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— Tom Abate
San Francisco Chronicle



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Equipment movers in demand as factories shut

By Tom Abate

While his forklift crews removed tons of chip-production machinery from a shuttered factory in Hayward, trucker George Lawson bemoaned the fact that his company has been ripping out a lot of industrial equipment these days and shipping it - and the associated jobs - out of California.

"I call it my wrong-way business," said Lawson, 56, president of Lawson Drayage, a Hayward firm that specializes "in moving things of unusual size, weight and dimension."

Lawson is the third-generation head of a family business he runs with his brother, Robert.

As one of a handful of truckers with the equipment and know-how to move heavy machinery, Lawson has a bird's-eye view of the region's industrial landscape.

Dismantling factories

What he sees alarms him. Instead of moving machinery into the Bay Area, he said, firms like his are increasingly being hired to dismantle factories.

The recent shutdown of New United Motor Manufacturing Inc. in Fremont is an example of the exodus of manufacturing from the region. Even now, dozens of supply firms that once made parts for NUMMI are deciding what to do with their people and equipment.

"I'm bidding a job for one supplier right now," said Lawson, who is reckoning the cost of moving dozens of plastic-molding machines out of the East Bay and closer to auto plants in the Midwest and South.

Lawson understands that whenever he dismantles or installs equipment, jobs are lost or gained. For instance, the project in Hayward involved moving more than two dozen machines that once provided jobs for about 60 workers

who recycled the large silicon wafers used to make computer chips.

Imagine that making chips is like making pizza, with the silicon wafer being the dough and the electronic features the cheese, sauce and toppings.

At times, some of these electronic "toppings" are laid down wrong and the silicon wafer is rejected before it can be sliced up into chips. Machinery in the Hayward factory would grind these discs back to a clean starting point so the valuable silicon could be reused.

But with less and less chipmaking in the region, the factory had been closed and its equipment sold to buyers in China and Taiwan, where a network of foundries - as chipmaking factories are called - could put such recycling machines to better use.

Lawson's crew shrink-wrapped these weighty machines, strapped them to pallets to cushion them against shock, and loaded them into shipping containers for transit to Asia.

"I'm seeing so much of this, it's sad," Lawson said.

Other equipment movers - similar firms include Sheedy Drayage, Bigge Drayage and Peninsula Crane and Rigging - tell similar tales.

Joe Bauer, who has worked with Peninsula Crane for 30 years and runs the company for its family owners, said many small machine shops that once dotted the region have closed because of a falloff in business and increased competition from elsewhere, helping erode the ecosystem of suppliers, shippers and warehouses that were once part of the Bay Area's economic fabric.

"We get the repo guys who come by and say, 'Box it up!' because they can't make the payments," said Bauer, who has seen a lot of machine tools moving to Texas, Arizona and New Mexico.

Manufacturing jobs

Figures compiled by the federal Bureau of Labor Statistics in San Francisco show that manufacturing employment in five Bay Area counties - Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara - mirrors what these industrial movers see.

Jobs in production industries floated on either side of the 400,000 mark through the early 1990s, peaking at 450,000 in December 2000 during the dot-com era.

"There wasn't a day that went by when we didn't have a new machine getting unloaded and customers on the phone saying, 'Where is my equipment?'" Lawson said, recalling the boom.

"Then the dot-com bomb hit and everything started to fall apart," he said. "We got into the egress of manufacturing about that time."

The job numbers match his recollection, showing a slump in manufacturing employment through the end of 2008 when this detailed, county-level statistical analysis ends. The closure of Nummi last week, and the resulting loss of thousands of jobs, suggests the numbers are still falling.

Meanwhile, Lawson tries to keep his 25 employees and 96 trailers, tractors and forklifts working to continue the company that his grandfather Charles started in 1919 by delivering coal, and that his father, Alfred, moved into this heavy-machinery niche.

Not long after he finished his wrong-way job in Hayward, Lawson got a right-way assignment when his crew was hired to move state-of-the-art pump-making equipment into a \$16 million plant expansion being carried out by Energy Recovery Inc. in San Leandro.

ERI reduces the amount of energy needed to force saltwater through screens at desalination plants. Its technology relies on pumps built to withstand high pressures without bursting.

The equipment Lawson installed was like a sophisticated baking operation. A row of different machines take aluminum oxide powder - extracted from dirt - and turn it into a dough-like substance. Other machines then knead this mass into cylindrical shapes and excavate their innards, before the pump-to-be is baked in a giant oven.

But unlike bread, the pumps that emerge from ERI's ovens will be the second-hardest material known to science, after diamonds.

It takes special machines to run such a bakery and the biggest is a 25,000-pound steel cylinder nearly 12 feet tall and more than 30 inches in diameter. A cavity inside this thick-walled can will use hydraulic force to knead the industrial dough the way a baker might patty-cake a roll.

To lift this monstrosity into position required two forklifts, joined together to provide sufficient counterweight. As they held the cylinder upright with a thick wire rope, 26-year-old Patrick Lawson, fourth-generation in the trade, crawled beneath with company veteran James George, 56, to tighten the fist-sized bolts that held the machine in place.

When he crawled out from under, the younger Lawson explained why he had quit his job as a junior investment banker to join the family business. It amounts to a vote of confidence in the future of Bay Area manufacturing.

"There's a shortage of blue-collar guys who know what they're doing, and they need people who know how to run the crews," he said.