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BoiseCascade1990-5-20_1.jpg	Planting the seeds of the future pg1	YHR	5/20/1990	Nelson, Wes	11/16/2016	Yakima Valley Libraries
BoiseCascade1990-8-31_1.jpg	Boise Cascade official will testify on impact of 'owl circles'	YHR	8/31/1990	Nelson, Wes	11/16/2016	Yakima Valley Libraries
BoiseCascade1991-4-22_1.jpg	Soggy roads force Boise to shut down plywood plant	YHR	4/22/1991	anon	11/16/2016	Yakima Valley Libraries
BoiseCascade1991-5-24_1.jpg	Budworm spray plan appealed	YHR	5/24/1991	Nelson, Wes	11/16/2016	Yakima Valley Libraries
BoiseCascade1991-6-26_1.jpg	Boise Cascade spray plan goes to top court	YHR	6/26/1991	Nelson, Wes	11/16/2016	Yakima Valley Libraries
BoiseCascade1991-6-28_1.jpg	Investigator says copter pilot radioed for help before crash	YHR	6/28/1991	Nelson, Wes	11/16/2016	Yakima Valley Libraries
BoiseCascade1992-11-22_1.jpg	Boise Cascade's quality quest: mechanical and philosophical retoolings change direction at mill pg1	YHR	11/22/1992	Dudley, Brier	11/16/2016	Yakima Valley Libraries
BoiseCascade1992-11-22_2.jpg	Boise Cascade's quality quest: mechanical and philosophical retoolings change direction at mill pg2	YHR	11/22/1992	Dudley, Brier	11/16/2016	Yakima Valley Libraries
BoiseCascade1993-2-25_1.jpg	Sawmill cuts back: Boise Cascade announces layoffs at Yakima plant pg1	YHR	2/25/1993	Dudley, Brier	11/16/2016	Yakima Valley Libraries
BoiseCascade1993-2-25_2.jpg	Sawmill cuts back: Boise Cascade announces layoffs at Yakima plant pg2	YHR	2/25/1993	Dudley, Brier	11/16/2016	Yakima Valley Libraries
BoiseCascade1995-3-31_1.jpg	Boise fire toll: layoffs, \$1 million in damage	YHR	3/31/1995	Wasson, David	11/16/2016	Yakima Valley Libraries
BoiseCascade1995-11-11_1.jpg	Boise bash: company throws a party to celebrate new mill, equipment	YHR	11/11/1995	de Leon, Virginia	11/16/2016	Yakima Valley Libraries
BoiseCascade1998-7-15_1.jpg	External factors affected mill's closure	YHR	7/15/1998	Hieger, Jennifer	11/16/2016	Yakima Valley Libraries
BoiseCascade 1998-9-9_1.jpg	Medford mill fire may put shutdown in Yakima on hold	YHR	9/9/1998	Hieger, Jennifer	11/16/2016	Yakima Valley Libraries
BoiseCascade1998-11-10_1.jpg	Yakima gets extended run of mill	YHR	11/10/1998	Lester, David	11/16/2016	Yakima Valley Libraries
BoiseCascade1998-12-28_1.jpg	Boise Cascade will rebuild in Medford	YHR	12/28/1998	anon	11/16/2016	Yakima Valley Libraries
BoiseCascade1998-12-29_1.jpg	Plant's closing still on course	YHR	12/29/1998	Roeder, Tom	11/16/2016	Yakima Valley Libraries
BoiseCascade1999-5-27_1.jpg	Oregon Fire may - or may not- help here	YHR	5/27/1999	anon	11/16/2016	Yakima Valley Libraries
BoiseCascade1999-6-5_1.jpg	Boise Cascade Plant to Remain Open	YHR	6/5/1999	Rose, Joseph	11/16/2016	Yakima Valley Libraries
BoiseCascade1999-6-17_1.jpg	Boise to sell Kittitas Co. timberland	YHR	6/17/1999	anon	11/16/2016	Yakima Valley Libraries



Planting the seeds of the future

Local History

YAKIMA HERALD-REPUBLIC

Reforestation means investing in tomorrow for timber companies

By WES NELSON
Of the Herald-Republic

CLE ELUM — Gilbert Estrella reached into a canvas bag strung around his waste, grabbed a Douglas fir seedling and planted it, gently yet quickly.

When the day was over, the 18-year-old from Los Angeles had planted more than 1,200 trees along mountainsides owned by the Boise Cascade Corp. in the Teanaway area just north and east of here.

In all, Estrella and his 12 fellow crew members had planted 18,000 trees by day's end.

Estrella didn't concern himself with the question of whether it was enough. Just breathing the fresh mountain air — away from inner-city gangs and violence — was enough for him.

