



Department of Justice

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JUSTICE DEPARTMENT WILL NOT CHALLENGE WORKER RIGHTS CONSORTIUM'S DESIGNATED SUPPLIERS PROGRAM FOR COLLEGIATE APPAREL

WASHINGTON — The Department of Justice today announced that it will not challenge a proposal by the Worker Rights Consortium to implement the Designated Suppliers Program. According to the Worker Rights Consortium, the Designated Suppliers Program is designed to enable colleges and universities to ensure that apparel with their school names and insignia is made in factories that provide fair labor conditions for their employees, including paying their employees a living wage.

The department's position was stated in a business review letter to counsel for the Worker Rights Consortium from Sharis A. Pozen, Acting Assistant Attorney General in charge of the Department of Justice's Antitrust Division.

The Worker Rights Consortium is a nonprofit corporation that was formed to improve working conditions and labor standards. According to the proposal by the Worker Rights Consortium, the Designated Suppliers Program will establish the proposed licensing terms that will require licensees and any factory that manufactures collegiate apparel to adhere to specified fair labor standards. The terms will include a requirement that licensees pay the factories with which they contract a sufficient amount that the factories can pay their employees a living wage, and that the licensees ensure that the factories guarantee workers the freedom to engage in collective bargaining.

In issuing the letter, Acting Assistant Attorney General Pozen stated that, "The Designated Suppliers Program can be viewed as procompetitive in that it may facilitate competition in a new area, by providing assurances that apparel was produced under conditions meeting the Designated Suppliers Program standard."

Based on the representations made by the Worker Rights Consortium, the department said that the proposal is unlikely to lessen competition in the collegiate apparel sector. Incorporation of the proposed licensing terms is optional and up to each school and licensee, and is unlikely to have a substantial effect on licensing competition among potentially participating schools. The department said that it also is unlikely to have a substantial effect on downstream competition for apparel sales. Moreover, the factories affected by the proposed licensing terms are likely to constitute only a tiny portion of the labor market, making significant anticompetitive effects in that market unlikely.

Under the department's business review procedure, a person or organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the division currently intends to challenge the action under the antitrust laws based on the information provided. The department reserves its right to challenge the proposed action under the antitrust laws if it produces anticompetitive effects.

A file containing the business review request and the department's response may be examined in the Antitrust Division's Antitrust Documents Group, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 1010, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established under the Business Review Procedure.

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