To: WRC Affiliate Colleges and Universities  
From: Scott Nova and Vincent DeLaurentis  
Re: New Era Cap Factory Closure (Derby, New York)  
Date: March 14, 2019

I write concerning the planned closure of a United States-based factory that supplies licensed apparel for the collegiate market. Last November, New Era Cap Company (New Era), headquartered in Buffalo, New York, told workers it was likely to shutter its Derby, New York, manufacturing facility and shift most of its production to contract factories located abroad. Those plans are now final, and New Era intends to close the facility next month. If the company proceeds as planned, 200 workers will lose their employment, with little prospect of finding comparable work.

**Licensed Apparel Production**

New Era has long used this facility to produce collegiate caps and headwear for many universities. The Derby facility has been disclosed as a supplier of licensed collegiate apparel since the WRC disclosure database was established in 2000.

The factory is also well known in the broader world of licensed apparel due to its long association with Major League Baseball. For the last 60 years, the facility has produced the baseball caps worn by Major League players on the field, which are required by the MLB to be produced in the United States. Since 1993, the Derby factory has been the sole producer of these caps.\(^1\) Given the MLB’s Made-in-America policy, this production will have to remain in the United States if the Derby facility closes its doors; however, there is no guarantee that the hats will continue to be made by a workforce with the good benefits and working conditions that the Derby workers have won over decades. New Era has stated that the on-field caps will now be produced in a facility in Florida; the production of other products currently made in Derby will be shifted to contract factories overseas.

A History of University Engagement

In 2001, in response to a complaint by seven New Era workers, the WRC conducted an investigation of the factory in Derby, NY. While factory management was initially resistant to the investigation by the then-new WRC, New Era agreed to cooperate fully after universities interceded directly with its national management.

After the WRC completed its investigation, which identified significant violations related to health and safety and freedom of association, New Era undertook extensive remedial efforts, including addressing health and safety concerns and signing a collective bargaining agreement with the workers.

Impact of Closure on Workers

As noted in our recent communication regarding production shifts by another licensee, university codes do not prevent licensees from shifting production from a factory unless such a shift is undertaken as retaliation for workers organizing or union activity. The WRC has received no complaints from workers. Nor are we aware of any allegations of violations of law or university codes pertaining to the closure of this New Era facility.

While such factory closures and geographic shifts in production are not prohibited by university standards, the consequences for workers can be severe. In this case, many workers have been employed at the Derby facility for 20 to 30 years. For most of the impacted workers, employment at the Derby facility is their families’ primary, or only, source of income. The closure of the factory will deal these workers and their families a heavy blow.

The Major League Baseball Players Association (MLBPA) has pointed out that the closure “will cause economic harm not just to the dedicated workers who manufacture the caps and to their families, but also to the town of Derby, which has supported the company for nearly 60 years.” While the workers’ union has negotiated a severance package with New Era, somewhat mitigating the immediate financial impact on the workers, the union has expressed skepticism that the workers will be able to find new employment.

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In response to the planned closure, the MLBPA has spoken out and asked that New Era reconsider its planned relocation.6 Sean Doolittle, one of baseball’s leading relief pitchers, has also called attention to the workers’ situation, saying in an Op Ed he wrote for the Washington Post, “[T]hose of us who are fortunate enough to be paid to play baseball can’t sit by quietly when the corporations that make money off our labor cut costs by harming our less-well-paid brothers and sisters…Opening Day is just a month off now. As we prepare to play ball again this year, I wish New Era would reconsider its decision to leave Derby. The caps made there have been a part of the game for longer than I’ve been old enough to hold a baseball. I want them to be around long after I hang up my cap for the last time.”7

Conclusion

It is unfortunate that after its decades of production in New York and after the productive engagement with universities and the WRC that resulted in improved working conditions, New Era is choosing to close its Derby production facility. We all recognize that such dislocations of employment are common in the global garment industry, but that makes them no less painful for the people affected.

We are not reporting any violation of university standards. We did want to make affiliates aware of the situation, which involves one of the most venerable factories in the university logo supply chain and share our perspective on the planned closure.

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