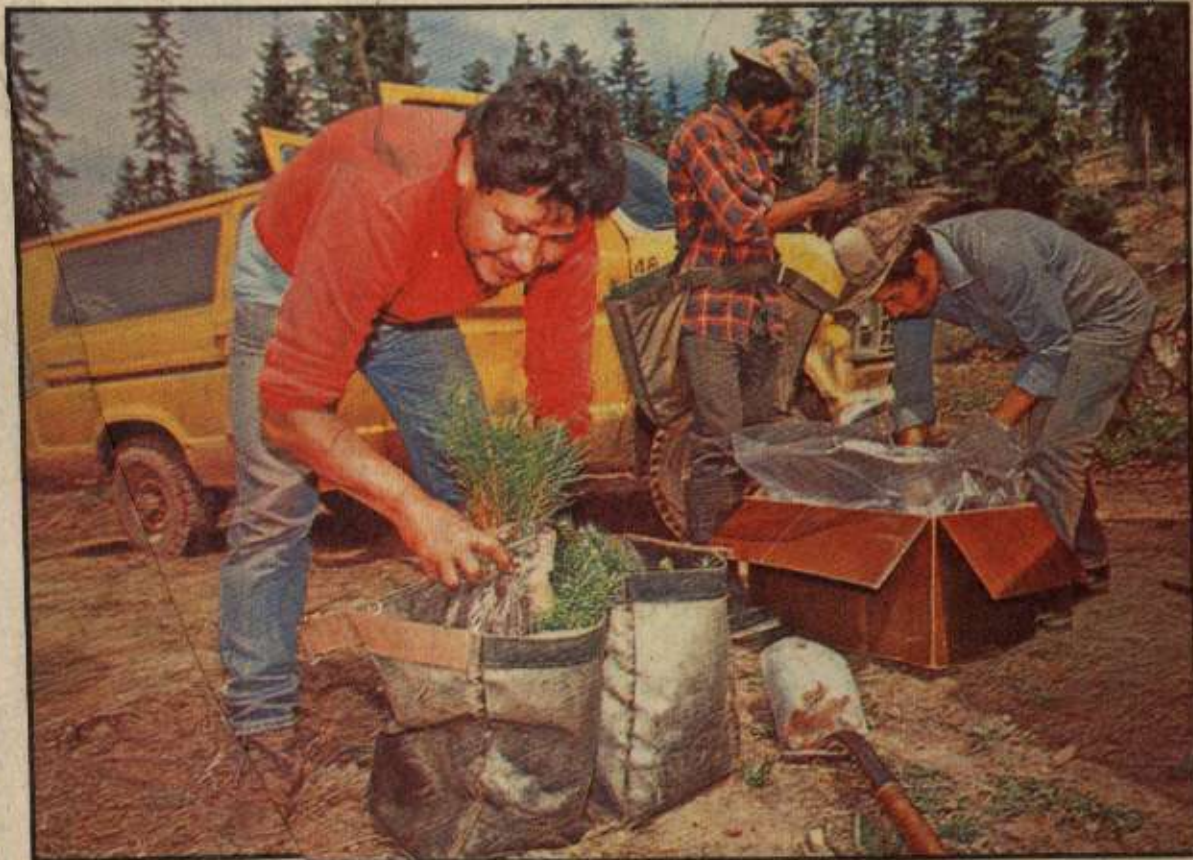
The crew, a group Boise Cascade has hired through a Centralia contractor, worked a 250-acre section of Boise Cascade's 50,000-acre Teanaway block. Some 115,000 trees would be planted when the week-long project was finished, said Phil Hess, Boise Cascade's Central Washington chief forester.

At 460 trees per acre, the reforestation effort is a typical example of at least one private timber company's view of the future, Hess said.

The U.S. Forest Service plants an average of 400 trees per acre on the Wenatchee National Forest, a Forest Service spokesman said.

Environmentalists' claims that private forest lands have been overcut don't apply here, Hess said. Boise Cascade harvested about 1,000 acres — 9 million board feet — of timber from the Teanaway area in 1989. It will

(See TREES, Page 2A) OVER



Jose Aguilar fills his back with pine seedlings and prepares to head out. He is part of a crew planting thousands of trees for Boise Cascade.

er steps

rior to 1989, Yakima County had one to cases of meningococcus a year. It 't until there had been seven cases and death that Atwood realized the outbreak out of control.

cause of last year's devastating emic, everyone was girding for another n year. Health experts warned the c to expect more cases than usual, but e knew if that meant more cases than year or less.

(See OUTBREAK, Page 2A)

Yakima this week to meet with Atwood and Marianne Patnode, the health district's communicable disease supervisor, to review

A key factor in Yakima County's apparent victory over meningococcus was a

where there is a definable population and that are cases that cannot be related, that

cases that will occur in other counties next year.

Trees/ from Page 1A

replant 1,000 acres, he said.

"We want the public to get both sides, or a balanced viewpoint, of forest management in the state of Washington," Hess said.

"Our objective in owning this land is to provide a raw material for our manufacturing facility in Yakima. The only way we can serve that purpose is to manage this land on a sustained-yield basis — forever. ... It would certainly be self-defeating if we overcut these lands. We'd run out of timber for our mill. It doesn't make good business sense. It's not good forest management to do that."

"You hear the comment that people say we cut and run and don't replant," said Jeff Jones, Boise's Teanaway forester. "They don't know the whole picture."

"We've owned this land for 87 years now," Hess said. "You can see there are still a lot of trees."

Hess stopped short of saying all private timberland owners share the same philosophy, although the Washington Forest Protection Association in Olympia estimates that 32 million seedlings will be planted this year.

"Private timber landowners are continuing to invest in the future of Washington's forests in a big way," said William Jacobs, WFPA executive director.

"I think most forest-land owners, on the average, are on sustained-yield basis," Hess said. "It gets down to how you define sustained yield, and that's where (we) and the

environmentalist differ."

Some 4.3 million of the 17.7 million acres of commercial forests in Washington are privately owned and managed. Boise Cascade owns about 1.3 million acres in Washington, Idaho and Oregon, with about 260,000 in Central Washington, Jones said.

However, much privately owned forest land, particularly in Western Washington, is being taken out of production, the so-called "conversion" factor, Hess said.

As the base of private forest land shrinks, reforestation efforts appear to fall short of sustained-yield objectives, especially when it takes some 50 to 60 years before the young trees mature, Hess said.

Proposed additional cutbacks in harvests on national forest land to protect the northern spotted owl places additional pressure on private forests.

"Where do you make up the difference, if you can?" Hess said. "You either reduce the amount of logs you use or you (abandon)

sustained-yield on your own land. And we don't want to do either one of those."

"The national forests have to contribute their proportion of the raw material base out there in order to maintain the industry as we know it today."

The U.S. Fish and Wildlife Service is to decide by June 23 whether to list the owl as a threatened species. Industry and state employment officials estimate some 18,000 jobs would be lost under a scientific panel's recommendation to cut logging on federal forest land by 25 percent if the owl is listed.

Hess said the timber industry is trying to get a six-month extension of the review period because additional information on owl habitat is being developed.

"Already they're discovering more owls because they're looking in places they never looked before," Hess said. "The more you look for owls the more you find them, even on privately managed forests."

Hess points out that much of the harvested area in the Teanaway has old trees and snags remaining.

"Which is important for biodiversity and wildlife," Hess said. "That's not accidental. That's conscious."

The Teanaway serves as a perfect model that a forest can serve both man and wildlife, Hess said, citing the area's resource value, its recreational opportunities (Boise maintains several campgrounds) and its wildlife habitat.

Estrella, stabbing a hole in the earth to make room for another seedling, said he plans one day to bring his children to the Teanaway to show them the trees he planted.

"I'll come back and say, 'That's what I did,'" he said with a smile. "I like the forest. I like nature."

