

NON-CIRCULATING

Texas Quarterly Update

Published by the Texas Industrial Commission

3rd Annual Energy Conference set for Houston April 26-29

The stage is set: the location has been picked, invitations have been mailed out, and the RSVP's are coming in. It is time once again for the Texas Industrial Commission's third annual energy conference to be held April 26-29 at the Hyatt Regency Hotel in Houston.

The Industrial Energy Conservation Technology Conference & Exhibition is nationally recognized as being one of the most successful presentations of its kind in the country. Designed to bring leaders in the field of energy conservation together with engineers, company

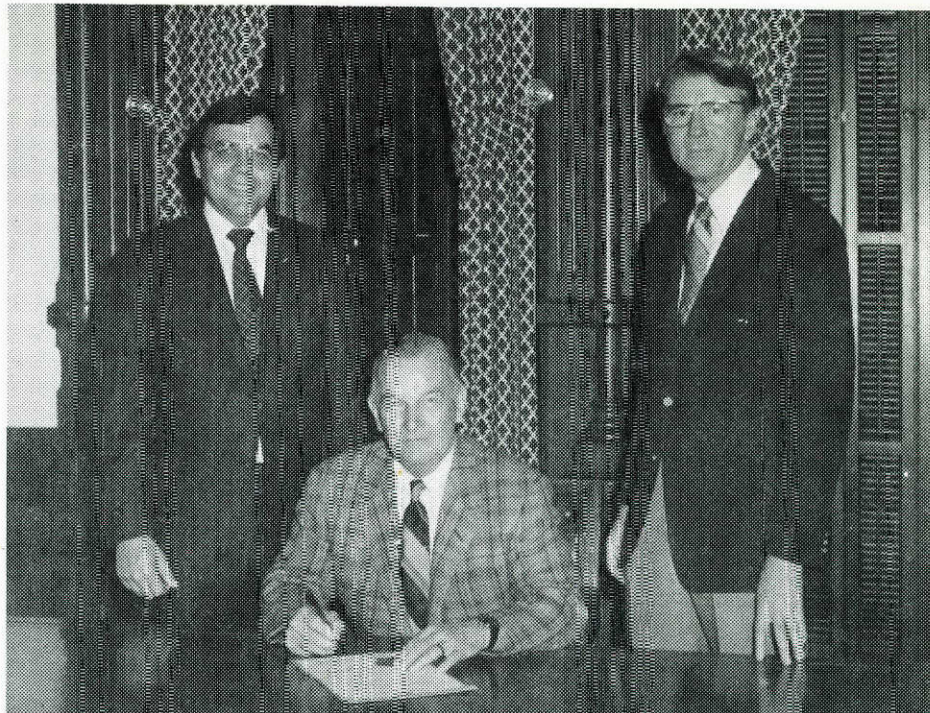
(See ENERGY CONFERENCE, Page 9)

New TACB Rules Make Industry Compliance Easier

The Texas Air Control Board (TACB) has adopted new state regulations which allow Texas industries to make use of the Environmental Protection Agency's (EPA) "bubble" policy—a concept which permits individual plants under certain conditions to decide for themselves the best and cheapest way to reduce a given air pollutant.

The new regulations are now part of Texas' State Implementation Plan (SIP)—the master strategy for reducing air pollution as required by the Clean Air Act. According to John McGuire, EPA Region V Administrator, the "bubble" policy will make industry compliance with federal law easier.

(See AIR CONTROL BOARD, Page 8)



Governor Bill Clements signs the official proclamation designating April 1-7 as Texas Business and Industry Week. Standing on the left is Texas Association of Business State Vice Chairman Steve McKenney, Briggs-Weaver, Inc., Dallas; and on the right is TAB Chairman John Warner, Tyler Pipe Industries, Inc., Tyler. (See story, Page 8)

TIC Compiling Import/Export Directory for Small Businesses

Texas companies involved in import/export will soon have an opportunity to take advantage of free advertising. The Industrial Commission is now in the process of compiling a new import/export directory for small and minority firms.

The computerized listing of Texas firms is being compiled in cooperation with the Department of Commerce and will be supplied to all companies or organizations requesting information on poten-

tial in-state suppliers. There is no charge for a listing in the directory.

Interested firms should contact Juan Vasquez, business development consultant with TIC's Small and Minority Business Development Department.

As a follow-up effort to this project, the department plans to sponsor a series of statewide seminars to help small and minority firms market their products and services overseas with particular emphasis on Mexico.

Texas Quarterly Update

PERSONALLY SPEAKING



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No. 1



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There is a growing concern about the downward trend in America's productivity which is producing scores of written words on the subject. One article that recently caught my attention contained a study by Professor Walt Rostow at the LBJ School of Business in Austin which links productivity to inflation. In short, his study reveals that in the years when U.S. productivity decreased, inflation increased.

Today, as our inflation skyrockets, it is no wonder that our productivity is lagging – especially with all the government disincentive programs. It seems that policies designed to decrease inflation are actually decreasing employment and productivity. This is creating a trend of the non-producers outnumbering the producers – a threatening trend to our nation's economic foundation of "people power." U.S. productivity relies on the total output of producers, and to improve productivity we must reverse this trend. But, to have more producers than non-producers, there has to be an incentive.

For the past 30 years, producers in Texas have been saluted during an annual celebration honoring business and industry in the state. Petitioned by the Texas Manufacturers Association (now Texas Association of Business), the Texas Legislature in 1951 established the observance by concurrent resolution. The week of April 1-7 officially became known as Texas Industrial Week when Governor Alan Shivers signed the first proclamation.

Although the dates of April 1-7 remain the same, the observance is now known as Texas Business and Industry Week to better reflect the broad base of enterprise in Texas. Companies and their "people power" are honored locally, as well as statewide, for contributions made to the economic well-being of Texas. This year's theme is PROMOTING PRODUCTIVITY THROUGH PEOPLE POWER!, and TAB strongly urges each community in Texas to honor its "people power" during this time.

An added attraction to the celebration is an award presented annually to a company in Texas for outstanding contributions made to its community and to the state. This year's winner, Mesa Petroleum Company, Amarillo, will receive TAB's 9th annual Ed C. Burris Award from Governor Bill Clements on March 24, prior to other Texas Business and Industry Week activities.

As TAB's 1981 Chairman, may I close by encouraging all Texans to join in PROMOTING PRODUCTIVITY THROUGH PEOPLE POWER!

