



OFFICE OF THE PRESIDENT

## THE UNIVERSITY OF ALABAMA

March 23, 1999

### MEMORANDUM

TO: Bob Bockrath  
Gene Marsh

FR: Andrew A. Sorensen *Andrew*

Our faculty and students are increasingly concerned about the sweatshop conditions under which many products bearing University logos are being produced. I enclose a letter and materials from Stan Ikenberry, President of the American Council on Education on this matter. After you have reviewed these materials, please contact Roxanne to set up a meeting to discuss these matters with me. As an institution, we can no longer afford to refuse to take a policy on this issue, I want to make sure that the two of you have adequate opportunity to give me your advice as to how we should deal with these matters. Thank you.

AAS/dr

Enclosure

American Council on Education



Office of the President

March 15, 1999

Dear Colleague:

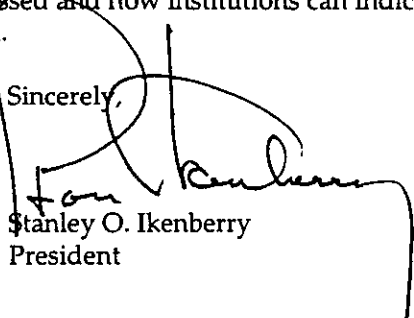
Increasing numbers of colleges and universities around the country have been thinking about policies they might adopt to help assure that products bearing their names are not produced by sweatshop labor. This has been a topic of lively discussion on a number of campuses, and there has also been interest in the media and on Capitol Hill. Licensing officers have been discussing this issue through such groups as the Association of Collegiate Licensing Administrators and with licensing agents like the Collegiate Licensing Company and the Licensing Resource Group.

Recognizing that many schools share common interests and license logo merchandise to many of the same companies, a number of colleges and universities have expressed the hope that they could participate in some kind of national approach to these issues. The enclosed materials describe a new nonprofit entity, the Fair Labor Association (FLA), that may serve this purpose. The FLA has adopted a Code of Conduct and, through its professional staff, will administer a carefully prescribed monitoring process to assess compliance of companies with these standards.

The FLA and its code were initially created by representatives of the apparel and footwear industries, human rights groups, labor, religious organizations, university interests, and consumer advocates working under the auspices of the Apparel Industry Partnership (AIP), with the active participation and encouragement of the White House and the Department of Labor. In recent months, the AIP has worked with representatives from several universities and collegiate licensing organizations to add a college/university voice to the FLA board, create an advisory council, establish a college/university liaison position on the FLA staff, provide a mechanism for college/university affiliation, and make other modifications in the FLA so that interested colleges and universities can participate in the deliberations of the FLA and require their licensees to demonstrate compliance with the FLA standards.

Obviously each institution will have to decide for itself whether affiliation with this new organization should be part of its strategy for eliminating the use of sweatshop labor in the production of merchandise with which it is associated. As you will see from the enclosed list, a number of colleges and universities have already announced their intention to affiliate with this new organization, and others that choose to affiliate at this time will have an opportunity to help shape its earliest days. The enclosed materials indicate where questions can be addressed and how institutions can indicate their interest. I commend the materials to your careful attention.

Sincerely,



Stanley O. Ikenberry  
President

Enclosures

## COLLEGE AND UNIVERSITY AFFILIATION WITH THE FAIR LABOR ASSOCIATION

### *A National Initiative to Monitor Compliance with Anti-Sweatshop Labor Standards*

Many colleges and universities have expressed interest in being part of a national effort to help assure that products bearing their names are not produced under sweatshop conditions. One possibility is to affiliate with a new non-profit entity, the **Fair Labor Association (FLA)**, and then require companies licensed to manufacture logo merchandise to become certified by the FLA.

