

105TH CONGRESS  
1ST SESSION

# H. R. 1301

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

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 1997

Mr. MILLER of California (for himself, Mr. BERMAN, Mr. FARR of California, Mr. EVANS, Mr. MORAN of Virginia, Mr. KENNEDY of Massachusetts, Ms. PELOSI, Mr. BONIOR, Mrs. MINK of Hawaii, Mr. FROST, Mr. SANDERS, Mr. LIPINSKI, Mr. OBEY, Mr. OLVER, Mr. DELLUMS, Mr. FILNER, Ms. KAPTUR, Ms. RIVERS, Ms. WOOLSEY, and Mr. UNDERWOOD) 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 or 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 1997”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds that—

3 (1) the Secretary of Labor has conducted 3 de-  
4 tailed studies that document the fact that abusive  
5 and exploitative child labor exists worldwide;

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

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

15 (4) the International Labor Organization (com-  
16 monly known as the “ILO”) estimates that—

17 (A) approximately 250,000,000 children  
18 between the ages of 5 and 14 are working in  
19 developing countries; and

20 (B) many of those children manufacture  
21 wearing apparel or sporting goods that are of-  
22 fered for sale in the United States;

23 (5) consumers in the United States spend bil-  
24 lions of dollars each year on wearing apparel and  
25 sporting goods;

1           (6) consumers in the United States have the  
2 right to information on whether the articles of wear-  
3 ing apparel (including any section of that wearing  
4 apparel) or sporting goods that they purchase are  
5 made without abusive and exploitative child labor;

6           (7) the rugmark labeling and monitoring system  
7 is a successful model for eliminating abusive and ex-  
8 ploitative child labor in the rug industry;

9           (8) the labeling of wearing apparel or sporting  
10 goods would provide the information referred to in  
11 paragraph (6) to consumers; and

12           (9) 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. CHILD LABOR FREE 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.—

11 (A) IN GENERAL.—A producer, importer,  
12 exporter, distributor, or other person intending  
13 to use any label referred to in paragraph (1)  
14 shall submit a notification to the Commission  
15 for review under subparagraph (C).

16 (B) NOTIFICATION.—The notification re-  
17 ferred to in subparagraph (A) shall include in-  
18 formation concerning the source of the article  
19 or section of wearing apparel or sporting good  
20 to which the label will be affixed, including—

21 (i) the country in which the article or  
22 section of wearing apparel or sporting good  
23 is manufactured;

24 (ii) the name and location of the man-  
25 ufacturer; and

1 (iii) information concerning any  
2 outsourcing by the manufacturer in the  
3 manufacture of the article or section of  
4 wearing apparel or sporting good.

5 (C) REVIEW OF NOTIFICATION.—Upon re-  
6 ceipt of the notification, the Commission shall  
7 review the notification and inform the Secretary  
8 of Labor concerning the findings of the review.  
9 The permission of the Secretary of Labor shall  
10 be required for the use of the label. The Sec-  
11 retary of Labor, in consultation with the Com-  
12 mission, shall establish procedures for granting  
13 permission to use a label under this subpara-  
14 graph.

15 (3) FEE.—The Secretary of Labor is authorized  
16 to charge a fee to cover the expenses of the Commis-  
17 sion in reviewing a notification under paragraph (2).  
18 The level of fees charged under this subparagraph  
19 shall not exceed the administrative costs incurred in  
20 reviewing a notification. Fees collected under this  
21 paragraph shall be available to the Secretary of  
22 Labor for expenses incurred in the review and re-  
23 sponse of the Commission under this subsection.

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

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

7           (B) any packaging thereof; or

8           (C) any advertising for an article or sec-  
9 tion of wearing apparel or sporting good re-  
10 ferred to in subparagraph (A).

11          (5) EFFECTIVE DATE.—The regulations issued  
12 under paragraph (1) shall take effect on the date  
13 that is 180 days after the date of publication as  
14 final regulations.