NO LOTTO WIN

OLYMPIA (AP) — There was no win of the Washington State Lottery \$1 million Lotto drawing, a lottery

The Quinto winner will receive lottery spokesman Richard Paulson said.

The jackpot for Wednesday's Paulson said.

He said 70 tickets had five of the \$658 apiece. There were 3,149 tickets at \$28 each.

Sales for the Lotto drawing were Paulson said 32 Quinto tickets

symbols drawn, paying \$3,685 apiece symbols matching, worth \$26 each

Total sales for the Quinto drawing

The winning cards were the Ten of Hearts, Queen of Diamonds and F

Paulson said the cards do not ticket to win.

Here are winning numbers selected Daily Game: 0-09

Lotto: 22-23-32-34-35-41

Quinto: Ten of Spades, Three Diamonds, Four of Diamonds.

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• AFTER HOURS



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ETCETERA

A baseball card show at St. Paul School on Sunday, May 20, will feature a hot dog sale by the Home Run Baseball Card Club. The show will be from noon to 4 p.m.

Boise Cascade official will testify on impact of 'owl circles'

By WES NELSON
Of the Herald-Republic

Owl-protection guidelines announced this week threaten to run harvest-limiting circles around privately owned timber, said a Boise Cascade spokesman who will testify before a congressional subcommittee today in Olympia.

Brian Boyle, state Commissioner of Public Lands, said earlier this week that 389 state and private operations would be shut down to protect the northern spotted owl.

Boyle said he was taking the action to comply with federal guidelines designed to protect the owl, which the U.S. Fish and Wildlife Service listed as a threatened species July 23 under the federal Endangered Species Act.

Under the action, protection circles will be drawn around each known owl nest or owl activity center. A nest or activity center may be on state or federal land, but the 1.8-mile radius drawn around each one will include some private lands.

Under the new state rules, the state Department of Natural Resources will use the State Environmental Policy Act (SEPA) in evaluating applications for logging within designated owl-habitat areas. "This means a full environmental checklist will be required under SEPA," Boyle said.

Bill Howard, a Boise Cascade forester, said the company expects a significant impact in its Teanaway region, where a private survey recently found 37 owls — 11 nesting pairs and 15 young birds.

Under the new rules, timber harvests may end on some 22,000 acres of Boise's 50,000-acre Teanaway, Howard said Thursday.

Boyle this week complained the federal government will shift the burden of providing ample owl habitat to state and private forests as it allows logging to increase on federal lands.

"The statements that have been made that there will be no impact on non-federal lands because of owl protection are not true. There are substantial impacts," Boyle said.

"The feds are playing by a different set of rules. Owl habitat is being logged under congressional direction to keep the federal timber harvest up. It's pushing the financial burden of protecting nesting pairs of owls onto adjacent non-federal lands.

It's not right," Boyle said.

Howard, who is one of several to appear before the Congressional Agriculture Committee's forests, family farms and energy subcommittee today, said the new rules being enforced by DNR are confusing.

"And we have a hard time getting explanations from the DNR on what they mean," said Phil Hess, another Boise Cascade forester.

What is known is that at least 40 percent of the suitable owl habitat acreage within 1.8 miles (2.2 miles in the Olympic Peninsula) of a site must be maintained as available habitat.

That would be about 2,500 acres of a 6,308-acre circle.

Also, 50 percent of the acreage within a 0.7-mile radius of the nest or activity center (roughly 500 of 1,000

acres) must be maintained. In addition, 70 acres of the best owl habitat encompassing and buffering the nest itself must be maintained, the state has ruled.

While Howard and Hess said it's reasonable to preserve such 70-acre buffers, it's unrealistic to set aside thousands of acres in perfect circles around each nest site.

"It's very evident that owls don't range in circles," Howard said.

Boyle expressed doubt that the prescribed circular habitat boundaries are supported by scientific data. "In our opinion, the fact that people drew a circle just indicates they knew how to use a compass," he said.

Owl surveys will be required outside of owl-habitat areas before logging can occur if evidence of owls is

present. This could include feathers, young owls or owl feces.

While the presence of the owls on private forest land threatens to reduce Boise Cascade's harvest, it also shows that owls not only live but thrive on managed forest lands, Howard said.

This contradicts a previous forest management view that few if any owls lived within what's called the Cascade's Interstate 90 corridor, which includes Boise Cascade's Teanaway district, Howard said.

The area has been heavily managed for 80 or more years. The presence of owls, as shown by a survey conducted for Boise Cascade by the National Council for Air and Stream Improvement, suggests that owls have adapted to managed forests, Howard said.

8/21/90

Soggy roads force Boise to shut down plywood plant

YAKIMA HERALD REPUBLIC

Soggy roads in Boise Cascade timberlands have prevented deliveries of veneer logs, forcing a one-week shutdown of the company's plywood plant in Yakima, officials said Friday.

About 100 employees will be out of work during the work curtailment beginning Monday, Boise Cascade regional forester Phil Hess said. They will not be paid for the week but may use vacation time, he said.

Such shutdowns are "not uncommon," Hess said, but added none has occurred in recent memory. Shutdowns also have occurred in summer when periods of extreme fire danger stop logging operations.

Rainstorms accompanied with some snow earlier in the week drenched logging roads in the Cascades and prevented the company from using trucks and heavy equipment to haul out logs used for making plywood, Hess said.

He said some roads became physically impassable, and any attempts to operate equipment over them could cause environmental damage.

"One of the elements of dealing with natural resources," he said, "is you have to work with it, not against it."

Budworm spray plan appealed

By WESLEY D. NELSON
Of the Herald-Republic

An appeal of Boise Cascade's proposed use of carbaryl to spray 11,500 acres of spruce budworm-infested forests near Goldendale could kill spray plans this year as well as more trees, company officials said Thursday.

Six groups, led by the Washington Toxics Coalition and Washington Environmental Council in Seattle, filed the appeal with the state Forest

Practices Appeals Board in Olympia this week.

The appeal demands the board reverse the state Department of Natural Resources's preliminary approval of the spraying and order DNR to develop an environmental impact statement under the terms of the state Environmental Policy Act.

DNR, which approved two smaller spray programs Boise Cascade did in 1989 and 1990,

(See BUDWORM, Page 12A)

12A—Yakima Herald—Republic

Local History

Friday, May 24, 1991

Budworm/ from Page 1A

issued a "mitigated determination of nonsignificance" April 22 on the proposed spraying of carbaryl or Sevin.

