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Moses Lake, Wash., selected for BMW parts plant

By GEORGE TIBBITS (AP) – 42 minutes ago



SEATTLE — Drawn by cheap and sustainable hydropower, a joint venture to manufacture carbon fiber parts for a new BMW electric car will be built in Moses Lake, the heart of central Washington's potato country.

The long-expected announcement that SGL Automotive Carbon Fibers LLC will build its state-of-the-art plant in the town of about 20,000 people came at a news conference Tuesday. The joint venture is backed by BMW Group and SGL Group, Europe's only carbon fiber manufacturer.

Theodore Breyer, SGL Group's deputy CEO, said it plans to break ground at a 60-acre site in June and is spending \$100 million on the first phase of the factory. It initially will employ 80 workers, nearly all from the region, plus support about 200 construction jobs, he said.

The plant will be operating in time to produce components for BMW's Megacity vehicle, a high-tech electric urban car to be launched before 2015.

"This will be the leading carbon fiber plant in the world," Breyer said.

The factory will mean "good jobs — good manufacturing jobs," as Washington works to pull itself out of the recession, Gov. Chris Gregoire said. In addition, "It means that we are going to continue to lead when it comes to a green economy."

The plant will import raw materials from Mitsubishi Rayon in Otake, Japan, and spin them into fibers about one-tenth the width of a human hair. Those fibers will be turned into fabric at SGL's Wackersdorf, Germany, site, then BMW will build the lightweight car components at Landshut, Germany, and send them on to the Megacity assembly plant in Leipzig.

"This enterprise reflects the global complexion of the future," Breyer said.

Moses Lake, about 150 miles east of Seattle, is the largest town in Grant County, which generates electricity from its two dams on the Columbia River. Negotiations with state and local officials for the site began shortly after the joint venture was formed in October.

Agriculture is still the county's major industry: It's one of the top potato-producing counties in the nation. But an increasing number of high-tech companies have located there, including a plant to make solar cell materials and several electricity-intensive computer server farms, primarily because of the relatively cheap power.

Mayor John Lane said the city has been working with Big Bend Community College in Moses Lake to develop skilled workers. For a traditional farm town, he said the new companies are "a good opportunity for some of our young people to maybe stay home and work at other industries."

Dr. Friedrich Eichiner, BMW AG's board member for finance, said the renewable and low-cost hydropower was the major draw as BMW increasingly positions itself as a "sustainable" car company. Also attractive was a skilled work force and the state and local governments' willingness to quickly grant permits.

"The city of Moses Lake will become a focal point for technological innovation," Eichiner said, adding that the venture has taken an option on another 60 acres and plans to expand and create more jobs.

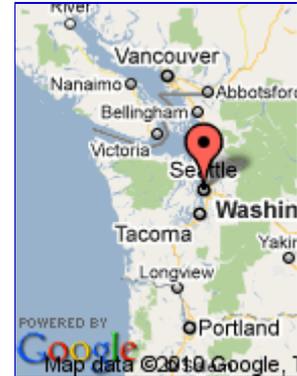
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