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Shedding light on economic impact of plant

BY K KAUFMANN
The Desert Sun

First Solar's Desert Sunlight project, to be located just east of the valley near Desert Center, could pump an estimated 440 construction jobs and \$336 million into Riverside County's economy, figures from the the Coachella Valley Economic Partnership show.

But how many of those jobs and dollars will flow directly into the valley's economy remains uncertain, CVEP and First Solar officials acknowledged during a news conference Wednesday in Palm Springs.

"There's no way to predict that," said Wesley Ahlgren, CVEP's chief operating officer. "It depends on who you hire or whether that person drives from Imperial or San Bernardino."

A full economic impact report on Desert Sunlight, prepared by CVEP and The Brattle Group, a Massachusetts-based consulting firm, will be released in the coming days, he said.

To be located on public land about 60 miles east of Indio, the 550-megawatt photovoltaic project will produce enough electricity to power 160,000 homes.

It is one of the four fast-tracked projects in the Riverside East project area on federal land between Joshua Tree National Park and Blythe. Total construction costs for the project will be \$1.5 billion.

Other advance figures from CVEP's economic impact report show:

- Sales and property taxes and other fees from Desert Sunlight will add about \$24 million to \$29 million to county coffers.

- Workers' wages from the project will total about \$200 million over a 26-month construction period.

- The remaining \$136 million will come from purchases of construction materials and other business-support services, as well as the effect of employees' spending in the local economy.

- Most of the jobs and about 75 percent of the economic impact will come during construction. Desert Sunlight will create only 15 permanent jobs, and a trickle of economic benefits over the 25-year life of the project.

Esmal Adibi, a Chapman University economist who prepares The Desert Sun's quarterly economic index report, agreed with Ahlgren that calculating po-

Regional impact

Desert Sunlight is one of two 550-megawatt projects First Solar has under development; the other is in San Luis Obispo.

The company's other utility-scale projects — 10 megawatts and up — are in Germany, while the second-largest is an 80-megawatt project now under construction in Ontario, Canada.

The company manufactured panels for a 21-megawatt project in Boulder City, Nev., about 20 miles south of Las Vegas. City Manager Vicki Mayes said the city kept its projections of economic impact realistic.

"It's very much what we expected," she said. "It would generate a lot of jobs during construction."

Locally, First Solar has conducted extensive outreach with residents of Desert Center, including a \$350,000 donation to be channeled to projects identified by community members.

The company also partnered with College of the Desert and Palo Verde Community College in Blythe on solar energy training programs that, as of June, will have graduated about 140 students, said Larry McLaughlin, head of the COD program.

tential economic benefits for the valley will be difficult.

On the state level, economists would generally multiply construction costs by 2.5 to determine overall economic impact, Adibi said.

"Anytime areas get smaller, (the ability) to draw any meaningful conclusions becomes smaller and smaller," he said. "I don't know how many firms are out there that are capable of what these guys need."

But Ahlgren and First Solar officials put a positive spin on the numbers, pointing to solar energy training programs at College of the Desert and Blythe's Palo Verde Community College that have turned out 140 job-ready students.

Mike Cuprzinski, 56, who got laid off from a job at Rite Aid in November; is one of 20 students in COD's solar energy training class, getting hands-on experience on equipment provided by First Solar.

"I'd like to get into something solar-related," the Indio resident said. "Desert Center, I can see myself working there and commuting every day."



SHUJI KAJIYAMA

Toyota Motor Corp. President Akio Toyoda ponders during a press conference Wednesday in the automaker's Tokyo headquarters.

Toyota has tough comeback trail ahead



EUGENE HOSHIKO ASSOCIATED PRESS FILE PHOTO

New vehicles damaged by the March 11 tsunami waters sit in a Toyota Motor Corp. parking lot at Sendai port, in Sendai, Miyagi prefecture, northeastern Japan. Toyota, the world's top-selling automaker last year, said Monday its domestic production in March was 129,491 vehicles. The magnitude-9.0 earthquake and ensuing tsunami on March 11 destroyed many factories in northeastern Japan, causing severe parts shortages for Toyota and other automakers.

