MAKING LEMONADE

How Eunice and Opelousas Handled The Loss of the Junsten and Standard Fittings Manufacturing Plants

IN A BIG PLANT IN A SMALL TOWN SHUTS down, the loss of jobs can devastate the community. The loss of one of its major employers—the Junsten pipefitting plant in Eunice and Standard Fittings in Opelousas—community leaders

will share the burden and say, meaningfully, “We did everything we could.”

But that’s not what happened in Eunice and Opelousas. Instead of mired into community will policy where Eunice and Opelousas went to plan. The company, which ran raw steel and turned it into finishes valves, fittings and other hardware for petrochemical, utility and industrial plants—employed as many as 350 people in the city. As a Louisiana-based business adding value to a raw product and then selling it outside the state, it was the kind of manufacturing plant economic development directors dream of.

Even as Standard Fittings was squeezed down in the petrochemical industry and the flood of foreign goods and products made cheap by a strong dollar. In 1987, the company was forced into bankruptcy. Atkins were turned to keep the plant open, but in October 1989, the bankruptcy court ordered that the court dock. Nearly 200 workers did get their last paychecks.

Bergeron had more recently taken over as president of the Reading Firm. Opelousas Ecolo- nial Development Council. The former employees were trained in specific job skills that were then sold to another company with Standard Fittings dismantled. Facing a time deadline to move and a general disinvestment with Standard Fittings in the community, the firms in the business community went to work.

“We were scared of a loss,” says Peterson. “Then, at a meeting on the industrial council we were discussing, someone mentioned that a corporation be formed to bid for the plant. The name: Jobs for St. Landry. The major players: Bergeron, glass manufacturer Randolph McDowell and insurance man Bobby Daye.

Jobs for St. Landry was the first one in the bidding process in bankruptcy court. But Peterson and his partners never seriously considered buying the big plant manufacturing themselves. “We didn’t have the ability,” Peterson says. “We were looking for partners that would buy in out.”

Then, there was another big problem: The state Department of Environmental Quality had that part of the Standard Fittings property was contaminated with many oil stabilizer metal fittings.

The Opelousas group got together with Roemer, DEQ Secretary Paul Tempel and DEQ staffers to work out a way to clean up the site so the facility could be sold. Outside business groups started to show interest in buying the plant, but a deal with an Ohio company fell through just days before the bankruptcy court was scheduled to sail from the dock. A new player, the Rams Advisory Group out of Oklahoma, indicated a willingness to buy the plant of Jobs for St. Landry would sell it to its stock. Peterson’s group quickly agreed to sell at a profit to the residences. “That was the thing that

needed to be done.”

By RICHARD BAUDOUIN

SANDY AND JACQUELINE

NEITHER PLANT IS

OPERATING AS LARGE AS ITS

GLORY DAYS, BUT

EACH HOUSE A

SOLD BUSINESS.

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At the bankruptcy auction in New Orleans in March, Joseph St. Landry was the winning bidder as a group of Standard Fittings employees stood by in Opelousas waiting for word. "It was a very dramatic thing," says Perron.

The Oklahoma group expects to have 200 workers employed by the end of the year. Perron says they hope to employ 500 by mid-1991. At its Berne, the former plant manager was brought back to handle day-to-day operations.

Perron reflects on the initial reluctance of some business people in the community to try to salvage Standard Fittings. "I told them, if you saw this plant in Detroit, the community would pass a $30 million bond issue to build it here," he says. To him, the Standard Fittings story is proof that one of the best sources of jobs for a community is companies in its own backyard.