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Are there greener pastures?

A relocation specialist says manufacturing has been leaving the Northeast.

By BRENT BURKEY

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Buzz Burke leaves the Harley plant in Springettsbury Township Tuesday after his shift. Burke said that he hopes the city and county doesn't let the closure happen. (Daily Record/Sunday News - Paul Kuehnel)

Harley-Davidson's decision to consider moving out of York County to save costs

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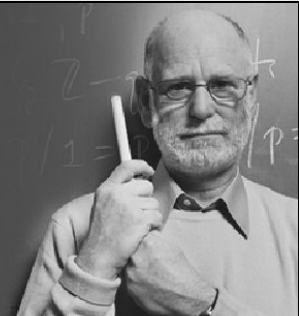
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has many in the community surprised.

But a relocation expert says other places could offer Harley some key advantages that could make up for relocation costs.

More than 2,500 local manufacturing jobs could be affected if Harley moves.

On the surface, there are a lot of things that could hold Harley to the area, from history to a work force that has the experience and skills to make motorcycles to the fact that Harley's Softail manufacturing facility is just 6 years old.

But even just 6 years ago was a different time for manufacturing, said John Boyd, president of The Boyd Company of Princeton, N.J.

Boyd said competition from abroad, which includes cheaper labor, has made even the most entrenched companies realize they have to cut ongoing costs, and cut them quickly.

Even if it means pulling out of their traditional manufacturing hubs or out of the United States.

Overall, Boyd said a company can

recoup the costs of a relocation faster than many people might realize.

Spokesman Bob Klein said by e-mail last week said the current economy was not the only economic consideration at work. The company is looking at longterm competitiveness.

Going south?

Boyd said that the trend for company relocation within the United States has been from the North to the South, where a big attraction is Right-to-Work laws in southern states.

Right-to-Work allows companies more flexibility in handling labor issues than in non Right-to-Work states.

Right-to-Work refers to a worker being able to work at a company without necessarily joining a union when one is in place, which puts less power in the hands of unions.

One example is that a company can be more flexible in moving workers from one job to another.

Boyd also said that Harley could also go into a southern state and pay less than it

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does in York County, and still pay the highest wage in the area and attract the best workers there.

Also, Boyd said property taxes figure heavily into business decisions.

The South generally has property taxes that are only a fraction of those found in northern states, he said.

Harley has declined to say what areas might be under consideration or used as study locations for a possible relocation.

But Klein reiterated in his e-mail that the alternative locations Harley would consider would be U.S. locations.

Further restructuring at the York County operations was also among the considerations, but he did not go into details about what that restructuring could possibly include.

One southern state's take

Todd Stacy, spokesman for Alabama Gov. Bob Riley, said it is state policy not to comment on specific economic development possibilities in the state.

But he said that talking in general, the

state's history in the now faded textile industry has helped set Alabama up with a skilled work force to sell to potentially relocating employers from all over the world.

Two examples: Honda and Mercedes.

The latter's operations in Alabama, Stacy said, are a little more than a decade old and considered some of the most efficient in the world.

Stacy also said Alabama's work ethic stands out, as does its initiatives to make sure its community college system is flexible enough to train workers that the next incoming industries need.

For example, if a certain company tells state officials it needs a certain number of welders, the community colleges will retool their efforts to make sure it is training workers to fill those pending jobs.

"Workers need to be trained in the jobs that are available," Stacy said. "People go where the jobs are."

Government officials representing Pennsylvania have been vague about what tools to keep Harley could be

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available as they await to hear more about Harley-Davidson's needs and what directions it is considering.

Theresa Elliott, a spokesperson for the Pennsylvania Department of Community and Economic Development, said Thursday the agency had been in touch with Harley.

The agency would continue to stay in touch to find out what -- if any -- help the state could offer to keep Harley in Pennsylvania

Gov. Ed Rendell's office had forwarded questions to the department.

U.S Rep. Todd Platts, R-York County, said he has been in contact with Harley but said that from what he's been told, Harley is still evaluating what its needs are, and then it would make a decision to stay or go.

"This is in the early stages," Platts said.

It would be premature to say what authorities could do until those determinations are made, he said.

Can Pa. compete?

Darrell Auterson said he isn't necessarily surprised Harley-Davidson is assessing every option it has, including moving production from York County, in the face of the worst economic downturn since the Great Depression.

"I would be terrified if they weren't looking at any and all ways to keep their cost structure strong," said Auterson, president of the York County Economic Development Corporation.

A company that doesn't today might not have a future.

Of course, Auterson said he is committed to helping Harley get what it might need to stay local, as he and others await details from the company about its needs.

Auterson also said York County and Pennsylvania in general still have a lot to offer when competing against less unionized southern states with lower prevailing wages.

The area has a "historic" reputation of having skilled workers and a population density that helps companies pick workers from a large pool.

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The area is also near large Northeast and Mid-Atlantic population centers, which can be especially important for many of today's just-in-time delivery operations that help companies control inventories.

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