

Mass layoff at Harley-Davidson in York, Pennsylvania

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Harley-Davidson has recently announced approximately 200 workers will be laid off in the fourth quarter this year. The majority of the job cuts will take place at its York, Pennsylvania assembly plant.

Harley-Davidson spokesman Bernadette Lauer issued a statement to the media August 31 stating that, in an attempt “to right-size” the corporation, “approximately 200 regular and casual union employees will be impacted across our U.S. plants.” Harley, the fifth largest motorcycle manufacturer in the world, has stated that profits fell 6.4 percent from \$299.8 million last year to \$280.4 million for the fiscal year ending June 30. Revenue, however, was \$1.86 billion, increasing from \$1.82 billion last year.

The President of the International Association of Machinists and Aerospace Workers (IAM), Local 175 in York, Brian Zarilla, told the *York Daily Record* that workers had been notified at a town hall meeting last week that about 115 union positions will be eliminated. Harley reportedly offered the plant’s Tier 1 production workers—those hired before February, 2010—a highly insulting \$15,000 buyout if they agree to leave their jobs, according to Zarilla. Layoffs will begin October 10 and finish by the end of November, with few workers likely to agree to the buyouts.

The IAM made no announcement of actions against the layoffs.

In 2009, the York plant employed 2,000 hourly workers. That year a new contract between Harley and the IAM destroyed almost 1,000 good-paying jobs, increased employee health insurance costs, reduced paid time off, and waived raises. It also contained a no-strike pledge for the duration of the contract.

The corporation and the union threatened to move production to Kentucky if workers refused to accept the Harley-IAM contract. The contract did not save jobs.

Currently, about 950 IAM workers are employed.

The most recent contract by the IAM, ratified at the beginning of this year and set to expire in 2022, forced still more concessions on workers. Yearly raises barely keep pace with the rate of inflation, with a 2.5 percent increase slated for 2017 and 2022, and 2 percent in the other contract years. It includes Harley’s “flexible manufacturing model” by which the company is allowed to reallocate assets and employment opportunities in “the right place at the right time.” Put differently, Harley-Davidson workers do not have any job security whatsoever.

Zarilla praised the contract that paved the way for the current layoffs: “This is a good contract, a fair contract, for union members who have worked their butts off and haven’t received pay raises the past six years.”

In 2010, workers at Harley-Davidson’s plants in Menomonee Falls, close to Milwaukee, and Tomahawk, Wisconsin, ratified a concessions contract similar to the one in 2009 at the York plant. The United Steel Workers of America (USW) and the IAM demanded huge concessions from rank-and-file workers: a seven-year wage freeze, increased cost for health care, and a new tier of seasonal or casual workers, along with major layoffs. The unions, in concert with Harley-Davidson, intimidated workers, saying they would relocate the manufacturing plant to other states if the contract was not approved.

The pattern for these massive concessionary contracts was launched by the Obama administration during its restructuring of General Motors and Chrysler, where newly hired workers now earn about half of their counterparts.

York, in south central Pennsylvania, has a population of 44,000, 38 percent of whom live below the poverty line. Median household income is roughly \$29,000 and

per capita income is about \$15,000. York had been dominated by small to midsized manufacturing plants, but many of them have left the city. Those that remain pay derisory wages and benefits.



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