Mitsubishi Wind Turbine Plant Faces Uncertain Future

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LITTLE ROCK, Ark. (AP) - The fate of a promised wind-turbine factory with 400 jobs near Fort Smith remains uncertain after a decision in a patent fight between two conglomerates was delayed until next month.

Hoping to grab a larger share of the growing U.S.wind-power industry, Mitsubishi Power Systems Americas Inc. plans to build a $100 million plant to assemble imported parts into windmill turbines. The October announcement buoyed the state's hard-hit manufacturing industry while placing yet another sizable wind-power player in Arkansas.

But General Electric Co. contends that Mitsubishi and its parent companies have infringed on GE turbine patents.

The claim won an early victory in August but is under review by the U.S. International Trade Commission. If the six-member commission sides with GE, it is likely to ban importation of Mitsubishi's turbine parts.

The commission was to rule on the matter Friday. Instead, it said it will hold off until Jan. 8.

"Looks like we're going to have to wait," said Joe Holmes, spokesman for the Arkansas Economic Development Commission, the state agency that lured Mitsubishi and other wind-power companies to the state over the past several years.

Arkansas began attracting industry players in 2007, when it landed a plant by blade maker LM Glasfiber of Denmark, which eventually expects to employ 1,500 in Little Rock. Nordex AG of Germany, a smaller competitor to GE and Mitsubishi, recently broke ground on its U.S. subsidiary's 700-worker Jonesboro plant.

Polymarin Composites, a Netherlands-based blade maker, planned a 2009 opening of a Little Rock plant and expected to have 630 workers, but it has since shelved the idea and will revisit it next year.

Mitsubishi denies that it has violated GE's patent rights and has vowed to exhaust its appeals. Spokesmen in Mitsubishi's California and Florida offices did not return messages seeking comment.

It is unclear exactly how a GE victory in the nearly 2-year-old case - or in a related federal lawsuit - would affect Mitsubishi's Arkansas plans. Holmes predicts that the plant, and its 400 jobs, are coming, regardless of the outcome of the patent dispute.

"I don't think it makes a difference," he said. "They've made the announcement that they are coming here. And that's our expectation: That they are coming here and will start building in 2011."

But several big orders for U.S.-bound Mitsubishi turbines would be disrupted if GE wins the ruling. And the state's congressional delegation and Gov. Mike Beebe have suggested to commissioners that favoring GE would mean lost opportunities in Arkansas.

"This investment will create hundreds of jobs in our state and help us achieve our objective of becoming an important hub for wind power and other renewable energy innovation," U.S. Reps. Marion Berry and John Boozman wrote in a Nov. 9 letter to commissioners. "Mitsubishi's ability to build and operate this new green energy facility is dependent upon the resolution of the (case)."

At issue between the global corporate heavyweights is whether Mitsubishi, whose chief headquarters is in Japan, infringed on GE-patented technology that lets windmills operate more consistently and efficiently in the face of varying wind speeds.

Claiming about 44 percent of the market, Connecticut-based GE dominates the wind-power industry. Mitsubishi's 7 percent doesn't rank in the top five, but it is hoping to change that, in part by making a big push into the U.S., where the industry is primed for a boom over the next decade.

A trade commission judge ruled in August that Mitsubishi violated GE's patents. But commission attorneys, who play the role of public advocates in such disputes, disagreed. Mitsubishi appealed the judge's decision to the commission.

Even a Jan. 8 ruling might not settle things right away. The commission's ruling can be appealed the federal appellate court in Washington, while any ban on Mitsubishi imports could be overturned by President Barack Obama.

The commission says, however, that reversals on such bans are rare.

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