

# Micron announces expansion

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BOISE — Boise-based Micron Technology, Inc. on Monday announced plans to build its next wholly-owned 300 millimeter chip fabrication facility in Boise — and protect its current Treasure Valley workforce. At a press conference hosted by Micron, president and chief operating officer Mark Durcan said the project's completion date would depend on what happens in the memory chip market.

## **300mm Fab in Boise**

While Durcan said the facility isn't expected to create new jobs in Boise, officials hope it would protect existing jobs. The company already has a 200 mm production facility, and a 300 mm fab reserved for research and development. It's had plans to build a 300 mm plant for a while, but had not made a final decision on its location.

Durcan said Micron chose Boise because of its proximity to the company's research and development base, adding that the move "cements Boise as a center of technology development."

"We truly appreciate the business environment here in Boise," Durcan said, adding that Micron's decision to locate the new facility in Idaho also stems from a "strong commitment from the governor."

Although he wouldn't discuss tax incentives, Jon Hanian, Gov. Butch Otter's press secretary, said the governor's office has been in discussions with Micron and is "not at all surprised that Boise remains in the company's future plans."

In addition to employing a large number of Idahoans, Hanian said Micron's products represent about 60 percent of Idaho's total exports.

"We are very mindful of the role Micron plays in this community and this economy. We believe they are a great corporate citizen," Hanian said.

Bob Merritt, a DRAM analyst with Phoenix-based Semico Research, said he thinks Micron's announcement to build the 300mm fab in Boise is good news. Although labor will likely cost more in Boise than it would have at a new plant overseas, Merritt said manufacturing efficiencies — not labor costs — are key in the DRAM industry's newest high-capacity fabs.

Historically, Micron has been one of the lowest-cost manufacturers in its industry. However, the company's management struggled with staying focused on the DRAM cost side last year, Merritt said.

At Micron's recent analyst conference in Salt Lake City, Merritt said Micron's management team rededicated itself to cost efficiency on the manufacturing side.

Merritt doesn't expect the announcement to make a short-term difference for Micron. He anticipates rough pricing in the DRAM market to continue in 2008, with a possible turnaround in 2009.

## **Potential partnership**

Micron Technology, Inc. and Taiwan-based Nanya Technology Corp. jointly announced on Monday

that the two companies signed a "memorandum of understanding" to explore a potential partnership.

The memorandum included potential technology sharing, joint technology development and development of a new joint venture. The companies would focus on sub-50 nanometer technologies.

"Partnering with Nanya would be significant to Micron as we continue to drive toward the most cost-effective ways to grow and innovate. Nanya has proven its capabilities to be a leader in manufacturing technology and is strategically located near our growing customer base," Durcan said in a company press release.

At a press conference hosted by Micron on Monday, Durcan said he doesn't expect the potential partnership to have an effect on output or capital outlay in 2008, but he says it could be significant to Micron's future growth.

Durcan said if a new plant results from a partnership between Micron and Nanya, it would likely be built in Taiwan.

Durcan said that in addition to its location near Micron's growing customer base, Nanya would also bring other strengths to the partnership, including a strong financial base, reputation for integrity and efficient manufacturing methods.

Merritt said partnerships are "becoming a new way of structuring the DRAM industry," adding that they can be very helpful for Micron and other companies who may struggle during extreme oversupplies and undersupplies of memory chips.

These fluctuations have had major impacts on individual companies, Merritt said, but partnering can add "some new flexibility to the memory side so capacity can be brought online and offline in a less disruptive manner."

Merritt said there's still some DRAM oversupply this year, so he expects the companies to wait until next year to go online if they reach a partnership agreement.