

Harley, stung by tariffs, shifts some production overseas

Associated Press

MILWAUKEE — Harley-Davidson, up against spiraling costs from tariffs, will begin to shift the production of motorcycles headed for Europe from the U.S. to factories overseas.

The European Union on Friday began rolling out tariffs on American imports like bourbon, peanut butter and orange juice. The EU tariffs on \$3.4 billion worth of U.S. products are retaliation for duties the Trump administration is imposing on European steel and aluminum.

President Donald Trump has used Harley-Davidson as an example of a U.S. business that is being harmed by trade barriers. Yet Harley has warned consistently against tariffs, saying they would negatively impact sales.

Harley-Davidson Inc. sold almost 40,000 motorcycles in the European Union last year, generating revenue second only to the United States, according to the Milwaukee company.

The maker of the iconic American motorcycle said in a regulatory filing Monday that EU tariffs on its motorcycles exported from the U.S. jumped between 6 percent and 31 percent, which translates into an additional, incremental cost of about \$2,200 per average



AP Photo/Keith Srakocic

In this April 26, 2017, file photo, rows of motorcycles are behind a bronze plate with corporate information on the showroom floor at a Harley-Davidson dealership in Glenshaw, Pa.

motorcycle exported from the U.S. to the EU.

“Harley-Davidson maintains a strong commitment to U.S.-based manufacturing which is valued by riders

globally,” the company said in prepared remarks. “Increasing international production to alleviate the EU tariff burden is not the company’s preference, but represents the only

sustainable option to make its motorcycles accessible to customers in the EU and maintain a viable business in Europe. Europe is a critical market for Harley-Davidson.”

Harley-Davidson will not raise its prices to avert “an immediate and lasting detrimental impact” on sales in Europe, it said. It will instead absorb a significant amount of the cost in the near term. It anticipates the cost for the rest of the year to be approximately \$30 million to \$45 million.

Harley-Davidson said that shifting targeted production from the U.S. to international facilities could take at least nine to 18 months to be completed.

The company is already struggling with falling sales. In January, it said it would consolidate its Kansas City, Missouri, plant into its York, Pennsylvania, facility. U.S. motorcycle sales peaked at more than 1.1 million in 2005 but then plummeted during the recession.

Asked about the Harley decision Monday, Wisconsin Gov. Scott Walker addressed the issue of tariffs in general but not specifically the situation faced by the company.

“The ultimate goal, if we could get there, is no tariffs or if anything few tariffs on anything,” said Walker, a Republican. “That’s what I’m going to push for, ways that we can get to a level playing field then we don’t have this tit for tat on any number of products out there.”

Increasing foreign investment in the United States, something Walker was in Washington advocating for at a

U.S. Department of Commerce event last week, will also help reduce the trade imbalance and need for tariffs, he said.

More potential pitfalls for Harley-Davidson and other U.S. manufacturers could be on the way.

Last week German automaker Daimler AG cut its 2018 earnings outlook, a change that it says is partly due to increased import tariffs for U.S. vehicles in China. Daimler produces vehicles in the U.S.

On Monday, the vice president of the European Union’s governing body said that Europe and China will form a group aimed at updating global trade rules to address technology policy, government subsidies and other emerging complaints in a bid to preserve support for international commerce.

European Commission Vice President Jyrki Katainen said unilateral action by U.S. President Donald Trump in disputes over steel, China’s technology policy and other issues highlighted the need to modernize the World Trade Organization to reflect developments in the world economy.

The Wall Street Journal reported that the Trump administration plans to impose curbs on Chinese investment in American technology companies and high-tech exports to China.



Rick Egan/The Salt Lake Tribune

A potentially toxic blue-green algae bloom in Provo Bay in Provo, Utah.

Algae: ‘I don’t think any state is isolated’

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And more intense rainstorms, also conclusively linked to climate change, can wash more nutrients into lakes and reservoirs, especially from farms where nitrogen and phosphorous-rich fertilizers are used, Chapra said.

In Utah, a 2016 algae bloom in a recreational-use lake sickened more than 100. When the story made national headlines, other states reached out.

“We started getting calls from other health departments all over the country saying, ‘Hey, we’re dealing with an algal bloom in a lake that has never ever had one before,’” said Aislynn Tolman-Hill, Utah County Health Department spokeswoman.

Officials only recently started carefully logging the blooms, but they seem to be becoming more intense,

‘It’s going to get worse, and it’s going to get worse in a big way.’

Steven Chapra

an environmental engineering professor at Tufts University

said Ben Holcomb, a biologist for Utah’s environmental agency. “They’re starting earlier, they’re lasting longer, and their peaks seem to be getting bigger,” Holcomb said. “I don’t think any state is isolated.”

In Lake Erie, a major bloom in 2014 caused authorities to warn against drinking tap water in Toledo, Ohio, for more than two days, cutting off the main water source for more than 400,000 people.