The forest products company had hoped to begin spraying within the first two weeks of June, but company spokesmen said a tentative hearing scheduled June 27 before a judge would effectively kill the spray program. The company intends to ask the board to move that date up.

The western spruce budworm, blamed for the destruction of millions of acres of forests in Washington and Oregon in recent years, is entering a vulnerable growth stage, said Phil Hess, chief forester of Boise Cascade's Central Washington Region.

Early June is the best time to hit the pest, he said.

The appeals board is an independent quasi-judicial agency that hears appeals of decisions made by DNR.

"Aerial application of carbaryl plus diesel oil over an area of 11,500 acres will have significant adverse environmental impacts," contends the appeal, filed by Hood River, Ore., attorney Jay F. Sherrerd.

Other appellants include the Mid-Columbia Resource Advocates, Columbia River United, Columbia River Audubon Society and People for Peace and Life.

Hess expressed dismay over the timing of the appeal — filed in the last days of a comment period. Should Boise Cascade prevail, it will be for naught since the spray program's "window of opportunity" will have closed, Hess said.

"It is a tentative date, but it is a date that won't work for us," he said.

Furthermore, Hess accused the Washington Environmental Council of "undermining" a Timber, Fish and Wildlife agreement the council signed on to four years ago.

The agreement provides a framework for resolving forest practice issues without resorting to lawsuits. The council was among environmental, tribal and timber industry groups agreeing to adhere to the agreement's principles, Hess said.

"They're obstructionists," Hess charged. "It's clearly outside the spirit and the intent of TFW."

Boise Cascade forester Bill Howard said the company's proposed spraying more than meets requirements spelled out in an environmental impact statement DNR conducted for budworm management.

Specifically, Boise has "tripled" the buffer zone for spray-

ing near waterways from the state-mandated 100 feet to 300 feet, Howard said.

The Washington Toxics Coalition has cited concern over carbaryl's adverse effects on aquatic insects, which form the food source for fish. Additionally, the coalition fears carbaryl's toxicity would be increased by the presence of diesel in the spray. Boise Cascade would mix the two so the spray will stick on trees infested by the budworm.

"And the buffers take care of that," Hess said. "Nobody is advocating the spraying of Sevin over water."

As required by law, Boise will spray a biological agent called Bt, short for bacillus thuringiensis, near waterways. The appellants prefer Boise Cascade use Bt for the entire project.

"I'm very grateful that they've agreed to do that — after pressure from the Yakima Indian Nation to do that," said the coalition's Cha Smith, citing the tribe's objection last year to Boise Cascade's plan to spray Sevin near parts of the 1.3 million-acre reservation's southwestern border.

"It certainly is going to help alleviate the impacts to the water ... but drift is known to occur more than 300 feet," she added. "It wafts around in air currents."

Boise Cascade insists carbaryl is the only answer to a pest that's affected nearly half of its 80,000 acres of forest near Goldendale.

"There's no good scientific evidence that Bt would be effective on this forest, given the extent of the damage," Hess said.

As for bypassing the Timber, Fish and Wildlife agreement with the appeal, Smith said Boise Cascade forced the issue.

"I haven't seen forest practices change significantly since TFW was created," she said. "You can mitigate around in circles only so long."

Howard threw the blame back.

"We have made attempts to communicate with those folks and have had little success," he said.

Smith said the timing of the appeal had more to do with appellants' lack of resources and a burgeoning workload than with attempts to delay spraying before a judgment is rendered. Furthermore, the 30-day public comment period — which began after DNR's initial approval of Boise Cascade's application April 22 — is set by law and the timing of the appeal wouldn't have hastened or delayed a formal hearing on the matter, she said.

Boise Cascade spray plan goes to top court

By WESLEY D. NELSON

Of the Herald-Republic

A dispute over Boise Cascade Corp.'s spraying of an insecticide in Klickitat County to control an outbreak of the western spruce budworm will reach the state Supreme Court today.

A Supreme Court commissioner will hear an anti-pesticide group's request for an emergency ruling to overturn a Klickitat County Superior Court judge's decision that allowed Boise Cascade to spray some 6,000 acres Sunday and Monday.

The Washington Toxics Coalition criticized an after-hour ruling last Friday by Judge Ted Kolbaba overturning Administrative Law Judge William Harrison's June 14 order stopping the timber company from spraying, pending a hearing by the state's Forest Practices Appeals Board.

The coalition opposes Boise Cascade's use of

carbaryl, a chemical that is mixed with diesel fuel and then sprayed over infested trees. The group says the chemical's toxicity is harmful to birds and fish.

Boise Cascade officials, however, argue that use of the chemical has been approved by the federal Environmental Protection Agency, and the state Department of Natural Resources approved the company's plans to spray 11,500 acres north of Goldendale.

Timber harvested from the company's Klickitat County holdings goes to Boise Cascade's timber and wood products division in Yakima.

Forester Bill Howard said the spray program will save thousands of trees. The budworm has defoliated millions of acres of forests in Washington and Oregon in recent years.

Cha Smith of the toxics coalition, however, said carbaryl threatens forest ecosystems. The group contends Boise Cascade's spray program should not be allowed to proceed based on a judge's verbal, rather than written, order.

The order, made in a hearing Friday evening, did not allow for citizen participation, Smith said.

"It's totally slimy what's going on. They're manipulating the law. They're abusing the whole process," she said.

Howard and DNR's Sara Crickenberger, however, said the hearing Friday had been scheduled for earlier in the afternoon but was delayed to accommodate the late arrival of legal counsel.

"It wasn't any of our doing," Howard said.

But Crickenberger acknowledged DNR questioned the oral order. That question was addressed Tuesday afternoon when Kolbaba issued a written version of his order from Friday, she said.

Howard and Crickenberger added that Harrison's initial order also was verbal.

"I don't know why they (the coalition) want Kolbaba's order in writing and not Harrison's," Howard said. "That seems like a double standard to me."

Smith, however, said the whole matter should have been settled before the Forest Practices Appeals Board before any spraying occurred.

"The judge couldn't have done much homework to make that ruling," she said.

With Kolbaba's issuance of a written order Tuesday, Smith said Boise Cascade will soon "jump back in their helicopters" and violate the law.

