

LINDA LINGLE
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TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
ECONOMIC DEVELOPMENT & BUSINESS CONCERNS
ON
January 29, 2008

H.B. 2442

RELATING TO PUBLIC PROCUREMENT

Chair Yamashita and members of the Committee, thank you for the opportunity to testify on H.B. 2442.

The Department of Accounting and General Services (DAGS) opposes this bill. DAGS commends the bill's desire to stop "sweatshop practices" but interprets the bill's provisions to apply to foreign vendors and contractors. The State has no jurisdiction over foreign manufacturers of apparel, garments, accessories, equipment, materials, and supplies. DAGS is not aware that companies in Hawaii employ the practices this bill intends to stop. Even if there were, existing Hawaii laws could be brought in to play to stop the practices by offending Hawaii companies.

Thank you for the opportunity to testify on this matter.

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**TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE
HOUSE COMMITTEE
ON
ECONOMIC DEVELOPMENT & BUSINESS CONCERNS**

January 29, 2008

HB 2442

RELATING TO PUBLIC PROCUREMENT

Chair Yamashita, Vice Chair Wakai and committee members, thank you for the opportunity to testify on HB 2442.

The State Procurement Office understands the intent of HB 2442 is to protect the interests of state residents, workers, and businesses by establishing a "sweatfree" public policy and code of conduct for items procured by state and county agencies.

We defer to the Department of Labor and Industrial Relations to implement this code of conduct and sweatfree policy. The department administers programs designed to increase the economic security, physical and economic well-being, and productivity of workers, and to achieve good labor-management relations, including the administration of workers' compensation, employment security, apprenticeship training, wage and hour, and industrial relations laws. The department also has the function of developing, preparing, and disseminating information on employment, unemployment, and general labor market conditions.

Thank you.



A Network for Local Action Against Sweatshops

January 28, 2008

To: Committee on Tourism and Government Operations
Re: Testimony in favor of HB 2442, relating to public procurement
Public hearing: Tuesday, January 29, 2008, 8:30 am
Via E-mail

Senator Nishihara and honored members of the Committee:

Thank you for considering my testimony in favor of HB 2442, an important bill to end public purchasing from sweatshops.

I write as Executive Director of SweatFree Communities, a national network of community-based campaigns that promote legislation similar to HB 2442. For the past 10 years I have worked particularly closely with the sweatfree movement in the State of Maine, my home state, which adopted the nation's first state sweatfree procurement law in 2001. I have also closely observed similar campaigns nationwide and reviewed many pieces of sweatfree legislation. Currently I coordinate a joint government – civil society effort to create a national consortium of public entities that seek to buy sweatfree apparel and other products. From my perspective, HB 2442 is the best piece of sweatfree procurement legislation proposed in any state or locality thus far. The detailed provisions of HB 2442 are carefully crafted to deliver positive results for both sweatshop workers and businesses.

Founded in 2003, SweatFree Communities works for a just global economy, focusing on improving working conditions in apparel and other labor-intensive global industries. We coordinate a growing national network of community groups, labor, businesses, religious organizations and concerned citizens who recognize the potential in ethical government purchasing for building a system of fair trade and creating positive alternatives to global sweatshops. In communities across the United States people are campaigning for their schools, cities, counties, and states to purchase "sweatfree" products. These efforts are bearing fruit. **To date, over 180 U.S. public entities, including the states of California, Illinois, Maine, New York, New Jersey, and Pennsylvania, have adopted "sweatfree" procurement policies.**

Sweatshop conditions in apparel and other industries in the United States and around the world are well documented. The industry rules allow the large brands and retailers to define the terms of the contract with supplier factories, including price, volume, and turn-around time. The combination of concentrated buying power in the retail/wholesale sector and

Board Members

Campaign for Labor Rights
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International Labor Rights Forum
Milwaukee Clean Clothes Campaign
New York State Labor-Religion Coalition

Pittsburgh Anti-Sweatshop Community Alliance
Portland Sweatfree Campaign
Presbyterian Hunger Program,
Presbyterian Church (USA)
Progressive Jewish Alliance

