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Rancho Cordova medical-device maker may be losing jobs to Costa Rica

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Rancho Cordova is losing scores of high-tech manufacturing jobs, apparently to Costa Rica.

Medical-device maker Volcano Corp. is gradually transferring its production work out of Rancho Cordova, starting with 39 jobs in early September. The layoffs will run through December 2014.

Volcano, which was founded in Rancho Cordova but is now based in San Diego, disclosed the decision in a recent filing with the state Employment Development Department.

The filing didn't say how many jobs ultimately would move, or where they're going. Company officials couldn't be reached for comment Tuesday.

But Volcano opened a factory in Costa Rica last October, and company executives have hinted in recent months that it would gain jobs at Rancho Cordova's expense.

Asked about the Costa Rica plant during a March investment conference, Chief Financial Officer John Dahldorf said the company planned to eliminate the "duplicate capacity that we have in Rancho Cordova."

The local facility does more than manufacturing. Most of Volcano's 227 engineers and technical staffers work in Rancho Cordova, according to a company filing with the Securities and Exchange Commission.

"I haven't heard that they're moving the core engineering group (from) Rancho Cordova, which is pretty substantial," said Cary Adams, head of the MedStart initiative at the Sacramento Area Regional Technology Alliance.

Volcano officials boasted in recent months that they could improve profit margins by manufacturing in Costa Rica.

A 2-year-old study by the Boyd Co., a relocation consultant from New Jersey, found that it's cheaper to manufacture medical devices in the Sacramento area than in San Diego or Silicon Valley. But it's even cheaper in Costa Rica – about a third less costly than in Sacramento.

"It's hard to keep jobs here that can be accomplished more efficiently elsewhere," Adams said in an email.

Volcano was founded in 2000. When it moved its headquarters to San Diego in 2008, it kept more than 500 jobs in Rancho Cordova. It's not known how many jobs are currently at the site.

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