

LABOR CODES LICENSING COMPLIANCE COMMITTEE MEETING MINUTES

Dec. 6, 2013 • Nancy Nicholas Hall 1199 • Noon – 1 p.m.

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

Committee members attending: Lingran Kong – Chair; Lydia Zepeda – Vice-Chair; Melanie Meyer; Tammi Simpson; Christine Schlichenmaier; Diane Michalski Turner.

Absent: John Ahlquist; Ian Coxhead; John Newton; Jason Weitzman; Cornell Zbikowski.

Others attending: Everett Mitchell, Cindy Van Matre and Lisa Hull.

Note: One academic staff representative position remains open.

The meeting was called to order at 12:01 p.m.

Report Back from Accord Meeting in Atlanta. Lingran referenced the email report she sent to members which provided information on the three remaining concerns that Chancellor Blank requested more information around: the arbitration process, the fee structure, and liability. Lingran asked Cindy Van Matre and Everett Mitchell to share any additional information. It is not the Accord’s intention for improvements to become a financial burden on smaller licensees. Most improvement expenses should be absorbed by the large companies. For example, to show the range in sourcing, H&M has signed on to be part of the Accord, and it sources from 167 factories in Bangladesh. No Wisconsin licensee sources from more than four factories. Everett pointed out that Zephyr’s administrative fee for the Accord would be \$10K, which is their entire CR budget. Everett said that Zephyr sources from one factory and it questioned why the fee was based on volume instead of the number of factories. Note: Both the Alliance and the Accord use volume rather than number of factories to determine fees to reflect the amount of production.

Lydia asked that the fee structures for the Alliance and the Accord be reflected in the minutes.

Fee Structure for the Alliance for Bangladesh Worker Safety (from Members Agreement)

Tier	Dollar Value of FOB Exports (in prior calendar year)	Contribution/ Year */	Total Individual Contribution **/
1	>\$250MM	\$1,000,000	\$5,000,000
2	\$250MM->100MM	\$675,000	\$3,375,000
3	\$100MM->50MM	\$375,000	\$1,875,000
4	\$50MM->25MM	\$187,500	\$937,500
5	<\$25MM	\$62,500	\$312,500

Note: The amount for Tier 5 is a maximum. Low volume buyers may elect instead to pay a fee based on a percent of the value of their exports from Bangladesh during the prior year.

*/ Contributions are front-loaded for Tier One participants only, with two years of contributions paid in the first year (these contributions will be deemed to be the first and last year contributions). Annual contributions are due within thirty (30) days of a Member's joining the Alliance, and on the anniversary of each such contribution thereafter. Contributions are deemed delinquent thirty (30) days after their due date.

**/ After membership for 5 years.

It is not clear if contributions also cover expense of factory improvements.

Fee Structure for the Accord on Fire and Building Safety in Bangladesh

Tier	Production volume (millions of \$)	Accord fee (\$)
7	> 500	500,000
6	250-500	375,000
5	100-250	175,000
4	50-100	75,000
3	25-50	37,500
2	10-25	17,500
1	1-10	10,000
0	<1	1,000

Cost of factory improvements is an additional expense.

Announcements.

1. Lisa Hull will be re-joining the meetings to take minutes.
2. The University of Pennsylvania announced they're requiring their licensees to sign onto the Accord. Duke University previously announced they are also requiring their licensees to sign the Accord.
3. WRC sent a [report](#) detailing their assessment of fire safety at a factory in Bangladesh. This report was distributed at the meeting. (Worker Rights Consortium Fire Safety Assessment Re Optimum Fashion Wear LTD. Bangladesh, December 5, 2013)

Minutes. The minutes from Nov. 1, 2013 were amended so it was clear that the last sentence in the paragraph containing the motion proposed by John Ahlquist was not part of the motion itself. (This is a formatting change only, not a content change to the minutes.) The minutes were approved as amended.

Bangladesh and motions tabled from last meeting. Cornell Zbikowski withdrew her motions in an email sent to the committee prior to the meeting.

The committee voted unanimously to recommend to the Chancellor that our licensees who produce or source licensed apparel in Bangladesh sign on to and remain a party to the Accord.

The committee further voted to recommend to the Chancellor to add additional riders to the Code of Conduct, which consists of the following:

1.) Licensees shall require their supplier factories to respect the rights of workers to refuse to work under conditions that the worker has reasonable justification to believe are unsafe, without suffering discrimination or loss of pay, including the right to refuse to enter or to remain inside a building that the worker has reasonable justification to believe is unsafe for occupation.

This motion was approved by 5-1 vote with one abstention .

The committee discussed a motion to recommend to the Chancellor to add the following as a rider to the Code of Conduct, with strikeouts as follows:

1.) Licensees shall meet directly with ~~any duly constituted union whose members include one or more~~ workers employed in a factory producing collegiate apparel for that licensee, ~~upon that union's request to the licensee,~~ to discuss any grave risks to worker health and safety that have been identified by workers, their representatives or third party inspectors.

After some discussion this last motion was tabled to the next meeting.

Adjournment. The meeting adjourned at 1:05 p.m.

Meeting Schedule Spring Semester 2013-2014, Room 1199 Nancy Nicholas Hall:

1-2 pm Monday February 3
11:30 -12:30 pm Thursday February 20
11-12 pm Thursday March 27
11-12 pm Friday April 25