#### *What is the FLA?*

The Fair Labor Association is being created to oversee monitoring and evaluation of compliance with a **Workplace Code of Conduct** (attached) that was developed by a White House-initiated group known as the Apparel Industry Partnership (AIP). The AIP included representatives from the apparel and footwear industries, human rights groups, labor, religious organizations, and consumer advocates. The Code of Conduct includes provisions regarding forced labor, child labor, harassment or abuse, nondiscrimination, health and safety, freedom of association and collective bargaining, wages and benefits, hours of work, and overtime compensation. It applies to contractors and suppliers as well as the companies themselves. The AIP also adopted a set of **monitoring principles** to govern both internal monitoring and independent external monitoring of companies seeking FLA certification. After the code and monitoring principles were adopted, several industry members and representatives of such organizations as the International Labor Rights Fund, the Lawyers Committee for Human Rights, the National Consumers League, and the Robert F. Kennedy Memorial Center for Human Rights drew up a charter for the FLA. The full charter can be found on the web site of the Lawyers Committee at [www.lchr.org/sweatshop](http://www.lchr.org/sweatshop).

#### *What are the "monitoring principles?"*

Companies must conduct **internal monitoring of all their factories** every year in accordance with FLA principles. These principles require companies to communicate the Code of Conduct to all workers in their language(s), train company monitors, conduct periodic inspections and audits, create confidential reporting mechanisms for workers, establish means of remediation, and develop relationships with local labor, human rights, or religious institutions.

In addition, **independent external monitors** accredited by the FLA must inspect at least 30% of a company's facilities initially and then between 5% and 15% per year after that, again in accordance with FLA principles. (The FLA charter explicitly provides that, after three years, the Association will determine, in consultation with experts, whether this level of external monitoring is sufficient.) The FLA's external monitoring principles require clear evaluation guidelines and criteria, verification of internal monitoring, independent access to and independent audit of employee records, unannounced as well as announced inspections and audits, confidential employee interviews, assessment of remediation efforts, relationships with local labor, human rights, or religious institutions, and evaluation reports submitted to the FLA's professional staff.

*How will the monitoring work?*

In addition to conducting internal monitoring of every factory every year, companies will be required to **disclose all factory locations** to the professional staff of the FLA. In the case of college and university licensees, this would include a staff member of the FLA responsible for college and university liaison. Companies will be required to suggest facilities for inspection by the accredited external monitors based on such risk factors as a particular facility's history of violations or complaints, special risks of non-compliance associated with the country or region in which the facility is located, and the size of the facility. FLA staff has the final authority to modify a company's list if it does not appropriately reflect these risk factors, in response to information obtained through an **outside complaint procedure** that is available to anyone with pertinent information, or on the basis of the staff's professional judgment. Final decisions on where external monitoring occurs will be made by the Association. All reports by the accredited independent monitors will be delivered to the FLA, which will use them in assessing compliance and in preparing an **annual public report** on each company.

*What will these reports include?*

Each annual report will include a list of the countries and regions in which a company's facilities are located and in which the external inspections took place, a finding as to whether the company is in compliance with the FLA's internal and external monitoring requirements, a finding as to whether the company has timely remediated instances of noncompliance with the Code of Conduct, and a summary and assessment of any significant patterns and serious instances of noncompliance with the Code. To receive certification, a company must demonstrate effective implementation of internal and external monitoring, timely remediation of noncompliance, and sufficient measures to help prevent reoccurrence of patterns of noncompliance.

Initial certification is awarded based on a majority vote of the FLA board. Each subsequent year's decision whether to renew a company's certification for an additional one-year period is also made by majority vote, as is the decision whether to suspend a company's certification and place the company in a special review category. To prohibit a company from continuing to participate in the FLA monitoring process requires a supermajority vote (i.e., two-thirds of both the industry representatives and the NGO/labor representatives on the board).