John A. Warner, President
Tyler Pipe Industries, Inc.
Tyler, Texas

NEWSBRIEFS

THE SECRET IS OUT

A statewide effort is now underway to assure Texas business and industry an adequate supply of skilled workers in the future. A public information campaign, entitled "The Secret Is Out," has been implemented to help improve the image of vocational-technical education and skilled work. The campaign is being sponsored by the Advisory Council for Technical-Vocational Education (ACTVE), the Texas Education Agency (TEA) and the Texas Vocational-Technical Association/Texas Vocational Consortium. Numerous organizations and representatives of business, industry, labor and education have endorsed the campaign. TEA reports that 600,000 public school students are currently enrolled in vocational programs with 500,000 in community/junior colleges, technical schools, etc. According to a recent article in *U.S. News & World Report*, the job outlook is bright for young people who arm themselves with the skills needed in the decade ahead. The latest Labor Department study predicts 66.4 million job openings by 1990 with more than half of the opportunities occurring in the professional, technical, managerial, sales and clerical fields. Many college graduates trained in nontechnical fields will have trouble 13.5 million college graduates will enter the labor market by 1990 and only 10.2 million jobs will open up in fields traditionally served by them. Contributions to the project to improve the image of vocational-technical education in Texas are now being accepted by the Vocational-Technical Education Development Foundation. For more information write P.O. Box 33014, Austin 78764.

MORE GOOD THINGS ABOUT TEXAS

The Commerce Department predicts that businesses will increase new plant and equipment spending this year by an inflation-adjusted 1.5% A recent survey of the nation's one thousand largest industrial corporations by *Fortune Magazine* reveals that Texas leads all other states as the "most likely choice" for future plant locations In the Conference of State Manufacturers' Associations national ranking of states with the most attractive business climate, Texas has moved up from 22nd to 18th Between 1979-1980 personal income in the U.S. grew by 12.3% but in Texas it jumped by 19.3%. Estimates recently released by the state Comptroller's Office predict

a 25.4% growth in personal income for Texans during the next two years Three Texas cities were singled out as being least dependent on state and federal aid by a recent nationwide study of cities of 250,000+ population. Houston, Dallas, Tulsa, Austin and Birmingham were cited as being least dependent as opposed to Buffalo, Newark, Baltimore, Rochester and Memphis which were found to be most reliant on state and federal aid. The study was conducted by Julian Spierer, a lobbyist for New York City. Opponents of President Reagan's proposed budget cuts contend that the Frost Belt cities will suffer more heavily since they are more dependent on government funds than cities in the Sun Belt Whichever way the U.S. economy goes in 1981, Texas is one of 12 states predicted to register high real growth according to the 1981 Outlook issue of *The American States Update*. The other states are Alaska, Arizona, California, Colorado, Florida, Louisiana, Nevada, New Mexico, Oklahoma, Utah and Wyoming Texas will be featured in a special section of the April 5 edition of the *Chicago Tribune*. The reason: "Tourists want to know where to vacation, what to see, what to buy. Business people are interested in learning about Texas' phenomenal growth as a business mecca and job market."

BUSINESS RISK ANALYSIS/MEXICO

What policy changes are likely to be implemented by the Mexican government over the next several years and how will they affect your company's operations? Businessmen who have an interest in Mexico should plan to attend the "Country Risk Analysis: Mexico" seminar scheduled for April 6-7 in Austin. The seminar will provide information on the political, economic and social conditions in Mexico and will analyze the likely turn of events over the next 5-10 years. Cost, which includes briefing materials and a summary report, is \$150. The seminar is sponsored by the Institute of Latin American Studies of the University of Texas, the Fund for Multinational Management Education, and the Council of the Americas. For additional information, contact Dr. Darrel Young at (512) 471-5551.

Small Business Group Recommends Legislative Actions

Small business is big business in Texas and in the United States. It provides 45% of the nation's goods and services; it accounts for 43% of the Gross National Product; it provides jobs for 100 million citizens—that's 58% of the people employed. Small businesses are the first to take the risks, the hardest hit by a sagging economy and the last to get assistance from the government. But, working on the state level, Texas is one state trying to improve the situation.

It started when nearly 200 small business people from across the state gathered in Dallas to take part in the first State of Texas Conference on Small Business last November. These delegates, elected at one of the many "open forum" sessions sponsored by chambers of commerce in each of the state's metropolitan regions, traveled at their own expense. In fact, the entire cost of the Conference was paid for by the private sector.

The "open forum" concept was instigated by an aggressive group of Texans led by Morris Womack of Houston who had attended the White House Conference on Small Business in January of 1980. They came back to Texas with some positive suggestions for concerns which could be addressed on a state level to help maintain Texas' favorable business climate. They presented the idea for a series of "open forum" discussions to Governor Bill Clements and the State Conference on Small Business was the result.

At the Conference participants attended the sessions which interested them. They had a wide variety of subjects to choose from including: financing, energy, state government procurement, insurance reform, tax reduction, international trade, minority business development, and state government regu-

lation/paperwork. The Industrial Commission's Small & Minority Business Development Department coordinated state agency resource participation and answered questions on topics directly related to agency activities.

After much discussion, conference delegates unanimously agreed on and adopted an eight-point priority plan which they then submitted to the Governor and the Legislature. The areas of concentration include:

1. eliminate state inheritance tax for small business
2. eliminate personal property tax on small business inventory
3. have the state break large contracts into smaller ones so small businesses could more easily bid
4. repeal the sales and use tax on public utility service
5. empower the Industrial Commission to assist small business in obtaining export business
6. revise bonding requirements to allow small businesses to more easily obtain performance and surety bonds for publicly-funded contract work
7. get the state to sponsor, but not fund, a new small business investment cooperative that would provide small businesses with start-up, purchase and expansion capital
8. establish a task force to address new educational programs explaining the free enterprise system and to assist businessmen

The outcome of the Conference looks promising. Although it is early in the session, numerous bills have been introduced that would benefit small business (see Legislative Update insert). Conference delegates also selected a 30-member Implementation Committee to lobby for small business during the session.

Texas "Main Street" Projects Start In Five Locations

The Texas Main Street Project, a program aimed at downtown economic revitalization through historical preservation and adaptive use of existing buildings, is earnestly underway in five Texas communities.

Eagle Pass, Hillsboro, Navasota, Plainview and Seguin are part of the 30 cities selected to take part in the nationwide effort launched by the National Trust for Historic Development. In Texas, the program is being administered by the Texas Historical Commission in cooperation with organizations such as the Industrial Commission, the Texas Tourist Development Agency, the Texas Department of Community Affairs, the Governor's Office of Budget & Planning, and the Texas 2000 Commission.