Now blooms happen every year in Utah and Ohio. Officials in both states say they’ve

largely been able to stop them from toxifying drinking water. But the blooms can still sicken people and pets that go in the water, and often hit recreation businesses that depend on lake access.

Other blooms, including flare-ups affecting drinking water, have been logged in recent years in New York, Florida and California.

In Oregon, officials lifted Salem’s drinking water advisory after several days, but then had to reissue the warning. The water supply serves a population of just over

150,000 in the city, along with residents outside city limits.

Officials also warned that dozens of other water supplies could be vulnerable, and indeed, when workers from the city of Cottage Grove inspected another reservoir, they found a bloom, according to a report by Oregon Public Broadcasting.

Testing for the blooms isn’t required by either federal or state law, officials noted.

Researchers say that needs to change because blooms are likely to become more common, including in states where low temperatures previously provided a buffer against them.

“These things like you’re seeing in Lake Erie and in Oregon are kind of like the canary in the coal mine,” said Chapra, the Tufts researcher.

“It’s going to get worse, and it’s going to get worse in a big way.”

Ferry: ‘This gives great exposure’

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Argosy Cruises of Seattle later bought the ferry and operated it as the M.V. Kirkland in Puget Sound until 2010. After a fire below deck, the company determined the Kirkland would be too expensive to fix and decommissioned it.

Lint, a captain with an interest in salvaging old boats, purchased the Kirkland and began restoring it before putting the ferry up for sale in 2015. Robert Jacob, owner of the Cannery Pier Hotel, learned about the vessel and convinced Lint to bring it down the Pacific Coast to Astoria in 2016.

Boarding the ferry at North Tongue Point required descending a rickety ladder from an elevated pier. At Pier 39, the boat has a ramp and landing, with plans to add disabled access.

“I think it fits fantastic,” said Floyd Holcom, the owner of Pier 39. “We’ve had historical ships in that location before. This gives great exposure to the ferry, and I think they need all the exposure they can get.”

While Shogren seeks out grants and other sponsorships, members of the Astoria

Ferry Group have been organizing events to raise the vessel’s public profile, such as participation in the Astoria Regatta this summer and a class reunion in the fall. The group is offering tours to people interested in the boat’s restoration and will eventually organize docents to facilitate more regular public access starting in the spring, Price said.

“We know that to make this project really sustainable, is it needs to get running on the river,” she said. “It needs to become part of Astoria’s transportation system, figure out how to work it in with the trolley and everything else that goes on, and have regularly scheduled service. Sort of informally, we have a six-year plan to have all that done by its 100th anniversary in 2024.”

Lint, who is also waiting for the group to gather the money to buy the Tourist No. 2, said he has fielded offers in Washington state from people wanting to turn the ferry into everything from a marijuana smoking lounge to a strip club.

“But I want it to be here,” he said. “As long as there is community interest, I’ll go along with this.”



Edward Stratton/The Daily Astorian

Christian Lint, the owner of the Tourist No. 2, continues volunteering his time as the Astoria Ferry Group tries to organize and raise money for the vessel’s restoration to Coast Guard standards.

Suarez: Has already noticed the difference being bilingual can make on the beach

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As a student at Miami Dade College, Suarez originally went into hospitality and tourism management. “Because that’s the way you get to work on the beach in Florida,” she said.

But Suarez’s interest in marine life and science refused to wane. Her major gradually drifted away from hospitality and more into marine science,

until she eventually ended up with a general associate degree with a focus in science.

“It’s a passion I’ve always come back to,” Suarez said.

Suarez moved to the North Coast about three years ago with her partner at the time, who was stationed in Astoria with the Coast Guard. They eventually split, but Suarez had already fallen in love with the beauty of the area.

She found an opportunity

to volunteer with the awareness program, and eventually was promoted to be a paid, lead interpreter. A few months ago, Pooka Rice, the program’s outreach coordinator, talked to her about using her dual language skills to translate signs and educational materials into Spanish.

Overall, the goal is to make the program more inclusive to the Latino community by developing more programs

and classes in Spanish over time, Suarez said.

But Suarez has already noticed the difference being bilingual can make on the beach.

“I remember one day there was a man just walking all over the marine garden. I approached him in Spanish to explain to him why that wasn’t allowed, and all of sudden he leaves and comes back with like seven other relatives,”

Suarez said. “They were asking questions about the environment they otherwise probably wouldn’t have asked.”

When Suarez isn’t working, she likes to spend time — you guessed it — on the beach.

“It really is my life,” she laughed. Other than the occasional craving for sun and decent Cuban cuisine, Suarez said she has found a home in the Pacific Northwest, with dreams to pursue

marine science at the University of Washington.

For now, she’s excited to see what her background and passion for environmental science can do to help keep Haystack Rock healthy.

“It’s all about awareness. Knowledge is power. There’s been a small disconnect with that,” Suarez said, in reference to a lack of Spanish materials. “But I’m happy to do my part to fill this little gap.”