

ACCORD

on Fire and Building Safety in Bangladesh

www.bangladeshaccord.org

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The Accord on Fire and Building Safety in Bangladesh appreciates the opportunity to offer testimony today on the vital issue of worker rights in Bangladesh’s garment industry. The Accord is a groundbreaking worker safety initiative of which 151 apparel brands and retailers, from 21 countries, are now signatories, along with two global union federations, eight Bangladeshi garment workers’ unions and union bodies, and four international labor rights organizations, participating as witness signatories. The Accord, whose governing body is chaired by the International Labor Organization (ILO), covers an estimated 1,800 factories and in excess two million workers, which means that more than half of the entire Bangladeshi garment workforce will come under the protections provided by the agreement.

Support for the Accord in the United States

It is important to note, some misimpressions to the contrary, that the Accord enjoys active support and participation from leading American brands and retailers. Indeed, the first company to sign an earlier version of the Accord was PVH Corp., the US firm, formally known as Philips-Van Heusen, which owns Calvin Klein, Tommy Hilfiger and other major brands. Other US corporate signatories include Abercrombie & Fitch, American Eagle Outfitters, Knights Apparel (the largest producer of university logo clothing and Nike’s main competitor in that sector), Fruit of the Loom, one of the oldest apparel brands in North America, and others. It is also important to note that the Accord’s signatories include a number of foreign-based corporations that have a large presence in the US consumer market, including companies like H&M and adidas that are household names in the US and that sell more goods here than they do in their home countries.

There is also strong support for the Accord in the non-profit and public sectors in the US. A number of our nation’s leading universities, including Duke, Penn State and Georgetown, now require that the apparel brands that make clothing bearing their names in Bangladesh sign the Accord, as does the United States Marine Corps.¹ The Defense Appropriations Act for the

¹ See, “New Trademark Licensing Policy Aims to Protect Workers in Bangladesh,” <http://www.georgetown.edu/news/trademark-licensing-policy-bangladesh.html>. See also, “Penn State to require retailers to sign Bangladesh Safety Accord,” http://www.collegian.psu.edu/news/campus/article_df872004-8d52-11e3-9928-0017a43b2370.html. See also, “Marines Toughen Rules for Makers of Licensed Clothing,” <http://www.nytimes.com/2013/11/23/business/marines-toughen-rules-for-makers-of-licensed-clothing.html>.

current fiscal year included report language commending the Marine Corps for adopting this requirement, urging the rest of the Armed Forces to do the same. We appreciate Mr. Durbin's leadership in encouraging the largest agency of the US government to align its procurement practices with the Obama Administration's policies urging brands to strengthen oversight of their supply chain in Bangladesh. Support for the Accord is also extremely strong throughout the US labor movement and across the community of labor rights advocates.

Why a New Approach to Worker Safety is Essential

The Accord on Fire and Building Safety in Bangladesh exists because its signatories recognize that past efforts to address the worker safety crisis in Bangladesh were insufficient and that new approaches are required to safeguard the lives of the millions who work in that nation's garment factories.

It is important to recognize that the danger to workers in Bangladesh has been apparent for many years. The first documented mass-fatality incident in the country's export garment sector occurred in December of 1990 and there were at least twelve additional mass-fatality disasters during the remainder of the 1990s. Between April 2004 and April 2006 there were nine separate fatal fires and building collapses, killing a total of at least 200 workers.² In an editorial in March of 2006, in the English-language *Daily Star* newspaper, a local banker warned that the "deep concern" of global buyers over these disasters would lead to a loss of exports if such incidents continued to occur. From 2006 to 2009, more than four hundred workers died in a series of further disasters, according to statistics from Bangladesh's Fire Service and Civil Defense department. In 2010, there were two more fatal factory fires, including one, in December, that killed 29 workers at a facility producing for a large number of prominent US brands.

The Tazreen Fashions fire in 2012 and the Rana Plaza disaster last year were shocking because of the staggering loss of life; however, by the time of those disasters, it was no longer possible to say that worker fatalities in a garment factory were surprising. Indeed, given the explosive growth of the industry in Bangladesh in recent years, with millions of workers employed in ever-larger factories, it was arguably inevitable that larger disasters would occur.

