

105TH CONGRESS  
1ST SESSION

# H. R. 2085

To amend the Export-Import Bank Act of 1945 to ensure that the provision of assistance for exports to China is conditioned upon adherence to responsible conduct.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 1997

Mr. EVANS (for himself, Ms. PELOSI, Mr. FRANK of Massachusetts, Mr. STARK, Mr. SANDERS, Ms. KAPTUR, and Mr. BONIOR) introduced the following bill; which was referred to the Committee on Banking and Financial Services

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## A BILL

To amend the Export-Import Bank Act of 1945 to ensure that the provision of assistance for exports to China is conditioned upon adherence to responsible conduct.

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. EXPORT-IMPORT BANK ASSISTANCE FOR EX-**  
4                       **PORTS TO CHINA CONDITIONED ON ADHER-**  
5                       **ENCE TO CODE OF CONDUCT.**

6       (a) IN GENERAL.—Section 2(b) of the Export-Import  
7       Bank Act of 1945 (12 U.S.C. 635(b)) is amended by add-  
8       ing at the end the following:

1       “(f) ASSISTANCE FOR EXPORTS TO CHINA CONDI-  
2       TIONED UPON ADHERENCE TO CODE OF CONDUCT.—

3       “(1) PROHIBITIONS.—

4               “(A) PRE-ASSISTANCE CONDITION.—The  
5       Bank shall not guarantee, insure, extend credit,  
6       or participate in the extension of credit to an  
7       entity with respect to the export of any good or  
8       service destined for the People’s Republic of  
9       China unless the Board of Directors determines  
10      that the entity has established and is adhering  
11      to the code of conduct set forth in paragraph  
12      (2).

13              “(B) PENALTY FOR VIOLATION.—The  
14      Bank shall withdraw any guarantee, insurance,  
15      or credit that the Bank has provided, and shall  
16      withdraw from any participation in an extension  
17      of credit, to an entity with respect to the export  
18      of any good or service destined for the People’s  
19      Republic of China if the Board of Directors de-  
20      termines that the entity is not adhering to the  
21      code of conduct set forth in paragraph (2).

22              “(2) CODE OF CONDUCT.—An entity shall do  
23      all of the following in all of its operations:

24              “(A) Provide a safe and healthy workplace.

1 “(B) Ensure fair employment, including  
2 by—

3 “(i) avoiding child and forced labor,  
4 and discrimination based upon race, gen-  
5 der, national origin, or religious beliefs;

6 “(ii) respecting freedom of association  
7 and the right to organize and bargain col-  
8 lectively;

9 “(iii) paying not less than the mini-  
10 mum wage required by law or the prevail-  
11 ing industry wage, whichever is higher; and

12 “(iv) providing all legally mandated  
13 benefits.

14 “(C) Obey all applicable environmental  
15 laws.

16 “(D) Comply with United States and local  
17 laws promoting good business practices, includ-  
18 ing laws prohibiting illicit payments and ensur-  
19 ing fair competition.

20 “(E) Maintain, through leadership at all  
21 levels, a corporate culture—

22 “(i) which respects free expression  
23 consistent with legitimate business con-  
24 cerns, and does not condone political coer-  
25 cion in the workplace;

1 “(ii) which encourages good corporate  
2 citizenship and makes a positive contribu-  
3 tion to the communities in which the entity  
4 operates; and

5 “(iii) in which ethical conduct is rec-  
6 ognized, valued, and exemplified by all em-  
7 ployees.

8 “(F) Require similar behavior by partners,  
9 suppliers, and subcontractors under terms of  
10 contracts.

11 “(G) Implement and monitor compliance  
12 with the subparagraphs (A) through (F)  
13 through a program that is designed to prevent  
14 and detect noncompliance by any employee or  
15 supplier of the entity and that includes—

16 “(i) standards for ethical conduct of  
17 employees of the entity and of suppliers  
18 which refer to the subparagraphs;

19 “(ii) procedures for assignment of ap-  
20 propriately qualified personnel at the man-  
21 agement level to monitor and enforce com-  
22 pliance;

23 “(iii) procedures for reporting non-  
24 compliance by employees and suppliers;

1 “(iv) procedures for selecting qualified  
2 individuals who are not employees of the  
3 entity or of suppliers to monitor compli-  
4 ance, and for assessing the effectiveness of  
5 such compliance monitoring;

6 “(v) procedures for disciplinary action  
7 in response to noncompliance;

8 “(vi) procedures designed to ensure  
9 that, in cases in which noncompliance is  
10 detected, reasonable steps are taken to cor-  
11 rect the noncompliance and prevent similar  
12 noncompliance from occurring; and

13 “(vii) communication of all standards  
14 and procedures with respect to the code of  
15 conduct to every employee and supplier—

16 “(I) by requiring all management  
17 level employees and suppliers to par-  
18 ticipate in a training program; or

19 “(II) by disseminating informa-  
20 tion orally and in writing, through  
21 posting of an explanation of the  
22 standards and procedures in promi-  
23 nent places sufficient to inform all  
24 employees and suppliers, in the local

1 languages spoken by employees and  
2 managers.

3 “(3) SMALL BUSINESS EXCEPTION.—This sub-  
4 section shall not apply to an entity that is a small  
5 business (within the meaning of the Small Business  
6 Act).”.

7 (b) ANNUAL REPORT.—Section 2(b)(1)(A) of such  
8 Act (12 U.S.C. 635(b)(1)(A)) is amended by adding at  
9 the end the following: “The Bank shall include in the an-  
10 nual report a description of the actions the Bank has  
11 taken to comply with subsection (f) during the period cov-  
12 ered by the report.”.

13 (c) SENSE OF THE CONGRESS.—It is the sense of the  
14 Congress that the Export-Import Bank of the United  
15 States and the Clearinghouse on Corporate Responsibility  
16 that is being developed by the Department of Commerce  
17 should work together to ensure that businesses are made  
18 aware of, and have access to, resources and organizations  
19 that can assist businesses in developing, implementing,  
20 and monitoring global codes of corporate conduct.

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