

Harley-Davidson Motor Company
York Vehicle Operations
1425 Eden Road
York, Pennsylvania 17402

Community Update

ISSUE EIGHT

WINTER 2010

News and
Information
about the
Former York Naval
Ordnance Plant
(FYNOP)

Cleanup Plans and Progress

Progress continues at the Former York Naval Ordnance Plant (FYNOP) located on property currently owned by Harley-Davidson Motor Company Operations, Inc. in York, Pennsylvania. The FYNOP was the first site in the nation to volunteer and enroll in the One Cleanup Program. Under the One Cleanup Program, the United States Environmental Protection Agency (EPA) and the Pennsylvania Department of Environmental Protection (PADEP) are working closely together on the cleanup of the affected soil and groundwater at the FYNOP.

The EPA and the PADEP approved the Facilities Supplemental Remedial Investigation (SRI) Report for Soils in March 2010. The SRI Report for Soils sets forth the full results of the environmental investigation into contaminated soils on the site. The SRI Report for Groundwater is currently in preparation. The results of the Soil and Groundwater SRIs will form the basis for the selection of the future cleanup action. Significant activities performed during late 2009 and 2010 are summarized below. For more information visit the project website: www.yorksiteremedy.com.

Supplemental Remedial Investigation

The overall project objective of the SRI is to define and evaluate the nature of environmental conditions in the soil and groundwater at the site. The resulting data will be used to complete a comprehensive Feasibility Study of site specific remedies for cleaning up the FYNOP, and eventually will be used as the basis for selection of cleanup remedies for soils and groundwater at the site.

During 2009 and 2010, in cooperation with the EPA, the PADEP and the U. S. Army Corp of Engineers (USACE), Harley-Davidson completed preparation of the Soils SRI report. The report was submitted to EPA and PADEP during December 2009. EPA and PADEP

approved the Soils SRI Report during March 2010. A Risk Assessment (RA) for soils is currently being prepared and it is anticipated that the Soils RA Report will be submitted to EPA and PADEP in early 2011. The RA Report will analyze the potential human exposure risks, if any, associated with the levels of contamination found as part of the SRI, and that risk assessment will be used to determine the ultimate cleanup remedy for soils at the site.

Additional groundwater characterization work was completed during 2009 and 2010. The SRI for Groundwater is expected to be submitted to EPA and PADEP during the second quarter of 2011. Thereafter, the RA Report for groundwater will be prepared.

Military Munitions Response Program Site Inspection

The USACE, in response to the Military Munitions Response Program (MMRP) for Formerly Used Defense Sites, began an 18-month evaluation of the Harley-Davidson property in 2006. The purpose of the evaluation was to determine if the FYNOP site warrants further cleanup of Munitions and Explosives of Concern, or if the site can proceed to a "no further action" status with the Department of Defense.

(Continued on reverse side)

Military Munitions Response

Program Site Inspection Continued

As part of the MMRP, the final Site Inspection (SI) Report for the FYNOP was issued by USACE in late August 2008. Remedial Investigation work was recommended at various locations at the site. Although there is no hazard to the public, Harley-Davidson has taken measures (such as signs, locks, barricades and fencing) to secure old buildings and potential ordnance hazard areas from contact with plant workers and contractors.

Groundwater Treatment System Operation

Harley-Davidson has operated a groundwater treatment system on its property for more than 15 years. Harley-Davidson implements a continual optimization program to evaluate the reliability, efficiency and operation of each component of the treatment system. Special emphasis is placed on spill prevention and detection, compliance with applicable permits, operational reliability, and operation and maintenance efficiency. The treatment system has operated as planned throughout 2009 and 2010. It is anticipated that the Groundwater Treatment System will continue to operate for several years into the future.

Water Monitoring

Annual monitoring of residential wells and off-site springs was performed during 2009 and 2010. Future sampling of residential wells and off-site springs will continue to be conducted annually along with the Key Well Monitoring Program. Approximately 80 monitoring wells on Harley-Davidson's property were sampled annually during 2009 and 2010 as part of the Key Well Monitoring Program. No significant changes have been noted over the past several years.

