

LINDA LINGLE  
GOVERNOR



RUSS K. SAITO  
Comptroller

Barbara A. Annis  
Deputy Comptroller

**LATE TESTIMONY**

STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING  
AND GENERAL SERVICES  
P.O. BOX 119  
HONOLULU, HAWAII 96810-0119

TESTIMONY  
OF  
RUSS K. SAITO, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEE  
ON  
TOURISM AND GOVERNMENT OPERATIONS  
ON  
January 29, 2008

S.B. 2409

RELATING TO PUBLIC PROCUREMENT

Chair Nishihara and members of the Committee, thank you for the opportunity to testify on S.B. 2409.

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.

DAGS recommends that this bill be held.

Thank you for the opportunity to testify on this matter.

LINDA LINGLE  
GOVERNOR

AARON S. FUJIOKA  
ADMINISTRATOR



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**LATE TESTIMONY**

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

**TO THE  
SENATE COMMITTEE  
ON  
TOURISM AND GOVERNMENT OPERATIONS**

January 29, 2008

SB 2409

**RELATING TO PUBLIC PROCUREMENT**

Chair Nishihara, Vice Chair Kim and committee members, thank you for the opportunity to testify on SB 2409.

The State Procurement Office understands the intent of SB 2409 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 SB 2409, relating to public procurement  
**Public hearing:** Tuesday, January 29, 2008, 1:15 pm  
Via E-mail

**Senator Nishihara and honored members of the Committee:**

Thank you for considering my testimony in favor of SB 2409, 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 SB 2409. 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, SB 2409 is the best piece of sweatfree procurement legislation proposed in any state or locality thus far. The detailed provisions of SB 2409 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  
Child Labor Education and Action (Vermont)  
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.<sup>1</sup>

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.<sup>2</sup>

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:<sup>3</sup>

- 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.

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<sup>1</sup> 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.

<sup>2</sup> 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](http://www.boston.com/news/globe/city_region/breaking_news/2007/03/up_to_350_in_cu.html)

<sup>3</sup> 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, SB 2409 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".

Bjorn Claeson, Executive Director  
[bjorn@sweatfree.org](mailto:bjorn@sweatfree.org)  
207-262-7277

**LATE**

State of Hawaii  
Senate Committee on Tourism and Government Operations  
Hearing: Tuesday, January 29, 2008, 1:15 p.m.

## SB2409 - Sweat-Free Public Procurement Policy

Eric Dirnbach  
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January 28, 2008

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I would like to submit these comments regarding the State of Hawaii's consideration of a sweat-free public procurement policy.

UNITE HERE represents over 450,000 workers in North America, including over 60,000 workers in the apparel and textile industries, and over 10,000 workers in the State of Hawaii. Our union has extensive experience with the labor conditions in the apparel industry in North America and in many countries around the world. We have represented apparel workers for over a century, going back to the struggle of the workers at the Triangle Shirtwaist factory in New York City, when on March 25, 1911, 146 workers died during a fire because their employer had locked the factory doors. Since this tragedy, we have worked to transform what were once poverty wage sweatshop jobs into decent employment for hundreds of thousands of workers.

However, despite these improvements, the last few decades have been disastrous for the domestic apparel industry, as large multinational corporations have closed factories in the U.S. and transferred this work overseas in search of cheaper labor and weaker regulations. In 1973, the U.S. clothing industry employed nearly 1.5 million workers. Since then, this number has fallen to about 200,000, a loss of well over 1 million apparel jobs.

As these jobs have been lost in the U.S., the global apparel industry is now one of the world's largest manufacturing industries, employing tens of millions of workers in dozens of developing countries. Unfortunately, the vast majority of these workers toil under sweatshop working conditions, many of them making clothing for the U.S. market. Their working conditions deteriorate as contractors compete for apparel work by lowering wages and requiring many hours of overtime work. The standard wages in most countries are at a poverty level and are typically less than half of what is needed to support an apparel worker's family. Workers are often forced to labor for 60 or 80 hours a week, with sometimes no days off for weeks or months. Child labor is not uncommon, workers have no access to health care, and the factories can be dangerous places to work. There is rarely any respect for workers' freedom of association and when workers try to form trade unions to improve their wages and working conditions, they are often fired, beaten, jailed or sometimes killed.

Workers in these countries need jobs, but they want and deserve much better wages and working conditions. They fight for better jobs under extremely difficult circumstances and they desperately need the help of apparel consumers. Buyers of apparel, whether individual or institutional, can stand in solidarity with these workers by demanding the truth about the sweatshop working conditions, holding employers accountable for the horrible employment situation they have created, and urging real and meaningful respect for workers rights.

U.S. cities, counties, and states purchase billions of dollars in uniforms and other apparel for their public employees, and many have enacted sweat-free purchasing policies over the past decade. By adopting a sweat-free procurement policy, the State of Hawaii can join other states such as Maine, Pennsylvania, New Jersey, New York, and California, who have all passed similar rules in the past few years.

The proposed policy, as outlined in SB2409, shows that Hawaii is committed to serious reform in their apparel procurement. The proposed policy includes provisions that are essential for proper enforcement of sweat-free purchasing. These include:

- Sweat-Free Code of Conduct – SB2409 includes very good labor standards, including a living wage for workers, a limit on weekly working hours, a prohibition on discrimination and harassment, and protection for workers freedom of association.
- Information Disclosure – SB2409 properly requires that production facilities disclose their names and locations. Sweatshops thrive under secrecy, and this disclosure will help ensure that bad working conditions cannot remain hidden.
- Sweat-Free Advisory Group – SB2409 establishes an advisory group that will assist the State in their enforcement of the policy.
- Independent Monitoring – SB2409 allows for independent monitoring of the production facilities. This is essential to determine if there violations of the policy.
- Enforcement – SB2409 has an appropriate process that can ensure that production facilities come into compliance with the policy, which includes the establishment of a remediation plan, and if necessary, sanctions and termination of the contract.

I would also urge the State of Hawaii to join the State and Local Government SweatFree Consortium ([www.sweatfree.org/sweatfreeconsortium](http://www.sweatfree.org/sweatfreeconsortium)). The Consortium is a new joint effort of states and cities that have expressed concern about sweatshop conditions in the apparel industry. This is similar to the Workers Rights Consortium ([www.workersrights.org](http://www.workersrights.org)), a collective effort of 178 colleges and universities that are committed to improving labor standards in factories that produce university-licensed apparel. In the SweatFree Consortium, cities and states will join together to set high standards for sweatfree procurement, share information about vendors and factories, and work on common enforcement, which will include independent monitoring of factories. Through collective effort, states and cities will have more power to ensure that the uniforms they purchase are made under decent working conditions.

Our union urges the passage of SB2409. This is one of the best sweat-free policies that we have seen, and the State of Hawaii can become a real leader in the ethical procurement movement and the fight against sweatshops.