

# “The tier system has to go”: Pennsylvania Harley-Davidson workers speak out after defeating sellout contract

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More than a week has gone by since nearly 1,000 Harley-Davidson workers in southern Pennsylvania voted unanimously to reject a tentative agreement between the company and the International Association of Machinists and Aerospace Workers (IAM) Local 175. Company and IAM officials have greeted the resounding rejection of their deal with a wall of silence.

The union local’s Facebook page has only been updated once since announcing the vote results on June 13. In that update, the local leadership informed workers it was canceling IAM Local 175’s June meeting without any explanation. Emails and messages sent by the *World Socialist Web Site* to the local asking for details about ongoing talks have not been answered.

IAM officials are keeping workers in the dark in an effort to wear them down and break their determination to win substantial improvements in wages and conditions from the motorcycle manufacturer, particularly with inflation surging.

A WSWs reporting team spoke to workers at the York, Pennsylvania plant about their struggle. “Harley-Davidson said they will not return to the [bargaining] table until August due to ‘scheduling conflicts,’ which is a lie,” one worker told the WSWs.

The most hated feature of the rejected offer was the maintenance of the tiered pay structure. “95 percent of the workers in the plant agree that the tier system needs to go,” another worker said.

Under the current system, a tier 2 worker makes at least \$5 less than a tier 1 worker who was hired before 2010. “The tier 1s are retiring within three years,” said the worker. “Maybe 20 of the current 401 [tier 1] workers will be around in five years.”

According to another worker, there “used to be 10 labor grades for senior and newer workers. With the tier system, tier 2 makes \$5 dollars less an hour while working side by side with us. We voted it down.”

While the second tier is being used to permanently lower wages, the top-tiered workers also are receiving pay cuts. A worker with 27 years’ experience said, “We are hoping for a better contract knowing inflation is going to be like 10 percent this year. Tier 1 is only getting a 2 or 3.5 percent raise in the first year, nothing in the second or fourth year of the contract.”

The holding of wages below inflation has been a common feature of contracts negotiated by the trade union bureaucracy. On Wednesday, the IAM announced a “historic, industry-leading tentative agreement” for workers at Alaska Airlines.

This supposedly “historic” offer would raise wages 8.9 percent in its first year, that is, par with present levels of inflation, before settling into a series of 2.5 percent wage increases for the next few years. This is under conditions where the United States Federal Reserve has predicted inflation will stay at record levels for years to come and that a recession is increasingly likely.

Harley has also gotten rid of benefits and job bonuses that were valuable to workers. “We used to have attendance bonuses [but] they got rid of them after two quarters,” another worker told the WSWs. Workers used to be given the option to trade in their old motorcycles for new models each year with an added discount but “not anymore,” he said.

The Milwaukee, Wisconsin-based manufacturer is demanding further concessions from workers even though it has seen a 40 percent growth in profits over

the last year and pulled in over \$1 billion in revenue.

Many workers expressed contempt for the IAM officials who brought back this contract, with one worker saying they were “in bed with Harley.”

It appears that the IAM was testing the waters in trying to push through this pro-company contract at the plant months before the expiration of the current contract in October. A worker suggested that the scheduling of the contract vote after a two-week shutdown was done to “make us accept the contract because we’d be bleeding for money.”

Workers overwhelmingly voted to strike if no agreement is reached. If the IAM cannot prevent a walkout, they intend to starve workers out with poverty-level strike pay. The national IAM controlled assets of \$287 million last year but only paid out \$861,000 in strike benefits. Meanwhile, the IAM paid its top executives and national headquarters staff \$36,439,466. All eleven of the top executives pocketed \$262,000 or more last year, including International President Robert Martinez (\$333,568) and General Vice President James Conigliaro (\$330,674).

The IAM and the United Steelworkers have deliberately kept Harley-Davidson workers separated by negotiating individual contracts at plants in York, Kansas and Wisconsin. In 2010, with the company threatening to close plants, both unions imposed massive concessions on workers, including a seven-year wage freeze, increased costs for health care, and a new tier of seasonal or casual workers, along with major layoffs.

Harley-Davidson workers are determined to overturn these union-backed concessions and win substantial gains in real wages. The defeat of this sellout agreement must become the starting point for the independent organization of rank-and-file workers to advance their own demands, establish lines of communication with other Harley-Davidson workers, and to prepare collective strike action. This means building rank-and-file factory committees, consisting of the most militant and class-conscious workers.



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