

# BRAC will affect us all



Without a doubt, long-time residents view the Dayton region as a manufacturing area, and for good reason. Born more than two centuries ago, Northern states like Ohio took advantage of their many assets like people, timber, coal and water. Their ingenuity and innovation grew in brilliant scientists, engineers and entrepreneurs. We became an automotive manufacturing town especially taking advantage of the passion Americans had for cars and trucks.

Along the way that innovation turned to the skies, and the Wright brothers and others built our foundation of aerospace. But let us never forget that we are also a community that took our knowledge of air travel and diversified it in many directions, thus leading us to our current status as a

military town - specifically our U.S. Air Force.

We all know that the legacy of Wright-Patterson Air Force Base was not created here by accident and its impact as the state's largest single-site employer helps drive our economy.

But this great asset that we have taken for granted more than once during its history has rebounded again these past 15 years thanks to the insight of military, retired military and department of defense leaders, as well as community volunteer leaders and organizations like our Dayton Development Coalition.

For the casual observer, many might be lulled into a sleepy sense of security about the long-term health of our military base. For some, they know we are forever challenged by the reality that the federal government must continue to grow leaner and do more with less.

Oh sure, we may find one federal administration's philosophy to be more bent on American security and funding for our armed services. But wait a few years and that may change.

To be certain, we in the

Dayton region must understand both the balance of homeland security and the impact Wright-Patterson AFB has and will have for years to come. The idea that another round of Base Realignment and Closure discussions will take place is probably inevitable. So when, not if, that discussion takes place again in 2019, 2020 or 2021, what we do now, prior or during those future decisions is very important and strategic.

I contend that this is not just a single organization's task, though I believe these leaders can lead us through strategies that can and will make a difference in how we strengthen our community and base before eventful BRAC decisions are completed. The work is much broader.

What can we all do? We should:

- Look at making sure we have a competitive workforce with the employee skills that can work inside and outside the base.
- Prioritize infrastructure plans inside Wright-Patterson AFB but also roads and highways like Interstate 675 or U.S. 35 that connect the base to workers and con-

tractors.

■ Support our state and federal leaders with our advocacy about their roles in protecting our base and the 29,000 workers inside the fence and the 15,000 to 20,000 outside the fence who are directly impacted by the base's economic prowess.

We can continue our role in the community as strong supporters of our men and women in uniform, our civilian defense workers and their families, and those companies who work with and/or serve the base within our region.

Yes, we are a manufacturing region with automotive strengths. But we are also a proud and a grateful military town which must do our part in keeping us strong - locally, nationally and internationally.

When the next round of BRAC discussions comes about, it will affect us all. The worst strategy is to do nothing to help before the decisions are made without our input or support. We have a process established and in place. It would behoove us all to ask how each of us could serve and help right now, not later.

## MANUFACTURING

# U.S. icon looks to Thailand

Harley-Davidson building new plant for Asia market.

Neil Gough  
©2017 New York Times

HONGKONG — President Donald Trump has held up Harley-Davidson as a pillar of U.S. manufacturing.

"We're proud of you! Made in America, Harley-Davidson," Trump said to the company's leather-clad top executives in February as five of its motorcycles rumbled on the White House lawn.

But even as he praised Harley-Davidson's all-American credentials, the company was busily building a new plant - in Thailand.

Harley-Davidson, an icon of American style and know-how, serves as an example of the nuanced economic realities that are pushing U.S. companies to lay off workers at home and set up new factories overseas. Unions representing its workers accuse the company of cutting U.S. jobs to hire lower-paid foreign workers. Yet global trade barriers and proximity to a growing base of new customers also play roles, complexities inherent in Trump's ambition to overhaul trade policy.

Motorcycles made in the new factory - plans for which had not been previously disclosed - will be sold in Asia, not the United States, which its domestic plants will continue to serve, Harley-Davidson said.

"This is absolutely not about taking jobs out of the United States," said Marc D. McAllister, a managing director of international sales at Harley-Davidson based in Singapore. "This is about growing our business in Asia."

Still, unions representing its workers in the United States are not pleased.