According to state project director Anice Read, each Texas community has hired a resident project director who is working full time to coordinate the resources offered by local participants, the state consortium and the National Main Street Center. The main thrust of the project is to prevent downtown districts from sagging economically as more and more decentralized shopping malls are developed.

Read recently accompanied Texas First Lady Rita Clements and Michael Ainslie, president of the National Trust for Historic Preservation, on a tour of each community's central business district. Ainslie told local officials that being selected as part of the project will help boost the cities' chances of receiving federal and state grants for renovation work.

Texas communities were selected on the basis of ten criteria including geographic location, track record for securing federal and state grants, and commitment to historic preservation.

Regional Industrial Trade Shows Catching Hold in Texas

The idea of using regional trade shows as a method of promoting company products and services and generating sales seems to be catching hold in Texas.

Trade Show Services, a division of *Industrial Magazine* and one firm that organizes these shows, schedules about 40 regional industrial engineering and plant operations shows across the nation each year. This year six will be held in Texas. If the success of the one recently held in Austin is any indication of their effectiveness, more Texas companies should take note.

"With the cost of transportation and travel increasing daily, more and more companies are finding regional trade shows to be a cost effective way of reaching the maximum number of customers with a minimum expense," said show organizer Jim Broaddus. "Actually both parties benefit . . . the exhibitors save time and money, and the buyers are able to shop around and compare products."

Shows are promoted through

a regional edition of *Industrial Magazine*, show posters, direct mail, publicity releases and newspaper ads, and exhibitors are given an unlimited number of free show tickets for distribution. Proper promotion guarantees quality attendance by engineers, supervisors, and procurement and warehouse personnel.

"We restrict exhibitors to industrial distributors, manufacturers and industrial service companies which sell and service local industrial plants, institutions, government and military," Broaddus said. About 60 exhibitors signed up for the Austin show. "Many of the participating firms have been with us at previous shows in San Antonio and Houston," he said.

Charles Culpepper, general manager of Austin Material Handling Company, had this to say about the show: "We were able to meet a lot of buying influences. We were able to show our product to a lot of people who we didn't know or who didn't know us." His company sells warehouse equip-

ment.

Horace Green, Austin Carbonic Company, was pleased with the quality attendance. "This was one of the best shows we've displayed in," he said. Austin Carbonic sells fire and safety equipment.

E. L. Niece, Niece Equipment & Supply, was also pleased with the overall results of the show but would like to see it done on a larger scale with more lead time for advertising. His company handles crane rentals. "Traditionally first-year shows are harder to sell and promote, but we feel this one went off extremely well," Broaddus said.

Texas shows scheduled for the remainder of the year include Corpus Christi, April 14-16; El Paso, April 21-23; Dallas, May 12-14; and Houston, September 22-24. Companies interested in displaying their products and/or services should contact Jim Broaddus, district manager, *Industrial Magazine*, 2901 Elmside, No. 135, Houston 77042, or call (713)974-6163.

Highlights from the Austin Show...



KYLE - Progress by the Book

Doing everything "by the book" is more than a cliché for the people of Kyle. To them it is a formula — one that works.

Kyle is a town with a population of about 2,000. It's one of those picture-book towns with a typical downtown district like every other small town in America. Pick-up trucks are parked in front of the cafe, people wave to each other as they pass, and traffic is often halted while a motorist waits for a sleeping dog to wake up from his nap in the middle of the road.

Dogs may be sleeping in Kyle, but the residents aren't. They've awakened to the fact that there is plenty of opportunity for a small town wishing to attract business and industry. All it takes is planning and drive.

Kyle sits on the fringes of Austin, about 15 miles to the south. Residents are not ashamed to tell first-time visitors that "if you blink, you'll miss us," but that won't be the case for long since Kyle is making sure expanding industries take a good hard look at it as a location for new manufacturing plants. Located next to the city of San Marcos and between Austin and San Antonio, Kyle found itself in the midst of substantial growth. Residents knew that some of that good fortune would come their way eventually, but it made little sense to sit around and wait for "left-overs." So a small group of forward-thinking individuals got together to start the wheels turning toward progress.

How does a town of 2,000 go about promoting itself? No one was quite sure. The first person they asked for advice was John Gray, manager of the Economic Development Department of the Austin Chamber of Commerce. Gray referred the group to the Texas



Downtown Kyle today

Industrial Commission. From there it was a steady uphill climb.

Joe Ferran, manager of TIC's Industrial Locations & Services Department, suggested that Kyle set up a committee to look into the development of an industrial foundation for the town. It would be the committee's responsibility to find out what Kyle had that industry would be attracted to.

The committee had its first meeting with Ferran and Bud Reed, director of TIC's Economic Development Division, last April where they learned what the Commission was, what it could do and what had been done for other communities. Reed explained that the Texas Industrial Commission is the state agency responsible for promoting the economic growth of the state.

As part of its community service program, the TIC offers a series of training programs to help a city establish an effective local economic development program. These programs include a basic introduction to industrial development, economic development clinics and industrial sales team training. Communities that have taken advantage of these services are three times more successful in locating industrial facilities than

communities that try to go it alone.

TIC also has a series of books and pamphlets that it makes available to a community to provide step-by-step procedures for attracting industry. The first booklet stresses the importance of setting up an industrial team, a group of people who would become experts on all aspects of their community that would be of interest to prospects. All this was presented to the Kyle delegation at the initial meeting.

Kyle's committee knew what had to be done to position Kyle as a viable industrial site. Another meeting with TIC was scheduled and this time segments of Kyle's population were represented. Civil servants, city officials, laborers, retirees — each group became involved at the outset. That was one key to the success of the overall program.

"Kyle is really a textbook case," says Shirley Shaw, manager of Small & Minority Business Development for the Commission. "They asked us what to do, we gave them guidance and a series of steps to follow. When each stage was done, they'd come back to us and say 'What do we do now?'"

In May the group secured a charter for a tax exempt corporation, the Kyle Industrial Foundation. Throughout the following months, under TIC guidance, members of Kyle's Industrial Foundation met with numerous governmental agencies to find out what Kyle could do to compete with the big cities for industry. In fact, the Kyle Industrial Foundation visited with so many governmental groups that President Bob Elder said, "You could put any three letters together and it would be an acronym for a place we've been."