Even before quake, company's leaders 'lost their way'

BY DEE-ANN DURBIN
AP Auto Writer

DETROIT — Toyota should have owned the road this summer. When gas prices go up, American drivers go for smaller, fuel-efficient cars. The last time prices at the pump spiked in 2008, Toyota captured the title of world's No. 1 automaker — and has held it ever since.

Now gas costs almost \$4 a gallon again, but Toyota is struggling. It's been hammered by supply disruptions from the Japan earthquake and can't escape the stigma from its safety-related recalls last year. And its rivals are making flashier cars with great gas mileage.

Toyota said Wednesday that its quarterly profit fell more than 75 percent, mostly because of production problems from the March 11 quake and tsunami. The automaker's CEO, Akio Toyoda, said executives are "gritting our teeth" to keep jobs in Japan.

In the United States, Toyota is losing market share faster than any of its competitors, falling to 14 percent from 17 percent in a little more than a year. North America is Toyota's largest market.

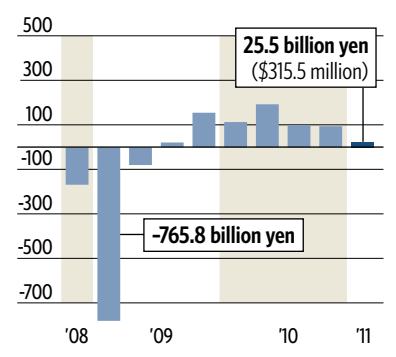
Meanwhile, Ford, Nissan, Kia and Hyundai have all introduced sexier, more chiseled designs. General Motors and Chrysler, out of bankruptcy and healthier than they have been in years, are gaining market share.

By its own admission, Toyota lost sight of quality in pursuit of sales.

Please see TOYOTA, A13

TOYOTA

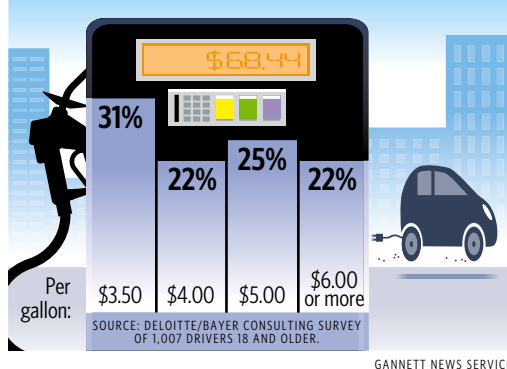
Toyota took a hit from the cost of the earthquake and tsunami that struck Japan in March. Quarterly earnings, quarter ending March 31, in billions of yen:



SOURCE: TOYOTA MOTOR CORP. MCCLATCHY-TRIBUNE

BUSINESSFACT

At what price for gasoline will you consider buying/leasing an electric vehicle?



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Wall Street titan guilty in fund insider trading

BY TOM HAYS AND LARRY NEUMEISTER
The Associated Press

NEW YORK — A former Wall Street titan was convicted Wednesday of making a fortune by coaxing a crew of corporate tipsters into giving him an illegal edge on blockbuster trades in technology and other stocks — what prosecutors called the largest insider trading case ever involving hedge funds.

Sri Lanka-born Raj Rajaratnam was convicted of five conspiracy counts and nine securities fraud charges at the closely watched trial in federal court in Manhattan. The jury had deliberated since April 25, and at one point was forced to start over again when a juror dropped out due to illness.

Prosecutors had alleged the 53-year-old Rajaratnam made profits and avoided losses totaling more than \$60 million from illegal tips. His

Galleon Group funds, they said, became a multibillion-dollar success at the expense of ordinary stock investors who didn't have advance notice of the earnings of public companies and of mergers and acquisitions.