BOISE CASCADE CORPORATION

JUN. 28 1991

YAKIMA HERALD REPUBLIC

Local History

Investigator says copter pilot radioed for help before crash

By WESLEY D. NELSON

Of the Herald-Republic

The pilot of a helicopter that crashed Wednesday while under contract with the Boise Cascade Corp. radioed for help before his helicopter went down in a forested area northwest of Golden-dale.

Mike Stockhill, an investigator from the National Transportation Safety Board, said the downed Bell 47G-3B1 was removed from the crash site Thursday and investigators will further examine the wreckage today.

"The pilot had declared a may-day so the indication was he was having a problem, but that problem has not been identified," Stockhill said.

The pilot, James Shreve, 43, Albany, Ore., and a Boise Cascade employee, Edward Schroeder, 39, Yakima, were returning from surveying an area Boise Cascade planned to spray with carbaryl, an insecticide the company had been using since Sunday to control an outbreak of the western spruce budworm.

Schroeder, a forest analyst who

was supervising the spray program, died in the crash. Shreve remained in serious condition Thursday in a Portland hospital with head, face and rib injuries.

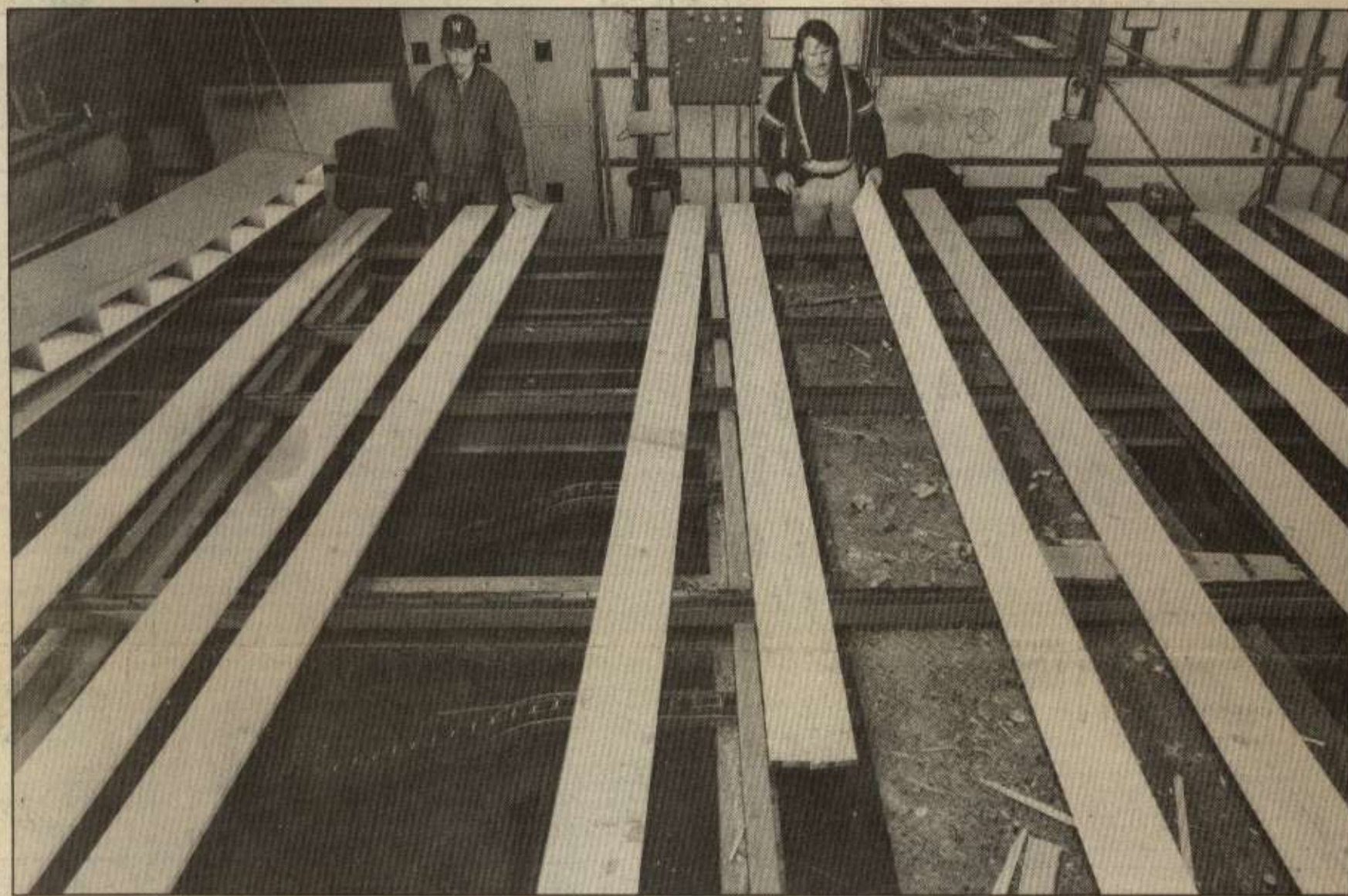
Timber industry and government officials blame the budworm for the defoliation of millions of acres of forests in Washington and Oregon in recent years. Carbaryl is the subject of a dispute involving Boise Cascade, the state Department of Natural Resources and several environmental and citizen groups that say carbaryl is harmful to the environment.

Boise Cascade officials say the chemical is safe to use and the company has complied with restrictions governing its use near waterways.

The spray program came to a halt Wednesday when a state Supreme Court commissioner ordered the matter be heard before the state Forest Practices Appeals Board. The board will rule on an appeal by environmental groups seeking to stop Boise Cascade from using the chemical.

LOCAL HISTORY

YAKIMA HERALD REPUBLIC



Gary Hull and John Schmidt grade lumber at the Boise Cascade mill: High quality is the goal, even if it means slowing down the process. (Staff photo by Gordon King)

Boise Cascade's quality quest

Mechanical and philosophical retoolings change direction at mill

By BRIER DUDLEY
Of the Herald-Republic

Pickups crowd the parking lot at Boise Cascade's Central Washington headquarters, a small wood building dwarfed by three mills rumbling and smoking nearby.

It's not exactly the place one would expect to find heady management strategies that sound more like those of a Japanese automaker than a Yakima lumber mill.