"Why couldn't we build them in the U.S. and export them?" asked Leo W. Gerard, the international president of the United Steelworkers, which represents Harley-Davidson workers at plants in Wisconsin and Missouri. He expressed concern that the company could be entering a "race to the bottom" in pursuit of lower labor costs.

"It's a slap in the face to the U.S. workers who built an American icon," said Robert Martinez Jr., the international president of the International Association of Machinists and Aerospace Workers. The union represents Harley-Davidson workers at plants including one in York, Pennsylvania, where the company plans to lay off over 100 workers.

Harley-Davidson argues that steep trade barriers in a high-growth market, not a desire to cut U.S. jobs, drove the move. Southeast Asia offers rapid development and increasingly affluent spenders, but many countries in the region levy high tariffs on imported goods that make its motorcycles prohibitively expensive, the company says.

"Building bikes in the U.S. and exporting them does not get us the benefits that we're talking about when it

comes to the tariff barriers," said McAllister, a 22-year veteran of the company.

Harley says the new Thailand plant will help it serve more Asian riders like Akaravech Chotinaruemol, a retired financial analyst in Bangkok who collects Harleys and enjoys taking them on winding road trips in Thailand's rural and mountainous north. For him, nothing else compares to the sound and sensation of riding a Harley.

"I only ride Harley-Davidson," he said, "and nothing else."

Harley-Davidson's made-in-Thailand motorcycles will avoid the country's up to 60 percent tariff on imported motorcycles. They would also get a huge break on tariffs when exported to Thailand's neighbors, thanks to a trade deal among the 10 members of the Association of Southeast Asian Nations, or ASEAN.

By contrast, many of those nations charge steep tariffs on foreign-made goods like Harley motorcycles.

Trump in February used those trade barriers to illustrate the obstacles U.S. manufacturers face when they sell abroad, a central argument as he pushed to renegotiate U.S. trade deals. Four weeks after the Harley-Davidson executives visited the White House, Trump said in a speech to Congress that he had asked them about international sales.

"They told me - without even complaining, because they have been so mistreated for so long that they've become used to it - that it's very hard to do business with other countries because they tax our goods at such a high rate," he said.

"They weren't even asking for a change," he added. "But I am."

But the month before, citing its potential impact on U.S. workers, Trump killed the Trans-Pacific Partnership, a trade deal that would have slashed the tariffs Harley-Davidson faced in Vietnam and Malaysia to zero. The company had been a supporter of what would have been the 12-nation pact.

"The big opportunity for Harley, growthwise, is in Asia, and a lot of the work with the TPP addresses some of the barriers that are in the way of our growth in Asia," its chief executive, Matthew S. Levatich, said last year in a television appearance.

The new Thai plant is moving into an area already populated with foreign names in the country's eastern province of Rayong, near the manufacturing operations of Ford, Ducati, General Motors and Suzuki.

Akaravech, the Harley fan in Bangkok, said he would not expect there to be a big difference between motorcycles made in Thailand and ones made in the United States. But he expressed concern that an influx of cheaper, zero-tariff, locally made Harleys would bring down valuations for used ones - like those he collects.

## Economic Indicators

### Sales Tax Collections

County	Current Rate	Feb 2017	Feb 2016	12 Mos Change	YTD 2017	YTD 2016	YTD Change
Butler	0.75%	\$3,617,288	\$3,100,242	16.68%	\$7,736,712	\$7,368,071	5.00%
Clark	1.50%	\$1,871,257	\$1,795,624	4.21%	\$4,519,415	\$4,356,880	3.73%
Darke	1.50%	\$671,741	\$624,663	7.54%	\$1,513,996	\$1,472,570	2.81%
Greene	1.00%	\$1,925,609	\$1,823,749	5.59%	\$4,986,608	\$4,778,168	4.36%
Miami	1.25%	\$1,336,418	\$1,241,648	7.63%	\$3,187,186	\$2,994,599	6.43%
Montgomery	1.00%	\$5,990,142	\$5,677,249	5.51%	\$14,172,831	\$13,978,310	1.39%
Preble	1.50%	\$446,023	\$418,961	6.46%	\$1,031,001	\$924,140	11.56%
Warren	1.00%	\$2,828,936	\$2,630,200	7.56%	\$6,805,276	\$6,634,530	2.57%
Region Total		\$18,687,414	\$17,312,337	7.94%	\$43,953,025	\$42,507,269	3.40%

