

118TH CONGRESS  
2D SESSION

# H. R. 8495

To ensure electric vehicle companies do not use child or slave labor in the manufacture of, or sourcing of materials for, electric vehicles.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2024

Mr. DUARTE (for himself, Mr. VAN ORDEN, and Mr. OWENS) introduced the following bill; which was referred to the Committee on Oversight and Accountability, and in addition to the Committees on Education and the Workforce, and Ways and Means, 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 ensure electric vehicle companies do not use child or slave labor in the manufacture of, or sourcing of materials for, electric vehicles.

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 “EV Fair Trade Act  
5 of 2024”.

6 **SEC. 2. PROHIBITION OF GRANT.**

7 (a) IN GENERAL.—Beginning on the later of the date  
8 that is 2 years after the date of enactment or the date

1 on which the database required under section 3(c)(1) is  
2 available, the head of an executive agency may not award  
3 Federal assistance to any electric vehicle company that de-  
4 velops, builds, or sells electric vehicles in the United States  
5 unless a representative of the company fulfills the certifi-  
6 cation requirement described in section 3(a) and complies  
7 with any other requirement of this Act. This prohibition  
8 applies to each stage of production, from mineral extrac-  
9 tion to final assembly of the electric vehicle.

10 (b) COMPLIANCE.—To comply with the requirement  
11 described in subsection (a), the head of an executive agen-  
12 cy shall review the status of the certifications as main-  
13 tained in the database established under section 3(c) be-  
14 fore awarding any Federal assistance to such electric vehi-  
15 cle company. A company that does not have a certification  
16 in the database and does not provide proof that a rep-  
17 resentative of the electric vehicle company has submitted  
18 a certification to the Secretary pursuant to section 3(a)  
19 shall not be eligible for Federal assistance until such time  
20 as a certification has been submitted to the Secretary of  
21 Labor. A company whose representative has submitted a  
22 certificate that is determined to be false pursuant to an  
23 audit conducted under section 4 shall not be eligible for  
24 any Federal assistance until 5 years after the date on  
25 which a new certification has been submitted and audited.

1 **SEC. 3. CERTIFICATIONS.**

2 (a) CERTIFICATION.—

3 (1) IN GENERAL.—A representative of an elec-  
4 tric vehicle company shall submit a certification to  
5 the Bureau of International Labor Affairs in a form  
6 and manner determined appropriate by the Sec-  
7 retary.

8 (2) EXPIRATION OF CERTIFICATION.—A certifi-  
9 cation submitted under paragraph (1) shall expire  
10 on the date that is 3 years after the date on which  
11 the certification is submitted or upon substantial  
12 change to a major component of an electric vehicle  
13 manufactured by the electric vehicle company to  
14 which the certification applies.

15 (b) CONTENTS OF CERTIFICATION.—A certification  
16 submitted under subsection (a)(1) shall include a state-  
17 ment that the electric vehicle company does not utilize ma-  
18 terials that have been sourced through oppressive child or  
19 forced labor or slavery in its supply chain for electric vehi-  
20 cles sold in the United States.

21 (c) DATABASE.—

22 (1) IN GENERAL.—Not later than 2 years after  
23 the date of enactment of this Act, the Secretary  
24 shall establish and maintain a database, to be made  
25 available only to Federal agencies, for the purpose of

1 tracking and managing certifications submitted  
2 under subsection (a).

3 (2) PUBLIC DATABASE.—The Secretary shall  
4 make available to the public a summarized version  
5 of the certifications, which shall consist of a list of  
6 the companies that submitted a certification and  
7 whether such certification is valid.

8 **SEC. 4. AUDITS.**

9 (a) IN GENERAL.—On an annual basis, the Sec-  
10 retary, acting through the Bureau and in consultation  
11 with the Secretary of Homeland Security, shall conduct  
12 an audit, on a random basis, of not less than 10 percent  
13 of certifications submitted pursuant to section 3(a) to en-  
14 sure that such certifications are accurate.

15 (b) ADDITIONAL AUDITS.—In addition to the audits  
16 required under subsection (a), the Secretary shall conduct  
17 an audit of a certification submitted by an electric vehicle  
18 company if the Secretary determines that a report received  
19 under section 5(a) in relation to such company is based  
20 on credible evidence.

21 **SEC. 5. FALSE CERTIFICATION ALLEGATIONS.**

22 (a) IN GENERAL.—Any individual may submit a re-  
23 port to the Bureau alleging that a certification is false.

24 (b) REVIEW OF INFORMATION.—The Secretary shall  
25 review a report submitted under subsection (a) to verify

1 that the report is based upon credible evidence, which may  
2 include—

- 3 (1) internal company documents;
- 4 (2) whistleblower accounts; and
- 5 (3) verifiable supply chain documentation.

6 (c) FALSE ALLEGATIONS.—If the Secretary deter-  
7 mines that—

- 8 (1) a report submitted under subsection (a) is  
9 not based on credible evidence; and
- 10 (2) the report was submitted for competitive  
11 advantage,

12 the Secretary is authorized to impose up to a \$250,000  
13 fine on entities that submit false allegations.

14 (d) REGULATIONS.—Not later than 1 year after the  
15 date of enactment of this Act, the Secretary shall issue,  
16 after opportunity for public comment, such regulations as  
17 are necessary to carry out subsections (a) and (b).