But an innovative management program has been in full swing at the mill for a year and a half, and operations manager Steve Thomas says it has contributed to the mill's "best year in recent memory." He also thinks it's the wave of the future for American industry.

Called Total Quality, the program involves employees, customers and suppliers in efforts to improve quality and service.

The four-tier program begins with satisfied employees who help improve production processes. The improvements lead to customer satisfaction, which increases financial performance.

It may sound straightforward, but it's new-fangled for a mill that for years processed logs as

fast as possible. Now the goal is to produce a high-quality product, even if it means slowing down the mill to get four square corners and fewer defects on every board.

"We are learning from other parts of industry that quality sells. We're trying to change the culture (to) where it is a practice and a process, rather than just a speed," said Thomas, who oversees Boise Cascade's Central Washington operations — 262,000 acres of forests, two sawmills and a plywood mill that produce enough material to build 20,000 homes a year.

Total Quality appeared as Boise Cascade pulled itself up by the bootstraps after tough years in the early 1980s. The company re-evaluated its strategies and retooled for a future in which logs will be smaller and more costly.

"It's been a slow road back," Thomas said. "We are emerging with a whole new way of doing business."

JAPANESE-STYLE management strategies have been adopted by other natural resource industries emerging from the early 1980s doldrums, according to Keith Blatner, a professor at Washington State University's natural resources science de-

partment.

"The mills are looking for every opportunity to enhance recovery," he said. "A lot of times people working on the floor can see things or offer suggestions. If one in 50 works, it's worth the time and investment to involve labor."

New management approaches are just one way mills have become more efficient in the 1980s, according to forest products analyst Larry Katz of Pacific Crest Securities in Portland, Ore.

"It's been going on for a long time," he said. "As your raw material costs became higher than labor and operating costs, you had to pay more attention to how much return you got out of the log."

Weyerhaeuser and other companies have also adopted quality-oriented management programs, Katz said. "Everybody's doing it. It's just become a way to do business."

It may be no coincidence that Thomas came to Yakima about the same time Total Quality was introduced in 1989. He is the first manager of a Boise Cascade mill to have risen from the business's personnel rather than manufacturing side.

Formerly personnel administration manager at

(See BOISE, Page 4G)

Boise/ from Page 1G

the company's headquarters in Boise, Idaho, Thomas has a master's degree in personal guidance and has done graduate work toward a doctorate in philosophy.

"I am comfortable in front of others," he said, declining to speculate on the reason for his appointment.

Until Thomas was named regional manager in June 1991, the Yakima mill paid little more than lip service to Total Quality, he said. Now it's gospel — marked by a red banner outside that proclaims 'If the customer wins, you can't lose' — and Thomas is the local minister.

"Our mission is done when that customer places the next order, because then we know we were successful the first time," he said. "You have got to have passion for your customers and you have to live their expectations. If you don't, you'll be out of business."

With that kind of attitude in place, he said, "I think you're going to get paybacks far in excess of capital improvements."

NOT THAT CAPITAL improvements aren't important. Boise Cascade has spent \$25 million upgrading the 150-acre Yakima complex since 1987. A second sawmill was added and the plywood mill was retooled to handle smaller logs.

Plywood is made by peeling logs into thin sheets using a giant lathe. The sheets are glued together and cut into panels.

Another \$2 million-plus will be spent next summer on a lathe five times faster and able to peel 5-inch diameter logs — including tree tops that in the past were left to rot in the forest before

● You have got to have passion for your customers and you have to live their expectations. ●

—Steve Thomas
Boise Cascade

technology made them usable.

Results of the restructuring are already showing. A fourth shift was recently added in the plywood mill, increasing employment from 480 last year to 520. Thomas estimates 1993 sales will be \$100 million, up from \$80 million in 1991 and \$75 million in 1991.

Boise Cascade's 30 building products mills have actually boosted the corporate balance sheets, posting income in 1991 and through September 1992, but Boise Cascade's paper and paper products segments have shown losses that have dragged down the company overall.

The company and its subsidiaries showed a total operating income loss of about \$82.5 million over the first nine months of 1992, according to a Boise Cascade shareholders report. Paper products posted a nearly \$153 million loss in operating income, while building products showed a gain of \$84 million.

MORE CHANGES are in store for the Yakima operations, which eventually could sell most of its

products to a single customer: Home Depot, a rapidly growing chain of home improvement megastores based in Atlanta.

Home Depot plans to grow from 166 to 500 stores and will open its first Washington store in Tacoma early next year.

"I see that as the future — going to market in a more direct way for volume accounts," Thomas said. Currently 20 to 25 percent of the mills' production is exported and much of its dimensional lumber goes to window manufacturers.

Katz said selling to home improvement centers is more recession-proof than selling into the new-home construction market, but different standards apply. "To sell in the consumer market, it's more appearance," he said.

Boise Cascade is already a preferred supplier to Home Depot, status Thomas attributes to high-quality products.

"We have raised our standards quite a bit. In a bad market, we will get the business if our quality is high," Thomas said. "In a good market, they will come to us first (and) maybe they will pay more for the product."

Also, he said, "If you concentrate on quality, manufacturing processes become quicker and sales averages become higher."

Another goal is to make operations efficient enough to harvest a tree, process it and ship the finished products within 90 days. That will enable the mill to respond even faster to orders and market fluctuations.

"The whole goal is to become very, very efficient in scheduling and the manufacturing process," Thomas said.

Sawmill cuts back

Boise Cascade announces layoffs at Yakima plant

By BRIER DUDLEY
Of the Herald-Republic

Dwindling supplies of large pine trees will force Boise Cascade to lay off 45 to 50 employees at its Yakima sawmill March 26, company officials said Wednesday.

Employees were told last week that one of the two shifts on Boise's large sawmill will be curtailed "for the foreseeable future," according to Steve Thomas, manager of Boise Cascade's Central Washington operations.

The move will cut nearly 10 percent of the 522 current jobs at the 150-acre facility, Yakima County's second largest private employer.

Mill workers were aware of the large log shortage and anticipated layoffs last year, Rick Heilman of Industrial Workers Local 2739 said. Mill wages average just under \$10 per hour, he said.

