

104TH CONGRESS  
2D SESSION

# H. R. 4014

To require the President to certify whether the commitments made in the side agreements on the environment and on labor to the North American Free Trade Agreement are being met, and to remove certain benefits from a country that is certified as not meeting those commitments.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 1996

Mr. WELDON of Pennsylvania (for himself, Mr. CLAY, Mr. QUINN, Mr. McHUGH, Mr. STEARNS, Mr. TRAFICANT, Mr. ENGLISH of Pennsylvania, Mr. REGULA, Ms. KAPTUR, Mr. GOODLING, and Mr. NEY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on International Relations, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To require the President to certify whether the commitments made in the side agreements on the environment and on labor to the North American Free Trade Agreement are being met, and to remove certain benefits from a country that is certified as not meeting those commitments.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. PRESIDENTIAL CERTIFICATIONS.**

2 (a) CERTIFICATIONS REGARDING ENVIRONMENTAL  
3 AGREEMENT.—

4 (1) ANNUAL CERTIFICATIONS.—The President  
5 shall, on the basis of the reports prepared under  
6 paragraph (2), submit to the Congress, not later  
7 than May 31 of each year, a report that certifies  
8 whether or not each NAFTA country is meeting  
9 commitments made in the North American Agree-  
10 ment on Environmental Cooperation—

11 (A) to ensure that the regulations of that  
12 country establish and enforce levels of environ-  
13 mental protection that meet the requirements of  
14 its constitution and other laws setting forth the  
15 country's policy on environmental protection;  
16 and

17 (B) to effectively enforce the laws referred  
18 to in paragraph (1).

19 (2) BASIS OF CERTIFICATION.—The Adminis-  
20 trator of the Environmental Protection Agency shall  
21 prepare for the President an annual report on the  
22 enforcement by each NAFTA country of its laws  
23 governing environmental protection, and its progress  
24 in protecting the environment in accordance with its  
25 development. In doing so, the Administrator shall  
26 consider the country's—

- 1 (A) air quality standards;
- 2 (B) water effluent standards; and
- 3 (C) hazardous waste disposal standards.

4 Each report under this paragraph shall be transmit-  
5 ted to the President not later than 30 days before  
6 the date on which the President is required to sub-  
7 mit his report under paragraph (1).

8 (b) CERTIFICATIONS REGARDING LABOR AGREE-  
9 MENT.—

10 (1) ANNUAL CERTIFICATIONS.—The President  
11 shall, on the basis of the reports prepared under  
12 paragraph (2), submit to the Congress, not later  
13 than May 31 of each year, a report that certifies  
14 whether or not each NAFTA country is meeting  
15 commitments made in the North American Agree-  
16 ment on Labor Cooperation to comply with the ob-  
17 jectives of that Agreement to promote and improve  
18 laws protecting worker rights and to promote com-  
19 pliance with these laws by using appropriate meth-  
20 ods such as—

- 21 (A) monitoring and on-site inspection by
- 22 trained;
- 23 (B) encouragement of voluntary compli-
- 24 ance by employers;

1 (C) mandatory reporting by employers to  
2 appropriate governmental authorities; and

3 (E) enforcement actions.

4 (2) BASIS OF CERTIFICATION.—The Secretary  
5 of Labor shall prepare for the President an annual  
6 report on the enforcement by each NAFTA country  
7 of its laws protecting worker rights. In doing so, the  
8 Secretary shall consider the country's enforcement of  
9 such laws in accordance with the following labor  
10 principles (as stated in the Preamble of the North  
11 American Agreement on Labor Cooperation):

12 (A) Freedom of association.

13 (B) The right to bargain collectively.

14 (C) The right to strike.

15 (D) Prohibition on forced labor.

16 (E) Restrictions on labor by children and  
17 young people.

18 (F) Minimum employment standards.

19 (G) Elimination of employment discrimina-  
20 tion.

21 (H) Equal pay for men and women.

22 (I) Prevention of occupational accidents  
23 and diseases.

24 (J) Compensation in cases of work acci-  
25 dents and occupational diseases.

1 Each report under this paragraph shall be transmit-  
2 ted to the President not later than 30 days before  
3 the date on which the President is required to sub-  
4 mit his report under paragraph (1).

5 **SEC. 2. DENIAL OF CERTAIN BENEFITS.**

6 (a) IN GENERAL.—In any case in which the Presi-  
7 dent certifies in a report submitted under section 1 that  
8 a NAFTA country is not meeting commitments made in  
9 the North American Agreement on Environmental Co-  
10 operation or the North American Agreement on Labor Co-  
11 operation, then the following shall apply, beginning 30  
12 days after the report is submitted, until the next report  
13 is submitted under section 1:

14 (1) DENIAL OF UNITED STATES ASSISTANCE.—  
15 That country may not receive any United States as-  
16 sistance (other than humanitarian assistance), in-  
17 cluding any loans or other extensions of credit or  
18 credit guarantees by the United States.

19 (2) OPPOSITION TO ASSISTANCE BY INTER-  
20 NATIONAL FINANCIAL INSTITUTIONS.—The Presi-  
21 dent shall direct the United States Representative to  
22 each international financial institution to use the  
23 voice and vote of the United States to oppose any  
24 loan or other extension of credit to that country.

1           (3) IMPOSITION OF TARIFFS.—The President  
2           may impose on products of that country, notwith-  
3           standing any other provision of law, tariffs, in addi-  
4           tion to those that would otherwise apply, on prod-  
5           ucts in those sectors of the economy directly related  
6           to the failure of the country to meet the commit-  
7           ments made in the applicable agreement.

8           (b) WAIVER.—The President may waive the applica-  
9           tion of any provision of subsection (a) with respect to a  
10          country if the President determines that it is in the na-  
11          tional security interests of the United States to do so and  
12          the President submits that determination, and the ration-  
13          ale for the determination, to the Congress at least 30 days  
14          before the waiver would take effect.

15   **SEC. 3. DEFINITIONS.**

16          As used in this Act:

17           (1) INTERNATIONAL FINANCIAL INSTITU-  
18           TION.—The term “international financial institu-  
19           tion” has the meaning given that term in section  
20           1701(c)(2) of the International Financial Institu-  
21           tions Act (22 U.S.C. 262r(c)(2)).

22           (2) NAFTA COUNTRY.—The term “NAFTA  
23           country” has the meaning given that term in section  
24           2(4) of the North American Free Trade Agreement  
25           Implementation Act (19 U.S.C. 3301(4)).

1           (3) NORTH AMERICAN AGREEMENT ON ENVI-  
2           RONMENTAL COOPERATION.—The term “North  
3           American Agreement on Environmental Coopera-  
4           tion” has the meaning given that term in section  
5           532(b)(2) of the North American Free Trade Agree-  
6           ment Implementation Act (19 U.S.C. 3472(b)(2)).

7           (4) NORTH AMERICAN AGREEMENT ON LABOR  
8           COOPERATION.—The term “North American Agree-  
9           ment on Labor Cooperation” has the meaning given  
10          that term in section 531(b)(2) of the North Amer-  
11          ican Free Trade Agreement Implementation Act (19  
12          U.S.C. 3471(b)(2)).

13          (5) UNITED STATES ASSISTANCE.—The term  
14          “United States assistance” means any program of  
15          assistance or credits provided by the United States  
16          to other countries under any provision of law.

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