

BASF LEADERS DEDICATE EXPANSION

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FREEPORT — The chairman and other major executives of BASF Corp. joined local leaders Monday to officially dedicate the Freeport plant's two new polymer production facilities.

"This is a great day for Freeport and the state of Texas," BASF chairman and CEO Kurt Bock said. "Freeport will remain one of our cornerstones for our production capability in North America."

The new facilities have been operating at full capacity since July, trying to meet the demand for the nylon and superabsorbent polymers they produce, BASF Executive Vice President Joseph Breunig said. These products are used to produce goods such as baby diapers, nylon stockings and car interiors, he said.

The \$200 million expansion of the plant is part of BASF's effort to close smaller plants around the nation and integrate them into their major facilities such as the one at Freeport, Bock said. The new facility can produce 120,000 tons of nylon each year and more than 180,000 tons of superabsorbent polymer, he said.

The nylon production facility replaces a closed plant in Enka, N.C., and the superabsorbent polymer site comes on the heels of plant closures in Aberdeen, Miss., and Portsmouth, Va. Only one worker from the closed sites opted to take company assistance and move to take one of about 110 jobs new to Freeport, Breunig said.

"A lot of times employees will not be willing to move," he said. "They like to find jobs that keep them near home."

With the superabsorbent polymer facility now near the existing acrylic acid facility, BASF can avoid paying to have the necessary precursor shipped out of state on trucks, said Harold Lauke, president of BASF's performance polymers division.

The production of nylon and superabsorbent polymers is a relatively clean process, said Freeport plant general manager Art Colwell. What little waste is generated can be used in other processes at the facility, he said.

BASF also cuts down on another cost — new workers — because monitoring and maintaining most of the new production will fall to the people already employed at the Freeport plant, Lauke said.

Bock said the corporation initially was hesitant to expand in the Gulf Coast area because of the highly competitive labor market, he said.

"The Gulf Coast is one of the most competitive areas in the world to build new enterprise, except maybe the Middle East," Bock said. "It's very expensive. The costs keep rising too high and too fast. It is tough to build an investment here."

A low number of trained people in the workforce means BASF has to pay higher wages in the tight market for labor, and the company still might not hold onto those workers for long, Lauke

said.

"Finding good, certified welders is hard," Breunig said.

Under prodding from BASF and other area companies, Brazosport College is speeding its output of graduates in process technology and commercial construction. The college also is recruiting potential students while they are in high school, Brazosport College President Millicent Valek said.

"For the construction trades, we've worked up a program that lets the students gain credit by working in the classroom and while getting time on the job," Valek said. "We are also putting a group of hires by the companies through very intense programs designed to get them out in the workforce as quickly as possible."

To that end, BASF contributed \$2,000 to Brazosport ISD for the math and science programs at Brazoswood and Brazosport high schools. It also contributed \$2,000 to Brazosport College during Monday's dedication.

Expanding the workforce to meet the needs of companies like BASF is the key to keeping them in Brazoria County, said State Rep. Dennis Bonnen, R-Angleton.

"We have a big labor problem here," Bonnen said. "The current workforce is thin; many are older and are getting ready to retire. There isn't one simple solution to the problem. But the school districts are responding, and Brazosport College is responding"

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