Harley-Davidson Facility Consolidation Activities

During 2009, in response to the U.S. economic recession and worldwide slowdown in consumer demand, Harley-Davidson committed to significant planned actions including restructuring its York, Pennsylvania motorcycle production facility to focus on the core operations of motorcycle assembly, metal fabrication and paint. As a result, the manufacturing campus at York, Pennsylvania will be consolidated into basically one facility, located at the current Building 3 (see Figure). Construction for expansion of this facility is currently underway. Full occupation of the expanded Building 3 is expected in late 2011, and the consolidation efforts that began in 2009 are expected to continue until 2012.

Sale of the Western Portion of the Facility

As part of the York Facility consolidation efforts, Harley-Davidson announced the sale of approximately 58 acres of its property to the York County Industrial Development Authority (YCIDA) in January 2010 (the

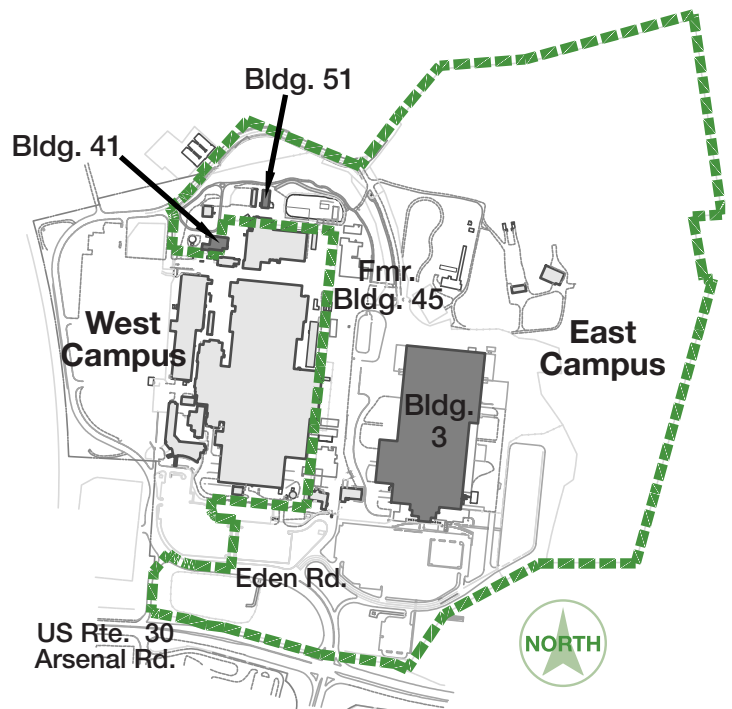
property is now commonly referred to as the "West Campus" property). The sale is expected to close in late 2011. The YCIDA has already begun evaluating options for the future development of the property, and those efforts will continue over the next year. Harley-Davidson and the U.S. Government, as part of their existing cost share agreement, have retained all environmental liability and obligations relating to the current environmental conditions on the West Campus property, and Harley-Davidson will retain access to the West Campus property and to all monitoring wells and remediation facilities/utilities in order to complete the investigation and remediation.

The parcel included in the sale agreement extends from just west of the current Building 3 through the West Parking Lot, which is adjacent to Eden Road. Currently, the parcel contains motorcycle production facilities and other buildings and structures. Many of those buildings are scheduled for demolition to allow for the future development of the West Campus property.

Interim Remedial Actions

As part of ongoing cleanup efforts and in association with the York Facility consolidation efforts, Harley-Davidson has completed several interim remedial actions during 2009 and 2010. These actions include:

- Building 41 North Settling Basin Closure, 2009
- Building 41 South Settling Basin Investigation, 2009
- Building 41 East Pipe Trench Remediation, 2009
- Building 51 Pit Closure 2009
- Building 45 Grease Trap Vault Closure, 2009
- Building 45 Underground Storage Tank removals, 2010
- Building 3 Underground Storage Tank removals, 2010



Harley-Davidson Motor Company Operations, Inc. Property, York, Pennsylvania

For More Information

Information Line: 717-852-6664

Websites:

www.yorksiteremedy.com (contains reports and other documents regarding remediation of the FYNOP)

www.epa.gov/reg3wcmd/correctiveaction.htm

www.dep.state.pa.us