It became apparent through all

Legislative Update

House Bills

HB 4 by Schlueter. Amends method of determining the amount of corporate franchise tax payable to the state. Companion to **SB 390** by Jones. *Passed House 3/2. Referred to Senate Finance Committee.*

HB 25 by Kubiak. Appropriates funds for loans administered by TIC to establish plants to make fuel from renewable energy resources. *Referred to Appropriations Committee.*

HB 69 by Hudson. Expands Small Business Act of 1975 requiring state agencies to make 10% of purchases from "small businesses" when possible. *Business & Industry Committee hearing 3/9. Referred to subcommittee.*

HB 329 by Ragsdale. Establishes a procedure for "assigning risks" associated with providing performance and payment bonds for prime contractors who wish to contract with the state or political subdivisions but who are unable to obtain such bonds on the open market. Identical to **HB 331**. *Referred to Insurance Committee.*

HB 336 by Ragsdale. Increases required state contracts with and purchases from small businesses to 20% of the amount of all such contracts and purchases with 20% of that amount to be purchased from and contracted through minority businesses. *Referred to Business & Industry Committee.*

HB 397 by Patterson. Amends taxation of family business property under the state inheritance tax. *Referred to Ways & Means Committee.*

HB 902 by Messer. Allows certain employers to self-insure their workers' compensation risks and prohibits unfair or deceptive claims practices. Companion to **SB 415** by Traeger. *Referred to Employment Practices Committee.*

HB 913 by Wolens. Allows agreements between cities and property owners for the redevelopment of unproductive areas and property tax relief. *Referred to Ways & Means Committee.*

HB 939 by McBee. Establishes a foreign trade zone in Del Rio. *Reported favorably from Intergovernmental Affairs Committee 3/4.*

HB 1056 by Coody. Permits the \$100 corporate franchise tax deposit to be credited to the payment of a corporation's franchise tax liability. *Referred to Ways & Means Committee.*

HB 1409 by McBee. Establishes a foreign trade zone in Eagle Pass. *Reported favorably from Intergovernmental Affairs Committee 3/4.*

HB 1438 by Semos. Establishes a small business loan guarantee program administered by TIC. *Referred to Business & Industry Committee.*

HB 1635 by Ragsdale. Programs by home rule cities to increase participation by minority businesses in contract awards. Companion to **SB 977** by Mauzy. *Referred to Business & Industry Committee.*

HB 1673 by Wolens. Encourages support and development of small and minority business development throughout the state. *Referred to Business & Industry Committee.*

HB 1823 by Semos. Creates state agency to promote industrial and small business development, travel and film production in the state. *Referred to State Affairs Committee.*

HB 1972 by Sutton. Provides for set asides for minority businesses bidding on construction contracts awarded by governmental entities. *Referred to Business & Industry Committee.*

HB 2044 by Hall. Establishes foreign trade zone for Laredo. *Referred to Intergovernmental Affairs Committee.*

HB 2058 by Crawford. Establishes a foreign trade zone in the Port Arthur Customs District. Companion to **SB 1016** by Parker. *Referred to Intergovernmental Affairs Committee.*

HB 2212 by Thompson. Exempts certain corporations from the corporate franchise tax. *Referred to Ways & Means Committee.*

HB 2262 by Von Dohlen. Amends Development Corporation Act of 1979. *Referred to Business & Industry Committee.*

House Resolutions

HJR 8 by Schlueter. Constitutional amendment prohibiting imposition of income tax. Identical to **HJR 18** by Riley.

HJR 40 by Brown. Constitutional amendment prohibiting the imposition of net income taxes on individuals.

HJR 55 by Wolens. Constitutional amendment authorizing cities to undertake and finance certain improvements in areas needing redevelopment.

HJR 71 by Semos. Constitutional amendment relating to the guarantee of small business loans by the state. Identical to **SJR 47**.

Senate Bills

SB 15 by Traeger. Establishes foreign trade zone in Rio Grande City. *Passed Senate 2/10 with amendment. Referred to Intergovernmental Relations Committee.*

SB 264 by Mengden. Amends the existing "right-to-work" law to outlaw union and agency shops. *Referred to Economic Development Committee.*

SB 369 by Farabee. Amends Texas Miscellaneous Corporation Laws Act. *Passed Senate 2/18. Hearing by House Judiciary Committee 3/17.*

SB 390 by Jones. Companion to **HB 4** by Schlueter.

SB 399 by Traeger. Appropriates \$15 million to TIC for loans to establish plants to make fuel from renewable energy sources. *Referred to Natural Resources Committee.*



SB 415 by Traeger. Companion to **HB 902**. *Referred to Economic Development Committee.*

SB 539 by Harris. Creates state agency to promote industrial and small business development, tourism and film production in the state. *Referred to State Affairs Committee.*

SB 628 by Jones. Allows the usury ceiling to float up to a 30% maximum and down with the economy. *Reported favorably from Economic Development Committee.*

SB 939 by Brown. Establishes small business loan guarantee program administered by TIC. *Referred to Economic Development Committee.*

SB 977 by Mauzy. Companion to **HB 1635** by Ragsdale. *Referred to Intergovernmental Relations Committee.*

SB 978 by Howard. Amends Development Corporation Act of 1979. *Referred to Economic Development Committee.*

SB 1016 by Parker. Companion to **HB 2058** by Crawford. *Referred to Intergovernmental Relations Committee.*

SB 1122 by Traeger. Establishes foreign trade zone for Laredo. *Referred to Intergovernmental Relations Committee.*

Senate Resolutions

SJR 8 by Travis. Constitutional amendment prohibiting the imposition of net income taxes on individuals or corporations. *Referred to Finance Committee.*

SJR 9 by Travis. Constitutional amendment to make "right-to-work" part of the Constitution. *Referred to State Affairs Committee.*

SJR 11 by Mengden. Constitutional amendment guaranteeing the right of a person to work without regard to whether the person is a member of or makes payment to a labor organization. *Referred to Economic Development Committee.*

SJR 36 by Mengden. Constitutional amendment prohibiting legislature from taxing personal or corporate incomes without approval by a popular vote. *Referred to Finance Committee.*

SJR 37 by Mengden. Constitutional amendment requiring voter approval on new or increased state taxes. *Referred to Finance Committee.*

SJR 38 by Mengden. Constitutional amendment restricting the power of political subdivisions to create taxes. *Referred to Finance Committee.*

SJR 39 by Mengden. Constitutional amendment relating to voter approval of local government debt. *Referred to Finance Committee.*

SJR 47 by Brown. Companion to **HJR 71** by Semos. *Referred to Economic Development Committee.*

HB = House Bill

SB = Senate Bill

HJR = House Joint Resolution (used to introduce proposed Constitutional amendments).