(See MILL, Page 2A)



The Boise Cascade mill in Yakima will be laying off about 50 people, roughly 10 percent of its workers, at the end of March. It's the first major layoff at the plant since 1982. Dwindling timber supplies are blamed for the cutbacks. Dowty Aerospace Yakima and Noel Foods also announced major layoffs recently.

(Staff photo by Kirk Hirota)

A sampling of the defendants who have yet to make good:

■ Morris John McCleary, former head of Home Plan Savings and Loan Association in Iowa who admitted stealing nearly \$2 million from his thrift, has been paying just \$30 a month toward the \$1.85 million in restitution he was ordered to pay in 1989. He served two years, two months in prison under a plea agreement that spared him from a maximum of five years in prison.

■ Jack Dean Franks, a consultant convicted of helping swindle the failed State Federal Savings and Loan in Corvallis, Ore., has

in and restitution orders as a sign of its success in prosecuting S&L cases.

For instance, Justice boasted in its 1991 report to Congress that Oklahoma banker Gary Hobbs was penalized with a 7½-year jail term and a \$10.2 million restitution order for defrauding a thrift. But the 1992 Justice document shows that Hobbs has repaid just \$204,830.

Ira Raphaelson, the former Justice Department special prosecutor who coordinated the government's attack on S&L fraud, conceded, "It misleads the public to suggest that there will be a substantial recovery."

Mulroney/ from Page 1A

to set a date, probably sometime this fall.

Mulroney's tenure was torpedoed by his failure to come to grips with Canada's economic crisis, its soaring debt and an unemployment rate over 11 percent. He also was unable to resolve the constitutional crisis fired by French-speaking Quebec's desire for special status.

Mulroney's fellow Tories — keenly aware of what happened to Mulroney's close political ally George Bush — breathed a deep sigh of relief at the news.

friend and partner of the United States, and I wish him well."

Waiting in the wings are many conservatives anxious to take over the top spot, including Defense Minister Kim Campbell, Trade Minister Michael Wilson, Communications Minister Perrin Beatty and Environment Minister Jean Charest.

But the Tories' most respected politician, Constitutional Affairs Minister Joe Clark, reiterated his weekend announcement that he was resigning from politics and had no desire to become prime

tors worried about home-state interests attacked President Clinton's proposed energy tax Wednesday as lobbyists opposed to the measure lined the halls outside the hearing room.

The chairman of the Senate Energy Committee, Sen. Bennett Johnston, D-La., led the panel in questioning the levy, which would raise the price of gasoline an estimated 7½ cents a gallon and an average home electric bill by \$2.25 a month. He called for a national sales tax on most goods and services instead.

"I'm angered this administra-

said Sen. Larry Craig, R-Idaho. The tax, he said, "will be very destructive to many economies in this country."

"The economy of the Northwest would collapse," added Sen. Mark Hatfield, R-Ore.

The broadsides from both sides of the aisle came as Senate Minority Leader Bob Dole, R-Kan., told reporters he believed the overall economic program was in jeopardy.

"They know the package is in trouble," Dole said.

That comment drew a withering reply from Clinton.

can say that, but he during the last 12 years other presidents and gress quadrupled the debt," Clinton told reporters. "I'm trying to do something and turn it around in the opposite direction."

Sen. Dale Bumpers said the criticism shows nearly impossible to major deficit-reduction. "The hallways are lined with people out here" opposing the energy tax, and if some alternatives were proposed, there would be a difference.

Mill/ from Page 1A

The last major layoff at the mill was in 1982.

"It's a tragedy and one that could be easily diverted ... there's plenty of wood in the forest," Thomas said, partly attributing the shortage to environmental restrictions on government timber sales.

Another factor is the changing mix of trees in area forests, where fir species have overtaken stands of pine, Thomas said.

State foresters confirmed Central Washington timber sales will drop from 40 million to 17 million board feet this year.

But sales should return to normal levels in 1995, when spotted owl habitat areas have been mapped and compensated for, ac-

"I don't see us ever shutting down the large mill," he said.

The 90-year-old large mill produces dimensional lumber, including knot-free material sold to molding manufacturers. Thomas said it may have the largest capacity of any sawmill in Washington state.

Curtailing the large mill reflects a new era for the lumber industry, in which mills must be more efficient and use smaller, farm-raised timber, Thomas said.

Boise Cascade's other Yakima operations — a small sawmill and plywood mill added in 1987 for \$25 million — are geared for smaller logs and are not facing layoffs, Thomas said. Another \$2 million will be spent in July on

Boise fire toll: layoffs, \$1 million in damage

By DAVID WASSON

Of the Herald-Republic

It could be two months before an estimated \$1 million in damage to Boise Cascade's northeast Yakima plywood plant can be fully repaired, meaning temporary layoffs are ahead, company officials said Thursday.

The 180 workers employed in the plywood operation are helping with cleanup efforts and as many as possible will be used in the repair phase as well, said Dick Just, the company's Washington regional manager. But two-thirds or more likely will be without jobs until the plant is operating again, he said.

"Strictly guessing, it will be a month before we can be running part time and two months before we're back full time," Just said.

