



Leo W. Gerard
International President

May 9, 2006

Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the 850,000 members of the United Steelworkers (USW), I write to express our union's **adamant opposition to the US-Oman Free Trade Agreement**. We understand the Ways and Means Committee will be examining the Oman Free Trade Agreement in a mock markup scheduled for tomorrow.

Before that hearing, **I strongly recommend you take a close look at the recently released report of the National Labor Committee on the horrific sweatshop conditions that have flourished in Jordan since the enactment of the Jordan Free Trade Agreement (<http://www.nlcnet.org>)**. The USW, and much of the labor movement, supported the Jordan FTA not only because Jordan's labor laws already conformed to International Labor Organization (ILO) standards well before the agreement was signed, but because the agreement committed both parties to respect core workers' rights as identified by the ILO and to enforce their domestic labor laws.

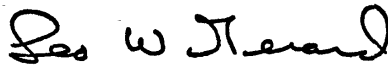
In the case of the Oman Free Trade Agreement, the opposite is true. Current Omani law comes nowhere close to meeting the ILO criteria for compliance with core labor standards. Members of the Ways and Means Committee have been trying to encourage the Omani government to bring its laws into compliance with ILO standards, but as evidenced by the report on Jordan, when "guest workers" are the majority of the labor force and do not speak the language, changing domestic laws they are not aware of will do nothing to protect the foreign-majority workforce in Oman. Despite the raising of the minimum wage in Jordan, not one of the hundreds of guest workers interviewed by the NLC knew this to be the case.

Unlike the Jordan FTA, the labor provisions in the Oman FTA are a clear step backwards as there are no enforceable provisions preventing the weakening of or derogation from domestic labor laws. Even if the Sultan decrees that all labor laws will be in compliance with ILO standards, there is nothing in this FTA to prevent him from decreeing the opposite once the agreement is in place.

The level of disregard for Jordan's labor laws by apparel manufacturers operating in Jordan make it clear that despite labor's support for the Jordan FTA, even that free trade agreement is not up to the task of defending workers' rights when it is not enforced, and the rights of guest workers are particularly in jeopardy. For the Ways and Means Committee to go forward with an agreement that is far less than the provisions of the Jordan FTA will leave little opportunity for the United States to act if similar violations were to occur in Oman where over 80% of the workforce are guest workers.

Appended below is the New York Times article on the report issued by the National Labor Committee. On behalf of the United Steelworkers I strongly urge you to oppose the Oman Free Trade Agreement.

Sincerely,



Leo W. Gerard
International President

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An Ugly Side of Free Trade: Sweatshops in Jordan
By STEVEN GREENHOUSE and MICHAEL BARBARO

Propelled by a free trade agreement with the United States, apparel manufacturing is booming in Jordan, its exports to America soaring twenty fold in the last five years.

But some foreign workers in Jordanian factories that produce garments for Target, Wal-Mart and other American retailers are complaining of dismal conditions -- of 20-hour days, of not being paid for months and of being hit by supervisors and jailed when they complain.

An advocacy group for workers contends that some apparel makers in Jordan, and some contractors that supply foreign workers to them, have engaged in human trafficking. Workers from Bangladesh said they paid \$1,000 to \$3,000 to work in Jordan, but when they arrived, their passports were confiscated, restricting their ability to leave and tying them to jobs that often pay far less than promised and far less than the country's minimum wage.

"We used to start at 8 in the morning, and we'd work until midnight, 1 or 2 a.m., seven days a week," said Nargis Akhter, a 25-year-old Bangladeshi who, in a phone interview from Bangladesh, said she worked last year for the Paramount Garment factory outside Amman.

"When we were in Bangladesh they promised us we would receive \$120 a month, but in the five months I was there I only got one month's salary -- and that was just \$50."

The advocacy group, the National Labor Committee, which is based in New York, found substandard conditions in more than 25 of Jordan's roughly 100 garment factories and is set to release a report on its findings today. Its findings were supported in interviews with current and former workers.

Such complaints have dogged the global apparel industry for years, even as it has adopted measures intended to improve working conditions in factories that produce clothing for American and European consumers. But the abusive conditions that the guest workers described show how hard it is to control sweatshops as factories spring up in new places, often without effective monitoring in place.

In recent years, Jordan has become a magnet for apparel manufacturers, helped by the privileged trade position that the United States has given it, first because of its 1994 peace accord with Israel and then because of a free trade agreement signed with Washington in 2001.

Jordan's apparel industry, which exported \$1.2 billion to the United States last year, employs tens of thousands of guest workers, mainly from Bangladesh and China.

In interviews this week, five Bangladeshis who used to work in Jordanian apparel factories and four who still do had similar tales of paying more than \$1,000 to work in Jordan, of working 90 to 120 hours a week, of not being paid the overtime guaranteed by Jordanian law, of sleeping 10 or 20 to a small dorm room. The National Labor Committee helped arrange interviews with the Bangladeshi workers, who spoke through interpreters.

The largest retailer in the United States, Wal-Mart, and one of the largest clothing makers, Jones Apparel, confirmed yesterday that they had discovered serious problems with the conditions at several major Jordanian factories.

In addition, a factory monitor for a major American company confirmed that Jordanian factories routinely confiscated their guest workers' passports, doctored wage and hour records and coached employees to lie to government and company inspectors about working conditions. The monitor asked not to be identified because the company had not given authorization to speak publicly.

Beth Keck, a spokeswoman for Wal-Mart, said the company did not own or manage factories, but tried to improve working conditions in Jordan and elsewhere. "It is a continuous challenge, not just for Wal-Mart but for any company," she said, noting that the most commonly observed problems included failure to pay proper wages, "egregious hours," and "use of false or insufficient books or documentation."

