

Oct 4, 2012  
FOR IMMEDIATE RELEASE

Contacts:

Lydia Zepeda, Labor Licensing Policy Committee Chair, [lzepeda@wisc.edu](mailto:lzepeda@wisc.edu), 206-306-4989  
Lingran Kong, Labor Licensing Policy Committee member, [lkong4@wisc.edu](mailto:lkong4@wisc.edu), 608-334-7580

**Labor Licensing Policy Committee Commends Cornell's Cut, Rejects adidas' Summit as Solution to PT Kizone Crisis**

Yesterday, students, faculty and staff of the Labor Licensing Policy Committee (LLPC), reviewed the latest news in the case of adidas refusing to pay \$1.8 million in severance and death benefits owed to 2,686 workers at their PT Kizone factory in Indonesia. The committee first started reviewing the details of this case a year ago, and since December 2011 have advised Chancellor Ward to terminate UW-Madison's licensing and sponsorship agreements with adidas for its failure to comply with the university's labor code of conduct.

On September 13, 2012, Cornell became the first University to ever sever a contract with adidas over labor violations. Two weeks later, on September 27, 2012, adidas Group announced that they are committing another \$275,000 in food vouchers to the PT Kizone workers, in addition to the \$250,000 earlier in the summer. PT Kizone workers have called these handouts 'insulting' and are rejecting adidas' food vouchers and relief aid, demanding the \$1.8 million that they are legally owed.

In addition to food vouchers, adidas has announced they will convene a Global Summit in Switzerland to discuss the problem of failure to pay severance pay in the global garment industry. Jane Collins, a member of the LLPC, notes that, "even if successful, the summit would create an additional institutional mechanism standing between workers and the benefits owed them. It does nothing to resolve the PT Kizone issue, it simply diverts attention from adidas' failure to pay the workers what it owes them."

The LLPC commends Cornell for their action and supports the PT Kizone workers in demanding their full severance payments and death benefits. "Failure to pay legally owed severance is a common labor violation, and the only strategy that has ever worked to motivate brands to pay up is to hold them accountable to the labor codes they signed by severing our contract with them until the workers are paid.," said LLPC chair Lydia Zepeda. "It has been over a year and a half since the workers have been owed this money. They have made clear that they do not want adidas' charity, but are simply asking that the company comply with Indonesian labor law and pay severance," said committee member and UW-Madison student, Lingran Kong.