Major brands and retailers sourcing from Bangladesh, recognizing the strong challenges to worker rights and worker safety and concerned about the weak regulatory efforts of local authorities, have long been operating their own private factory inspections programs – as they do throughout their global supply chains. These programs, which encompass worker safety issues among various other categories of compliance, ensure that most or all factories producing goods for a given brand or retailer are subject to regular inspections by factory auditors, who measure each factory's practices against the corporation's labor standards, report any violations detected and recommend remedial measures.

² Fair Wear Foundation, "Background Study Bangladesh," January 2006, available at http://www.fairwear.org/ul/cms/fck-uploaded/archive/2010-01/bangladesh_fw_f_country_study.pdf.

Despite a great deal of effort by the brands – and by their employees, many based locally, whose job it is to coordinate the factory inspections – these programs did not succeed in addressing the problem. It is important to note that every factory where workers have died *en masse* in recent years, with only one possible exception, was inspected multiple times by private auditors representing the factory’s customers. To cite one important example, Tazreen Fashions was visited repeatedly by inspectors representing Walmart, but these inspectors never identified nor corrected the grave safety flaws, including the lack of viable emergency exits, that ultimately took the lives of 112 workers.³ There is a profoundly important lesson here for all of us – corporations, labor rights advocates and public officials alike: it is not enough that a garment factory is subject to an inspection program; the crucial questions concern the composition of that program.

To their great credit, the brands and retailers that have signed the Accord on Fire and Building Safety in Bangladesh have recognized that stronger and more effective worker safety measures are essential to bring an end to the disasters in Bangladesh and have committed to work with global and Bangladeshi labor unions to put those measures into place.

The Accord: Major Provisions

The Accord is designed to address the shortcomings of prior efforts and thereby to ensure, once the program is fully implemented, that the safety of workers in all factories covered by the agreement is strongly and sustainably protected and that mass fatality disasters become a thing of the past. The central features of the Accord are the following:

- First, the Accord is a binding, enforceable contract between 151 apparel brands and retailers and international and Bangladeshi labor unions. This, in itself, is groundbreaking. There is no contemporary precedent for a binding agreement of this scope and detail, covering workers’ rights in the global supply chains of major corporations, in which worker representatives themselves have genuine enforcement powers. By signing a binding agreement with labor unions, the Accord’s signatory corporations have guaranteed that worker representatives will be at the table when key decisions about worker safety at their contracted factories are made. This does not always make for easy or quick decisions, but it guarantees that the voice of workers is always heard and that the safety of workers remains at the heart of Accord decision-making. Given the stakes involved, the importance of this cannot be overstated.
- The Accord provides for inspections of all factories producing for signatory companies, carried out under the direction of an independent Chief Safety Inspector, so that the engineers doing the inspections are accountable to the Accord as a whole, not to any individual brand or factory. This means that when Accord inspectors assess a factory, they do so with the understanding that they have as much accountability to worker representatives as they do to any other party.

³ Greenhouse, Steven and Jim Yardley, “As Walmart Makes Safety Vows, It’s Seen as Obstacle to Change,” *The New York Times*, December 28, 2012, available at <http://www.nytimes.com/2012/12/29/world/asia/despite-vows-for-safety-walmart-seen-as-obstacle-to-change.html?pagewanted=all>.