Charles Kernaghan, executive director of the National Labor Committee, which has exposed mistreatment in factories in Central America and China, said he was shocked by what he discovered in Jordan.

"These are the worst conditions I've ever seen," he said. "You have people working 48 hours straight. You have workers who were stripped of their passports, who don't have ID cards that allow them to go out on the street. If they're stopped, they can be imprisoned or deported, so they're trapped, often held under conditions of involuntary servitude."

Mr. Kernaghan said Bangladeshi workers had contacted his organization to complain about

working conditions in Jordan. He then traveled to Jordan and met quietly with dozens of workers. He said American companies, despite their monitoring efforts, were often slow to uncover workplace abuses because workers were coached to lie to them or were scared to speak out. Moreover, factories often send work out to substandard subcontractors without notifying American retailers.

Several factory owners in Jordan insisted that they treated their workers properly.

"Some people are always making allegations," said Karim Saifi, the owner of United Garment Manufacturing, a factory near Amman that workers criticized for long hours and wage violations. "As far as we know, we follow all the labor laws here. If we were not abiding by all of the local Jordan laws, we would not be able to operate."

Several foreign apparel workers said that while their factories required them to stay until midnight, the Jordanian workers were usually allowed to leave at 4 p.m.

Two large industrial zones outside Amman are thriving, having geared themselves to the American apparel market. They have attracted dozens of garment manufacturers, some with 200 workers, some with 2,000, that say they produce clothes for J. C. Penney, Sears, Wal-Mart, Gap and Target.

"It would be wrong to think that problems at a few places are representative of the 102 apparel factories in my country," said Yanal Beasha, Jordan's trade representative in Washington.

Jordan's ambassador to the United States, Karim Kwar, said "If there are any violations of our labor laws, we certainly take it seriously."

Mr. Beasha said Jordanian government inspectors monitor the working conditions in factories. But several guest workers said factory managers hid abuses by coaching workers to lie. Mr. Beasha said the Jordanian government cared about the welfare of foreign guest workers, noting that it enforced overtime laws and recently increased the minimum wage for citizens and guest workers.

But Mohammed Z., who has worked for more than a year at the Paramount Garment Factory, said that even though he worked more than 100 hours a week -- normally from 7 to midnight seven days a week -- the company refused to pay him overtime when he did not meet production targets. He asked that his last name be withheld for fear of retribution.

Having paid \$2,000 to work in Jordan, he said, in an interview from Amman, "I'm not earning enough to repay my loan or to support my wife and son."

Unhappy that his passport has been confiscated, he said: "My identity has been taken by the company. I have no freedom because I have no freedom to move to other places."

Mohammed Saiful Islam, 30, a Bangladeshi who was production manager at Western Garment, said that several times the workers had to work until 4 a.m., then sleep on the factory's floor for a few hours, before resuming work at 8 a.m.

"The workers got so exhausted they became sick," he said. "They could hardly stay awake at their machines."

Mr. Saiful, who is in the United States to highlight poor working conditions in Jordan, pointed to a yellow and black fleece sweatshirt that he said his factory made. It had an Athletic Works label made for Wal-Mart, selling for \$9.48.

"Sometimes when companies sent in monitors, the workers were instructed what to say," Mr. Saiful said.

Mohamed Irfan, who in a telephone interview from Jordan said he was Western's owner, said, "The workers get the minimum wage, and all times, there is no problem in our factory."

Mohamed Kasim, Paramount's owner, said his factory also paid its workers properly. Mr. Kasim and other factory managers said workers received free room and board and sometimes medical care.

But several workers said that when they were sick they did not receive medical care, but were instead punished and had their pay docked.

Several Bangladeshis said there were terrible conditions at factories that made clothes for Wal-Mart and Jones Apparel, which owns brands like Gloria Vanderbilt and Jones New York.

Ms. Keck, the Wal-Mart spokeswoman, said company inspectors recently identified "serious violations" of its labor rules at three Jordanian factories. At Honorway Apparel Jordan, for example, which manufactures sleepwear for Wal-Mart, inspectors found employees working off the clock, managers who refused to pay overtime and wages that "could not be verified," Ms. Keck said. At the Ivory Garment Factory, which Wal-Mart ceased working with two years ago, inspectors found "egregious working hours."

Joele Frank, a spokeswoman for Jones Apparel, said the company had also found "serious problems" at the Ivory Garment Factory, which produces Gloria Vanderbilt clothing, and said it would "monitor the situation closely." A spokesman for Sears Holding, said the company was investigating potential problems at Honorway, which produces clothes for Kmart, a division of Sears Holding.

A Kohl's spokeswoman denied workers' accusations that clothing sold by the company was made at several Jordanian factories with poor conditions. Target said it worked with only one factory that has come under criticism-- Al Safa Garments, which Wal-Mart recently cited for labor violations.

Many retailers said their policy was, after discovering violations, to work with a factory to improve conditions, rather than automatically withdraw their business. Wal-Mart says it gives factories a year to fix serious problems, reinspecting them every 120 days.

"Our business with the factory is the only leverage we have to push for improvement," Ms. Keck said.

After The New York Times asked about the accusations on Monday, Wal-Mart dispatched two inspectors to Jordan.

Hazrat Ali, 25, who worked from September 2004 to March 2005 at the Al Shahaed factory, said he sometimes worked 48 hours in a row and received no pay for the six months.

"If we asked for money, they hit us," he said.

Nasima Akhter, 30, said that the Western factory gave its workers a half-glass of tea for breakfast and often rice and some rotten chicken for lunch.

"In the four months I was in Jordan, they didn't pay us a single penny," she said. "When we asked management for our money and for better food, they were very angry at us. We were put in some sort of jail for four days without anything to eat. And then they forced us to go back to Bangladesh."