

GOLDEN TRIANGLE BUSINESS ROUNDTABLE  
July 20, 2004

Walter Almon called to order 130 members, subscribers, and guests. He also recognized plant managers and distinguished guests.

**CII Committee Report**

Walter reported that the committee is wrapping up skills assessments and auditing protocol. The committee is considering presenting additional half-day seminars on various enlightening topics.

**Legal Report**

John Durkay reported that ISTC is administering the background screen program commissioned by the Plant Managers Forum. The Forum has asked ISTC to establish qualifications criteria. This is a pass/fail certification. This activity is not actively taking place. Suggestions should be submitted to Russell Melancon prior to the Plant Managers Forum meeting on August 5, 2004. Hard and soft criteria will be available for companies who need it. Results for criminal background checks will be compared to a grading list and individuals will pass or fail based on prior convictions. This process is coming and exceptions will be built into the process plan. The background screening process started in September 2002 and badges were issued for two years. Individuals will need to renew the process starting September of 2004.

**Safety Committee Report**

Pat Avery reported that the Safety Committee is involved with reviewing background screens criteria. The contractor companies will report their findings to ISTC and the Plant Managers Forum. Please contact Myron Sonnier with your feedback information. The owner companies have been busy with the safety awards process. Please mark your calendars for Tuesday, August 31, 2004 for the 13<sup>th</sup> Annual Safety Awards recognition banquet.

**Walter announced that brochures are available at the back tables concerning cranes working near power lines. A level of awareness needs to be raised. Should an operator hit a power line and not have taken proper safeguards he could go to prison because of a 1971 Law.**

**Program:**

**Steve Bissot, ISP Elastomers Plant Site General Manger** elaborated on why Ameripol Synpol failed, the business they are in and where they are today. ISP Elastomers restart from a bankruptcy is a unique experience according to Steve. They had relationships to rebuild and customers to gather. Reestablishing suppliers and working in environmental compliance meant safety issues had to become a priority.

Ameripol Synpol's failure was caused by lack of reinvestment and not being competitive internationally. They recently identified eight criteria they had failed to see. The areas they are working on today include safety, environmental improvements, cost reductions, efficiency improvements, capital investments employee interests and community support.

Labor agreements with productivity improvements and flexible work plans have made headways. Rubber prices and hot rubber capacity have doubled in the past year. ISP is into performance chemicals used in detergents, cleaners, coatings, adhesives, antiseptics, hydro gels and many other products. Their ESPR line includes tires, industrial products, adhesives and sealants. The future to sustaining business in the chemical industry from Steve's point of view is to invest in a leading market position globally. Our competition is not in the USA, but is overseas. Look outside the box and partner with employees and customers. Invest in viable products, create the vision and get there.

**Tom Odenthal, Entergy Services Plant Manager** at the Sabine Plant in Bridge City stated that safety is a number one issue. His motto is keep your mind and hands in the same place and don't wander. Tom discussed deregulation and Entergy's community involvement. The Sabine Plant is a gas powered plant and they employ 85 people. Tom is also responsible for the Toledo Bend Hydro Plant. He presented slides and discussed the Plant's role in providing energy for their customers. They have been working to achieve OSHA Star VPP status and the accomplishment is near. Southeast Texas is a part of three other states system. Controlling the market isn't easy. The wholesale market is deregulated. Power Plant construction grew when the prices went high. Most are (IPP) Independent Power Producers. There are three Co-Gen plants in the area. Entergy continues to be community oriented and serves thirty six thousand customers, provides 2,400 jobs in Texas, gives to thousands of charitable projects and provides assistance to over three hundred schools and universities.

**John Porter, GE Betz, Plant Manager** discussed who they are and what they do. He provided a slide show that elaborated on infrastructure and advanced solutions to some of the most pressing problems that industries face today: Pure drinking water, safe facilities, plant automation and changes in the operating environment. GE acquired NBC after 9/11. They have been developing and testing airport security devices that are not just metal detectors. They shoot a short spray of gas that detects metal, gun shot residue and many other things. They have 1500 sales persons in the field and provide total solutions for their customers. Who are their customers? IBM, Motorola, Pepsi, Coke, Gatorade and many others are their customers. Growth was flat two years ago but they have 70% of the market share today. They are working with people on cost saving projects in global markets and acquiring companies as needed.

**Don Sitton, Chevron Phillips Chemical Company Plant Manager** announced that no major capital investments are planned at their site. In fact no new construction for the polyethylene business is planned in North America. They are concentrating their expansion efforts in the Middle East and China. They have built and are building to serve the markets of Europe, India and China.

The Orange site has experienced numerous layoffs as a result of shutting down units that were no longer cost effective. Increased taxes have contributed to those higher costs. Offsetting costs has been a challenge because the economy is still in a slump. The Orange site is the smallest polyethylene facility in their organization. They are down to the bare bones still trying to operate two units and remain competitive. Chevron Phillips is focused on finding new ways to cut cost and run more efficiently. Mr. Sitton stated that they would run safely or not at all. They will run reliably and continue to look for every opportunity to keep costs down.