

Arkansas LED Maker Moves Overseas Work To OK

John Magsam, Arkansas Democrat-Gazette

FAYETTEVILLE, Ark. (AP) — NextGen Illumination Inc. is moving its manufacturing operation from overseas to Oklahoma.

The Fayetteville-based maker of light-emitting diode lighting for industrial, commercial, residential and agricultural applications has struck a deal with Cherokee Nation Industries to build products in Stilwell, Okla., a few miles from the Arkansas border. The company's manufacturing operation had been in Asia.

NextGen had always wanted to produce its lights in the United States but cost had been a factor, said Patrick Rush, the company's legal officer and director of media relations. With labor costs rising outside the United States, along with savings the company could realize through no longer paying duties and certain taxes and dramatically reducing shipping costs, it seemed the timing was right to bring the operation to Oklahoma, he said.

The shift to U.S. production gives the company more flexibility and more control over its products, Rush told the Arkansas Democrat-Gazette (<http://is.gd/ncznyM>). Eventually, more support staff is expected to be added to the company's main office in Fayetteville.

"Those are all things that have frustrated us over the years," Rush said.

Founded in 2008, Next-Gen's LED lights use less energy than standard bulbs, last longer and don't use toxic chemicals in their construction, Rush said. The company supplies lights for a variety of applications, including use in the poultry industry, where its patented dimming technology is considered advantageous.

NextGen will work with Cherokee Nation Industries to train workers to produce, assemble and package the company's products. The operation will supply Next-Gen's clients in North and South America.

Rush said the jobs will be tech-based, including spots in simple assembly and management.

Cherokee Nation Industries is a Cherokee Nation company. It was established in 1969 to serve as the economic and work-force arm for the Cherokee Nation, according to its website. It specializes in aerospace and defense manufacturing but also works in telecommunications and distribution services. It operates a 120,000-square-foot manufacturing facility in Stilwell. Key clients include Boeing and Lockheed Martin.

Chris Moody, president and chief executive officer of Cherokee Nation Industries, said in an interview Thursday that the Stilwell plant's work force is well-trained in

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electronic assembly, so manufacturing the NextGen products is a good fit. He said some of the nearly 300 workers at the Stilwell operation have been trained to make the NextGen products and work will begin soon on the first order. He said additional workers likely will be added when production increases.

Cherokee Nation citizens make up 85 percent of the Adair County plant's work force, Moody said. The workers primarily live in Adair County, but a small percentage commute from Arkansas. Adair County borders Arkansas' Washington, Benton and Crawford counties.

Adair County's unemployment rate for April was 6.5 percent, up slightly from 6.3 percent for the same period last year, according to statistics from the federal Department of Labor. Oklahoma's unemployment rate for the period was 4.4 percent, down from 4.6 percent in 2012. Adair County's labor force for April was 10,143, according to preliminary data, down from 10,563 for the same period in 2012.

Moody said the working relationship with NextGen also meets a long term goal of Cherokee Nation Industries - diversification. He said working with companies like NextGen will help keep work steady at the plant, because demand in the defense and aerospace segments can be spotty at times.

"We've been looking for a good commercial program," he said.

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