

Battery Plant Expected to Jolt County Employment

By FRANCISCO VARA-ORTA - 7/13/2009

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Last week's announcement that Sylmar-based battery manufacturer Quallion LLC selected Palmdale for its new \$220 million plant gave a shot in the arm to the diminishing manufacturing sector in Los Angeles.

Plans for the factory also show that Los Angeles may become the nation's major hub of the design and manufacturing of clean technology products.

Quallion makes lithium ion batteries, the preferred technology for energy-intensive applications such as electric cars and heavy-duty trucks that would use them while idling. The batteries have several advantages: They produce no emissions and decrease oil consumption, hence dependence on foreign oil. Also, they will make the United States more competitive with Asia in battery production.

The company, owned by billionaire Alfred Mann, is planning to build a plant on 9.6 acres near Avenue O and 10th Street West in the Fairway Business Park in Palmdale, with completion set for sometime in 2012.

Palmdale offered Quallion more than \$10.6 million in incentives. The city sold the property for a ceremonial \$1. The company also got tax breaks and fee waivers.

The California Energy Commission will provide Quallion with up to \$9 million to start the plant if Quallion receives funding from the U.S. Department of Energy.

The company has applied for \$100 million to \$200 million in Department of Energy funding to help build the factory, but is competing with 121 other companies vying for \$2 billion in stimulus funds that were earmarked for advanced-battery efforts.

Paul Beach, Quallion's president, said that the company would continue efforts to build the plant regardless of whether or not they get the federal funding, but said the process could be delayed if declined funding.

The plant is expected to create 400 construction jobs as early as this fall, plus 400 to 2,000 permanent jobs if production takes off as expected with increasing demand for more electric or hybrid vehicles.

The company will retain its headquarters in Sylmar, where it launched in 1998. Beach said he was pleased that Quallion would be able to build the plant in Southern California, which has seen a constant stream of lost manufacturing jobs in the past decades.

"We didn't want to leave as we have had strong ties here since we started," Beach said. "Our employees love being here in Southern California and we didn't want to lose them. Here we have access to all the industries we are serving so it doesn't make sense to split up the company."

C-17 Money

Once again, the C-17 survives.

Late last month President Obama signed an emergency funding bill that contained \$2.2 billion in funding for an order of eight more of Boeing's C-17 transport planes.

Thanks to congressional support that built in recent months, Boeing is hoping to get an order of 15 more planes in next year's defense budget.

Boeing produces about 15 of the planes a year; they are assembled in Long Beach with the help of 5,000 workers.

Long Beach business leaders, manufacturing associations and elected officials were furious when Defense Secretary Robert Gates proposed halting future orders for the C-17. The opposition led to a bipartisan push to keep orders going because of the 30,000 jobs around the United States tied to the plane's production.

Pentagon officials agreed last month to order the eight C-17s in exchange for reducing the number of another cargo plane, the C-5A, by at least eight.

In the face of reduced demand in the United States, Boeing has intensified efforts to sell the C-17 internationally. Boeing will deliver three C-17s to NATO later this month. Qatar has ordered two, and the United Arab Emirates has expressed interest, according to Boeing spokesman Jerry Drilling.

Obama's signature on the emergency funding law will keep production in Long Beach going until late summer 2011.

"The law benefits many in the Long Beach community who depended on those jobs," said Randy Gordon, president and chief executive of the Long Beach Area Chamber of Commerce. "But the move also allows Boeing to extend its production in Long Beach and preserves a time-honored history that extends back to real-life Rosie the Riveters."

'No-Lead' Law Approaches

Companies that buy, sell, broker or manufacture products that come in contact with drinking water in California only have a few more months to prepare for a new state law that strictly regulates lead content.

Assembly Bill 1953, which was signed into law in 2006, states that as of Jan. 1, no one can sell or install a product that touches drinking water if it has more than 0.25 percent lead in it.

"It's the strictest regulation in establishing mandated lower lead content levels in the nation," said James Simonelli, executive director of the California Metals Coalition. "It affects everybody because we all use drinking water."

Simonelli said some companies are struggling with compliance.

Not only will this affect companies in California that manufacture metal parts such as faucets and pipes, he said, but also anyone who sells the products for use in California.

A seminar on the issue, "California's 'No Lead' Law Product Show and Conference" will be at the Orange County Hyatt Regency on Thursday. Registration is online at www.metalscoalition.org.

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