

**Statement By President Robert H. Bruininks Regarding Designated Suppliers Program
(DSP)**
April 24, 2007

Recently, the University of Minnesota (University) has received a number of inquiries regarding its position on the Designated Suppliers Program (DSP). The DSP originally was proposed by United Students Against Sweatshops (USAS) to address serious concerns regarding the effectiveness of codes of conduct voluntarily adopted by colleges and universities to regulate the use of sweatshop labor in the production of their logo apparel. Over the past year, the Workers Rights Consortium (WRC) has developed a working model for the DSP. As a founding member of the WRC, the University, through its Office of the General Counsel (OGC), has closely monitored the WRC's work on the DSP.

The University has expressed its support for the goals underlying the DSP on a number of occasions. In a March 24, 2000 statement issued when the University first helped to establish the WRC, University President Mark Yudof wrote, "The University of Minnesota must unequivocally insist upon safe, decent working conditions for those who manufacture University-licensed apparel." The University subsequently adopted its Trademark Licensee Code of Conduct (Code). That Code applies to all licenses issued by the University for the production of University logo apparel. It expresses the University's commitment "to conducting its business affairs in a socially responsible and ethical manner," and its expectation that licensees of the University shall "conduct their business in a manner consistent with this Code of Conduct." The Code establishes standards that licensees must meet in the areas of wages and benefits, working hours, overtime benefits, child labor, forced labor, health and safety, nondiscrimination, harassment or abuse, freedom of association, collective bargaining and women's rights. The University remains firmly committed to these principles.

The University recognizes that particular terms of the DSP have generated considerable debate. While it is important to address the apparent shortcomings of existing codes of conduct, legitimate questions have been raised regarding a number of the DSP's provisions. There appears to be no clear consensus regarding the program, even among the members of the WRC. Some WRC members have expressed their general support for the DSP. Others have publicly stated that they do not support the program. The Fair Labor Association (FLA), another prominent organization that polices labor standards in the production of college and university logo apparel, is also on record as opposing the DSP.

In January 2007 the WRC submitted its DSP working model to the Anti-trust Division of the U.S. Department of Justice (DOJ) for an opinion regarding the legality of the DSP under U.S. anti-trust laws. The DOJ's decision is expected this summer. The University awaits the views of the DOJ with great interest.

In anticipation of the DOJ's input, I have asked our OGC to assemble a University working group to conduct a detailed evaluation of the DSP. The group will include students, faculty members, administrators, and other members of the University community with an interest in the issue. If the DOJ concludes the DSP does not violate U.S. anti-trust laws, I will ask the committee for a recommendation regarding the appropriateness of using the DSP at the University. Assuming the DOJ concludes that the DSP may be lawfully implemented, I believe it is important for the University to conduct its own evaluation regarding the suitability of the DSP for our institution.