

Sanders	Smith (NJ)	Thune
Sandlin	Smith (OR)	Traficant
Sanford	Smith (TX)	Upton
Saxton	Smith, Linda	Visclosky
Scarborough	Snowbarger	Walsh
Schaefer, Dan	Solomon	Wamp
Schaffer, Bob	Souder	Watkins
Scott	Spence	Watts (OK)
Sensenbrenner	Stearns	Weldon (FL)
Sessions	Stokes	Weldon (PA)
Shaw	Stump	Weller
Shays	Sununu	Wexler
Shimkus	Talent	White
Shuster	Tanner	Whitfield
Sisisky	Tauzin	Wicker
Skaggs	Taylor (MS)	Wise
Skeen	Taylor (NC)	Wolf
Skelton	Thomas	Young (AK)
Smith (MI)	Thornberry	Young (FL)

## NOT VOTING—14

Archer	Meek	Roukema
DeGette	Nadler	Schiff
Foglietta	Norwood	Tiahrt
Gonzalez	Pallone	Yates
Gutierrez	Price (NC)	

□ 1509

Messrs. LEWIS of Kentucky, WHITE, SANFORD, KINGSTON, and BAESLER changed their vote from "aye" to "no."

Mr. JOHN, Ms. DELAURO, Mr. PAYNE, Mr. GREEN, Ms. MILLENDER-MCDONALD, Ms. DANNER, and Mr. SERRANO changed their vote from "no" to "aye."

So the motion was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

The SPEAKER pro tempore (Mr. COOKSEY) assumed the chair.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 94. Joint Resolution making continuing appropriations for the fiscal year 1998, and for other purposes.

The SPEAKER pro tempore. The Committee will resume its sitting.

## REAUTHORIZATION OF THE EXPORT-IMPORT BANK

The Committee resumed its sitting.

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in House Report 105-282.

AMENDMENT NO. 1 OFFERED BY MR. EVANS

Mr. EVANS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. EVANS:

At the end of the bill, add the following:

**SEC. 10. PREFERENCE IN EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO CHINA TO BE PROVIDED TO COMPANIES ADHERING TO CODE OF CONDUCT.**

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

"(f) PREFERENCE IN ASSISTANCE FOR EXPORTS TO CHINA TO BE PROVIDED TO ENTITIES ADHERING TO CODE OF CONDUCT.—

"(1) PROHIBITIONS.—

"(A) IN GENERAL.—In determining, whether to guarantee, insure, extend credit, or participate in the extension of credit with respect to the export of goods or services destined for the People's Republic of China, the Board of Directors shall give preference to entities that the Board of Directors determines have established and are adhering to the code of conduct set forth in paragraph (2).

"(B) PENALTY FOR VIOLATION.—The Bank shall withdraw any guarantee, insurance, or credit that the Bank has provided, and shall withdraw from any participation in an extension of credit, to an entity with respect to the export of any good or service destined for the People's Republic of China if the Board of Directors determines that the entity is not adhering to the code of conduct set forth in paragraph (2).

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

"(A) Provide a safe and healthy workplace.

"(B) Ensure fair employment, including by—

"(i) avoiding child and forced labor, and discrimination based upon race, gender, national origin, or religious beliefs;

"(ii) respecting freedom of association and the right to organize and bargain collectively;

"(iii) paying not less than the minimum wage required by law or the prevailing industry wage, whichever is higher; and

"(iv) providing all legally mandated benefits.

"(C) Obey all applicable environmental laws.

"(D) Comply with United States and local laws promoting good business practices, including laws prohibiting illicit payments and ensuring fair competition.

"(E) Maintain, through leadership at all levels, a corporate culture—

"(i) which respects free expression consistent with legitimate business concerns, and does not condone political coercion in the workplace;

"(ii) which encourages good corporate citizenship and makes a positive contribution to the communities in which the entity operates; and

"(iii) in which ethical conduct is recognized, valued, and exemplified by all employees.

"(F) Require similar behavior by partners, suppliers, and subcontractors under terms of contracts.

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

"(i) standards for ethical conduct of employees of the entity and of suppliers which refer to the subparagraphs;

"(ii) procedures for assignment of appropriately qualified personnel at the management level to monitor and enforce compliance;

"(iii) procedures for reporting noncompliance by employees and suppliers;

"(iv) procedures for selecting qualified individuals who are not employees of the entity or of suppliers to monitor compliance, and for assessing the effectiveness of such compliance monitoring;

"(v) procedures for disciplinary action in response to noncompliance;

"(vi) procedures designed to ensure that, in cases in which noncompliance is detected, reasonable steps are taken to correct the noncompliance and prevent similar noncompliance from occurring; and

"(vii) communication of all standards and procedures with respect to the code of conduct to every employee and supplier—

"(I) by requiring all management level employees and suppliers to participate in a training program; or

"(II) by disseminating information orally and in writing, through posting of an explanation of the standards and procedures in prominent places sufficient to inform all employees and suppliers, in the local languages spoken by employees and managers.

"(3) SMALL BUSINESS EXCEPTION.—This subsection shall not apply to an entity that is a small business (within the meaning of the Small Business Act.)"

(b) ANNUAL REPORT.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is amended by adding at the end the following: "The Bank shall include in the annual report a description of the actions the Bank has taken to comply with subsection (f) during the period covered by the report."

(c) RECEIPTS OF ASSISTANCE FROM THE EXPORT-IMPORT BANK TO BE PROVIDED WITH RESOURCES AND INFORMATION TO FURTHER ADHERENCE TO GLOBAL CODES OF CORPORATE CONDUCT.—The Export-Import Bank of the United States shall work with the Clearinghouse on Corporate Responsibility that is being developed by the Department of Commerce to ensure that recipients of assistance from the Export-Import Bank are made aware of, and have access to, resources and organizations that can assist the recipients in developing, implementing, and monitoring global codes of corporate conduct.

The CHAIRMAN. Pursuant to House Resolution 255, the gentleman from Illinois [Mr. EVANS] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment to the Export-Import Bank reauthorization bill directs the Bank to provide a financial carrot for firms to adopt, adhere, and comply with their own business standards while operating in China. Under this proposal, priority for Export-Import Bank financing would be granted to firms who have pledged to avoid the use of child or prison labor, avoid discrimination based on religion, race, gender, and national origin, respect freedom of association and the right to organize, provide a safe and healthy workplace, obey applicable environmental laws, comply with U.S. and local laws in promoting good business practices, including laws prohibiting illicit payments, and assure that their business partners in China adhere to those same principles.

□ 1515

In order to qualify for this preference, firms must demonstrate that they are making a good faith effort to comply with these principles. The board of directors would evaluate a firm's qualifications based on guidelines outlined in this amendment.

Most companies are aware of these procedures because they are modeled after chapter 8 of the U.S. Federal Sentencing Guidelines relating to organizational defendants. Those guidelines were implemented in 1991 as an incentive for U.S. corporations to prevent and detect violations of U.S. laws within their organization. If a firm implements a compliance system to prevent