- Accord inspections assesses each factory against a robust safety standard, incorporating the essential elements of the Bangladesh National Building Code (BNBC), and improving on that code by clarifying the application of the standards to existing buildings and adding stricter standards in certain areas. The BNBC, which is a reasonably strong code, has been in place in Bangladesh since 1993 and has carried the force of law since 2006; however, prior to the Tazreen and Rana catastrophes, private factory auditors, even though charged with protecting worker safety, did not include the most vital building code issues in their inspection protocols. Among the issues excluded were the structural integrity of buildings and the adequacy of emergency exits, including enclosure of stairwells. The consequences of failing to inspect for structural integrity at Rana Plaza are obvious.
- At Tazreen, and in numerous other fatal factory fires, one of the primary causes of fatalities was the lack of enclosed stairwells, protected by fire doors. In multi-story buildings, proper enclosure of stairwells, the purpose of which is to prevent deadly smoke from spreading rapidly through the building and making stairs impassable, is fundamental to fire safety and has long been required by all credible building codes (including all North American and European codes and including the BNBC). It is nonetheless the case that, at the time of the Tazreen fire, enclosed stairwells with protective fire doors were absent from almost every one of the more than 3,500 apparel factories operating in the country. At Tazreen Fashions, after the fire broke out in the first-floor storage area, the unenclosed stairwells filled rapidly with noxious smoke. All of the exit stairs became impassable within minutes, trapping the workers on the upper floors.⁴ After that point, most workers who made it out alive did so by jumping from third and fourth story windows. That was only way out of the building. By including structural integrity, adequacy of fire exits and a number of other previously excluded issues, the Accord inspections, on that basis alone, represent a massive advance over pre-Tazreen inspection programs. Also, appropriate to the technical nature of the applicable safety standards, Accord inspections are carried out by highly trained structural, electrical and fire-safety engineers, not generalist social auditors.
- The Accord provides a very high degree of transparency, both to the public and to workers. Under prior private inspection programs, workers rarely saw the results of the inspections of their factories and such reports were usually not available to the public. Under the Accord, all factory reports will be public and will include, along with the name of the factory, detailed information on each specific safety hazard identified; the renovation, repair or retrofit required to eliminate that hazard; and the date by which it must be completed. The Accord will also issue detailed public reports on the progress of factory renovations and repairs; when a factory fails to implement the improvements deemed necessary by the engineers, this failure will be reported publicly. Similarly, factories which execute the necessary corrective actions will be recognized through the reporting system thus having the opportunity to show their individual-level commitment and collectively improving the image of the industry as a whole. Even more important

⁴ Eidelson, Josh, "Photos Show Walmart Apparel at Site of Deadly Factory Fire in Bangladesh," *The Nation*, November 26, 2012, available at <http://www.thenation.com/blog/171451/photos-show-walmart-apparel-site-deadly-factory-fire-bangladesh#>.

than this public transparency, will be the access workers and worker representatives will have to the findings of inspectors. Under the Accord, worker representatives will always have access to all inspection reports within two weeks of inspection – at the same time as factory managers.

- The Accord's corporate signatories have agreed to ensure that factories will have the financial capacity to address all renovations and repairs that are needed. The purpose of this provision of the Accord is not to subsidize wealthy factory owners, of which Bangladesh has a fair number; they should, and will, pay their own way. However, there are substantial numbers of factory owners who will not be able to afford what is needed and in those cases the Accord signatories will provide support – through direct payment for renovations, price enhancements, joint investments, loans or other means. This is not a voluntary loan program, but an obligation of the signatory brands and retailers to provide assistance where it is genuinely necessary. The Accord staff will play an active role in discussions between brands and factory owners, to ensure that every factory gets any help it legitimately needs and, at the same time, that no factory is asking for more than its financial circumstances justify.
- The Accord's corporate signatories have also committed to use their relationships with their contracted factories to provide powerful incentive for factories to undertake needed safety improvements. Any factory that the Accord's Chief Inspector determines to be unsafe, and unwilling to become safe, will swiftly and permanently lose the business of every customer that is a signatory to the Accord (and will be ineligible for orders in the future). As a practical matter, such factories will soon be out of business. Conversely, the signatory brands have committed to reward safe factories with ongoing business.

