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Kristen Ablauf
Director of Licensing
University of Michigan
Ann Arbor, MI

February 9, 2009

Dear Ms. Ablauf,

The President's Advisory Committee on Labor Standards and Human Rights has been evaluating concerns related to freedom of association involving Russell Corporation, a University licensee, and its factory, Jerzees de Honduras, since our first meeting of the academic year on October 22, 2008. The committee has been monitoring issues related to Russell Corporation's factories in Honduras since 2007 when documentation of violations of freedom of association at Jerzees de Choloma and Jerzees de Honduras led to the development and implementation of a corrective action plan (http://www.fairlabor.org/news_releases_a1.html#nov708 March 14, 2008 entry; see also (<http://www.workersrights.org/Freports/JerzeesCholoma.asp>)).

In October 2008 concerns about violations of freedom of association at Jerzees de Honduras were brought to our attention following the announcement by Russell Corporation of their plan to close the Jerzees de Honduras plant, which at the time was in the midst of contract negotiations with a union (<http://www.workersrights.org/university/memo/101008.html>). Both the Workers Rights Corporation and the Fair Labor Association conducted investigations regarding potential violations of freedom of association and of the basis for the decision to close the Jerzees de Honduras factory. The factory was closed on January 31, 2009.

We have written to Russell on October 31, 2008 and on January 14th 2009 to communicate our growing concerns regarding evidence of violations of freedom of association at this factory. We have reviewed reports about the situation from each of our monitoring organizations, the Workers Rights Consortium (WRC) (<http://www.workersrights.org/RussellRightsViolations.asp> released on november 7, 2008) and the Fair Labor Association (FLA) released on January 28th, 2009 (http://www.fairlabor.org/news_releases_a1.html), and discussed these reports with each organization. The FLA concluded that the closure of the factory was primarily a business decision but also notes that the third party reports show "some areas where Russell Corporation's implementation of freedom of association was weak and did not fully protect workers rights." The WRC concluded that anti-union animus was a factor in the decision to close the plant.

The committee has reviewed responses from Russell Corporation to our inquiries, read the January 19th and January 30th 2009 memos from Rick Medlin, Executive Vice President of Russell Corporation, and spoken to Russell representatives by conference call. We understand from these memos and the conference call that Russell Corporation plans to make an announcement on or before February 16th regarding the company's future plans to protect freedom of association and improve communication.

For the committee, one of the most troublesome aspects of Russell Corporation's actions regarding the Jerzees de Honduras plant is that Russell failed to apply the lessons learned from a previous similar encounter at this plant and another facility, Jerzees de Choloma. In the prior situation, Russell agreed to follow a series of steps regarding its treatment of workers, especially in communicating the company's commitment to free and open labor negotiations.

Despite this agreement, Russell followed virtually none of the expected steps when it came to dealing with workers at the Jerzees de Honduras factory. Even if top management at Russell firmly and strongly believes in respect for every human being and respects the right to association, the committee concluded they did a poor job of communicating those ideals to people at the two plants and of implementing/enforcing appropriate practices. As a result, the committee lacks real assurances that Russell will comply with the new procedures and promises expected in its 16th February statement of principles. Because of the company's previous failure to adhere to its own standards of conduct, we do not feel that continuing the license, even under strict monitoring of any new code of conduct, is appropriate. Instead, the committee believes that Russell must demonstrate adherence to its standards before renewing its UM license.

At its February 6th meeting the committee voted to recommend that the University not renew Russell Corporation's license on March 31, 2009 while communicating to the company our willingness to reconsider their application for a license in one year conditional on their demonstrating their ability to meet the standards of our code of conduct.

Thank you for your attention to this matter. Please let me know if you require additional information.

Sincerely,

(sent via email)

Sioban Harlow

Chair, Advisory Committee on Labor Standards and Human Rights

CC

MarySue Coleman, President

Gary Krenz, UM Special Counsel to the President

Stan Bies, UM Assistant General Counsel

UM President's Advisory Committee on Labor Standards and Human Rights

Rick Medlin, Executive Vice President Russell Corporation