15          (b) VIOLATION OF SECTION 5 OF THE FEDERAL  
16 TRADE COMMISSION ACT.—It is a violation of section 5  
17 of the Federal Trade Commission Act (15 U.S.C. 45) for  
18 any producer, importer, exporter, distributor, or seller of  
19 any article or section of wearing apparel or sporting good  
20 that is exported from or offered for sale in the United  
21 States—

22           (1) to falsely indicate on the label of that article  
23 or section of wearing apparel or sporting good, the  
24 packaging of the article or section of wearing ap-  
25 parel or sporting good, or any advertising for the ar-

1        ticle or section of wearing apparel or sporting good  
2        that the article or section of wearing apparel or  
3        sporting good was not made with child labor; or

4            (2) to otherwise falsely claim or suggest that  
5        the article (or section of that article of wearing ap-  
6        parel) or sporting good was not made with child  
7        labor.

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

11            (1) in subparagraph (A), by striking “The  
12        Commission” and inserting “Except as provided in  
13        subparagraph (D), the Commission”;

14            (2) in subparagraph (B), by striking “If the  
15        Commission” and inserting “Except as provided in  
16        subparagraph (D), if the Commission”; and

17            (3) by adding at the end the following new sub-  
18        paragraph:

19        “(D)(i)(I) In lieu of the applicable civil penalty under  
20        subparagraph (A) or (B), in any case in which the Com-  
21        mission commences a civil action for a violation of section  
22        101 of the Child Labor Free Consumer Information Act  
23        of 1997 under subparagraph (A), under subparagraph (B)  
24        for an unfair or deceptive practice that is considered to  
25        be a violation of this section by reason of section 101(b)

1 of such Act, or under subparagraph (C) for a continuing  
2 failure that is considered to be a violation of this section  
3 by reason of section 101(b) of such Act, if that violation—

4 “(aa) is a knowing or willful violation, the  
5 amount of a civil penalty for the violation shall be  
6 determined under clause (ii); or

7 “(bb) is not a knowing or willful violation, no  
8 penalty shall be assessed against the person, part-  
9 nership, or corporation that committed the violation.

10 “(II) For purposes of this subparagraph, if in an ac-  
11 tion referred to in subclause (I), if the Commission asserts  
12 that a violation is a knowing and willful violation, the de-  
13 fendant shall bear the burden of proving otherwise.

14 “(ii) The amount of a civil penalty for a violation  
15 under clause (i)(I)(aa) that is committed shall be—

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

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

21 “(bb) \$200,000; and

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

1           “(aa) 4 times the retail value of the arti-  
2           cles of wearing apparel or sporting goods mis-  
3           labeled; or

4           “(bb) \$400,000.”.

5           (d) SPECIAL FUND TO ASSIST CHILDREN.—

6           (1) CREATION OF FUND.—There is established  
7           in the United States Treasury a special fund to be  
8           known as the “Free the Children Fund”.

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

18          (3) AUTHORIZATION.—Amounts deposited into  
19          the special fund are authorized to be appropriated  
20          annually for educational and other programs with  
21          the goal of eliminating child labor.

22          (e) OTHER INDUSTRIES.—The Commission may, as  
23          appropriate, develop labeling standards similar to the la-  
24          beling standards developed under this section for any in-  
25          dustry that is not otherwise covered under this Act and

1 recommend to the Secretary of Labor that those standards  
2 be promulgated. If the standards are promulgated by the  
3 Secretary of Labor—

4           (1) the provisions of this Act and the amend-  
5 ments made by this Act shall apply to the labeling  
6 covered by those standards in the same manner as  
7 they apply to any other standards promulgated by  
8 the Secretary of Labor under this section; and

9           (2) it shall be a violation of section 5 of the  
10 Federal Trade Commission Act (15 U.S.C. 45) for  
11 any producer, importer, exporter, distributor, or sell-  
12 er of any good that is covered under the labeling  
13 standards and that is exported from or offered for  
14 sale in the United States—

15           (A) to falsely indicate on the label of that  
16 good, the packaging thereof, or any related ad-  
17 vertising that the good was not made with child  
18 labor; or

19           (B) to otherwise falsely claim or suggest  
20 that the good was not made with child labor.

