

Appendix I: PUBLIC REPORT SUMMARY

State and Local Government Sweatfree Consortium to be Formed

Convening Meeting with Four States and Two Cities Held in Harrisburg

Background

Motivated by public sentiments to end taxpayer subsidies of sweatshops and level the playing field for ethical businesses, over 170 states, cities, counties, and school districts in the United States have adopted "sweatfree" procurement policies, requiring vendors and supplier factories to abide by fair labor standards in return for public contracts to supply uniforms and other products. Yet, no single state or local government has the resources to monitor and verify working conditions or enforce sweatfree procurement requirements at supplier factories beyond their immediate jurisdiction.

But, because there is a large number of public entities committed to sweatfree procurement, it is now possible to pool resources for factory monitoring and inspections and coordinate enforcement of sweatfree procurement policies. During the last year, Governors John Baldacci (Maine), Edward Rendell (Pennsylvania), and Jon Corzine (New Jersey) formed a Governors' Coalition for Sweatfree Procurement and Worker Rights, while the cities of Los Angeles, San Francisco, and Providence similarly called for city and state coordination in the enforcement of sweatfree procurement policies. Late in 2006, SweatFree Communities drafted a White Paper for a State and Local Government Sweatfree Consortium and presented it as a working draft to public officials.

On March 29, 2007, the Department of General Services of the State of Pennsylvania hosted the convening meeting of the State and Local Government Sweatfree Consortium in Harrisburg, Pennsylvania. SweatFree Communities planned and coordinated the meeting. The purpose of the meeting was to discuss the Consortium White Paper, lay a solid foundation for the formation of the Consortium, and establish a structure and process to complete the project within a feasible period of time. Participants included public officials and worker rights advocates from four states (Maine, New Jersey, Pennsylvania, and New York) and two cities (Los Angeles and San Francisco); factory monitoring, labor rights, and legal experts; representatives of unions and religious organizations; and other interested parties.

Governor Baldacci well captured the historical importance of the meeting in Harrisburg in his written message to participants: *"This meeting marks the day when...states and other governmental entities will begin to use our collective purchasing power to end apparel industry sweatshop conditions around the world. Today is the day that will be seen a decade from now as the key day in launching this multi-state [and city] initiative, and you gathered here will be seen as the leaders who made it happen."*

The following are the key decisions taken at the Harrisburg meeting:

State and Local Government Sweatfree Consortium to be created

Cities, states, and other public entities will form a Consortium to pool resources for investigations and monitoring of supplier factories and coordinate enforcement of sweatfree procurement policies based on the following key principles:

- All companies in the supply chain are responsible for improving working conditions for sweatshop workers. Vendors must commit to a Code of Conduct with strong protections

for workers in supplier factories and publicly disclose the locations and working conditions in those factories.

- Factory investigations will be primarily complaint-based with the goal of rectifying Code of Conduct violations. An independent monitor with no financial ties to the industry to be monitored will have full control of the investigatory process, working in partnership with local organizations that have demonstrated commitment to the human rights and basic needs of workers.
- Working conditions generally improve when workers have a meaningful right to freedom of association.

The Consortium will also recognize that Code of Conduct compliance requires fair purchasing terms between companies and factories as the product price, and requirements for volume and turnaround time shape the conditions in which factories strive for compliance. The Consortium will develop mechanisms to ensure that supplier factories receive stable and sufficient orders at a fair price. In return, factories will have to maintain Code of Conduct compliance and be open to inspections by an independent monitor.

Consortium affiliation will be open to all public entities (cities, counties, states, school districts) that adopt a Code of Conduct with strong protections for workers in supplier factories, require vendors to publicly disclose names and addresses of supplier factories, and, as soon as contractually possible, require vendors to commit to fair purchasing with their suppliers.

The governing board of the Consortium will include both public officials and worker rights advocates. In order to maintain its independence, the Consortium will not accept any funding from the industries to be monitored.

Interim Consortium Steering Committee formed

The members of the Interim Consortium Steering Committee are:

- Bama Athreya, Executive Director, International Labor Rights Fund
- Mark Barenberg, Professor of Law, Columbia University
- Rini Chakraborty, Executive Director, Sweatshop Watch
- Bjorn Claeson, Executive Director, SweatFree Communities
- Wade Crowfoot, Director of Government Affairs, Office of Mayor Gavin Newsom, City and County of San Francisco; and Carmen Herrera, Contract Compliance Officer of Labor Standards Enforcement, City and County of San Francisco
- Eric Dirnbach, Deputy Director, Strategic Affairs, and Apparel Industry Coordinator, UNITE HERE
- Chip Gavin, Director, Bureau of General Services, State of Maine; and Betty Lamoreau, Director, Division of Purchases, State of Maine
- Curtis Topper, Deputy Secretary for Procurement, State of Pennsylvania
- Curtis Watts, Senior Management Analyst, Department of General Services, City of Los Angeles; and Diego Calvera, Management Analyst, Department of General Services, City of Los Angeles

The committee is charged with developing an outreach strategy and schedule to bring other cities and states onboard the Consortium, refining the vision for the Consortium, including its structure and governance, and developing bylaws.

Towards the Consortium launch

Public officials representing the cities and states on the Interim Consortium Steering Committee will invite all states and governors and cities and mayors that have adopted or are considering adopting sweatfree procurement policies to join the Consortium. SweatFree Communities will continue to support and coordinate sweatfree campaigns in cities and states across the country in order to expand the Consortium. SweatFree Communities' goal is to launch the Consortium formally within one year with a membership of cities, states, and other public entities that have a combined \$100 million in apparel purchasing power. Cities and states represented at the Harrisburg meeting buy approximately \$65 million apparel combined.

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