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USC has distinguished itself among its peers for its thorough commitment to fostering human rights in the facilities in which USC and other college and university-branded products are manufactured, and for its contribution of research to inform the best practices for meeting these goals.

USC began this work more than seven years ago, when it asked all of the companies that provide us with “USC Licensed” clothing and accessories and their subcontractors to sign contracts that guarantee certain rights. Among other things, the contracts guarantee adequate wages, prohibitions against child labor, sexual or other exploitation, and abusive working conditions, including excessive hours. More recently, USC took the unprecedented step of requiring all new licensees to have labor rights’ compliance programs in place prior to being granted a license to produce USC products. Currently, all 300 existing USC retail product licensees are developing more active and direct systems and programs to ensure that the conditions in their facilities meet USC’s expectations.

The thirteen students who came to the president’s office with their attorneys on April 10th were not satisfied with participating in a deliberative process; rather, they were disrupting the business of the university in order to force a specific resolution to this matter. Although we respect the rights of our students to support their positions, that does not include condoning student behavior that interferes with university operations. Therefore, they were counseled regarding the sanctions they would receive if they did not leave peacefully, and in the end they chose to leave.

We did offer and continue to offer the opportunity for these students, and indeed the entire university community, to participate in the ongoing dialogue as to how best to encourage even more progress in our current programs that continue to be at the forefront of this issue.

The full text of Todd Dickey’s and Michael Jackson’s letter to the Academic Senate regarding the administration’s position on the WRC and its response to questions following the student sit-in in the president’s office is available below.

May 7, 2007

Dr. Maja Mataric
President, USC Academic Senate
Viterbi School of Engineering
OHE 200, Mail Code 1450

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Re: **USC and the Student Coalition Against Labor Exploitation (SCALE)**

Dear Maja:

We wanted to respond to your questions following the student sit-in in the president's office of a few weeks ago. Please feel free to distribute this letter to the Executive Committee of the Academic Senate, and to publish it in the Academic Senate newsletter as you determine is appropriate.

As a matter of principle, the University of Southern California deplores any actions that denigrate, coerce or exploit workers in any industry. USC has done more than any other university that we are aware of to help ensure that our licensees are not using sweatshop or child labor (see attached history of USC's support for workers' rights). The dispute is not over whether the use of sweatshops and child labor is unacceptable. We are all in agreement on that point. The issue is simply a debate over the best way to achieve the goal of ensuring no sweatshop or child labor is used in the manufacture of collegiate apparel.

USC prides itself on the leadership role it has taken to ensure that its contractors commit to and demonstrate sound workers' rights practices for all products that bear university names and marks. USC has distinguished itself among its peers for its thorough commitment to fostering human rights in the facilities in which USC and other college and university-branded products are manufactured, and for its contribution of research to inform the best practices for meeting these goals. One important thing we have learned is that a diversity of stakeholder perspectives are necessary before adopting any solution to a problem as complex as the worldwide sourcing of products. USC's experience has demonstrated that sustainable success can best be fostered by multi-stakeholder collaboration and implementation approaches.

USC began this work more than seven years ago, when it asked all of the companies that provide us with "USC Licensed" clothing and accessories and their subcontractors to sign contracts that guarantee certain rights. Among other things, the contracts guarantee adequate wages, prohibitions against child labor, sexual or other exploitation, and abusive working conditions, including excessive hours. More recently, USC took the unprecedented step of requiring all new licensees to have labor rights compliance programs in place prior to being granted a license to produce USC products. Currently, all 300 existing USC retail product licensees are developing more active and direct systems and programs to ensure that the conditions in their facilities meet USC's expectations. The results have been encouraging, and as a result of USC's experiences and findings of success, other

institutions are exploring the feasibility of implementing similar changes to their licensing processes.

Advocacy organizations outside the university have also been exploring new approaches, one of which is the Designated Suppliers Program (DSP) sponsored by the United Students Against Sweatshops (USAS), a labor-backed organization, and the Workers' Rights Consortium (WRC), its enforcement organization. The DSP endeavors to improve factory conditions for a small number of workers by reducing the number of factories manufacturing collegiate licensed apparel. Although the DSP might create a utopia for workers at a handful of factories, other workers at factories that lost the collegiate licensing business could lose their jobs. Set quotas for collegiate production, mandated long-term purchasing contracts, mandatory unions or other worker representative groups, and arbitrated higher wages (likely two-to-three times the prevailing wage rate) and arbitrated higher prices for licensed products are proposed to effect this consolidation. Some experts estimate that actual product price increases for consumers could be as much as 75 percent for certain product types. While a number of institutions have expressed support for the concept of the program, only four have done so unconditionally. The vast majority of institutions have preferred to refrain from endorsing the program because they are concerned about its efficacy, unintended consequences, and legal liability. The DSP is currently under review by the U.S. Department of Justice in order to investigate potential violations of antitrust law. Although its intentions are laudable, it has been widely criticized for having been created and launched without sufficient vetting among universities, retailers, factories, licensees, and consumers of collegiate products. USC shares these concerns, and has made them known to students concerned about this issue. USC has even offered to send a representative to join the DSP working group to help ensure that these concerns are incorporated into the DSP. In fact, USC's licensing director, Elizabeth Kennedy, has attended meetings of this group, and has been encouraged to participate on an informal basis.