18 **SEC. 6. REPORT.**

19 The Secretary of Labor shall submit to Congress, on  
20 an annual basis, a report that includes each of the fol-  
21 lowing:

- 22 (1) Each certification that the Bureau received  
23 during the preceding year.

1           (2) A summary of audit results, including the  
2           number of certifications audited, any discrepancies  
3           found, and actions taken as a result.

4           (3) A description of any instance in which Fed-  
5           eral assistance was denied due to lack of certifi-  
6           cation or false certification.

7           (4) Any challenges faced in the certification and  
8           audit processes and recommendations for improve-  
9           ments.

10          (5) A description of collaborative efforts with  
11          other Federal agencies in the pursuit of ethical  
12          sourcing.

13          (6) Any feedback from electric vehicle compa-  
14          nies on the certification process and areas for im-  
15          provement.

16 **SEC. 7. DEFINITIONS.**

17          In this Act:

18           (1) BUREAU.—The term “Bureau” means the  
19           Bureau of International Labor Affairs.

20           (2) ELECTRIC VEHICLE.—The term “electric  
21           vehicle” means a motor vehicle that—

22                   (A) is capable of being powered wholly or  
23                   in part by an electric motor that draws elec-  
24                   tricity from one or more batteries that are ca-

1 pable of being charged from an internal or ex-  
2 ternal source; and

3 (B) is manufactured primarily for use on  
4 public streets, roads, and highways.

5 (3) ELECTRIC VEHICLE COMPANY.—The term  
6 “electric vehicle company” means a person who is  
7 engaged in the business of manufacturing electric  
8 vehicles.

9 (4) EXECUTIVE AGENCY.—The term “executive  
10 agency” has the meaning given “agency” under sec-  
11 tion 551 of title 5, United States Code.

12 (5) FEDERAL ASSISTANCE.—The term “Federal  
13 Assistance” means any grant, contract, loan, or any  
14 form of financial assistance provided by an executive  
15 agency to an electric vehicle company.

16 (6) MAJOR COMPONENT.—The term “major  
17 component” means any part, material, or assembly  
18 that is integral to the functionality, safety, or per-  
19 formance of an electric vehicle, including the fol-  
20 lowing:

21 (A) A battery cell or pack.

22 (B) An electric motor.

23 (C) Power electronics.

24 (D) A drivetrain assembly.

25 (E) A critical software module.

1           (7) MINERAL.—The term “mineral” means a  
2 naturally occurring inorganic substance extracted  
3 from the earth, which is used directly or undergoes  
4 processing for utilization in the production of elec-  
5 tric vehicle components, including the following:

6           (A) Lithium.

7           (B) Cobalt.

8           (C) Nickel.

9           (D) Rare earth elements.

10          (E) Copper.

11          (F) Graphite.

12          (G) Manganese.

13           (8) SECRETARY.—Except where otherwise spec-  
14 ified, the term “Secretary” means the Secretary of  
15 Labor.

16           (9) SLAVE OR CHILD LABOR.—The term “slave  
17 or child labor” has the meaning given—

18           (A) the term “oppressive child labor” in  
19 section 3(1) of the Fair Labor Standards Act of  
20 1938 (29 U.S.C. 203(1)); and

21           (B) the term “forced labor” in section 307  
22 of the Tariff Act (19 U.S.C. 1307).



1 **SEC. 8. PROHIBITION ON CREDIT OR DEDUCTION FOR EX-**  
2 **PENDITURES IN CONNECTION WITH NON-**  
3 **FAIR TRADE ELECTRIC VEHICLE MANUFAC-**  
4 **TURING.**

5 (a) IN GENERAL.—Part IX of subchapter B of chap-  
6 ter 1 of the Internal Revenue Code of 1986 is amended  
7 by adding at the end the following new section:

8 **“SEC. 280I. EXPENDITURES IN CONNECTION WITH NON-**  
9 **FAIR TRADE ELECTRIC VEHICLE MANUFAC-**  
10 **TURING.**

11 “(a) IN GENERAL.—No credit or deduction shall be  
12 allowed for any amount which—

13 “(1) is paid or incurred in carrying on the  
14 trade or business of an electric vehicle company in  
15 manufacturing electric vehicles, and

16 “(2) is allocable to any period during the tax-  
17 able year during which the electric vehicle company  
18 fails to comply with the EV Fair Trade Act of 2024.

19 “(b) ELECTRIC VEHICLE COMPANY; ELECTRIC VEHI-  
20 CLE.—The terms ‘electric vehicle company’ and ‘electric  
21 vehicle’ shall have the respective meanings given such  
22 terms by the EV Fair Trade Act of 2024.”

23 (b) CLERICAL AMENDMENT.—The table of sections  
24 for part IX of subchapter B of chapter 1 of such Code  
25 is amended by adding at the end the following new item:

“Sec. 280I. Expenditures in connection with non-fair trade electric vehicle manufacturing.”.

1       (c) **EFFECTIVE DATE.**—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 the date that is 2 years after the date of the enactment  
4 of this Act.

5 **SEC. 9. SUNSET.**

6       This Act, and the requirements under this Act, shall  
7 expire on the date that is 7 years after the date of enact-  
8 ment of this Act, and no person shall be treated as failing  
9 to comply with this Act for any period beginning after  
10 such date.

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