Source: [http://www.tax.ohio.gov/tax\\_analysis/tax\\_data\\_series/sales\\_and\\_use/publications\\_tds\\_sales/\\$1M0116.aspx](http://www.tax.ohio.gov/tax_analysis/tax_data_series/sales_and_use/publications_tds_sales/$1M0116.aspx)

## Residential Home Sales

	Feb '17	Feb '16	%Change	YTD '17	YTD '16	%Change
Number of Homes Sold	855	801	6.74%	1705	1643	3.77%
Total Home Sales	\$121,789,011	\$97,954,431	24.33%	\$240,748,221	\$202,397,531	18.95%
Average Sale Price (\$)	\$142,443	\$123,836	15.03%	\$141,201	\$124,399	13.51%

Source: Dayton Area Board of Realtors, Dayton Area Home Sales for February 2017

## Calendar of events

Register for all events at [DaytonChamber.org](http://DaytonChamber.org).

- **Electric vehicles: Is 2017 the tipping point?**, June 5, 4:30-6 p.m., Book Factory, 2302 S. Edwin C. Moses Blvd., Dayton
- **Access to Counseling**, June 7, 11:30 a.m.-1 p.m., Montgomery County Business Solutions Center,

1435 Cincinnati St., #300, Dayton. Topic: Free and low cost services to help take your business to the next level

■ **Breakfast Briefing**, June 9, 7:15-9 a.m., Dayton Racquet Club, 40 N. Main St., Dayton. Speaker: Col. Bradley McDonald, 88th Air Base Wing commander, Wright-Patterson Air Force

Base

■ **Safety Breakfast with the Experts**, June 15, 7:30-9 a.m., Crowne Plaza Dayton, 33 E. Fifth St., Dayton. Speaker: Ken Montgomery, Cincinnati OSHA director; topic: annual OSHA Update

■ **Dayton Healthcare Summit**, June 21, 7:30-9:30 a.m., Sinclair Conference Center, 444 W. Third St.,

Dayton. Topic: Real world takeaways and tips to drive your bottom line

■ **Generation Dayton Gives Back**, June 24, 8 a.m.-1 p.m., House of Bread, 9 Orth Ave., Dayton. Program: Help make dinner for those in need at the House of Bread

## TRAVEL

# Explore Budapest, Vienna and Prague

Chamber members, community leaders can be part of tour.

By **Holly Allen**  
Dayton Area Chamber of Commerce

Join the Dayton Area Chamber of Commerce as we embark on an exciting tour of three historic cities. With stays in Budapest, Vienna and Prague, this tour offers the opportunity to explore some of the gems of central Europe.

From the Danube River and the Castle District of Budapest, to the palaces of Imperial Vienna, to the perfectly preserved medieval city of Prague, this


tour offers exciting experiences at every stop. Join our group for a once-in-a-lifetime tour, "Budapest, Vienna and Prague" Nov. 5-13.

This trip is open to Dayton chamber members and other community leaders and partners. Since 2010, the chamber has offered exciting opportunities to explore some of the most culturally and economically diverse locations around the world, including Peru, Turkey, China, India, Brazil, Cuba, Italy and southeast Asia.

This tour is being offered for \$3,399. All that is needed to hold your spot is a complete reservation form and a \$500 deposit. The tour price includes:


- Round-trip airfare from Dayton to Budapest, Hungary
- Deluxe private motor coach for entire tour
- All hotel accommodations in Budapest, Vienna and Prague (three nights in Budapest, two nights in Vienna, two nights in Prague)
- 13 meals (seven breakfasts, two lunches, four dinners)
- All sightseeing entrance fees per itinerary
- Professional tour director
- Baggage handling and airport transfers

Contact Stephanie Precht at [sprecht@dacc.org](mailto:sprecht@dacc.org) for more information or to hold your seat.



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