China Automaker to Open Electric Bus Plant in Calif.

JOHN ROGERS, Associated Press

LOS ANGELES (AP) — A Chinese company whose mantra is Build Your Dreams plans to build all-electric buses in California's Mojave Desert.

Lancaster Mayor R. Rex Parris and officials of BYD Automotive scheduled a news conference Wednesday to announce plans to open the first Chinese-owned vehicle manufacturing plant in the United States in the wind-swept high-desert city 60 miles northeast of Los Angeles.

BYD, which opened its North American headquarters in Los Angeles in 2010, says the plant will initially turn out 10 electric buses for the city of Long Beach. It expects the vehicles, with a range of 150 miles between charges, to be delivered next year.

One of the world's largest manufacturers of rechargeable batteries, BYD got into the automobile business 10 years ago. It has been looking to expand into the U.S. market for some time.

Although China has surpassed the United States as the world's largest auto market, Chinese manufacturers have seen domestic sales inhibited by the popularity of cars from the United States and Japan and are looking to expand elsewhere.

"It's well known that Chinese manufacturers have been eyeing the North American market for years," said U.S. auto industry analyst Michael Robinet, managing director of IHS Automotive of Northville, Mich.

"It's probably the most important market from their perspective," he added.

But it's not an easy one to crack, he said, thanks to the need to establish a dealership network, fluctuations in international currency and the volatility and competitiveness of the market itself. So it makes sense, Robinet added, that to try to gain a foothold here BYD would be looking at building its vehicles on American soil as a means of controlling price and quality.

At one point BYD, which stands for Build Your Dreams, had hoped to introduce its e6 model electric passenger cars to the U.S. by 2010. It has since pushed those plans back.

Since it was founded with 20 employees in 1995, the company has grown to employ 150,000 people across China and in offices in Europe, Japan, South Korea, India, Taiwan, Hong Kong and elsewhere. Among its investors is U.S. billionaire Warren Buffett.

Company officials didn't immediately say how many people they expect the Lancaster plant to employ, saying only that it could be "hundreds" in the years ahead. Its North American headquarters has about 40 people.

For Lancaster, the announcement continues a partnership between the city and BYD that began in 2010 when Parris brought the Chinese company and Southern California homebuilder KB Homes together to build an all-solar-powered prototype house.

Parris, a proponent of green energy programs, successfully pressed the City Council earlier this year to adopt an ordinance requiring that beginning in 2014 all new homes come with a solar energy system.

The flamboyant mayor, better known nationally for opening Council meetings with a prayer, shutting down a hotel where a motorcycle gang was to meet and requiring pit bulls be castrated, is also a long-time advocate of developing local trade relations with China.

In 2010 he visited BYD's Solar Village in Shenzen. That same year he also persuaded the City Council to hire a Hong Kong native as Lancaster's first China trade liaison.

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