Vestas Cuts Manufacturing Workforce

NICHOLAS RICCARDI,Associated Press

DENVER (AP) — Wind manufacturer Vestas announced another round of layoffs on Thursday, saying that Congress' last-minute extension of a tax credit for wind energy generation came too late to save jobs.

The $12 billion Production Tax Credit was extended by one year after expiring Jan. 1. The extension passed as part of the so-called "fiscal cliff" deal signed by President Obama in the first week of the New Year.

But in a statement, Denmark-based Vestas said that was too late to avoid layoffs that amount to 10 percent of its 1100-person manufacturing work force in the state. The cuts will land at plants in Brighton and Windsor.

"We are disappointed we must lay off many of our highly skilled employees," spokeswoman Susan Innis said in the statement.

Before the PTC became a bone of partisan contention last year -- GOP presidential candidate Mitt Romney called for its elimination, as did several Tea Party Republicans -- Vestas employed 1700 people in Colorado. Wind manufacturers across the country laid off thousands of workers while the extension was in doubt. That limbo prevented wind farms from buying new equipment to expand.

Critics of the credit argue the government should not subsidize industries. Backers note that fossil fuels like oil and coal have benefited from centuries of government support.

Vestas said that it still plans to expand some parts of its Colorado operation and that it expects the U.S. wind market to revive now that the PTC is in place. However, wind advocates acknowledge that the same uncertainty that derailed the industry last fall could return once the one-year extension nears its expiration.

U.S. Sen. Michael Bennet (D-Colo) said in a statement: "Congress needs to stop manufacturing these unnecessary crises and give these industries some predictability."

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