



## DOW CHIEF DESCRIBES TEXAS OPERATIONS' FUTURE

The Facts : March 28, 2010

Dow chief describes Texas Operations' future

By Nathaniel Lukefahr  
The Facts

Published March 28, 2010

FREEMPORT — Texas Operations one day will resemble a “patchwork quilt” as Dow Chemical Co. continues the push to become a specialty chemicals maker, the Freeport site leader said this week.

Dow hopes eventually to have Freeport site plants either operated by Dow, another business or through partnerships with companies that have access to low-cost feedstocks, said Gary Hockstra, Dow vice president and Freeport site director.

The company has not yet announced buyers or joint-venture partnerships for Freeport site assets, but “right now there certainly is an activity level.”

Hockstra discussed the future of Texas Operations, the largest petrochemical site in North America, on Thursday at a Brazosport Chamber of Commerce luncheon.

“We’ll end up with a site that has Dow, joint ventures and third parties, each of which with different business models all operating on the common site,” Hockstra said. “We’ll support all those business models with our common infrastructure, which is good for everybody. That’s why I’m calling it a patchwork quilt, because each one of those business models is different, but they’re all woven together with our infrastructure.”

He said the immediate outlook is strengthening.

Dow plans to hire more contractors at the Freeport site, Hockstra said. There are 3,000 working there now, and there could be 4,500 there by June as the company performs plant maintenance. Another surge is planned for September and October, when contractors onsite will number 4,000 strong.

“It’s good for several reasons,” Hockstra said. “We’ll be bringing more work force to the community and that work force spends money, which helps the overall community. But for us internally, that additional maintenance spending is getting put into our plants. Maintaining our plants so they run at peak efficiency and peak performance.”

The company also has begun hiring for Dow positions and is expected to continue that next year, although to what extent is dependent on the economy, Hockstra said.

Hockstra’s tone was vastly different from when he spoke to chamber members in January 2009 about Texas Operations’ status following the collapse of markets worldwide. Then, he flashed an umbrella as “Raindrops Are Falling on My Head” played before he detailed work force and production reductions at the site.

Hockstra said Thursday he was “cautiously optimistic” about the economy and pulled out sunglasses and an umbrella from behind a podium.

While the economy slowed production at the site in 2009, it didn’t stop its charitable efforts, Hockstra said. The site and its employees made \$1.2 million in charitable contributions through efforts including its education and community grants programs.

"I'm very proud of that," he said.

Texas Operations also reduced work-related incidents, including injuries and chemical spills, by 50 percent and submitted an application to the Occupational Safety and Health Administration to get plants A and B certified as "Star Sites," Hockstra said.

The administration's star designation is recognition employers and employees achieved exemplary occupational safety and health. Texas Operations' Oyster Creek Division already carries the "Star Site" designation.

"We want to have the largest chemical complex in North America be a 'Star Site,'" Hockstra said.

Nathaniel Lukefahr covers industry for The Facts. Contact him 979-237-0151.

---

Copyright © 2010 The Facts