

063

Auth: [illegible]



October 6, 1999

President Lee C. Bollinger
University of Michigan
503 Thompson, 2074 Fleming Building
Ann Arbor, Michigan 48109

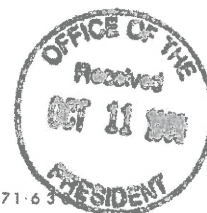
Dear President Bollinger,

Last March, I wrote to you expressing Nike's desire to work closely with the University of Michigan to bring a code of conduct and enforcement mechanism into our licensing agreement. In that letter, I also committed Nike to full disclosure of factory locations that produce university licensed product for those schools that wanted public disclosure, required this of all licensees, and agreed to join the Fair Labor Association.

Over these last several months, there have been many hours of debate, argument, and, on a few campuses, student demonstrations. We have watched these events unfold with great interest and concern, and applaud the time, effort, and positive energy that your campus has put into thinking about how to improve workplace conditions. We at Nike want to continue to work with you to address those issues that are important to the university community. In an attempt to do this, I offer the following:

We have always recognized that because of the unique nature of the licensing agreement between Michigan and Nike—i.e., that our two logos appear jointly on an apparel product—you have a right to know where these products are made. What you do with that information is your business. And while we still believe that the factory disclosure requirements under the Fair Labor Association are meaningful and that the FLA provides the most efficient way to monitor, we recognize some schools haven't reached this same conclusion. As a result, in an effort to accommodate your concerns, we are prepared to offer disclosure of our factories making licensed apparel, without exception, to any school desiring this information.

This offer being made, we fully understand that each university will have a fundamental decision to make regarding its own policy on disclosure. In this regard, we will respect the decisions of each institution and only will provide this detailed information to those universities requesting it. We intend to use our website as the medium to release this information and will be doing so from Thursday, October 7, 1999 onward.



CC63]

President Lee C. Bollinger
Page Two

Moving forward, I encourage as much open dialogue as possible between your institution and Nike on this subject. Further, in the spirit of partnership, I extend to you, and to the presidents and chancellors of our other partner schools, a personal and open invitation to visit at anytime those factories where Nike's collegiate licensed products are made. I believe you will be pleasantly surprised by what you see.

Sincerely,

A handwritten signature in dark ink, appearing to read "Phil K", with a large, stylized "K" that loops around the text.

Philip H. Knight
Chairman of the Board
and Chief Executive Officer

cc: Kit Morris, Director of College Sports Marketing

083

united students against sweatshops

888 16th street nw, suite 303 . washington dc 20036 . 202 NO SWEAT . www.no sweat.org



New Era Cap Company Worker Testimony: Beverly Page

Interviewed by Jimmy Zhou, Bergen County Academies High School

Beverly Page has worked in the New Era factory for fourteen years, and until recently has been content with her job. She works as a Single Paper, whose job is to put the stitching in the middle of the hat. Page, 33, and the generations before her had spent their lives in the factory, working there for 75 years.

This past summer, the workers in the Derby, NY factory rejected a new contract offered to them. Under the new contract, wages would have been cut almost to minimum wage, vacations would be shortened, and her health insurance payments would be increased. Page has a husband of 13 years, and a daughter, 10 years of age. Her daughter has had recent health problems, so health insurance is vital to her and her family.

Good wages these days are hard to earn, and the New Era management does not make it any easier. Page is paid by the piecework, so the more she stitches the more she earns. However, management has shown continuous neglect for the workers, and Page is forced to look for work, instead of having the work be brought to her. Management has also disregarded machinery, making it harder for workers like Page to earn a decent wage. Occasionally, then management would also drop comments about unions and even go as far as to threaten some of the workers.

This February, Page is scheduled to be in court for a 4th degree criminal mischief offense. The police claim that she was involved with the destroying of property, which never

police to use excessive force to break up the strikes, when a simple comment would have worked just as well. After fourteen years, one would expect some extra benefits or wage increases, but Page has not seen anything of that sort. The management has been adamant, and unresponsive towards the workers. Page's only wish is to return to her normal salary, so she can continue supporting her family.

[280]