As is clear from the discussion of key Accord provisions above, the Accord is far more than an inspection program. The design of the Accord was informed by the recognition that the great majority of garment factories in Bangladesh need significant safety improvements in one or more areas. Inadequate fire safety systems and sub-standard electrical wiring (the source of ignition in most fires) were widespread in the industry at the time of the Tazreen Fashions fire and continue to affect most factories. While the grave structural flaws that brought down Rana Plaza are by no means the norm, Bangladesh has more than 3,500 export apparel factories, and if even a few percent are in that category, as is likely, this places hundreds of thousands workers at risk. Lesser structural flaws affect a much larger number of factories and must also be addressed. The Accord is best understood as a sweeping program of factory renovation, based on a clear understanding that inspections, however competently executed, are of no value if the remedies they identify cannot – for lack of financial capacity, or of accountability, or of economic incentive – be effectively implemented.

The Accord: the Central Role of Worker Empowerment

The design of the Accord also reflects the understanding that protection of worker safety is impossible without meaningful worker empowerment. The Accord contains a series of provisions that ensure not just that workers can *participate* in the program, but that workers can

influence the program, both in terms of what happens on the factory floor and at the highest levels of Accord decision-making.

- Among the most vital provisions of the Accord is protection for the right of workers to refuse dangerous work. Two days ago, the managing director of Tazreen Fashions, Delwar Hossain, finally went to jail, pending trial, on charges issued in December.⁵ He and other managers are charged, among other offenses, with refusing to let workers leave the factory after the fire alarm sounded, insisting that the alarm was part of a fire drill. Unquestionably, this decision – likely driven by a desire to avoid production delays and informed by the false assumption that the fire would be contained – contributed to the high death toll. At Rana Plaza, on the morning of the collapse, many workers balked at entering the building, terrified by the discovery of large cracks in the structure the prior day. Factory managers, insisting the building was safe, pressured and bullied the workers – in some cases threatening to dock them a month’s pay if they refused to go to work.⁶ Most succumbed to these tactics and went to their machines; the building collapsed less than an hour after the workday began. Had workers at these two factories been able to exercise the right to refuse to enter, or stay in, a dangerous building, without having to fear the loss of pay or the loss of their jobs, many of them would be alive today. This is a right recognized in ILO conventions and it is a right that is essential to the safety of Bangladeshi workers. Under the Accord, no worker who refuses work based on a reasonably justified fear of danger can be penalized; if workers are fired or docked pay for refusing to go into an unsafe building, the workers, or their representatives, can contact the Accord and the Accord and its signatory brands will ensure that the factory owner reinstates fired workers and/or reimburses workers who have lost wages. Accord staff will carry out a robust training program to inform workers about this policy, since the right cannot be exercised by workers unless they know it exists and believe it will be protected. If the Accord did nothing else, empowering workers to protect themselves from the recklessness of some irresponsible factory managers would greatly reduce the likelihood of another Rana Plaza.
- The Accord also recognizes the central role of workers in promoting and defending, on a day-to-day basis, safe practices in the workplace. This is why the Accord requires that a credible worker-management health and safety committee be established in every factory, with worker-members chosen by their unions and fellow workers. Making this a reality is a massive undertaking that will require substantial time, but it is essential to sustaining safe workplaces over time. These committees will exist not just on paper, but in practice, and factory managers will be required to support the process and respect the role of the committees. The Accord will train and provide support to both the labor and management representatives on these committees to ensure they are functional at the factory level.

⁵ See, “Tazreen owner, wife sent to jail,” *Dhaka Tribune*, February 9, 2014, available at <http://www.dhakatribune.com/2014/feb/09/tazreen-owner-wife-sent-jail>.

⁶ Yardley, Jim and Julfikar Ali Manik, “Building Collapse in Bangladesh Leaves Scores Dead,” *The New York Times*, April 24, 2013, available at <http://www.nytimes.com/2013/04/25/world/asia/bangladesh-building-collapse.html?pagewanted=all&r=0>.

