



## Volvo in Shippensburg gears up for economic recovery with plant expansion plans

By JIM HOOK Senior writer  
Volvo is getting ready for an economic turnaround by digging a hole.

Volvo's excavation at Shippensburg is a sign of confidence that the economy will recover.

Volvo is proceeding with construction of an addition the size of a Wal-Mart Supercenter to its road machinery plant in Shippensburg. Before the recession, the company had planned to move its Canadian operation there. Recession and layoffs didn't change plans to consolidate its entire North American road construction line at Shippensburg.

"Our projections don't indicate this will last forever," said Beatrice Cardon, communications vice president with Volvo Construction Equipment. "This decision was taken with the full knowledge of what we needed in the future. It is a long-time project."

Others in the private sector also are beginning to show confidence, according to L. Michael Ross, president of the Franklin County Area Development Corp..

"We're two weeks to a month away from other very significant announcements," Ross said. "We're confident these projects are going to happen. We're not in a position to announce them. They're kind of building capacity for when this thing turns around: 2010 should be better than 2009, and 2011 better than 2010."

The Volvo addition is to be completed in March 2010 when the plant will begin assembling the full G900 Series line of Volvo motor graders. The plant will make all North American Volvo machines that mill, grade, pave and compact.

The company will be ready for the expected demand of equipment when the construction and road building equipment market returns to more normal conditions, Cardon said.

The market for construction equipment has been anything but normal in recent months. Volvo reported first quarter sales of construction equipment in North America and worldwide cut nearly in half from a year earlier.

By the end of July, Volvo will have laid off 270 workers in five months at Shippensburg. The plant will be stripped down to about 520 employees, enough for the time being, according to company officials.

"We have the employment we need to start production," she said. "We see a ramp-up and a slow recovery of the economy, which means a slow ramp-up of employment. It isn't bad. It gives our employees time to learn the new machines. We have been training for the past

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several months."

The 200,000-square-foot production center includes an assembly hall, material service area and loading dock. A parking area, machine test track and traffic office are also part of the project. The current plant covers about 500,000 square feet.

Construction manager Kinsley Construction of York will use Volvo equipment to build the project. Carl Bert and Associates, Shippensburg, is the civil engineer.

Newcomer Associates of Chambersburg designed the expansion to specifications of Leadership in Energy and Environmental Design. It would be one of the first buildings in Franklin County to be LEED certified.

The recently completed science center at Wilson College is a candidate for LEED certification.

The county has been fortunate to have institutional construction contracts under way during the recession, Ross said. Schools districts, colleges and Letterkenny Army Depot have been building.

"When you start seeing the private sector getting re-energized, that's very encouraging," Ross said. "And that's what we're seeing."

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