*How will colleges and universities be involved in the governance of the FLA?*

The original FLA charter provided for a board of six industry representatives, six NGO/labor representatives, and a mutually agreed-upon chair. (NGO/labor representatives are to be selected from consumer, human rights, labor rights, and religious groups, labor unions, and other public interest organizations that work on issues related to fair labor standards.) The charter is being amended to create **an additional voting seat on the board for a college/university representative**. This board member will be selected each year, for a renewable one-year term, by **an Advisory Council** composed of colleges and universities that affiliate with the FLA. This board member could be, but would not need to be, the chair of the Advisory Council.

Colleges and universities that affiliate with the FLA by May 1, 1999, will be invited to a meeting in Washington, D.C. to draw up a charter for the Advisory Council and to elect an initial chair for the council and an initial representative to the FLA board (recognizing that the chair and the board member could be the same person). It has been suggested that the full council should meet once or twice annually; a broadly representative executive committee should meet more frequently; and some mechanism should be established to assure ongoing student contributions to the work of the Advisory Council.

Representatives of affiliated colleges and universities will participate in the selection of the FLA's executive director and chair, and in the selection and periodic review of a **full-time professional FLA staff member with special responsibility for college/university liaison**. This staff member will have full access to all information concerning the facilities and reports of college and university licensees participating in FLA monitoring. Along with the executive director and other members of the professional staff, this staff member's responsibilities will include conducting oversight of accredited external monitors and addressing any complaints about their monitoring activities, reviewing monitoring reports, making recommendations to the FLA board concerning questions critical to the elimination of sweatshop practices, and developing and conducting public outreach and consumer education programs.

**Annual dues** for college/university affiliates with licensing programs will be 1% of their previous year's licensing revenues (capped at \$50,000). A fee schedule will also be established for affiliated colleges and universities without licensing programs.

*How will the FLA address other college/university concerns?*

**Product Coverage:** The FLA initially included only companies in the apparel and footwear industries. Since colleges and universities also license other forms of merchandise, the FLA will expand its scope to include other companies. For all college or university licensees, the FLA will require that some stipulated number or percentage of the company's facilities inspected by external monitors each year are facilities that produce its licensed products.

**Small Licensees:** The FLA has agreed to work with colleges and universities to develop a special process for small, frequently local, licensees. One idea would be to require these licensees to commit to the FLA Code and meet some specified standard for internal monitoring, but allow them to participate in external monitoring as part of a "pool" of small licensees, with some percentage of the pool inspected by independent external monitors each year.

**Living Wage:** The FLA Code of Conduct explicitly recognizes that "wages are essential to meeting employees' basic needs," and requires that "employers shall pay employees, as a floor, at least the minimum wage required by local law or the prevailing wage, whichever is higher..." The FLA charter explicitly recognizes that the issue of an appropriate standard for wages needs further attention. The U.S. Department of Labor is conducting a study of the relationship between wages and basic needs of workers around the world that will be reviewed by the FLA, along with "other pertinent and necessary data," in considering possible future modifications of the Code.

**Disclosure:** The FLA requires disclosure of all factory locations to the FLA executive director and the college/university liaison member of the professional staff. In addition, the annual company reports will publicly identify the countries and regions in which factories are located and in which external monitoring has occurred. The FLA charter also seeks to assure that information regarding potential noncompliance will be brought to the attention of the FLA by establishing an outside complaint procedure and requiring regular FLA consultation with human rights, labor rights, and other groups around the world. Some colleges and universities may elect individually to require additional disclosure by their licensees. It is likely that questions about disclosure, within the FLA and on individual campuses, will be an early topic of discussion for the Advisory Council.

**Freedom of Association and Collective Bargaining:** The FLA charter recognizes that implementation of some of the workplace standards, especially those regarding freedom of association and collective bargaining, may be problematic in certain countries. While the Association may adopt special country guidelines in some of these circumstances, one of its goals is to promote and encourage positive change in those countries, so these standards become fully recognized, respected, and enforced. The charter requires companies to take steps to ensure that employees have the ability to exercise these rights without fear of discrimination or punishment, including ensuring that factory owners understand and recognize these rights and will not take action to prevent workers from exercising them.

