members may hold hearings or other meetings.

20 **SEC. 202. DUTIES OF THE COMMISSION.**

21 The Commission shall—

22 (1) assist the Secretary of Labor in developing  
23 labeling standards under section 101; and

24 (2) assist the Secretary of Labor in developing  
25 and implementing a system to ensure compliance

1 with the labeling standards established under section  
2 101, including—

3 (A) receiving, reviewing, and making rec-  
4 ommendations for the resolution of petitions re-  
5 ceived under section 102 that allege noncompli-  
6 ance with the labeling standards under section  
7 101;

8 (B) making recommendations to the Sec-  
9 retary of Labor for the removal of labels subject  
10 to the standards under section 101 that are  
11 found to be in violation of those standards;

12 (C) assisting the Secretary of Labor in de-  
13 veloping and implementing a system to promote  
14 the increased use of the labeling standards  
15 under section 101;

16 (D) publishing, not less frequently than bi-  
17 annually, a list of persons and entities that  
18 have notified the Commission of their intent to  
19 use a label under section 101(a)(2); and

20 (E) publishing, not less frequently than bi-  
21 annually, a list of persons and entities found to  
22 be in violation of any provision of this Act; and

23 (3) not later than 1 year after the date of the  
24 establishment of the Commission, commence devel-  
25 oping an easily identifiable labeling standard that

1 the Secretary of Labor shall issue to encourage the  
2 use of voluntary labels ensuring consumers that an  
3 article of wearing apparel or sporting good was  
4 made without the use of sweatshop or exploited  
5 adult labor.

6 **SEC. 203. POWERS OF THE COMMISSION.**

7 (a) HEARINGS.—The Commission may hold such  
8 hearings, sit and act at such times and places, take such  
9 testimony, and receive such evidence as the Commission  
10 considers advisable to carry out the duties of the Commis-  
11 sion under this title.

12 (b) INFORMATION FROM FEDERAL AGENCIES.—The  
13 Commission may secure directly from any Federal depart-  
14 ment or agency such information as the Commission con-  
15 siders necessary to carry out the duties of the Commission  
16 under this title. Upon request of the Chairperson of the  
17 Commission, the head of such department or agency shall  
18 furnish such information to the Commission.

19 (c) POSTAL SERVICES.—The Commission may use  
20 the United States mails in the same manner and under  
21 the same conditions as other departments and agencies of  
22 the Federal Government.

23 (d) GIFTS.—The Commission may accept, use, and  
24 dispose of gifts or donations of services or property.

1 **SEC. 204. COMMISSION PERSONNEL MATTERS.**

2 (a) NON-FEDERAL MEMBERS.—Each member of the  
3 Commission who is not an officer or employee of the Fed-  
4 eral Government shall serve without compensation.

5 (b) FEDERAL MEMBERS.—Each member of the Com-  
6 mission who is an officer or employee of the United States  
7 shall serve without compensation in addition to that re-  
8 ceived for that member's services as an officer or employee  
9 of the United States.

10 **SEC. 205. ADMINISTRATIVE AND SUPPORT SERVICES.**

11 The Secretary of Labor shall, to the extent permitted  
12 by law, provide the Commission with such administrative  
13 services, funds, facilities, staff, and other support services  
14 as may be necessary for the performance of its functions.

15 **TITLE III—RECOGNITION OF EX-**  
16 **EMPLARY CORPORATE EF-**  
17 **FORTS**

18 **SEC. 301. ANNUAL REPORT.**

19 Not later than 1 year after the date of enactment  
20 of this Act, and annually thereafter, the Secretary of  
21 Labor shall issue a report concerning companies that are  
22 making exemplary progress in ensuring that products  
23 made, sold, or distributed by those companies are not  
24 made with abusive and exploitative child labor.

1 **SEC. 302. ADDITIONAL METHODS.**

2 In addition to the reports made under section 301,  
3 the Secretary of Labor in consultation with the Commis-  
4 sion shall develop and implement other methods of provid-  
5 ing recognition for exemplary programs carried out by  
6 companies to ensure that products made, sold, or distrib-  
7 uted by those companies are not made with abusive and  
8 exploitative child labor.

9 **TITLE IV—DEFINITIONS**

10 **SEC. 401. DEFINITIONS.**

11 For purposes of this Act, the following definitions  
12 shall apply:

13 (1) CHILD.—The term “child” means—

14 (A) an individual who has not attained the  
15 age of 15 years, as measured by the Julian cal-  
16 endar; or

17 (B) an individual who has not attained the  
18 age of 14 years, as measured by the Julian cal-  
19 endar, in the case of an individual who resides  
20 in a country that, by law, defines a child as  
21 such an individual.

22 (2) COMMISSION.—The term “Commission”  
23 means the Child Labor Free Commission established  
24 under section 201.

25 (3) LABEL.—The term “label” means a display  
26 of written, printed, or graphic matter on or affixed

1 to an article of wearing apparel or a sporting good  
2 or on the packaging of the article or a sporting good  
3 that meets the standards described in section  
4 101(a).

5 (4) MADE WITH CHILD LABOR.—

6 (A) IN GENERAL.—A manufactured article  
7 or section of wearing apparel or a sporting good  
8 shall be considered to have been made with  
9 child labor if the article or section—

10 (i) was fabricated, assembled, or proc-  
11 essed in whole or in part; or

12 (ii) contains any part that was fab-  
13 ricated assembled, or processed in whole or  
14 in part,

15 by any child described in subparagraph (B).

16 (B) COVERED CHILDREN.—A child is de-  
17 scribed in this subparagraph if that child en-  
18 gaged in the fabrication, assembly, or process-  
19 ing of the article or section—

20 (i) in exchange for remuneration  
21 (without regard to whom the remuneration  
22 is paid), subsistence, goods or services, or  
23 any combination thereof;

24 (ii) under circumstances tantamount  
25 to involuntary servitude; or

1                   (iii) under exposure to toxic sub-  
2                   stances or working conditions that other-  
3                   wise pose serious health hazards.

4                   (5) SPORTING GOOD.—The term “sporting  
5                   good” shall have the meaning provided that term by  
6                   the Secretary of Labor.

7                   (6) WEARING APPAREL.—The term “wearing  
8                   apparel” shall have the meaning provided that term  
9                   by the Secretary of Labor.

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