SJR = Senate Joint Resolution (used to introduce proposed Constitutional amendments).

NOTE: For up-to-date information on proposed legislation dial the toll-free number 1-800-252-9693. (In Austin the number is 475-3026.) The Legislative Reference Library maintains computerized information of bills, listed by subject and author. The service is available from 8:00 am until 5:00 pm, Monday–Friday, and whenever the Legislature meets at nights or on weekends. Committee schedules are also available.

these meetings that Kyle had to find out more about itself. The Kyle industrial team researched Kyle's utilities, transportation, construction and insurance, sites, building and zoning, resources, labor, education, training, and taxation. Every question that a prospect might ask was answered prior to any inquiries. Kyle people knew that any question they could not provide an answer to would be a black mark against them so by researching everything there was to know about their town, they were able to anticipate questions, and recognize their weak points.

Other booklets detailed how to organize and operate an industrial foundation in Texas and how to develop a community industrial brochure. Another thing that proved to be invaluable was an outline that told the Kyle people how to prepare for their first industrial prospect by discussing physical arrangements, presenting the town's story and how to plan a tour.

TIC tailors its basic industrial development program to fit the needs, goals and capabilities of each community. Each plan is a bit different for each community. "You can't set up a superficial organization and expect it to

work," says Shaw. "You can't expect all towns to fit the same, preconceived mold. You have to make a plan for each community. That's what we did for Kyle and that's why it worked."

Within seven short months, Kyle had made contact with its first industrial prospect. It took a lot of time and a lot of effort, but KIF President Bob Elder said he knew all along it would be worth it. "We've talked with all the experts, did what they suggested, and got what we wanted. Our secret to success is that all along we have been a positive organization with a positive attitude."

That enthusiasm will be channeled into welcoming the fruits of Kyle's labors when the first plant settles in. Miscellaneous Steel Industries, Inc., a fabricator of structural and miscellaneous steel from White House, Tennessee, broke ground in mid-January. Plans call for a 22,500 square foot warehouse on a 10-acre site just outside downtown Kyle. When the plant opens in March, about 10 to 15 people will be employed with the potential for up to 50 employees when the plant is in full operation.

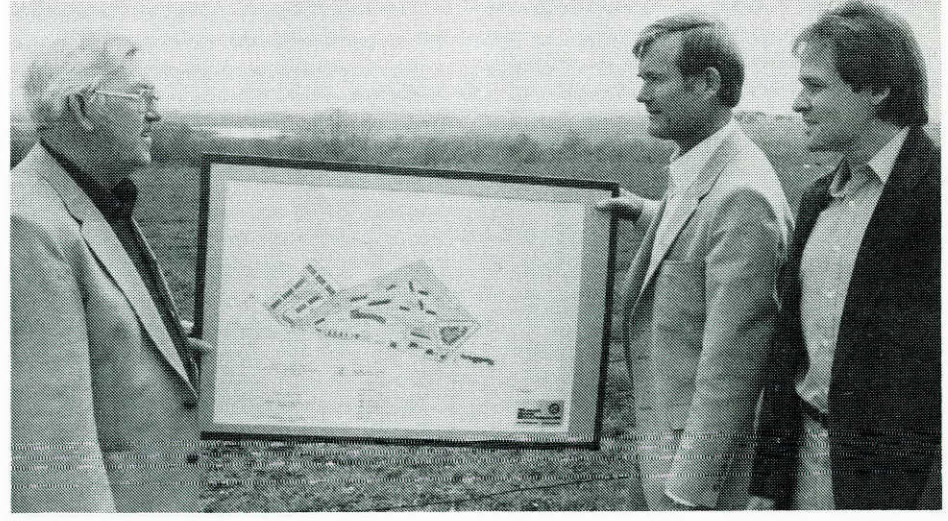
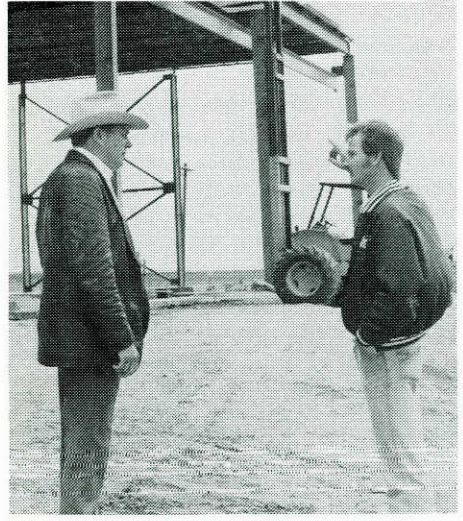
Miscellaneous Steel is just the beginning. Arbor Investments of Austin and B.P. Newman Invest-

ment Company of Laredo plan to build a \$20 million business complex on a 91-acre plot east of Kyle. Kyle's Plum Creek Business Community will not only offer warehouse/office space, but plans have been drawn up to include a shopping center complete with fast food restaurants, savings and loan office and movie house, a motel, a professional office building, townhouses and apartment complexes, and a city park. It's an ambitious project, but not at all unrealistic for a town like Kyle.

Elder said that without the unlimited support of the Hays County commissioners and Kyle residents, and without the help of the Industrial Commission, Kyle would not be in the position it is now - ready to welcome new industry.

Elder said Kyle hopes to pattern the growth of Round Rock, north of Austin. In the past ten years, Round Rock has more than quadrupled its population as it brought in new business and industry.

Kyle's philosophy was best summed up in a statement made by Bob Elder. "It's a matter of knowing where the end of the rainbow is. We're making sure business and industry know it's in Kyle, Texas."



KIF President Bob Elder (l) and Ronnie Fann, Miscellaneous Steel Industries, check on construction.

Developers Jim Hobbs (center) and Paul Jones (r) discuss plans for the Plum Creek Business Community with Joe Robinson, president of the Kyle Chamber of Commerce.

New Air Control Board Regulations

(Continued from Page 1)

Writing in a recent issue of the Region V newsletter, McGuire states that "EPA requirements that a plant with ten smokestacks emits no more than a specified level of a pollutant from each stack (that is, so many pounds of hydrocarbons, particulates, sulfur oxides, etc. per million cubic feet of air) did not take into consideration such varying factors as age, condition, or degree of use of any particular piece of equipment or process. It was impractical for regulators to try to make such distinctions.