*What should colleges/universities do if they wish to affiliate with the FLA, or have further questions?*

Colleges and universities wishing to affiliate should submit the enclosed registration form or contact either Linda Golodner, President of the National Consumers League, at 202-835-3323 or Roberta Karp, Vice President and General Counsel of Liz Claiborne, Inc., at 201-295-7830.

Questions may be addressed either to Ms. Golodner or Ms. Karp (who co-chaired the AIP), to any of the individuals listed below who have served on an informal task force to explore issues related to college and university affiliation with the FLA, or to Suzanne Seiden or Maureen Morrill at the U.S. Department of Labor (202-693-0051).

Robert Durkee  
Princeton University  
609-258-6428

Carol Kaesebier  
University of Notre Dame  
219-631-6411

Bruce Siegal  
Collegiate Licensing Company  
770-956-0520

Rutledge Tufts  
University of North Carolina  
919-962-2403

Rick Van Brimmer  
Ohio State University/ACLA  
614-292-1562

Steve Van Der Weide  
Licensing Resource Group  
616-395-0676, x109

Jim Wilkerson  
Duke University  
919-684-2065

Michael Posner  
Lawyers Committee for  
Human Rights  
212-845-5210

Pharis Harvey  
Jon Rosenblum  
International Labor  
Rights Fund  
202-347-4100, x1, x0

Jim Silk  
RFK Center for  
Human Rights  
202-463-7575

Brad Figel  
Nike  
202-543-6453

## FAIR LABOR ASSOCIATION WORKPLACE CODE OF CONDUCT

**Forced Labor:** There shall not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.

**Child Labor:** No person shall be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.

**Harassment or Abuse:** Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

**Nondiscrimination:** No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

**Health and Safety:** Employers shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.

**Freedom of Association and Collective Bargaining:** Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.

**Wages and Benefits:** Employers recognize that wages are essential to meeting employees' basic needs. Employers shall pay employees, as a floor, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.

**Hours of Work:** Except in extraordinary business circumstances, employees shall (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime and (ii) be entitled to at least one day off in every seven day period.

**Overtime Compensation:** In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

\* \* \* \* \*

In addition to complying with all applicable laws and regulations of the country of manufacture, companies must comply with this code and the FLA's principles of monitoring, applying the higher standard in cases of differences or conflicts, and must require their licensees, contractors and suppliers to do the same.

## **Proposed Modifications in the Organization and Governance of the Fair Labor Association to Address Some of the Particular Interests and Concerns of Colleges and Universities**

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In April 1997, the Apparel Industry Partnership (AIP)—representing apparel and footwear companies, human rights groups, labor, religious organizations, university interests, and consumer advocates—released an agreement establishing a workplace code of conduct and principles to govern both internal monitoring and independent external monitoring of companies seeking to demonstrate compliance with the code. In November 1998, a working group released a charter for the creation of a new non-profit entity, the Fair Labor Association (FLA), to oversee monitoring and evaluation of company compliance. The full FLA charter, a summary, and a set of frequently asked questions can be found on the web site of one of the founding members of the AIP, the Lawyers Committee for Human Rights, at [www.lchr.org/sweatshop](http://www.lchr.org/sweatshop).

In March 1999, a working group and a task force of university representatives reached agreement on the following modifications to the FLA charter. The purpose of these modifications is to enable colleges and universities to affiliate with the FLA and to make use of FLA monitoring, evaluation, and reporting as they seek to assure that their licensed merchandise is not produced under sweatshop conditions.

**College/University Affiliation:** Colleges and universities that become affiliated with the FLA will be able to require that their licensees comply with the FLA code of conduct and participate in the FLA's monitoring process, including independent external monitoring by FLA-accredited monitors. They also will be able to appoint a representative to a College/University Advisory Council, that in turn will elect a member of the FLA board. Dues for an affiliated college or university will be 1% of its previous year's collegiate licensing revenues (capped at \$50,000), with the first year's payment due this summer. A fee schedule will also be established for affiliated colleges and universities without licensing programs.

