

AUG 21, 2001

Big-League Caps and Labor Flaps

By STEVEN GREENHOUSE

DERBY, N.Y., Aug. 15 — Making little headway after a month on the picket line, the nearly 300 strikers at the baseball cap factory here are looking to be rescued by an unlikely savior: a year-old anti-sweatshop group formed by 82 colleges and universities, including Brown, Columbia, Georgetown and Ohio State.

This college group usually focuses on sweatshop problems in Asia and Latin America, but for the first time it is training its sights on an American factory, and not just any factory. For decades the factory produced a crucial part of Americana, the finely wrought caps worn by Major League Baseball players.

The group, the Worker Rights Consortium, has just issued a report accusing the New Era Cap Company of having an extraordinarily high injury rate at the factory in this blue-collar town, 15 miles south of Buffalo. The report also accuses New Era of seeking to punish the workers by cutting their wages and transferring production to the South because they had voted to join an aggressive new union.

New Era cannot easily ignore the consortium, or the many protests by campus anti-sweatshop groups, because the company has licenses to make baseball caps for 98 colleges, many of them requiring licensees to follow a code of conduct that protects workers' safety and the right to form unions.

The consortium's involvement has turned this into a test case of whether its members can use their moral weight and marketing might to cause a domestic factory to change its ways.

"These efforts by the students and colleges will help us tremendously," said Jane Howald, president of the cap workers' union. "We're up in Derby, N.Y., and who's heard of us? The students and colleges are letting everybody know what's happening in this little factory."

It may be little, but the factory has long had considerable renown because it made the woolen baseball caps, produced in 22 steps, that are worn by the 30 major-league teams. But three years ago, in what many workers said was retaliation for their joining the Communications Workers of America a year earlier, the company transferred production of its top-of-the-line major-league caps to its new, lower-wage, nonunion plants in Alabama.

New Era management denied any retaliation, saying that it needed to cut costs to compete with giants like Nike and Reebok, which rely heavily on low-wage plants in Asia. "If a third of our cost of production is labor, and I'm paying \$10 to \$12 an hour and producers in China are paying 15 to 20 cents an hour, they have a pretty big advantage," said David Koch, chairman of New Era, a family-owned business that his grandfather founded in Buffalo in 1920.

Mr. Koch said the dispute had an Alice-in-Wonderland dimension because the strikers had persuaded the A.F.L.-C.I.O., the giant labor federation, to urge its 13 million members to boycott New Era products. He said that since New Era was the one large remaining domestic cap maker, the union boycott would, in effect, encourage American consumers to buy baseball caps made in China and other countries where wages are a fraction of New Era's.

The main cause of the strike was the workers' overwhelming rejection of management's proposal to reduce wages for most workers unless they significantly sped up production. Union leaders, pointing to the unusually high rate of repetitive-stress injuries, said speeding up production would have only aggravated the injury rate.

"Some of us are too worn down to work as fast as they want," said Peggy MacPeck, a longtime worker, in a raspy voice laced with anger. "For years we have taken pride in the caps we make, but now it hurts to be treated so shabbily."

Ms. MacPeck's neck still aches even though surgeons transplanted three bones from a cadaver into her neck in an attempt to repair damaged disks.

To highlight the factory's high injury rate, union leaders made more than a dozen other injured workers available for interviews.

Edith Miller wears cumbersome 12-inch splints on both arms and says her tendinitis is so bad that she cannot open a pop-top can or lift her 18-month-

old granddaughter. Dawn Fachko, with fresh maroon scars on her right arm, complains of continued pain, even after having had surgeries on her right elbow for tendinitis and on both her wrists for carpal tunnel syndrome.

After a decade or more of working for New Era, these workers complain that the company seems ready to throw them overboard. Last winter the factory laid off 120 workers after New Era transferred work to plants in the South, where wages are lower, complaints about injuries fewer and the employees usually younger and, in the company's view, harder-working.