21 **SEC. 102. REVIEW OF PETITIONS BY THE CHILD LABOR**  
22 **FREE COMMISSION.**

23           (a) IN GENERAL.—In addition to the procedures es-  
24 tablished under section 5 of the Federal Trade Commis-  
25 sion Act (15 U.S.C. 45), the Child Labor Free Commis-

1 sion established under section 201 shall assist the Federal  
2 Trade Commission by reviewing petitions under this sec-  
3 tion.

4 (b) CONTENTS OF PETITIONS.—A petition under this  
5 section shall—

6 (1) be submitted in such form and in such man-  
7 ner as the Federal Trade Commission, in consulta-  
8 tion with the Secretary of Labor and the Child  
9 Labor Free Commission, shall prescribe;

10 (2) contain the name of the—

11 (A) petitioner; and

12 (B) person or entity involved in the alleged  
13 violation of the labeling standards under section  
14 101; and

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

17 (c) REVIEW BY COMMISSION.—

18 (1) IN GENERAL.—The Commission shall, to  
19 the maximum extent practicable, not later than 90  
20 days after receiving a petition, review the petition to  
21 determine whether there appears to have been a vio-  
22 lation of the labeling standards.

23 (2) ACTION BY THE FEDERAL TRADE COMMIS-  
24 SION.—

1           (A) IN GENERAL.—Upon completion of a  
2 review conducted under paragraph (1), the  
3 Commission shall forward the petition to the  
4 Secretary of Labor, together with a report by  
5 the Commission containing a determination by  
6 the Commission concerning the merits of the  
7 petition, including whether a violation of the la-  
8 beling standards occurred and whether there  
9 appears to have been a knowing and willful  
10 (within the meaning of section 5(m)(1)(D)(i) of  
11 the Federal Trade Commission Act, as added  
12 by section 101(c) of this Act) or repeated viola-  
13 tion of those standards.

14           (B) DUTIES OF THE SECRETARY OF  
15 LABOR.—Upon receipt of the petition and re-  
16 port, the Secretary of Labor shall—

17                   (i) forward a copy of the petition and  
18 report to the Federal Trade Commission  
19 for review by the Federal Trade Commis-  
20 sion; and

21                   (ii) review the petition and report.

22           (3) TEMPORARY WITHDRAWAL OF PERMISSION;  
23 ORDER TO CEASE AND DESIST.—

24                   (A) TEMPORARY WITHDRAWAL OF PERMIS-  
25 SION.—If the Secretary of Labor determines,

1 on the basis of the report referred to in para-  
2 graph (2), that there is a substantial likelihood  
3 that a violation of the labeling standards pro-  
4 mulgated under section 101 has occurred, the  
5 Secretary of Labor may temporarily withdraw  
6 the permission granted under section  
7 101(a)(2)(C) and inform the Federal Trade  
8 Commission of the action and the reason for  
9 the action.

10 (B) ORDER TO CEASE AND DESIST.—If the  
11 Federal Trade Commission concurs with a de-  
12 termination of the Child Labor Free Commis-  
13 sion in the report referred to in subparagraph  
14 (A) that a violation of the labeling standards  
15 has occurred, the Federal Trade Commission  
16 shall take such action as may be necessary  
17 under the Federal Trade Commission Act (15  
18 U.S.C. 41 et seq.) to cause the person or entity  
19 in violation of the labeling standards under sec-  
20 tion 101 to cease and desist from violating  
21 those standards immediately upon that concur-  
22 rence.