"To meet this problem, two innovations in air pollution control have been developed by EPA in the past two years: the bubble concept, which allows flexibility in controlling emission sources within a plant or group of plants; and the offset idea and the related concept of banking, which addresses the problem of industrial growth within a nonattainment area.

"The bubble concept, announced by EPA last December, is intended to provide maximum feasible flexibility to an industry in design of pollution control strategies for a plant or number of adjacent plants. EPA or the state agency draws an imaginary bubble around the facility and tells the company that it choose its own method of controlling the plant's overall emissions, as long as the total of pollutant emissions is maintained at or below the level of compliance required in the SIP.

"Within this constraint, the company has the opportunity to develop and institute its most cost-effective solution, designating which emission points are to be subjected to what kinds of controls. In this way the objectives of the Clean Air Act can be served as well as the financial and opera-

tional interests of the industry.

"Emission offsets are intended to maintain or improve the environmental integrity of a geographic area without placing a moratorium on economic development or potential growth. Major new pollution sources seeking to expand or locate in a nonattainment area for that pollutant may do so by ensuring a reduction of emissions from other sources to offset the amount of their own emissions. The offset concept is useful in areas where requirements for prevention of significant deterioration of air quality apply.

"Since bubbles can be expanded to include more than one plant, the bubble concept led naturally to the offset policy. Pollution sources can locate or expand in nonattainment areas by purchasing 'credits' from industries that have reduced their emissions below SIP requirements in those areas. The primary purpose of this policy is to permit industrial growth in nonattainment areas without environmental deterioration. It also serves the very important purpose of stimulating innovations in air pollution control by making it profitable for existing industries to find new ways to reduce emissions and thus have emission credits to sell.

STILL EXPERIMENTAL

"EPA also permits the banking of these emission credits, which can be transferred later to new firms in the area, or used by existing firms in expansions.

"Emission credit banking is still in an experimental stage. A barter system now applies, in which appropriate credits must be sought out by a company proposing to expand or locate in a nonattainment area, and trading must be done on a more or less simultaneous basis. The emission credit banking concept, once it is in effect, can serve as the hub of the controlled-trading wheel," McGuire said.

Texas Business and Industry Week Will Focus on Growth

The theme for this year's 30th annual statewide celebration of Texas Business and Industry Week is *Promoting Productivity Through People Power*. Sponsored by the Texas Association of Business (TAB), the first week in April is traditionally set aside to honor Texas businesses and industries for their contributions to the state and local economies.

For the past two decades Texas has led the nation in the percentage of population and employment increases. "Growth in the state's goods-producing and service-producing sectors has strengthened the Texas economy," says Governor Bill Clements. In his official proclamation, the Governor urges all citizens to give due recognition to business and industry to demonstrate support for America's competitive enterprise system.

Statewide celebrations include plant tours, open houses, special newspaper sections, career days and industrial fairs. (See related editorial Page 2.)

New DOL Program Aids Low-Income Rural Elderly

National Green Thumb, Inc., a federally-funded employment and placement program for low-income rural elderly, recently received a Department of Labor grant to assist small towns and rural businesses involved in energy development.

The program will reimburse employers for part of the wages and for special "off the job" training costs incurred during a designated training period. For information contact Diane Parrish, state project director, at Texas Green Thumb, Inc. at P.O. Box 7898, Waco, Texas 76710, or call (817) 776-4700.

Energy Conference Set For Houston

(Continued from Page 1)

presidents, small plant owners, auditors, managers, professors, and governmental and utility company representatives under one roof for three days, the conference will provide an arena for a constructive exchange of ideas. It is structured to be a problem-sharing/problem-solving merger of thoughts on one subject of mutual interest and national concern . . . energy conservation. A simultaneous exhibit by manufacturers of innovative products and services will parallel the conference.

Nationally and internationally known authors in the field of energy conservation will present 145 technical papers during 30 separate sessions. The subjects they will cover are:

Combustion Systems	Alternate Energy Sources
Heat Recovery	Cooling Systems
Energy Management	Electrical Systems
Process Design	Cogeneration
Waste Utilization	Education & Training
Government Programs	Refining Operations
Instrumentation and Controls	Steam Systems
High Temperature Heating Systems	Buildings
	Electric Utilities

For registration information contact TIC's Energy Utilization Department.

The theme of the 1981 Energy Conference held in Houston April 26-29 will be centered around three major areas affecting engineers, manufacturers and energy conservation experts today: (1) a sharing of common problems and experiences related to energy conservation, (2) advances in technology for energy conservation, and (3) a glimpse of potential solutions for increasing energy efficiency in the years to come.

The two previous conferences have shown that "sharing common experiences" has been the most popular feature, so a majority of the papers deal specifically with this topic.

One such paper presented by E. G. Ragi and P. S. O'Neill, both of the Linde Division of Union Carbide Corporation in Tonawanda, New York, will deal with their experiences and collected data on "Refinery Energy Conservation Experience with Enhanced Surface Reboilers."

Another sharing experience will be in a paper entitled "Waste Heat Recovery" by E. Manning, Jr. of Shell Oil Company in Houston. Manning will present the results of a refinery-wide survey conducted to identify potential high temperature heat sources that were not being recovered, as well as low temperature systems that consumed fuel. He will tell how a circulating heat medium loop using turbine fuel was connected to systems within the refinery and used to pick up heat at the crude distilling unit, hydrocracker, catalytic cracker and coker, and used to reboil a butylenes splitter column and to preheat boiler feed water. Using this waste heat recovery method is the equivalent of a savings of 600 bdp of fuel, or at a \$30 cost per barrel, a recovered value of about \$20,000 per DAY.

"Advances in Technology" is the second theme of the conference, and one example in international circles will be presented when Shigekazu Uji and Mikio Ikeda of Ishikawajima-Harima Heavy Industries Company, Tokyo, Japan, present their technical paper on "Energy Savings in an Ammonia Plant by Using a Gas Turbine."