We feel strongly that not only does the DSP have significant downsides (e.g., it may be illegal), it quite simply will not work effectively. Licensees of USC and many other institutions have expressed grave concerns about the program's viability and its potential negative impacts on workers, factories, retailers, and consumers. Should these results prove warranted, all stakeholders will be harmed. Without question, USC must continue to hold its licensees accountable to improve their compliance with USC's Workplace Code of Conduct, which is available to view online www.usc.edu/admin/trademarks.

Moreover, USC's licensee research shows that the group of licensees requiring greatest improvement in code compliance is among small and medium-sized

businesses. These companies have developed their capacities for complying with our code more slowly than their larger peers. Not only does the DSP fail to address this group, but it also purports to exempt this group from compliance with its system. We believe that this is the wrong direction in which to go, because we believe that no USC licensee should be a sweatshop, regardless of the type of product manufactured. Now is not the time to simply give up on the companies most needing improvement. We believe our strategy, which requires each licensee to meet certain minimum requirements and requires a third-party monitoring system to verify compliance, is better. The results of our initial third-party monitoring reports bear this out.

In short, the sweatshop issue is emotional and polarized. It has evolved from being primarily about working conditions in factories to advocacy for trade protectionism and against free trade and globalization. Hidden agendas are abundant, and once problems are adequately researched, the causes can be overwhelmingly complex, due to an amalgam of economic, cultural, religious, governmental, and regulatory factors. There is no panacea although activists would have us believe that USAS, the WRC, and the DSP constitute one.

This academic year, the students of the Student Coalition Against Labor Exploitation (SCALE), the USC chapter of USAS, ended dialogue with USC's administration. USC administrators were engaged in an ongoing dialogue with the students of SCALE, involving regular substantive meetings to discuss proposals and clarify the facts. Without notice, SCALE unilaterally decided to cut off discussion and move toward confrontation. Rather than continuing to work toward informed, mutually agreeable ways to foster better working conditions in factories of licensees, USC became a target for a nationwide USAS campaign to escalate protests in order to build institutional support for the DSP program. USC's administration regrets that SCALE proceeded in this manner, because we believe that the only way to build sustainable progress is through a fully informed, diverse dialogue that respects each participant's perspective while working toward mutual goals. USC applauds students who have worked to convince companies that they must treat all workers fairly, and encourage them to continue to do so. We invite members of USC's community to continue to share their ideas with us. We believe we are behaving responsibly in this area, and we are always ready to do better.

The thirteen students who came to the president's office with their attorneys on April 10th were not satisfied with participating in a deliberative process; rather, they were disrupting the business of the university in order to force a specific resolution to this matter — that we join a monitoring organization of their choosing. During the six hours they had commandeered the president's front office, the phones were

not answered, guests could not enter the office, and meetings were cancelled or moved. In short, these thirteen students prevented normal business operations that benefit the other 33,000 students on campus. Moreover, the students had supplies with them allowing them to stay for days. Although we respect the rights of our students to support their positions, that does not include condoning student behavior that interferes with university operations. Therefore, they were counseled regarding the sanctions they would receive if they did not leave peacefully, and in the end they chose to leave. We considered having the students arrested, as did the University of Michigan that very same week over the same issue. In fact, that is exactly what the students wanted. They are trained by USAS to accuse the universities of police brutality following arrests in order to gain sympathy for their cause. Moreover, if the students fell limp as often happens, removing them could actually result in injury. After considering all the options, we chose suspension as our best alternative.

Some have objected that the university's actions put pressure on the students, but it was the students who left the arena of dialogue and collaboration and turned instead to pressure tactics. Some have objected to our calling parents to let them know what was happening. However, if the students were ready to disrupt the university's operations, and ready to be arrested and jailed, they should be ready to talk to their families about their choices. We believe that it is the right thing for families to have the opportunity to talk with their students before, rather than after, they disrupt their academic careers or lose a semester of tuition that may have been paid by their parents.

As we talked with students about their demands, we explained that they were in clear violation of university policy as described in SCampus. It was clear that they were being advised by adults (two lawyers who were part of the sit-in) who were not familiar with USC's judicial policies. They did not seem to have the students' best interests at heart while advising them. They had not done their homework. They seemed very willing to allow these students to jeopardize their USC careers without fully informing them of the possible consequences of their actions. So, instead of staging a dramatic action like a sit-in in the president's office with full knowledge and understanding of possible consequences, the students were, as they have subsequently admitted, completely unaware of what it means to be placed on interim suspension. In addition, as the day wore on, the lawyers left the students alone to fend for themselves. We wanted to make sure that if they would not listen to us, then we wanted them to talk with adults (their parents) who are dedicated to their success.

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We did offer and continue to offer the opportunity for these students, and indeed the entire university community, to participate in the ongoing dialogue as to how best to encourage even more progress in our current programs that continue to be at the forefront of this issue. Further, President Sample has now met with student government leaders, SCALE representatives, Elizabeth Kennedy, and the two of us in the interests of encouraging the SCALE representatives to participate in the deliberative process. We have also met with SCALE students separately and have committed to regular meetings to see if we can reach common ground on these issues.

We trust that this letter addresses your concerns; however, as always, do not hesitate to call us if you would like to discuss this matter further. We would also be happy to meet with the Executive Board if that would be helpful.

Sincerely,

Todd R. Dickey
Senior Vice President
Administration

Michael L. Jackson
Vice President
Student Affairs

Enclosure

cc: (w/ enclosure)
Dr. Ann Crigler
Dr. C. L. Max Nikias
Dr. Steven B. Sample