Minutes

Attending: Kristen Ablauf, Jason Bates, Steven Brunn, Mary Gallagher, Sioban Harlow, Greg Marquis, Larry Root (chair), Brian Talbot, Ada Verloren (staff to committee).
Absent: Marian Krzyzowski, Ana Quinones.

1. Approval of minutes
The committee approved the minutes of the March 10, 2008 meeting.

2. WRC/DSP meeting
Larry Root attended a meeting of the DSP working group, which took place on Thursday, March 20, 2008. The WRC explained that, rather than getting a negative response, it withdrew its request for a business review letter from the Department of Justice. It was suggested that the working group re-visit some of the provisions of the DSP in order to develop an approach that might attract more schools and not include some of the provisions that were of concern from an anti-trust point of view. This approach appeared to be unacceptable to students representing USAS, who expressed the view that there should be no changes to the DSP plan, with the belief that a change in the political administration in Washington would lead to the DSP getting positive response from the Department of Justice in the future.

3. Counter Sourcing--fair trade model
On March 21, several committee members met with Joe Falcone from Counter Sourcing, a relatively new company that was established based on the “fair trade” model. Counter Sourcing, which is currently sourcing from a relatively large Bangladeshi factory, returns 10% of its revenue to workers and approximately 7% of revenues to a nonprofit organization that supports improved working conditions. Mr. Falcone has been working with college bookstores to introduce Counter Sourcing apparel as a “fair trade” alternative. The committee members discussed his model and questioned how much of an impact this company could have on labor conditions, considering the small size of the company’s order in a large production facility. Although there were some questions raised, the committee noted that a multiplicity of approaches may be the best way to improve conditions for workers. The committee discussed following up with some questions for Mr. Falcone.

The committee also discussed a WRC initiative, referred to as the “Bookstore” approach. The WRC is working with a very large licensee on the idea of manufacturing apparel in a factory that meets the DSP requirements. This would be a distinct line of products that would be advertised as meeting higher standards (perhaps referencing the labor standards that were articulated in the DSP proposal). This approach would not change the overall system of manufacturing, but it would set an example of clothes manufactured under better working conditions.

4. CLC initiative: further discussion
CLC is about to start sending out its questionnaire on Corporate Social Responsibility and Supply Chain Compliance to both new applicants, and to licensees that come up for renewal. This initiative, by U. of M. and a group of other large licensees, represents a systemic way for gaining information from all licensees about their efforts to monitor the labor code of conduct. CLC’s grading system will provide guidance to participating schools, who will then decide what grade to accept and what kind of capacity building will be necessary.

Ø Kristen Ablauf will inform the committee of the date when CLC will start sending out questionnaires and the date when the first results can be expected.

5. FLA
· Enhanced Licensee Program Pilot
Ø Kristen Ablauf will make a recommendation on how to encourage licensees to participate in the pilot program.

· UAC meeting report
  The committee took note of the FLA’s report regarding the University Advisory Council (UAC) annual meeting, which was held on March 2, 2008 in San Antonio, Texas.

· Update on Jerzees de Choloma and Jerzees de Honduras
  The committee acknowledged that remediation is proceeding.

6. New business
The following three items were brought up for the committee’s consideration:
– Clarify the Code of Conduct to require that a licensee comply with FLA and WRC investigations;
– Recognizing that the contract is the University’s major tool to induce licensees to comply with the Code of Conduct, adjust contracts to impose fines or increased royalties as incentives
– Write a letter to FLA indicating that Tim Freer is an inappropriate member of the Board of Directors and asking him to step down. His term ends December 2008. This request by a committee member is based on allegations that Tim Freer was actively involved in
anti-union activity such as captive audience screenings, identification of pro-union workers, and identification of note-takers at meetings, who were then selected for further screenings.

The committee discussed contractual provisions that may be invoked and procedures that the University may follow when a licensee is out of compliance. In the committee’s procedural guidelines for acting on complaints, the committee may request cooperation with a monitoring organization. But this does not automatically mean that a company is not in compliance when it does not let the FLA/WRC in for an investigation.

The University has the ability to let a company know that it is not doing what it is supposed to do, or to say that a licensee is out of compliance. The University can make a judgment and take action if a company is not in compliance, e.g. if a company does not respond in a timely fashion.

The committee discussed the issue concerning accusations against Tim Freer of New Era Cap concerning his actions in the course of the dispute at their Alabama facility that might have violated the code of conduct. Questions were raised by the committee about what specific actions were being referenced. It was suggested that those advocating such a letter assemble the relevant information for committee consideration.

The next meeting of the committee will be on Monday, April 14, 8:30-10:00 in room 1794 of the School of Social Work building.