

Moses Lake Industries addresses need for rail

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Stakeholders seeking catalyst for increased efforts

MOSES LAKE - A longtime Moses Lake company is sounding off about the need for local, state and federal support to provide rail access locally.

Moses Lake Industries Executive Vice President Mike Harvey, Chief Financial Officer Kristin Tofani and Cascade Consulting Group Government Affairs Consultant Pat Boss met with Columbia Basin Herald Editor Bill Stevenson and Circulation Manager Tom Hinde Monday for an editorial board meeting.

Harvey and Boss called for greater efforts to put rail around the Grant County International Airport, estimating the cost of putting in a new rail segment running along the airport would cost about \$5 million.

It is a different rail proposal than the effort to move the railroad line from downtown Moses Lake to a proposed location along Wheeler Road. Harvey said Moses Lake Industries has expanded and provided geographic diversification by purchasing a facility in Dalian, China. A second will probably also be built there as well, he added.

Parent company Tama Chemicals has six factories in Japan, one in Singapore and one in Taiwan, but no presence in China, Harvey said, where a great deal of semiconductor manufacturing is done and largest customer Intel is building a factory.

"We will probably end up shifting potentially quite a bit of our operation to China," Harvey said. "We are not a labor-intensive company. The reason people normally move to China is to save on labor costs, but we have a very skilled group of people."

Moses Lake Industries has essentially zero turnover from people leaving to other companies, he added. The company, based in Moses Lake since 1984, employs about 140 people in well-paying positions, Harvey said.

"Now with the new range of gas prices, our transportation cost to get our raw materials in here is going to change how we look at things," he explained. "Our largest raw material, our largest volume, comes all the way from West Virginia. We get multiple truckloads every week of this raw material."

Harvey said he doesn't like the idea of going to Washington, D.C., to look for money, but the community, government and local leaders need to realize companies will go where they can survive economically.

"When we have the gas prices here in rural Washington and we can't get our goods to our factory economically, it's not going to happen in a big flash, but it will change the company's direction," he said.

Boss would like to see Gov. Chris Gregoire or gubernatorial candidate Dino Rossi make the effort to put rail access in Moses Lake part of their budgets in the fall.

"If we're talking about One Washington, this is a good example of a One Washington issue. It's not a huge earmark and it would get a lot done. There are a lot of other companies out around the airport that also need this rail extension, too," he added.

Rail access would provide Moses Lake Industries and other companies millions of dollars worth of savings, Harvey said. The Moses Lake Industries sites in China have rail access.

Other companies in need of rail around the airport include Genie Industries, ChemiCon and Takata, Boss and Harvey said.

"Genie ships 200 trucks a week to Seattle, then those trucks get put on the railroad line in Seattle, and then they go east," Boss said. "They're trucking stuff over (Snoqualmie) Pass to catch a railroad line when we have a railroad line within a mile of their building."

Harvey and Boss believe noting a municipal entity such as the Port of Moses Lake needs to step forward in order to drive the movement and gather funding.

Boss and Harvey believe the City of Moses Lake, Grant County or the Port of Moses Lake could call for a bond or earmark to help provide funding to place rail around the airport, or a railroad district could be formed.

"We're trying to productively, positively help push this issue," Boss said. "I think things will happen, but somebody's got to make the first move."

Port of Moses Lake Commissioner Mike Conley believes rail should be a high priority for the port, with the potential to create a lot of jobs and save "a bunch of them" as well.

"We understand the economic value and we're concerned with the companies that would like to use it," agreed Port of Moses Lake Commissioner Delone Krueger. "There's excellent companies that hopefully would use it as soon as we can figure out how to get the thing in there."

Boss pointed to efforts to recruit Boeing to Moses Lake five years ago.

"One of the big things that held them up last time was the rail connection out there, there was none," Boss said. "If they do come back in here and they want to do another project here, we haven't resolved the problem yet. That should have been a major wake-up call five years ago when they were looking around here. Now you've got other companies like Moses Lake Industries expressing concerns."

"We're not just expressing concerns, we bought a factory in China," Harvey added.