

## LABOR CODES LICENSING COMPLIANCE COMMITTEE MEETING MINUTES

May 7, 2014 • 4178 Nancy Nicholas Hall • 1 p.m. – 2:00 p.m.

<http://www.news.wisc.edu/laborlicensing/>

**Committee members attending:** Lingran Kong, Lydia Zepeda, Chris Schlichenmaier, Melanie Meyer, Jason Weitzman, Tammi Simpson, John Ahlquist, Ian Coxhead, John Newton, Jason Lee and Chelsea Anderson.

**Absent:** Cornell Zbikowski.

**Others attending:** Everett Mitchell; Cindy Van Matre; Steve Munn, President of JanSport; Paul Sline, JanSport Vice President of Collegiate Sales; Tom Nelson, VF Vice President of Global Sourcing; Mark Ortiz, University of Alabama and WRC Board Representative; John Incate, Student Labor Action Coalition member; Pat McGowan and Kevin Phelps, University Book Store; and John Lucas, University Communications.

The meeting was called to order at 1:02 pm.

**Minutes:** The April 25, 2014 minutes were not available for approval.

**Announcements:** Ms. Kong introduced and welcomed new members Jason Lee and Chelsea Anderson.

**JanSport Discussion:** The committee discussed a recommendation to end JanSport's license at the April 25 meeting but ran out of time and called this special meeting. It had questions it wanted to ask JanSport and both Ms. Van Matre and Ms. Kong contacted JanSport. JanSport offered to meet with the committee and had representatives at today's meeting.

Ms. Kong announced that several universities are placing orders with JanSport on hold, including New York University. Ms. Meyer mentioned that NYU's situation was very similar to Wisconsin's. Both universities are requiring its licensees sourcing in Bangladesh to join the Accord. Per the NYU press release, "NYU did not at that time (December 2013) ask JanSport, an NYU licensee, to sign the Accord since it does not produce apparel in Bangladesh. However, JanSport's parent company, VF Corporation, does produce apparel in Bangladesh and has up until now refused to sign the Accord." Ms. Kong added that Chancellor Blank's announcement to join the Accord did not include full scope of companies that we thought it would. Ms. Zepeda added that she did not see a difference between JanSport and VF.

The JanSport/VF representatives were given a limited time to answer committee questions. Mr. Munn said that the VF brands such as JanSport influence who and where they source, but do it in conjunction with VF, whom he described as a leader in worker rights. When asked why JanSport did not source in Bangladesh, he said that JanSport likes to keep a narrower supply chain. For the college business, he needs to have every style available in 24 colors and it needs to source closer to the U.S. to service the colleges with a quicker turnaround.

Ms. Zepeda and Ms. Kong provided the JanSport representatives with copies of the committee's report to the Chancellor regarding the Accord and the Alliance. The meeting's tone changed

more negatively when Mr. Nelson pointed out some inaccuracies in the report. He mentioned the progress that the Alliance has made in Bangladesh and mentioned that the Accord has closed factories that put 11,500 employees out of work and they have not been paid by the Accord. He added that VF is making \$160,000 in improvements to the Optimum Fashion Factory and training its 380 employees on fire safety. Meanwhile the two Accord members who have used the same factory are leaving it.

Mr. Nelson said that no one company can do the work themselves. The Accord is averaging 80 factory inspections a month. At that rate, it would take more than three years to get all of the factories inspected. "We need both the Alliance and the Accord to work," he said.

Mr. Coxhead asked why so many universities are requiring the Accord instead of the Alliance. Mr. Nelson said that the Alliance had not done a good job of telling its story and was instead more focused on developing training and safety standards. It failed in not coming to university meetings and explaining what they were doing.

Mr. Munn said it had recently met with some universities including Washington and San Diego State. He said that San Diego State had reversed its decision to drop JanSport after its meeting, while Ms. Kong was still counting San Diego State as one of the schools that has dropped JanSport. Mr. Munn said that he understood that schools might suspend orders while investigating the situations. Ms. Meyer's response was that the LCLCC's recommendation was not pending an investigation. Mr. Munn and the group then left the meeting.

Ms. Meyer then submitted the following motion on a 2 ½ x 8 ½ pieces of paper:

"In light of our recent recommendation to the Chancellor requiring that our licensees sign on the Accord, we have identified a loophole that allows parent companies to circumvent university requirements through their subsidiary brands. To address this, we recommend that UW-Madison end its contract with licensees that are subsidiaries of parent companies that have sourced in Bangladesh since January 2013 and have not signed the Accord."

After some discussion about the wording, the motion was changed to the following:

"We propose that our original recommendation about the Accord be extended to include subsidiary companies that currently lack the autonomy to make independent sourcing or labor code decisions from their parent company that has sourced in Bangladesh since January 2013."

The motion passed with six votes in favor, two votes against and two abstentions.

**Adjournment:** The meeting adjourned at 2:05 p.m.

**Next meeting:** Today's meeting concludes the 2013-14 meeting schedule.