1     **TITLE II—CHILD LABOR FREE**  
2                     **COMMISSION**

3     **SEC. 201. ESTABLISHMENT OF COMMISSION.**

4             (a) ESTABLISHMENT.—There is established a com-  
5 mission to be known as the “Child Labor Free Commis-  
6 sion”.

7             (b) MEMBERSHIP.—

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

10                     (A) 1 shall be the Secretary of Commerce  
11 or a designee of the Secretary of Commerce;

12                     (B) 1 shall be the Secretary of the Treas-  
13 ury or a designee of the Secretary of the Treas-  
14 ury;

15                     (C) 1 shall be the United States Trade  
16 Representative or a designee of the United  
17 States Trade Representative;

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

21                     (E) 3 shall be representatives of non-  
22 governmental organizations that work toward  
23 the eradication of abusive and exploitative child  
24 labor and in the promotion of human rights,  
25 appointed by the Secretary of Labor;

1 (F) 3 shall be representatives of labor or-  
2 ganizations, appointed by the Secretary of  
3 Labor;

4 (G) 3 shall be representatives of the wear-  
5 ing apparel industry, appointed by the Sec-  
6 retary of Labor;

7 (H) 3 shall be representatives of the sport-  
8 ing goods industry, appointed by the Secretary  
9 of Labor; and

10 (I) 1 additional member shall be appointed  
11 by the Secretary of Labor.

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

15 (c) PERIOD OF APPOINTMENT; VACANCIES.—

16 (1) PERIOD OF APPOINTMENT.—Each member  
17 of the Commission shall serve for a term of 4 years,  
18 except that in appointing the initial members of the  
19 Commission, the Secretary of Labor shall stagger  
20 the terms of the non-Federal members.

21 (2) VACANCIES.—Any vacancy in the Commis-  
22 sion shall not affect its powers, but shall be filled in  
23 the same manner as the original appointment.

24 (d) INITIAL MEETING.—Not later than 30 days after  
25 the date on which all members of the Commission have

1 been appointed, the Commission shall hold its first meet-  
2 ing.

3 (e) MEETINGS.—The Commission shall meet at the  
4 call of the Chairperson or at the request of a majority  
5 of the members.

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

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

10 The Commission shall—

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

13 (2) assist the Secretary of Labor in developing  
14 and implementing a system to ensure compliance  
15 with the labeling standards established under section  
16 101, including—

17 (A) receiving, reviewing, and making rec-  
18 ommendations for the resolution of petitions re-  
19 ceived under section 102 that allege noncompli-  
20 ance with the labeling standards under section  
21 101;

22 (B) making recommendations to the Sec-  
23 retary of Labor for the removal of labels subject  
24 to the standards under section 101 that are  
25 found to be in violation of those standards;

1 (C) assisting the Secretary of Labor in de-  
2 veloping and implementing a system to promote  
3 the increased use of the labeling standards  
4 under section 101;

5 (D) publishing, not less frequently than  
6 annually, a list of persons and entities that  
7 have notified the Commission of their intent to  
8 use a label under section 101(a)(2); and

9 (E) publishing, not less frequently than  
10 annually, a list of persons and entities found to  
11 be in violation of any provision of this Act; and

12 (3) not later than 1 year after the date of the  
13 establishment of the Commission, commence a study  
14 into the feasibility of developing an easily identifi-  
15 able labeling standard that the Secretary of Labor  
16 may issue to encourage the use of voluntary labels  
17 that ensure consumers that an article of wearing ap-  
18 parel or sporting good was made without the use of  
19 sweatshop or exploited adult labor.

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

21 (a) HEARINGS.—The Commission may hold such  
22 hearings, sit and act at such times and places, take such  
23 testimony, and receive such evidence as the Commission  
24 considers advisable to carry out the duties of the Commis-  
25 sion under this title.

