

GOLDEN TRIANGLE BUSINESS ROUNDTABLE
January 18, 2005
MINUTES

Walter Almon called the meeting to order and welcomed all members and guests.

Zack Shelton announced that the 100 Club would be raising funds for fallen officers. The club's past efforts have been successful and they are asking for your support on February 24, 2005 at the Holidome on Walden Road. Funds that are raised are given to a fallen officer's family. Bill Gavin, a former FBI Officer has been chosen for this years Officer of the Year Banquet speaker. He will speak on terror issues. Please make every effort to attend or send your donations to the 100 Club.

Alan Brown announced that the American Society of Safety Engineers (ASSE) would meet on Thursday, January 20, 2005, for their Sixteenth Annual Professional Development Conference (PDC). Everyone is invited to attend.

Committee Reports:

Walter Almon gave the Construction Industry Institute (CII) Report. Skills assessments are in place now. The CII Committee will provide some seminars in 2005 and 2006 covering turnaround subjects like planning/scheduling, and contract strategy.

Pat Avery reported for the Safety Committee. They have completed the timeline for the 2005 Safety Awards Program. Two topics for the contractors to work on while the owners perform safety audits are Pre Qualification Forms and Background Screens. Revisions to the submittal application added owner contact names.

Program:

Juan Carrillo with DuPont Dow Elastomers talked to the group concerning issues that would impact the Golden Triangle area. Dow Chemicals and DuPont formed DuPont Dow Elastomers in 1996. They have experienced 1.2 billion in sales this year. The company is located in Louisiana, Kentucky, Delaware, New Jersey, Texas and Germany.

The Hypalon[®] Plant has been in existence since 1956. They manufacture one product, Hypalon[®]. It is used in adhesives, automotive components, high temperature timing belts, power steering hoses, fuel pump hoses, roofing, pond liners, coated fabrics, and the wire and cable industry. This product is recommended because of its durability. They employ ninety people. One of their major issues is the cost of utilities. An area of concern is the costs of raw materials because they effect production. Juan's parting comment was Hypalon[®] makes excellent soles for tennis shoes.

Brad Ioerger started with Goodyear in 1984. He became the Beaumont plant manager in 2003. The company had considered selling the plant but after a thorough evaluation elected to retain the assets. The Goodyear flag will fly over the plant for a long time. With that decision behind them they are focusing on their strategies for the future and are one hundred percent focused internally. In the past they sold their product to all major tire companies but that will change as they reduce sales of their rubber to other companies and focus solely on Goodyear tires. Goodyear rubber is the best and is contaminate free.

Goodyear is 106 years old and has 80 facilities worldwide. Three of those facilities are in Texas. Goodyear is the largest tire company. Their brand names include Goodyear, Dunlop and Kelly Springfield just to name a few. The Assurance tire was introduced in 2004 and is unique because of its specific rubber type. Another new tire will be introduced in 2005. The engineered product division makes hoses, belts and conveyor belts. The Beaumont facility has expanded over the years and now employs seven hundred and seventy five people. Two hundred and fifty of those employees are contract employees. They have self-directed work teams that rotate on a twelve hour shift. They are union free. Over a billion pounds of rubber is produced every year. They also produce their own electricity. They are currently OSHA VPP and will begin the STAR program soon. There are no major capital expenditures or projects planned at present.

Lori Ryerkerk with ExxonMobil Refinery has extensive experience in operations, technical and manufacturing in both petroleum, refining and chemical industries within the United States. She was appointed Beaumont Refinery Manager in 2004. ExxonMobil employs twelve hundred people and one to three thousand contractors at given times. The refinery has held VPP STAR status for nine years and 2004 was the safest year ever. Lori predicts that oil and gas demand will go up at least one percent per year. She stated that there will never be another oil refinery built in the U.S. because of environmental concerns and because people don't want them in their backyards. The U.S. has two options either continue to grow facilities or rely on imports. Foreign fuels are not adequate enough for American markets. We can expect to see a continued push for expansion of existing facilities and a lot of investments made for environmental improvements. ExxonMobil has been building ten new tanks per year. Some of their major issues are environment, environmental enforcement, taxes, lawsuits, competition and feed quality. Over fifty percent of the workforce will be retiring shortly and preparing new people to fill the jobs will be a vital concern. ExxonMobil will evaluate a portfolio of projects worth one billion dollars for the next ten years.

Randy Tatum with Lyondell/Equistar has experienced numerous changes with his company. December 1, 2004 Millennium Chemicals completed their acquisition and was approved by shareholders where the value was set at \$2.7 billion. Millennium debt was \$1.1 billion. Equistar is now wholly owned by Lyondell/Millennium and will operate as Lyondell Chemical Company or Equistar a Lyondell Company. The company still stands for continued commitment to safety, environmental responsibility, plant reliability and community involvement. Lyondell will focus on education, environmental quality and community sustainability. This site has been a represented worksite since 1961. They are America's third largest and the world's seventh largest independent publicly traded chemical company. They employ 10,000 employees and have \$11.4 billion dollars in revenue. One of Lyondell's goals is to operate all industry at zero incidents and zero injuries. They are recognized for excellence in corporate government and are leadership committed. This is a young company of twenty years. Their approach to business is operational excellence and continuous improvement. Their culture is based on safety and health, environmental protection, reliability, quality, cost and efficiency, community and people.

Lyondell makes products that go into other products that you use daily. The Beaumont plant is located at the end of Gulf States Road and they still make glycol. You are your brother's keeper. Zero injury is an expectation.