Resource Center of the Americas (Minnesota)
South Sound Clean Clothes Campaign (Washington)
Sweatshop Watch
United Students Against Sweatshops
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A Network for Local Action Against Sweatshops

excess production capacity in domestic and overseas garment factories allows the large buyers to lower the price they are paying for goods and dictate more stringent performance standards for vendors. Pitted against one another, contract apparel shops compete relentlessly for customers by cutting costs and pressuring workers to work harder for less, resulting in abusive and oppressive working conditions. Forced long overtime hours, below legal minimum and subsistence wages, denial of healthcare, limited and monitored bathroom visits, and suppression of labor rights becomes part of the violence of everyday life for garment workers. **Sweatshops are the norm in an industry that thrives on cutting costs without considering the consequences.**

Our tax dollars often pay for these human rights abuses when our cities and states buy uniforms and other products. Here are some cases in point:

In 2006, a **horrific factory fire at KTS Textile Industries in Bangladesh claimed the lives of an estimated 300 trapped garment workers, mostly teenage girls.** Locked exits prevented workers from escaping the factory. The factory supplied a major state government contractor in the United States.¹

In 2007, former employees of a Massachusetts company making gear for the U.S. military brought a lawsuit against their employer, seeking money owed to **500 workers cheated of overtime pay.** The immigrant workers faced conditions similar to those in New England mills over a century ago.²

A 2004 investigation of Island Apparel, a major Haitian supplier to one of the nation's largest uniform companies, revealed **numerous worker rights and labor law violations,** including:³

- Dirty drinking water supplied in a tub, in violation of legal requirements for clean potable water.
- No safety guards on machinery as required by law.
- Firing of workers who attempt to stand up for their rights or organize a union.
- Long hours to fulfill excessive production quotas, resulting in far more than the 8 hours daily or 48 hours per week allowed by law.
- Prohibition on talking during working hours.
- Sexual harassment by the plant manager.
- Poverty wages resulting in miserable living conditions for workers.

¹ According to the port import-export database, PIERS, in February 2006 KTS Textile Industries shipped men's underwear to O'Rite, which imports undergarments for Bob Barker, which in turn sells these products to correctional institutions.

² When federal immigration officials raided Michael Bianco Inc. in New Bedford, Massachusetts, in February 2007 they discovered "horrible" working conditions, including a prohibition on talking and two-minute limits on bathroom visits. Since 2003, Michael Bianco had received almost \$100 million in defense contracts for products such as modular backpacks. See, for example, The Boston Globe, "Up to 350 in custody after New Bedford immigration raid," March 6, 2007. Accessed on January 28, 2008 at: http://www.boston.com/news/globe/city_region/breaking_news/2007/03/up_to_350_in_cu.html

³ Island Apparel was disclosed by Cintas as a supplier to the State of Maine. The investigation of Island Apparel was conducted by the UNITE HERE union and a Haitian human rights non-governmental organization. "Cintas Code of Conduct: Safeguarding standards or shielding abuses?" is available on request from SweatFree Communities.



A Network for Local Action Against Sweatshops

Widespread worker abuses and human rights violations in the uniform industry are reason enough for changing the present deplorable situation. But we also believe that sweatshop exploitation undermines economic security and political stability, and undercuts efforts by ethical businesses to compete in the global economy.

By ensuring that tax dollars do not subsidize profiteering from human rights abuses, HB 2442 will not just benefit sweatshop workers; it will also help to create a more stable and sustainable business environment.

By establishing a sweatfree manufacturing code of conduct and requiring vendors to disclose factory locations and wages, the bill will create **an even playing field for all bidders**. Nobody will be able to undercut anyone else with sweatshop products.

By encouraging collaboration with other public entities in Hawaii and elsewhere through the creation of a sweatfree consortium, the bill will help to provide vendors with **access to reliable and up-to-date information about sweatfree suppliers** and other manufacturers that may be off limits for sweatfree bids. A professional and independent human rights monitor will provide this information to all consortium members.

Collaboration with other public entities will also foster **common sweatfree standards and requirements across Hawaii and the nation**. Uniform standards will help businesses expand by using a single set of information to comfortably bid on jobs to any and all consortium members.

Finally, by creating a sweatfree advisory committee composed, in part, of citizens and labor rights experts the bill will foster community involvement, provide valuable support to procurement staff, and help ensure that good intentions are translated into good results.

If I can help to answer any questions about this testimony or about sweatfree procurement legislation in other parts of the country please do not hesitate to call on me via phone or email.

Thank you for your commitment to ending sweatshop labor in the production of public goods.

Sincerely,

A handwritten signature in black ink that reads "Bjorn Claeson". The signature is written in a cursive, slightly slanted style.

Bjorn Claeson, Executive Director
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