

## **DECENT WORKING CONDITIONS AND FAIR COMPETITION ACT**

### ***Why this bill is needed:***

A recent investigation by the *New York Times* found that sweatshops in Jordan were making products for sale in the United States under horrific conditions – including forced 20-hour shifts, deprivation of food, and frequent beatings – and these products were entering the United States duty-free, under the U.S.-Jordan Free Trade Agreement.

The United States currently prohibits the importation of products made with prison labor, but does not similarly prohibit the importation of products made in sweatshops under slave-like conditions. What's more, if a U.S. retailer finds that one of its competitors is importing products made in a foreign sweatshop, it has no recourse in U.S. courts, and is placed at a competitive disadvantage. These omissions in U.S. law need to be fixed. Senator Dorgan introduced legislation late in the 109<sup>th</sup> Congress (S. 3485) to do just that, but the 109<sup>th</sup> Congress adjourned without passing the legislation.<sup>1</sup> Senator Dorgan reintroduced the bipartisan legislation in the 110<sup>th</sup> Congress along with Senators Graham, Brown, Feingold, Byrd, Rockefeller, Sanders, Webb and Menendez.

### ***What this bill does:***

- ✓ It bans the importation of sweatshop products

The bill modifies Section 307 of the Tariff Act of 1930 to ban the importation or sale of products made in factories under sweatshop conditions. For purposes of the bill, “sweatshop conditions” are gross violations of the wages, hours, health and safety laws of the country where the labor is performed. Enforcement would be divided between the Customs Service and the Federal Trade Commission. If the Federal Trade Commission determined that a factory was operating under sweatshop conditions, it would issue an order prohibiting the sale of products from that factory. Violations of those orders would then carry a civil penalty of up to \$10,000 for each individual violation. The import ban deals only with goods that can be proven to have been made with sweatshop labor and is not a ban of products based on the country of origin. In order to comply with non-discrimination provisions of the WTO, the sales ban would apply to both domestic and imported goods. The President may waive the application of this section to particular goods, but the Congress may pass a joint resolution rejecting a Presidential waiver.

- ✓ It creates a private right of action for U.S. retailers and their investors

The bill creates a private right of action for U.S. retailers and their investors to bring a civil action against competitors who import or sell sweatshop goods. For each offense, plaintiffs can sue for damages of the higher of \$10,000 or the actual value of the goods. They can also sue for injunctive relief, to prevent the further entry of these goods into the U.S. marketplace.

### ***What this bill does not do:***

It does not impose U.S. labor standards on foreign countries – it simply prohibits the importation of products made in gross violation of each country's own labor laws. And it does not violate the United States' WTO obligations – because it does not treat imported goods any different from domestically produced goods.

---

<sup>1</sup> A companion bill was introduced in the House (H. 5635), with the support of 60 cosponsors.