

WRC Board Meeting  
January 9, 2009

Participants: Jim Wilkerson, LaMarr Billups, Mike Powers, Thea Lee, Eric Hoyt, George Robertson, Dida El-Sourady, Ben McKean, and Julia Watkins. Participating by phone were Jill Esbenshade, Julie Martinez Ortega, Mel Tenen, Julie Elkins, and Mark Barenberg. From the WRC staff Scott Nova, Theresa Haas, Jeremy Blasi, and Lani Gallagher were present.

Minutes: The minutes were approved unanimously.

Executive Session: This part of the meeting took place in executive session.

Executive Director's Report: Scott mentioned that the WRC receives a great amount of its revenue at the beginning of the year.

He mentioned that the University of Houston has affiliated with the WRC. Virginia Tech has notified Scott that it will be affiliating, and there have been discussions with the University of Tennessee – Knoxville.

He gave an update of the Russell case, saying that they continue to lay off workers. They said there are rumors on the ground that the factory will permanently close the third week in January. A critical factor in the case has been the FLA's investigation. They contracted it out to a firm called ALGI, which has done a very poor job. A number of civil society and human rights groups have sent a letter to the FLA, expressing their concerns about the investigation. There have been allegations of bias and misconduct. The FLA has responded to the communication by initiating a new inquiry and they have hired an Argentine labor law professor and ILO expert to conduct the investigation. Most universities are unlikely to act yet on the WRC report, because there is a pending report from the FLA. Scott proposed to the Board that the WRC write a letter to the FLA, suggesting that both organizations write to Russell requesting that they halt any action to implement the closure decision until both organizations' reports are published. There was (informal) approval of this plan. Scott mentioned again that it is impossible to make a determination about Russell's claims of economic reasons for closing the factory, because Russell will not provide unfettered access to all their records. He also said that it does not matter if there were also economic reasons for the closure: since the evidence shows that anti-union animus played a significant role in the decision, the closure decision is illegal, regardless of additional motives. A question was asked about what will happen if Russell does close the factory. Scott noted that companies can reopen factories if they so choose, but that it is certainly harder to reopen a factory once production has ceased, which is why it is important to try to delay the closure. It was pointed out that there will be blacklisting by other factories of the union members from Jerzees de Honduras and that some targeting of union leadership has already occurred.

A motion was made to accept the new 401K for the WRC staff. The motion was approved unanimously.

Executive Session: This part of the meeting took place in executive session.

Bookstore Initiative: Scott discussed the proposed location for the bookstore initiative. The factory would be located in a part of Haiti where there are relatively good industrial relations. It is a zone in which all new factories come under the current collective bargaining agreement with Grupo M. There would be a new factory constructed for this purpose. There would be a tri-partite contract negotiation. There have been discussions between Knights Apparel and universities about the product and response has generally been good. The two problems with this plan are 1) that there is a production deadline by which bookstores need delivery if items are to be ready for the fall season, which is difficult to meet in the new factory, and 2) a labor dispute in Santiago between FEDOTRAZONAS and Grupo M. Scott said that he, Ben, representatives from Knights Apparel, and the WRC's staff person in the Dominican Republic would be trying to resolve these issues on site in the coming week [NB: the labor dispute was subsequently favorably resolved]. Scott mentioned that his program would set an important precedent in the apparel industry. Scott also mentioned an independent business woman is seeking to produce according to DSP standards, on a much smaller scale, and with whom the WRC is trying to work. Scott then thanked Jeremy for all his work on this project.

There was then a fifteen minute break.

A Board member then thanked Scott for his work throughout his time at the WRC.

Field Staff Update: Ben discussed his work with the field staff in Cambodia. He said that the abuse of short-term contracts is a threat to Cambodian workers. Through this process, they are being terminated and rehired, and thus lose seniority and are denied benefits such as maternity leave. It is also dangerous for union members, because the employer can simply decide not to renew their contracts. He discussed one specific case in which the buyers, including Gap and Philips Van Heusen, are getting involved.

Jeremy went on to discuss the SunTex and VisionTex cases. In the VisionTex case, a group of workers tried to organize a union and attempted to notify the employer of the union's formation, as per the law. The company refused to grant them entry to the factory, even on the fourth and fifth attempts, when the union members were accompanied by a Ministry of Labor inspector. The union members were then subjected to unlawful dismissal. Nike has not been helpful in this case, saying that they had planned to leave the factory prior to these issues being brought to their attention.

Another case concerns a factory in Honduras. The conditions were poor. The company wasn't paying a minimum wage and had not enrolled more than half the workers in the national health care system. They also conducted forced pregnancy tests each year. Jeremy mentioned that during his visit to Honduras in December, the nurse in the factory clinic stated that they do in fact conduct these tests. There has been some progress. There was back pay to the workers, and they are now enrolled in IHSS, the national healthcare program.

Jeremy went on to discuss two other cases involving Russell Athletic. It involves factories closing without paying terminal compensation or final wages. There has been no cooperation from Russell in addressing these issues.

Ben mentioned that Russell is the only major brand that has not responded regarding the cases in Cambodia.

Jeremy discussed that there has been some progress in the Servicios Caribe case. The workers have been paid half of the terminal compensation and final wages owed to them. They should be paid the rest soon.

Adjournment: Jim then adjourned the meeting.