- The Accord also ensures that unions are engaged in all facets of the initiative. This includes equal status with brands and retailers over the governance of the program (through the Accord's Steering Committee, as outlined above) and involvement in all inspection, remediation and training programs. The Accord requires that labor unions be allowed to participate on training teams that will provide worker safety and worker rights education in those factories that are regular suppliers of the signatory brands and retailers. At most of these factories, this will be the first time any representative of a union federation has been able to set foot on factory premises and will allow union leaders to address workers in their workplaces on safety issues and their rights as workers. The Accord also requires that, in every factory where unions have any membership, a union member will participate in the on-site inspections of that factory by the safety engineers – walking through the factory with the engineers, asking and answering questions, just as the factory managers are able to do. The Accord is also establishing a program that will combine the engineers' on-site work with off-site interviews with workers from each inspected factory. This is not an easy proposition logistically, but it will be a strong mechanism for ensuring the integrity of the inspection process.

As noted earlier, unions will receive all inspection reports at the same time as factory managers and will be able to share the results with workers. At every factory where unions have any membership, at least one of the Accord's signatory unions will be able to participate, on behalf of workers, in the development of the remediation plan. The Accord staff will also work closely with unions and the brands to ensure that workers in each factory are able to provide information to the Accord on whether factory managers are fulfilling their safety promises. While the Accord's ongoing follow-up inspections are designed to enforce a factory's remedial commitments, it is only workers who are in the factory every day and they can be an invaluable source of information – provided a serious effort is made to enable them to play this role.

- The ability to report to the Accord when factories fail to implement required safety measures is one aspect of a broader complaint mechanism the Accord is creating. This goes well beyond the establishment of complaint "hotlines," which can be useful, if handled properly, but which are one small piece of the much broader program that is required. Working closely with the Accord's Bangladeshi labor union signatories, with the community-based worker centers the initiative is establishing, with local non-government organizations, with labor rights organizations in Bangladesh, and with the local offices of the signatory brands, the Accord will generate a robust, two-way flow of information that maximizes workers' impact on the initiative.
- In order for workers to participate effectively in the defense of their own health and safety, they have to be able to speak out with candor about safety hazards in their factories and about cases in which factory managers fail to fulfill their obligation to eliminate those hazards. A large impediment to such worker expression is workers' understandable fear that their complaints could lead to a temporary loss of wages, if their factory must be closed for repairs, or loss of their jobs, if the factory must be shuttered permanently. The Accord addresses this problem by requiring that factories continue to

pay workers their normal wages during any period when they are idled due to safety repairs and by requiring the signatory brands and retailers to seek alternate employment in their other supplier factories for any worker who loses his or her job due to permanent closure. Both eventualities will occur with some frequency and the cost of replacement wages, in particular, will be substantial. In a factory of a typical size (1,500 workers), a three-month closure will require continuation pay of more than \$300,000.⁷ If even five percent of the nation's factories are temporary idled, this could generate upwards of \$50 million in such costs. This is why the Accord requires that wages be paid in all cases, rather than establishing an arbitrary cap that might be reached well before most factories are repaired. By protecting the jobs and livelihoods of workers, the Accord empowers them to speak out about safety violations to a degree that would otherwise be impossible.

- Finally, while the right to organize and bargain collectively is outside the scope of the Accord, the agreement will have a substantial positive impact in this vital area.

Although Bangladeshi unions have small numbers of members in many factories, less than 3% of garment plants have an actual recognized union that can represent workers and bargain on their behalf. While it cannot be known how many workers would choose to unionize if they could do so freely, it is well understood that this freedom has not existed, in practice, for Bangladeshi garment workers. The State Department, among many other observers, has repeatedly noted the absence of respect for associational rights by factory owners and by the government in Bangladesh. Despite the likelihood that they will be disciplined, fired or worse, workers have tried to organize in many factories, often showing great courage, but they have usually failed. Very recently, however, we have seen glimmers of hope. Due to the incentives generated by the decision of the Obama Administration to suspend benefits for Bangladesh under the Generalized System of Preferences, the possibility of similar action by the European Commission, and the urging of buyers, the Government of Bangladesh has improved statutory protections for associational rights and has begun to recognize some factory-level labor unions, as the law requires. And some factory owners are feeling a degree of pressure to refrain from the customary tactics employed to prevent organizing.