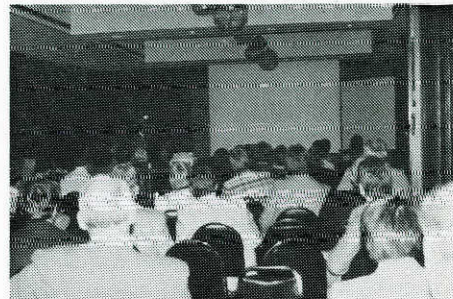
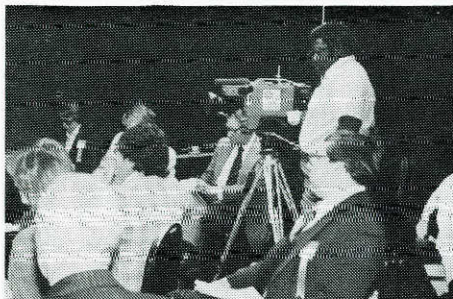
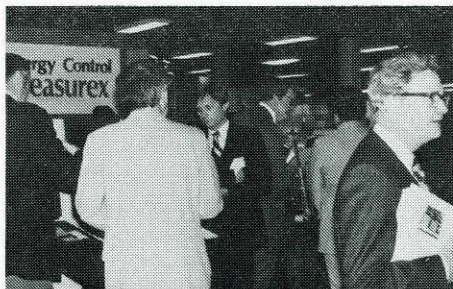
Another example in technological advancement will be given in the presentation by Carlos A. Garcia, IBM, Tarrytown, New York. Garcia's paper on "Energy Conservation in a Manufacturing Facility through Distributed Microprocessor Control" describes the overall system architecture, the installation experiences, and performance achievements at the new IBM laboratory in Tucson, Arizona.

Norman L. Helgeson and Walter R. Studhalter of Biphase Energy Systems, Santa Monica, California, will relate their experiences in "Using the Biphase Turbine to Generate Useful Energy from Process Streams."

The biphase turbine is a device for efficiently converting enthalpy changes in a two-phase (liquid and gas) working fluid into mechanical energy. Helgeson and Studhalter will report that the working fluid may be a single-component, two-phase stream as in a water-steam combination, or it may be a multi-component, two-phase stream such as is often present in industrial processes.

The third theme of the 1981 Energy Conference will be "a glimpse of potential solutions for increasing energy efficiency in the years to come." One paper given by Garth Leeth, Advanced Reactor Systems Department at General Electric, Sunnyvale, California, deals with "The Role of the High Temperature Gas Cooled Reactor." He will describe the experiments and results from a three-year study conducted with Department of Energy funding.

Dr. J. Lawrence Fox, Department of Zoology at the University of Texas-Austin, will report on the subject of "Biological Solutions to Industrial Energy Reduction" and the potential applications of biology, mostly at an enzyme level, which can be economically advantageous to the industrial process.



SUMMARY OF IRB APPROVALS

INDUSTRIAL DEVELOPMENT CORPORATION	DATE OF FINAL APPROVAL	COMPANY	AMOUNT AVERAGE RATE TERM	LOCATION	ESTIMATED NO. OF EMPLOYEES	PROJECT DESCRIPTION
Sabine River Industrial Development Authority	11/21/80	Benham & Co., Inc.	\$ 900,000 9.5%—15 yrs.	Mineola	15	Expansion Manufacture edible grain foodstuffs
San Antonio River Industrial Development Authority	11/21/80	Atherton Industries, Inc.	\$ 1,000,000 10%—15 yrs.	San Antonio	25	Expansion Fabricate gas compressor packages
San Antonio River Industrial Development Authority	11/21/80	The Roegelein Company	\$ 3,700,000 8.25%—10 yrs.	San Antonio	50	New Processed meat production facility
Gulf Coast Industrial Development Authority	12/3/80	AMF Tuboscope, Inc.	\$ 1,000,000 10%—25 yrs.	Houston	82	New Coating & inspecting pipe
Industrial Development Corporation of Ennis	12/4/80	Price Industries, Inc.	\$ 1,800,000 9.5%—12 yrs.	Ennis	50	Expansion Zinc castings
Port Development Corporation	12/4/80	Oiltanking of Texas, Inc.	\$ 6,000,000 10%—12 yrs.	Houston	11	New Port facility
Port Development Corporation	12/4/80	Krupp Steel Products, Inc.	\$ 2,700,000 8.5%—15 yrs.	Houston	15	New Steel distribution
Walker County Industrial Development Corporation	12/9/80	Brown Oil Tools, Inc.	\$ 1,000,000 7.5%—20 yrs.	Huntsville	285	New Equipment for oil & gas industry
Ward County Industrial Development Corporation	12/10/80	El Quinto Company	\$ 1,500,000 8.5%—10 yrs.	Monahans	20	New Soft drink bottling
Trinity River Industrial Development Authority	12/10/80	Standard Brands Paint Co., Inc. of California	\$ 5,000,000 9.25%—6 yrs.	Dallas	40	New Mfg. warehouse & distribution complex
Port Development Corporation	12/10/80	Oceanic Shipping Company of Texas	\$ 1,250,000 8.5%—7 yrs.	Houston	20-25	New Storage, maintenance & repair of marine containers
Port Development Corporation	12/10/80	Bridgestone Tire Co. of America, Inc.	\$ 8,900,000 10%—10 yrs.	Houston	8	New Tire distribution center
Trinity River Industrial Development Authority	12/10/80	AMSCO Steel Company	\$ 2,000,000 9.75%—10 yrs.	Fort Worth	15	Expansion Steel processing & distribution
Gulf Coast Industrial Development Authority	12/11/80	Earle M. Jorgensen Co.	\$ 4,000,000 10%—10 yrs.	Houston	8	Expansion Heat treatment of metals
Port Development Corporation	12/11/80	Fluor Oil Field Supply Company	\$ 5,130,000 8%—3 yrs.	Houston	12	New Warehouse distribution for oil & gas drilling products
City of El Paso Industrial Development Authority, Inc.	12/12/80	Photon Power, Inc.	\$ 2,120,000 10%—15 yrs.	El Paso	134	New Manufacture & develop solar energy panels
Val Verde County Industrial Development Corporation	12/16/80	R. G. Barry Corporation	\$ 1,700,000 8.5%—15 yrs.	Del Rio	74	New Produce house slippers
City of El Paso Industrial Development Authority, Inc.	12/18/80	The Lionel Corporation	\$ 6,000,000 10%—10 yrs.	El Paso	300	New Produce micro-circuits
Trinity River Industrial Development Authority, Inc.	12/18/80	Industrial Park Supply Company	\$ 1,000,000 10%—20 yrs.	Fort Worth	25	Expansion Manufacture & distribute industrial supplies