**Advisory Council:** A College/University Advisory Council will be established. The FLA Board will report to the Advisory Council on the monitoring of facilities of college/university licensees, and the Advisory Council may make recommendations to the Board on any matters within the jurisdiction of the FLA, including matters related to the code of conduct, the monitoring principles, the accreditation of monitors, the selection of facilities to be monitored, the disclosure of company facilities, the annual reports, etc. Either directly or through an executive committee, the Advisory Council will select the college/university representative to the FLA Board, help to select and periodically review the FLA professional staff member responsible for college/university liaison, and advise on the selection of the FLA executive director and chair. Each affiliated college or university will be entitled to designate one representative to the Advisory Council, as will major collegiate licensing companies (such as CLC) and associations of college/university licensing officials (such as ACLA). The Council will be entitled to add other members at its discretion. The full Council might meet once or twice a year. An executive committee would meet more frequently (perhaps 3-4 times a year), and might include some specified representation to assure participation by small as well as larger schools, private and public institutions, schools in different parts of the country and with different licensing arrangements, and the major licensing companies and associations of college/university licensing officials.



**Representation on the FLA Board:** An additional (14<sup>th</sup>) seat will be created on the FLA Board for a college/university representative who would be selected each year for a one-year (renewable) term by the College/University Advisory Council. The college/university Board member would have the right to vote on all matters voted on by the Board, but would not be part of either the "industry class" of Board members or the "labor/NGO class" of Board members. For votes of the Board on matters requiring a simple majority for adoption, each member has one vote. In the event of a tie with all members voting, the chair has the authority to break the tie. For votes on matters requiring a "supermajority" for adoption, approval by at least two-thirds of the industry members and at least two-thirds of the labor/NGO members would still be required. The college/university representative would also have a vote on these matters, although the chair would not. As a fully participating member of the Board, the college/university representative would be entitled to any and all information made available to any other Board member, including information necessary to vote on the matters brought before the Board regarding the accreditation of monitors, the eligibility of a company to participate in the FLA's monitoring, the certification that a company's products are produced in compliance with the FLA code, and any other topics.

**FLA Officers and Staff:** Representatives of affiliated colleges and universities will participate in the initial selection of the executive director and chair of the FLA. In addition, the executive staff of the FLA will employ a full-time professional responsible for overseeing the monitoring of facilities of college/university licensees and for liaison with affiliated colleges and universities, including providing staff support for the Advisory Council. This staff member will have full access to all information concerning the facilities of participating college/university licensees to which the executive director has access, including access to the full lists of the companies' facilities and to all monitoring reports on the companies.

**Product Coverage:** The FLA charter will be modified so as not to limit company facilities subject to monitoring to facilities that produce apparel and footwear products. In addition, an affiliated college or university, at its discretion, may require its licensees to undergo monitoring only with respect to facilities that produce the particular product line branded with the institution's name, although in this instance the licensee would not be eligible to receive full FLA certification or to advertise that its products are produced in compliance with the FLA code. Companies seeking across-the-board certification from the FLA Board that are also college/university licensees would be required to include facilities producing college/university-branded products in their lists of suggested facilities for external monitoring, and the executive director would take this factor into account in arriving at the final list of facilities to undergo external monitoring.

**Small Licensees:** There is general agreement to develop some mechanism by which "small" licensees can participate in the overall FLA process, so that colleges and universities can require some form of FLA participation by all licensees without imposing unmanageable requirements and costs on entities with small staffs and modest operations. One idea would be to require "small" licensees to commit to the FLA code and meet some specified annual standard for internal monitoring, but allow them to participate in external monitoring as part of a "pool" of small licensees, with some percentage of the pool inspected by independent external monitors each year. The costs of this external monitoring could be subsidized by some combination of fees paid by all of the small licensees and some of the dues paid by affiliated colleges and universities. A specific program will be developed in consultation with the Advisory Council.