As unions and workers seek to expand this new opening, the Accord's various worker empowerment provisions, like union access to factories and the creation of worker centers, will provide valuable tools they can utilize. The Accord also creates a forum that the signatory corporations and unions can use to address conflicts that arise in the course of union organizing efforts. Many of the Accord's signatory brands and retailers have demonstrated, in their overall supply chain operations, a significant and laudable commitment to promoting respect for associational rights at supplier factories and the Accord will facilitate and accelerate those efforts in Bangladesh. Where Bangladeshi workers are able to organize, they will gain a powerful mechanism to protect their safety in individual workplaces and will be able to increase their contribution to the broader reform of the industry.

⁷ Devnath, Arun, "Bangladesh Raises Minimum Wage for Garment Workers After Unrest," *Bloomberg News*, November 14, 2013, available at <http://www.bloomberg.com/news/2013-11-13/bangladesh-garment-factories-to-stay-shut-amid-worker-protests.html>.

Engagement with the Government of Bangladesh

The Accord is a private initiative. It is not intended as a substitute for public regulation. The signatories recognize, however, that effective public regulation in Bangladesh is a work in progress and that efforts by the private sector are therefore necessary, in the near term, to protect worker safety.

The Accord will engage extensively with the government of Bangladesh, at several levels: through the Accord's cooperation with the Bangladesh's National Tripartite Plan of Action (NTPA); through the Accord's Advisory Board, on which the government is represented by several senior officials of the Ministry of Labor and Employment, including the Director of Labor; through direct engagement between the Accord's senior staff and relevant government officials (for example, when dealing with urgent threats to worker safety at particular factories); and through the Accord's engagement with the Bangladesh University of Engineering and Technology, which is advising and providing services to the government in the context of the NTPA and the government's own factory inspection work. It is the Accord signatories' hope that constructive and fruitful cooperation with the government will be feasible throughout the life of the Accord.

We also believe that the Accord will play an important role in expanding technical capacity in Bangladesh in the area of fire, electrical and structural safety and in providing a model for impartial, skilled and effective factory inspection – and that the government and other local actors will thus be strengthened in their future compliance efforts.

The Accord: Status of Implementation

The Accord is a massive undertaking: more than 1,800 factories, many needing substantial renovations and retrofitting; more than 5,000 (1 inspection each for fire, electrical, and structural safety at each of the 1,800 factories) initial factory inspections in this year alone; and the training of tens of thousands of workers to serve on occupational health and safety committees; among many other activities – all carried out with an unprecedented level of joint labor-management decision-making in a local environment where just traveling from factory to factory can be a daunting challenge. For these reasons, it is taking substantial time to make the Accord fully operational. All involved with the effort are deeply mindful of the urgency of the task; we all wish every factory could have been inspected within a few months of the initial signing of the agreement. We understand that in every factory that has not been inspected and, where needed, renovated and repaired, workers remain in danger. As a labor rights advocate, I personally wish the work was moving faster. However, I must tell you candidly, and based on a detailed knowledge of the work to date, that it is moving as fast as it can.

Later this month, the Accord will make a number of major announcements that will provide a detailed outline of the Accord's inspection program – including personnel, inspection methods, the number of inspections that will be carried out per day, per week and per month, and other vital information. As that announcement is not ready today, I am limited in the specifics I can share.

I can report the following:

