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Spokane firm works on Olympics project

United Coatings upgrading rail lines for 2008 Beijing Games

By Tom Sowa
Staff writer

Spokane's United Coatings is working with a Chinese manufacturer on a multimillion-dollar project to upgrade high-speed rail lines in preparation for the 2008 Beijing Olympics.

The three-year project involves helping produce at least one million gallons of polyurethane coating that will be used to protect new and upgraded rail systems in and around

China's capital, said Bill Mann, the company's vice president of international sales.

The initial line to be coated and treated is the 71-mile, high-speed rail line between Beijing and Tianjin, one of China's five largest cities.

The million gallons of polyurethane coating will help protect the bridge deck membranes — the flat concrete platforms on which some elevated sections of the rail track lie.

"This has the potential to be a huge project," said Mann, noting that the first line is just one of 13 the Chinese government is upgrading before the Olympic Games. Nearly every rail line project has half or more of its track on elevated platforms, he added.

United Coatings, a privately held Spokane

firm, has been selling its products in China for six years. The rail-line deal is the first example in that country of United Coatings working with a manufacturing partner, said Mann.

The cost of upgrading the 13 lines is so large that the Chinese government insists the job be divided among several national providers, he said. Contracts for coating bridge-decks for the other lines haven't yet been signed, said Mann.

The coating, called Elastuff, is usually made by United Coatings at its Spokane or Arizona manufacturing site. For this job, the manufacturer will be Beijing Jian Gong Hua Chuang Engineering Technology Company, LTD.

The two firms have agreed to split expenses and revenue down the middle, said Mann. The

one-million gallon order will likely produce revenue close to \$20 million; net profit from that project remains to be seen, said Mann.

Mann said the production partner, based in Beijing, is one of China's largest producers of similar coatings. United Coatings will provide the technology and training, and the partner will provide the manufacturing facility and quality control, said Mann.

The application of the coating takes a degree of care and attention, Mann pointed out. The applicator attachment costs \$25,000, since the two main ingredients of Elastuff must be mixed at the hose head, in the right proportions just at the time of spraying, he said.

"You can't just spray or paint that product on," he said.

United Coating's first big China project has been a long-term contract to provide Elastuff for officials building a sprawling deep-water port at Yangshan. That port project will take at least another three years to complete. United Coatings now is sending two containers of polyurethane to Yangshan per month, said Mann. For the full year that port order is worth \$1 million, he added.

The United Coatings joint venture deal is significant enough that Washington Gov. Christine Gregoire will be on hand this fall during a trade mission to China when company officials sign the partnership agreement.

■ Business writer Tom Sowa can be reached at (509) 459-5492 or at toms@spokesman.com.