On Wednesday, Rajaratnam sat at the defense table, a rarity for him at the trial, and stayed motionless as the verdict was read. He will remain free on bail, though now with electronic monitoring, at least until his July 29 sentencing.

Prosecutors said Rajaratnam faces a maximum term of more than 19 years in prison. U.S. Attorney Preet Bharara said the verdict sends a message that white collar laws apply to everyone, "no matter how much money you have."



Rajaratnam

BUSINESSBRIEFS

new york

AIG, Treasury offering 300M shares worth \$9B

Bailed-out global insurance company American International Group Inc. and the federal government are offering to sell a total of 300 million AIG shares to the public.

The stock sale would be a big step by the government toward disentangling itself from the company. The government stepped in to rescue AIG from collapse with \$182 billion in 2008 — the biggest bailout of the financial crisis.

AIG and the government didn't specify a price for the shares in a regulatory filing on Wednesday. But 300 million shares of AIG were worth about \$8.89 billion at Tuesday's closing price of \$29.62.

san francisco

Intel boosts dividend for 2nd time in 6 months

Intel Corp. has raised its quarterly dividend by 16 percent, boosting what was already one of the highest-yielding shareholder payouts in technology.

Wednesday's hike demonstrates Intel's confidence in the personal computer market, which is still large and growing despite a threat from tablet computers such as Apple Inc.'s iPad. Intel CEO Paul Otellini said rapid growth in worldwide computing demand is putting the company on track to boost revenue by more than 20 percent over last year's \$43.6 billion.

More than 1 million PCs are sold every day. Intel's microprocessors — the "brains" of computers — are inside 80 percent of the world's PCs.

— THE ASSOCIATED PRESS

Report: Corn crop growing, may lower prices

BY CHRISTOPHER LEONARD
AP Agribusiness Writer

ST. LOUIS — The fast rise in food prices could begin to taper off later this year.

The government's latest crop report estimates that the domestic supply of corn, which had been forecast to shrink, will grow in the months ahead. The Department of Agriculture report suggested the high price of corn is prompting ranchers and feed makers to use less and farmers to plant more.

Analysts expect these trends to push corn prices lower, which could make everything from beef to cereal to soft drinks less expensive at the market.

Corn prices fell sharply last week as part of a broader sell-off in commodities. On Wednesday, they dropped 30 cents, the maximum allowed in one day, to \$6.77 a bushel.

The USDA estimates corn exports will drop by about 50 million bushels this summer. At the same

time, farmers are planting more of it.

By late August, when the harvest begins, the USDA expects the nation's corn supply to be 730 million bushels, enough to satisfy demand for 20 days. That's an 8 percent increase from last month, when an 18-day supply was forecast by August. By 2012, the supply is forecast to grow to 900 million bushels, enough for 24 days. A 30-day supply is the level considered healthy by most investors.

The forecast doesn't guarantee an end to tight grain supplies. And it might not account for damage caused by a recent spate of extreme weather in the South. With Southern states bracing Wednesday for yet more flooding, the USDA projections for this year's crop could turn out to be too rosy, Sanow said.

"Every amount adds up this year, because we need every amount we can get to build (surplus) stocks," Sanow said.

Corn prices have more than doubled since last

summer and hit an all-time high of \$7.76 on April 11. The price had risen because demand from ethanol producers and overseas consumers has grown faster than supply.

Prices have fallen steeply over the last week as investors sold off their contracts for commodities from oil to copper, worried that demand for metals, grains and fuel will stay weak.

The government report suggests that the high prices are finally curbing demand, at least overseas. Corn exports are likely to decrease by about 3 million bushels a week until August. The bulk of U.S. corn exports go to the overseas livestock industry, where it is used as a feed. With corn getting so expensive, ranchers and feed suppliers cut back their orders and are substituting cheaper wheat rations for corn.

"The idea behind that is that prices are high enough to ration demand," said Jason Ward, an analyst with Northstar Commodity in Minneapolis.