Ms. MacPeck said New Era's proposal called for cutting wages so deeply — by 20 percent for many workers — that many older, hobbled employees would feel pressured to quit. The company imposed the new wage guidelines on July 16, and the union walked out the same day.

In their report, the consortium's investigators concluded that there was substantial evidence that New Era did not have a minimally adequate safety program. The investigators wrote, "The rate of musculoskeletal disorders among the Derby work force is extraordinarily high." In surveying 140 New Era workers, the consortium found that physicians had diagnosed work-related musculoskeletal disorders in 46 percent of the workers, and that 21 percent had either had surgery for such disorders or been told it was necessary. The investigators said the injuries resulted largely from tasks repeated thousands of times a day, like sewing seams, attaching visors and embroidering team logos — all of which places strains on the workers' wrists, thumbs, elbows and necks.

Scott Nova, executive director of the Worker Rights Consortium, said, "We found substantial evidence that the company has not met its obligation under college codes to provide a safe workplace and has violated the code with respect to workers' right to organize."

The consortium has circulated its report to dozens of colleges, but Mr. Nova said no colleges were thinking of ending their licensing agreements with New Era at this time.

"The goal is not to sever these relations," he said. "The goal is to use these relations to promote change that brings real improvement in the lives of workers."

As they picketed outside the factory, the strikers said they were heartened by the colleges' involvement. "It made me feel good that someone was listening

to us, instead of someone constantly saying, 'You're lying. You're making this up,' " said Edith Miller, whose job is placing sweatbands into caps.

Every morning and afternoon, the strikers scream at and seek to block the more than 60 workers who cross the picket line. Some strikers carry signs reading, "No Sweatshops in America," and some would like to see a few baseball stars join them on the picket line.

Before the strike began, the Major League Baseball Players Association issued a statement supporting the cap workers.

Inside the large, one-story factory here, Mr. Koch said to a visitor, "Does this look like a sweatshop?" The factory was air-conditioned, and well lit, with a spacious cafeteria, a sleek design center and modern embroidery machines.

Mr. Koch said the union was largely blind to the need to compete. "We get a lot of pressure from retailers," he said. "We might offer a retailer a cap for \$10, but the retailer says, 'I'm not paying you \$10 a cap. I can get practically the same thing for \$5 or \$6.' "

A cordial, soft-spoken man, Mr. Koch said New Era, which makes about 15 million caps a year, was the only major cap maker still producing in the United States. He complained that most consumers hardly cared whether the caps they bought were made in America.

With overseas pressures making it harder to produce domestically, he acknowledged that New Era obtained some caps from overseas to compete on the low end.

"We used to make caps right up from Chevy through Cadillac," he said. "The foreign competition pushed us out of the Chevy market, then Oldsmobile and Pontiac. But we would like to hold on the Cadillac business."

His company paid \$80 million to Major League Baseball for an exclusive license allowing it to tell consumers that only New Era makes the caps worn by big-league players.

Robert Doren, the company's labor lawyer, said that the licensing agreement, along with low productivity and high absenteeism in the plant here, put a lot of pressure on New Era to reduce costs. He said the cost of producing a hat averaged \$2.80 at Derby, compared with \$1.10 at New Era's Alabama plants.

"Whenever we do something the union doesn't like, they says we're being anti-union," Mr. Doren said. "The union fails to recognize what's going on in the global marketplace."

Mr. Doren dismissed the consortium's investigation, saying the group was a mouthpiece of labor unions. Mr. Nova denied this, saying his investigators sought to write a balanced report. He said New Era made that difficult by refusing to answer questions or provide information.

He said one explanation for the factory's high injury rate was that injuries often jump mysteriously in periods of labor tension. But he noted that the number of reported injuries fell significantly last year after the factory established safety committees in 1999.

Many workers said the company's safety efforts were too little, too late. For many years, they said, company officials distributed aspirin and anti-inflammatories while often recommending that employees who complained of sore arms and wrists return to their machines and work through the pain.

"They have finally started a program," said Ms. Howald, the union president, "but will it help all the people who have already been injured?"