INDUSTRIAL DEVELOPMENT CORPORATION	DATE OF FINAL APPROVAL	COMPANY	AMOUNT AVERAGE RATE TERM	LOCATION	ESTIMATED NO. OF EMPLOYEES	PROJECT DESCRIPTION
Capital Industrial Development Corporation	12/18/80	Sedco Pipe Products of Texas, Inc.	\$ 1,400,000 10%—10 yrs.	Austin	110	Acquisition/Expansion Produce PVC conduit
Gulf Coast Industrial Development Authority	12/18/80	Thomas J. Lipton, Inc.	\$ 2,000,000 8.5%—19 yrs.	Galveston	30	Expansion Manufacture food products
Port Development Corporation	12/18/80	McCall Industries, Inc.	\$ 4,300,000 10%—10 yrs.	Houston	23	Expansion/Acquisition Manufacture overhead cranes
Titus County Industrial Development Corporation	12/23/80	Overhead Door Corporation of Texas	\$ 750,000 9.25%—10 yrs.	Mt. Pleasant	55	Expansion Manufacture louvered doors
Fort Bend Industrial Development Corporation	12/29/80	Straus Systems, Inc.	\$ 2,130,000 10%—12 yrs.	Stafford	100	New Sheet metal components manufacturing
City of El Paso Industrial Development Authority, Inc.	12/31/80	Lyll Electric, Inc.	\$ 3,000,000 10%—12 yrs.	El Paso	176	New Manufacture copper wire
Round Rock Industrial Development Corporation	12/31/80	Tellabs (Texas), Inc.	\$ 3,600,000 10%—13 yrs.	Round Rock	500	New Manufacture of telecommunications equipment

TOTALS FOR 1980
APPLICATIONS APPROVED — 96

AMOUNT — \$398,318,517

ESTIMATED EMPLOYMENT — 8,237

1981

Port of Brownsville Industrial Development Authority	1/7/81	Interresources, Inc.	\$ 1,000,000 9.5%—8 yrs.	Brownsville	23	Expansion Ship dismantling
Tomball Industrial Development Corporation	1/13/81	American National Carbide Company	\$ 1,800,000 9.5%*—15 yrs.	Tomball	100	New Manufacture cemented carbide products
City of El Paso Industrial Development Authority, Inc.	1/15/81	Woodhead El Paso, Inc.	\$ 2,135,000 10%—10 yrs.	El Paso	20	New Manufacture & assemble electronic equipment
San Marcos Industrial Development Corporation	1/16/81	Butler Manufacturing Company	\$ 5,000,000 8.5%—3 yrs. \$ 4,000,000 10%*—3 yrs.	San Marcos	100	New Manufacture building components
San Antonio River Industrial Development Authority	1/16/81	Amerdyne Central, Inc.	\$ 1,700,000 9.75%—10 yrs.	San Antonio	40	New Refurbish telephone equipment
Trinity River Industrial Development Authority	1/23/81	L. G. Balfour Company	\$ 1,200,000 9.75%—15 yrs.	Dallas	27	New Manufacture graphic products
Port Development Corporation	1/23/81	Toshiba International Corporation	\$ 1,000,000 10%—10 yrs.	Houston	350	Expansion Manufacture electric motors
Guadalupe Blanco River Authority Industrial Development Corporation	2/6/81	Gannon Manufacturing Company, Inc.	\$ 1,500,000 9-1/8%—10 yrs.	Seguin	50	New Fabricate tractor attachments
City of Farmers Branch Industrial Development Corporation	2/6/81	NHT Holding Corporation	\$ 4,800,000 10%—12 yrs.	Farmers Branch	170	Expansion Produce hand tools
Port Development Corporation	2/12/81	Atlas Terminal Company of Texas, Inc.	\$ 1,250,000 9-7/8%—20 yrs.	Houston	35	New Distribution center
Bonham Industrial Development Corporation	2/12/81	Southwest Pump Company	\$ 3,000,000 9.875%—10 yrs.	Bonham	250	New Manufacture gasoline pumps

(Continued next Page)

TEXAS INDUSTRIAL COMMISSION
P.O. Box 12728, Capitol Station
Austin, Texas 78711

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Summary of IRB Approvals

(Continued from Page 11)

INDUSTRIAL DEVELOPMENT CORPORATION	DATE OF FINAL APPROVAL	COMPANY	AMOUNT AVERAGE RATE TERM	LOCATION	ESTIMATED NO. OF EMPLOYEES	PROJECT DESCRIPTION
Industrial Development Authority of Harlingen, Inc.	2/13/81	LaQuinta Motor Inns, Inc.	\$ 3,650,000 9.9%—20 yrs.	Harlingen	32	New 122-unit motor inn
San Antonio River Industrial Development Authority	2/13/81	Refrigeration Engineering Corporation	\$ 2,600,000 9.75%—20 yrs.	San Antonio	110	Expansion Produce refrigeration systems
City of El Paso Industrial Development Authority, Inc.	2/13/81	Justin Industries, Inc.	\$ 4,000,000 10%—12 yrs.	El Paso	300	New Manufacture boots
Comal County Industrial Development Authority	2/18/81	Detex Corporation	\$ 1,500,000 9.5%—7 yrs.	New Braunfels	110	New Manufacture security devices
Montgomery County Industrial Development Corporation	2/18/81	The Brandt Company	\$ 2,400,000 10%—10 yrs.	Conroe	100	Expansion Manufacture oilfield equipment
Montgomery County Industrial Development Corporation	2/18/81	Owens-Corning Fiberglas Corporation	\$ 1,000,000 9-7/8%—20 yrs.	Conroe	4	Expansion Manufacture fiberglas products
Angelina & Neches River Authority Industrial Development Corporation	2/24/81	Hy-Line Indian River Company	\$ 3,500,000 9.9%—14 yrs.	Nacogdoches	15	New Industrial food processing research facility
Gulf Coast Industrial Development Authority	2/25/81	OES, Inc.	\$ 2,000,000 10%—9 yrs.	Houston	30	New Manufacture oil industry equipment
Garland Industrial Development Authority	2/25/81	Telsco Industries, Inc.	\$ 2,105,000 10%—15 yrs.	Garland	72	Expansion Manufacture irrigation equipment
Austin County Industrial Development Corporation	2/25/81	Everman Corporation	\$ 2,500,000 9.5%—15 yrs.	Bellville	35	New Manufacture concrete products
City of El Paso Industrial Development Authority, Inc.	2/25/81	Brittania Manufacturing, Inc.	\$ 4,500,000 10%—10 yrs.	El Paso	400	Expansion Manufacture jeans

* Variable

YEAR-TO-DATE TOTALS AS OF 3/5/81
TOTAL APPLICATIONS APPROVED — 22

AMOUNT — \$58,140,000

ESTIMATED EMPLOYMENT — 2,373