1 (b) INFORMATION FROM FEDERAL AGENCIES.—The  
2 Commission may secure directly from any Federal depart-  
3 ment or agency such information as the Commission con-  
4 sidered necessary to carry out the duties of the Commission  
5 under this title. Upon request of the Chairperson of the  
6 Commission, the head of such department or agency shall  
7 furnish such information to the Commission.

8 (c) POSTAL SERVICES.—The Commission may use  
9 the United States mails in the same manner and under  
10 the same conditions as other departments and agencies of  
11 the Federal Government.

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

14 **SEC. 204. COMMISSION PERSONNEL MATTERS.**

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

18 (b) FEDERAL MEMBERS.—Each member of the Com-  
19 mission who is an officer or employee of the United States  
20 shall serve without compensation in addition to that re-  
21 ceived for that member's services as an officer or employee  
22 of the United States.

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

24 The Secretary of Labor shall, to the extent permitted  
25 by law, provide the Commission with such administrative

1 services, funds, facilities, staff, and other support services  
2 as may be necessary for the performance of its functions.

3 **TITLE III—RECOGNITION OF EX-**  
4 **EMPLARY CORPORATE EF-**  
5 **FORTS**

6 **SEC. 301. ANNUAL REPORT.**

7 Not later than 1 year after the date of enactment  
8 of this Act, and annually thereafter, the Secretary of  
9 Labor shall issue a report concerning companies that are  
10 making exemplary progress in ensuring that products  
11 made, sold, or distributed by those companies are not  
12 made with abusive and exploitative child labor.

13 **SEC. 302. ADDITIONAL METHODS.**

14 In addition to the reports made under section 301,  
15 the Secretary of Labor in consultation with the Commis-  
16 sion shall develop and implement other methods of provid-  
17 ing recognition for exemplary programs carried out by  
18 companies to ensure that products made, sold, or distrib-  
19 uted by those companies are not made with abusive and  
20 exploitative child labor.

21 **TITLE IV—DEFINITIONS**

22 **SEC. 401. DEFINITIONS.**

23 For purposes of this Act, the following definitions  
24 shall apply:

25 (1) CHILD.—The term “child” means—

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

4 (B) an individual who has not attained the  
5 age of 14 years, as measured by the Julian cal-  
6 endar, in the case of an individual who resides  
7 in a country that, by law, defines a child as  
8 such an individual.

9 (2) COMMISSION.—The term “Commission”  
10 means the Child Labor Free Commission established  
11 under section 201.

12 (3) LABEL.—The term “label” means a display  
13 of written, printed, or graphic matter on or affixed  
14 to an article of wearing apparel or a sporting good  
15 or on the packaging of the article or a sporting good  
16 that meets the standards described in section  
17 101(a).

18 (4) MADE WITH CHILD LABOR.—

19 (A) IN GENERAL.—A manufactured article  
20 or section of wearing apparel or a sporting good  
21 shall be considered to have been made with  
22 child labor if the article or section—

23 (i) was fabricated, assembled, or proc-  
24 essed in whole or in part; or

1                   (ii) contains any part that was fab-  
2                   ricated assembled, or processed in whole or  
3                   in part,  
4                   by any child described in subparagraph (B).

5                   (B) COVERED CHILDREN.—A child is de-  
6                   scribed in this subparagraph if that child en-  
7                   gaged in the fabrication, assembly, or process-  
8                   ing of the article or section—

9                   (i) in exchange for remuneration  
10                  (without regard to whom the remuneration  
11                  is paid), subsistence, goods or services, or  
12                  any combination thereof;

13                  (ii) under circumstances tantamount  
14                  to involuntary servitude; or

15                  (iii) under—

16                         (I) exposure to toxic substances  
17                         or working conditions that otherwise  
18                         pose serious health hazards; or

19                         (II) working conditions that re-  
20                         sult in the child’s being deprived of  
21                         basic educational opportunities.

22                   (5) PRODUCER.—The term “producer” includes  
23                   a contractor or subcontractor of a manufacturer of  
24                   all or part of a good.

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

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

○