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May 7, 2007

Larry Root, Chair, Advisory Committee on Labor Standards
and Human Rights
Institute of Labor and Industrial Relations
325 Victor Vaughn, Campus Box 2054

Dear Professor Root:

Thank you for submitting the April 20, 2007 report of the President's Advisory Committee on Labor Standards and Human Rights (ACLSHR). I appreciate the hard work of the committee in responding to the charges given to it last year, and I want to thank you in particular for the work you have done to monitor the development of the Designated Supplier Program, per the charge to the committee.

Last year, stemming from the review of the United Students Against Sweatshops-generated proposal for a Designated Supplier Program, put forward by Students Organized for Labor and Economic Equality (SOLE), the committee identified the need to strengthen monitoring and enforcement of the University's Code of Conduct for Licensees. In light of our general commitment to fair labor standards and support for human rights in the manufacture of University-licensed products, the committee recommended, and was charged with, developing means for improved monitoring and enforcement.

I herewith accept its recommendations on this issue, namely:

- (1) That the University of Michigan change its licensing procedures to require that, as a condition for new licensees and renewals, licensees adequately document how they monitor the code of conduct in their facilities and those of their suppliers. I understand that the University's Trademarks and Licensing Office will immediately consult with the Collegiate Licensing Company in order to implement this requirement no later than the fall semester 2007.
- (2) That, if feasible, the University of Michigan use the information system being developed by the FLA to collect information about the actions and capacity of licensees to monitor the code of conduct in their facilities and those of their suppliers.

These recommendations embody a new approach in the relationship of the University to its licensees, and they represent the beginning of a strengthened regime of monitoring and enforcement of the Code of Conduct, which is already a component of licensing contracts.

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Such information-gathering is a first step, but I believe it is an important and progressive step. I am pleased that the committee's work over this past year, laying the groundwork for these recommendations, has been in collaboration with several other institutions, and I hope that such collaborations might continue.

I also herewith accept the committee's recommendation (3), that the University not endorse the Designated Supplier Program. I have carefully reviewed the committee's recommendation and rationale. I have also listened to and carefully reviewed the presentations and comments of SOLE students and others on April 20, 2007. We are agreed that the University's Code of Conduct is in need of stronger enforcement; the question has been whether the DSP represents a viable route to that end. Last year, the committee brought forth cogent concerns about the DSP and recommended against adoption. The DSP has since been modified, but the overwhelming majority of the committee continues to believe that the modifications have not sufficiently met their concerns. Given the deep knowledge and expertise of committee members, I have great confidence in this assessment. Larry, I particularly want to thank you for your own extensive engagement with the DSP Working Group over the past year - it is clear that the committee has had ample information on which to base its recommendation.

The suggestion has been made that the University might, by adopting the DSP "in principle," gain fuller participation in the Working Group than we currently have in the capacity of "invited observer," and that we would thereby be better able to shape the development of the DSP. However, the committee's concerns, which I share, extend to matters of principle. For example, the basic idea of limiting collegiate production to a small number of "designated suppliers" as defined in this program. Until such time as the Working Group is open to our full participation sans endorsement, or until the DSP evolves in such a way that our principled concerns are answered, I ask, consistent with our longstanding commitment in this area, that the committee continue to analyze this proposal and any others that have the potential to strengthen our enforcement.

Again, I thank you and the committee for your work on this matter, and I look forward to further progress in the year ahead.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mary Sue", followed by a long horizontal flourish.

Mary Sue Coleman
President

cc: President's Advisory Committee on Labor Standards and Human Rights