

Top-secret work at Saratoga Springs electronics company mostly for military

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SARATOGA SPRINGS - One hundred and seventy people are busy at work inside the gated compound on Ballston Avenue where secret work has been going on for the past 50 years.

"It's a very big kept secret. To many people, it's a great mystery," said Mark St. Pierre, president and CEO of Espey Manufacturing & Electronics Corp. "That's not by design; it's just the way it happened."

Espey is an electronics manufacturer specializing in power-related devices. But about 80 percent of the company's nearly \$30 million in annual contracting work is conducted for the military.

"We're much more than that big gray building on the corner in a resort town," St. Pierre said. "We're doing defense work and valuable work for the nation. Our devices end up in radars and radios and all kinds of communication gear.

"We're the people behind the scenes from a power point-of-view," St. Pierre said. "We deliver power solutions enabling all these fancy technologies to work."

Inside the 150,000-square-foot facility, the company conducts work on systems that will be used by the military on land, on sea and in the air. The systems are installed on everything from nuclear submarines to surface ships, including fixed-wing aircraft, helicopters and wheeled vehicles.

"These things have been around, but they become digitized, or made electronic. That's where we come in. We can take an old howitzer and make it extremely accurate by putting a digital fire control system on it. It's a system that electronically tells the gunner, or the forward spotter: This is the weather. This is the air density. This is the altitude. This is the angle and azimuth you should use. You can drop that shell in the living room of an insurgent hiding in Afghanistan," he said.

Testing such technology is not cheap. St. Pierre estimated it costs the plant about \$250,000 a year in electricity bills alone.

And from a contractor's standpoint, St. Pierre said he believes Espey is somewhat protected from proposed Defense Department budget cuts because of the type of work the firm does.

“You always have to be concerned, but we’re positioned well. I really think we’re going to be immune to those kind of cuts,” said St. Pierre, who was named Espey’s president last year.

“Things that are in communications and radar generally don’t get cut very often. Ground vehicles, which are essential to the Army’s modernization program — as well as the upgrading and modernization of existing ships — we’re on those, which I think immunizes us against wholesale cuts,” he said. “More power consumption means more opportunity for companies like Espey.”

U.S. Rep. Scott Murphy, D-Glens Falls, toured the facility in May and called Espey an important small business in upstate New York.

“I’ve been proud to work with them as they’ve helped to make our local economy strong and our country safe,” Murphy said.

Compared with places like GlobalFoundries, which is expected to create specialized computer chip manufacturing jobs after it opens in 2012 in Malta’s Luther Forest Technology Campus, St. Pierre said the 170 workers he employs range from high school graduates who are taught to assemble electronic components to employees who have earned doctorates.

St. Pierre said 20 percent of the work at Espey involves “high-end commercial work,” such as making the equipment that can manage power systems for locomotives. The bulk of the company’s work, however, continues to be for the military.

“About 80 percent of what we do is military, most of which comes from federal funding, one way or another,” St. Pierre said.

“Although we sell a little bit directly to governments — including the U.S. government and foreign governments, under license — most of what we sell is as a subcontractor, and that number is ultimately funded, indirectly, by the federal government,” he said. “It might go through companies like Lockheed-Martin, or Raytheon, or General Dynamics, but the contracts are typically government contracts paid for by the taxpayer.”