March 15, 1999

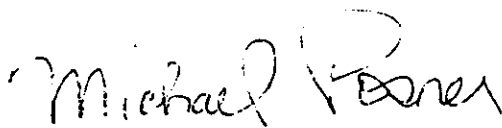
We write to urge colleges and universities to affiliate with the new Fair Labor Association (FLA). For the past two-and-a-half years our organizations have been involved in the Apparel Industry Partnership (AIP) that has created the FLA, which will oversee the monitoring of company compliance with a workplace code of conduct here and abroad. We know that colleges and universities are now discussing these issues, and must decide how to ensure that appropriate labor practices are respected by the companies that manufacture their licensed products.

The organizations we represent have public mandates to promote consumers' rights, labor rights or human rights. Our participation in the AIP/FLA process is based on our commitment to hold companies accountable to internationally recognized labor rights standards. Throughout the course of more than two years of negotiations we have achieved an agreement that has integrity and that we believe will advance the rights of workers around the world. The accord we reached last fall is not a perfect agreement. But it does lay the foundation for creating a practical and enforceable monitoring system that will help improve working conditions.

The agreement creates an industry-wide code of conduct and system to monitor participating companies for compliance through a prescribed monitoring process. It calls for the establishment of a new non-profit organization, the Fair Labor Association, with a permanent professional staff. The FLA will accredit independent external monitors; oversee the monitoring process, including final decision-making as to which factories are subjected to independent monitoring; decide whether individual companies are in compliance with FLA standards, based on a review of reports by these monitors; and report publicly each year on the performance of each company that is participating in the process.

We welcome the participation of the university community in this important process and on the board of this new organization. Universities have a unique public standing in our society. Your active participation in this effort to promote the rights of workers can both stimulate greater public discussion of these issues and influence the direction and development of the new Fair Labor Association.

We hope you will give careful consideration to this issue and will join with us in support of this ambitious new endeavor that aims to ensure respect for basic rights for workers around the world.



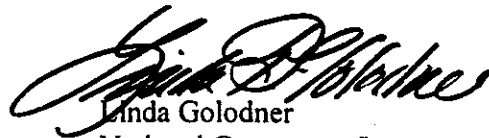
Michael Posner  
Lawyers Committee for Human Rights



Pharis Harvey  
International Labor Rights Fund



James Silk  
RFK Memorial Center for Human Rights



Linda Golodner  
National Consumers League

**COLLEGE/UNIVERSITY AFFILIATES  
OF THE  
FAIR LABOR ASSOCIATION**

The following colleges and universities have already indicated their intent to affiliate with the Fair Labor Association. If you would like to affiliate, please use the form below.

University of Arizona  
Brown University  
Columbia University  
Cornell University  
Dartmouth College  
Duke University  
Florida State University  
Harvard University  
Marymount University

University of Notre Dame  
University of Pennsylvania  
Princeton University  
Rutgers University  
Smith College  
Tufts University  
Wellesley College  
Yale University

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**Registration Form**

Yes, we would like to affiliate with the Fair Labor Association. We understand that we will be invited to send a representative to a meeting in Washington, D.C., later this spring to help establish a College/University Advisory Council and elect the first college/university member of the FLA Board.

College/University: \_\_\_\_\_

Principal Contact: Name \_\_\_\_\_

Position \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-Mail \_\_\_\_\_

Please mail or fax to: Linda Golodner  
President  
National Consumers League  
1701 K Street, NW, Suite 1200  
Washington, DC 20006  
Fax: 202-835-0747

or Roberta Karp  
Vice President and General Counsel  
Liz Claiborne, Inc.  
One Claiborne Avenue  
North Bergen, NJ 07047  
Fax: 201-295-7803