- The Accord has established the safety standard that will be used for all inspections; it is available on the Accord website.
- Accord inspections, using this standard, will commence in large volume this month.
- The Accords has published, and regularly expands and updates, a list of every factory to be inspected under the agreement, with an unprecedented level of detail on each building, including the number of stories, whether the structure houses one or multiple businesses, and how many workers the factory employs. This is also available on the Accord website.
- The Accord will shortly begin to generate public inspection reports, including a number of initial reports that will be released in conjunction with the near-term announcement noted above, which will include information on the state of each building that has never before been available to the public.
- Comprehensive protocols have been developed to govern implementation of critical worker participation and empowerment elements of the Accord, including the formation and training of health and safety committees, the enforcement of the right to refuse dangerous work, the Accord's worker complaint mechanism, and the rules governing union member participation in on-site inspections. These protocols will be made public.
- The Accord has put in place a senior staff structure comprised of an extraordinary set of individuals. They include Brad Loewen, Chief Safety Inspector, who began his career as a firefighter and has served for decades as a technical expert and a highly effective public regulator on commercial building safety; Rob Wayss, formerly the Chief Technical Advisor to the ILO Promoting Fundamental Principles and Rights at Work Project in Bangladesh, whose knowledge of the intersection of worker empowerment and workplace rights in the Bangladesh context is unparalleled; and Alan Roberts, a pioneer of labor rights initiatives in global supply chains who has led and advised corporate social responsibility programs for more than thirty years and who enjoys respect and trust across the management-labor spectrum.
- This team is in the process of hiring a local staff in Dhaka that will number up to one hundred people, supplemented by a modest international staff based in Amsterdam, and will operate a budget (exclusive of the actual cost for building improvements and other elements of remediation) in excess of \$10 million per year.
- It is also important to understand that, while they are not independent Accord inspections, a number of the larger Accord signatory companies have commissioned substantial numbers of fire, structural and/or electrical inspections of supplier factories. Many of these inspections have been done by respected engineering firms and they have covered the same critical building code issues that will be the focus of the Accord inspections. The Accord's Chief Inspector is in the process of reviewing the results of this work and

he will determine in which cases the work is up to Accord standards and to what extent remedies have been implemented (though follow-up inspections by independent Accord inspectors will nonetheless occur in all cases). However, it is clear from the quality of the firms used for these inspections, and from the limited results made available earlier to the Accord Steering Committee, that much of this work has been significant and has likely already increased the margin of safety for workers in a substantial number of factories.

- The Accord, which last year established an emergency protocol for handling cases where there is imminent danger to workers, has already been engaged in a number of cases involving urgent corrective action to address structural dangers, including cases involving temporary building closures and the obligation of factories to continue payments to workers. Although it is impossible to know what would have happened had no action been taken, there is a substantial possibility that these limited actions have already saved workers' lives.

With respect to cooperation between the Accord and the Alliance for Bangladesh Worker Safety, the following can be noted:

- The Accord worked with engineers representing the Alliance on the development of the inspection standard, which is now being utilized by both initiatives.
- The Accord stands ready to cooperate with the Alliance in any way that advances the interests of worker safety, including cooperation at the level of shared factories.
- Those Accord factories also used by Alliance brands and retailers represent only 20% of all Accord factories; this fact impacts, for obvious reasons, the percentage of its limited time and resources that the Accord devotes to the question of Accord-Alliance cooperation.
- The Accord recognizes that, as a practical matter, factories cannot carry out two separate remediation programs. This is why the Accord supported the creation of a common inspection standard and why the Accord will freely share information with the Alliance concerning inspection schedules and remediation plans and assumes that the Alliance will provide the same.
- The level of active cooperation at shared factories, particularly with respect to remediation, may be limited by the significant differences in the nature, extent and enforceability of the commitments made by brands and retailers under the respective initiatives. Of particular concern, the Accord wants to ensure, where financial support for renovations is needed at a given factory, that all of the factory's buyers contribute, with an equitable division of costs. To the extent that Alliance brands are willing to accept, at the level of individual factories or more broadly, comparable obligations with respect to independence of inspections, support for remediation, public transparency and worker empowerment, the Accord is open to a strong level of cooperation.

- Everyone involved with the Accord would prefer that there were one initiative. It is worth noting, that every brand and retailer that is now a member of the Alliance was invited, before the Alliance came into being, to join their counterparts, from the US and elsewhere, in signing the Accord.
- Indeed, I would today reiterate on behalf of the Accord signatories an invitation for the 26 Alliance brands to join their 151 counterparts in the Accord. This would allow us to go forward with a single unified agreement and would put a swift end to concerns about duplication and misallocation of resources, while greatly reducing the possibility that there will be major buyers at a given factory that are unwilling to join other brands and retailers in fully supporting crucial remedial measures.

The Accord leadership will continue to keep the Members of this Committee, and all interested parties, updated on the implementation of the initiative.