

# Kohler Company to shut Wisconsin generator plant and eliminate 325 jobs

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Less than four months after negotiating a new labor agreement ahead of the expiration of the previous contract, United Auto Workers Local 833, which claims to represent approximately 2,044 workers in Kohler's manufacturing facilities throughout southeast Wisconsin, will oversee the elimination of 325 jobs.

The Kohler Company, a privately held corporation, founded in Sheboygan, Wisconsin in 1873, will halt engine production in the Village of Kohler and shift the work to its Hattiesburg, Mississippi facility. Up to 250 people will be hired at this plant, at reduced wages, over the next two years, according to the company.

By shifting production to Mississippi, Kohler will have access to a more exploited section of the working class, as well as millions of dollars in tax incentives. According to Tammy Craft, spokeswoman of the Mississippi Development Authority, state and local governments are prepared to offer more than \$18.5 million in tax breaks and subsidies. Kohler Co. according to *Forbes* is the 51st largest privately held company in the world and had over \$7 billion in revenue in 2017.

Meanwhile, Mississippi has the highest poverty rate in the United States, according to the Census Bureau, with 20.8 percent of the population living in poverty, while almost 12 percent of Mississippians have no health insurance.

The elimination of the Sheboygan County engine production lines will take place in two phases, with one line expected to be shut down by September 2019 and the other to follow by the end of the year. In order to entice workers to stay on the job to the bitter end, paltry incentives are being offered. Production workers will be paid an additional \$1-an-hour raise, while workers in the engine division who stay until the end of 2019 will be retroactively paid another \$1.50 an hour according

to Tim Tayloe, president of United Auto Workers Local 833.

Tayloe oversaw the newest labor contract that was negotiated ahead of schedule in December 2018. In order to head off any possibility of joint action with the 150,000 GM, Ford and Fiat Chrysler autoworkers whose contract is set to expire in September 2019, the UAW worked with Kohler to push through a deal that ensured continuing profits at the expense of the workers.

The UAW is despised by large sections of its members and is currently mired in a long-running corruption scandal that is being investigated by the FBI. Top UAW officials have spent union funds lavishly on themselves, while accepting bribes from the auto companies. While workers are forced to toil in miserable working conditions, senior UAW officers such as Nancy Johnson, Norwood Jewell and General Holiefield sold out autoworkers in contract negotiations over \$15,000 feasts with auto company executives.

This cozy relationship with management was on display in Sheboygan during the November 2015 strike and subsequent sellout of Kohler workers.

In the 2015 contract negotiations, the membership forced the UAW to call a strike which lasted for 32 days, as over 2,000 workers rejected a sellout agreement negotiated by the union. Workers staged marches and mass pickets in opposition to the contract which kept in the hated two-tier system while maintaining drastic cuts to pay and benefits forced on workers in the 2010 deal. After a court injunction was issued by a Sheboygan County circuit court judge, the union quickly forced through an agreement ignoring workers' central demands.

As rumors began to swirl in September 2018 that Kohler would be shifting engine production to

Mississippi, the UAW hurriedly worked with the company to ensure there would be no repeat of 2015. Before finalizing the 2018 agreement, the company and Local 833 reached an understanding that Kohler would be consolidating its engine manufacturing in Mississippi.

Instead of informing the membership and organizing them in opposition to the move, Tayloe and the UAW agreed to Kohler's plans and left the membership in the dark, stating "we tried to see what we could do to keep them here, but they had their mind set."

Following the passing of the December 2018 agreement, Tayloe showered the plumbing fixture manufacturer with praise for their "collaborative approach." The contract, which alleged to remove the hated "two-tier" system that was implemented in the 2010 agreement, under the auspices of the UAW, did not actually eliminate it. Instead the contract offered raises to the lowest tiered employees, between \$1.25 to \$3.25 an hour that over the life of the five-year agreement which Tayloe claimed would raise lower paid workers "pretty much up to" the pay of longer-tenured workers.

These two separate tiers will remain throughout the life of the contract, Tayloe acknowledged in an interview with the *Milwaukee Journal Sentinel*. He asserted that wages for workers in comparable jobs will be within "5 percent" of each other by the end of the agreement. This however doesn't apply if the jobs are no longer there, or are "insourced" to a new facility.

Of the 325 positions to be eliminated, 280 of them are production jobs within the engine division. These workers made on average "\$26 or \$27 an hour" according to Tayloe. This is contrasted with production workers at the Hattiesburg facility who make about \$16 an hour. The enforcing of this wage-cutting operation is what the UAW bureaucracy offers to companies. The trade union acts as a labor contractor on behalf of the company, ensuring worker opposition is stifled.

Seeking to pull the wool over workers' eyes, Kohler in conjunction with the UAW announced that employees whose jobs have been eliminated will have the opportunity to work at a separate facility located in Sheboygan or accept a severance package. These new jobs are not guaranteed and even if a worker is hired on, there is no mechanism in place to ensure the worker maintains previous wage levels. It is also possible that

these jobs could be eliminated at a moment's notice as well.



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