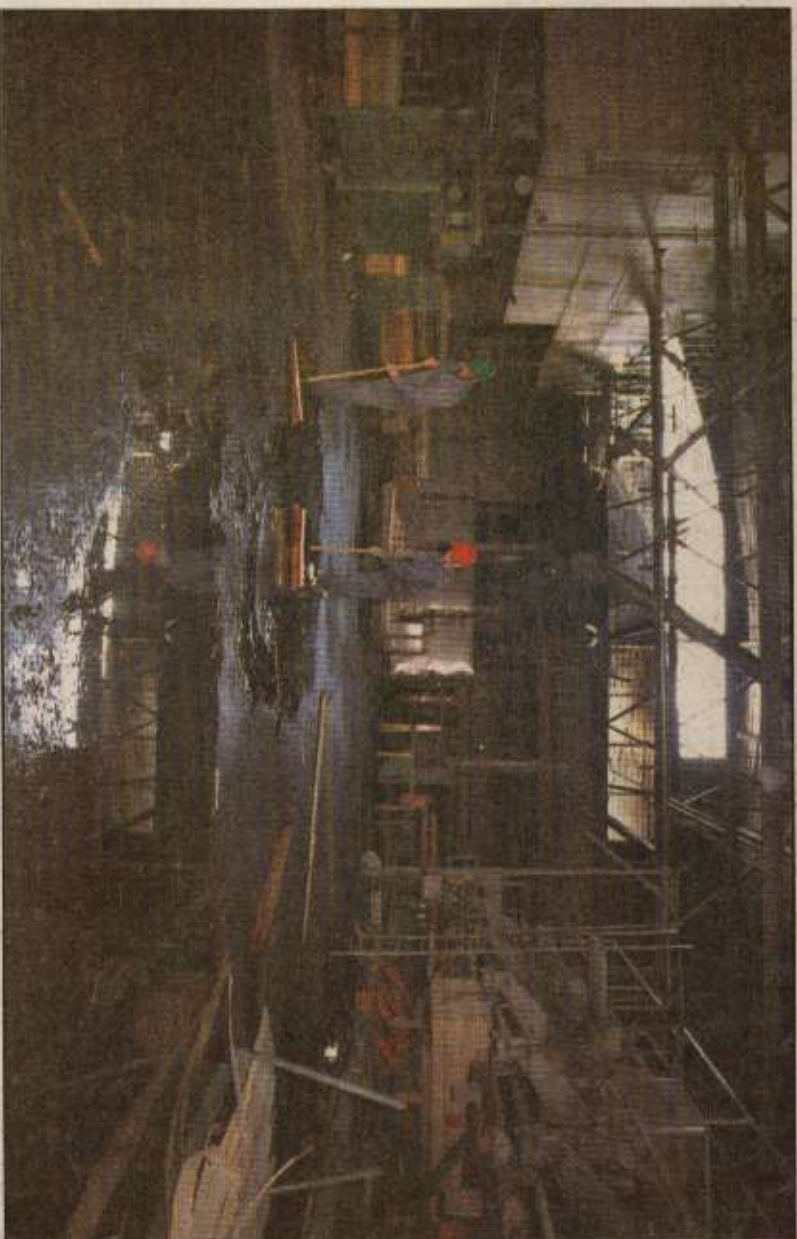
A devastating fire that started in one of the company's four veneer dryers Wednesday evening swept through the southern end of the massive plywood plant. The rest of the company's sprawling complex, which includes two sawmills, was untouched and remains fully operational.

The dryer fire shot up into the rafters and above the plywood plant's fire-control sprinkler system, destroying the industrial wiring that serves all four of the driers, said Yakima plant manager Bob McGruder.

The machinery itself appears to have escaped any major structural damage, Just said. The motors and other mechanical parts connected to the machines have yet to be fully inspected, he added.

Just and McGruder credited quick-thinking workers in the plywood plant with preventing a far worse disaster.

"Our employees did a marvelous job in knocking that (fire) down," said Just, who arrived in Yakima today from the company's regional headquarters in Kettle Falls. "They did their best ... and when the sprinkler system kicked in, they sounded the general alarm and everybody except those involved in fight-



Boise Cascade employees, including Larry Baughman, left, and Ellis Ranta, spent Thursday cleaning up the aftermath of a fire that burned a hole in the roof of the plant's plywood shop and caused an estimated \$1 million damage.

(Staff photo by Gordon Kling)

YAKIMA HERALD REPUBLIC

Local History

ing the fires evacuated." Yakima firefighters, joined by crews from several surrounding departments, took over the battle. McGruder said the firefighters were able to contain the blaze before it broke completely through the roof and spread beyond the dryer operations.

But while officials note the fire could have been worse, they acknowledge the damage itself is bad enough.

Without operational veneer dryers, which heat wood strips at temperatures of 350 degrees to 400 degrees to remove sap and other moisture, the entire plywood operation is shut down.

Production of unfilled plywood orders held by the Yakima plant will be transferred to other Boise Cascade operations, Just said. The company has three other plywood plants across the Northwest.

Just said tentative plans are to have one or two of the veneer dryers operating within a month, which would enable the plant to partially reopen, he said. Workers will begin receiving recall notices based on seniority once operations resume.

Although small fires in veneer dryers are relatively

common, company officials said they have no idea why Wednesday's blaze erupted out of control. An investigation is being conducted to determine what went wrong, they said.

"This, for some reason, was not a normal dryer fire," Just said.

Meanwhile, the Yakima County Health Department said Thursday that initial concerns about possible contamination to shallow wells from the runoff water used to battle the blaze appear unfounded.

Skip Steinmetz, environmental health director, said most of the neighborhood is served by city water and that an investigation Thursday found no contaminants in the ground water.

"It's safe to drink now, as is," he said. "No alert will be issued."

Boise Cascade is Yakima County's second-largest private employer, with a total work force of about 500 and a \$16 million annual payroll. The Yakima plant produces enough lumber each year to build about 25,000 houses.

Employees with questions about the status of their jobs or the rebuilding efforts can call the company's information line at 457-7200.

Boise bash

BOISE CASCADE CORPORATION

Company throws a party to celebrate new mill, equipment

By VIRGINIA de LEON

Of the Herald-Republic

With its newly renovated plant and a \$3 million investment on new equipment and training, Boise Cascade Corp. in Yakima has reason to celebrate, said Dick Just, manager of the company's Washington region.

"Our costs are on their way down and our production is up," he said. "Our employees are making an outstanding effort."

To thank the 460 Boise Cascade employees and their families, the company held a party — Family Appreciation Day — Friday afternoon at its main office on North Seventh and East H streets.

Friday's event was also the first time families were invited to tour the mill and learn more about Boise Cascade, said Erin Nuxoll, the company's human resources coordinator.

Despite the rain and freezing temperature, employees and their families huddled beneath tents and ate corn dogs, elephant ears and other carnival-type treats. Kids played games and got their faces painted. The younger ones played with the

clown or jumped into the baby-sized pool filled with popcorn.

"We just wanted to give our employees a chance to go through the mill, have a little fun and to celebrate," Just said.

With training and the company's new equipment, Boise Cascade employees have changed the way they approach their jobs, he said.

"We've become more technical," said Gary Hamilton, an electrician who has worked at Boise Cascade for 31 years. "Everything is computer-driven. It's made work enjoyable. We have better tools and troubleshooting aides."

But there's still more work to do, Just said. He said the company is in the middle of a "huge re-engineering project" and still needs to explore ways to improve its efficiency.

The Yakima facility consists of two saw-mill plants and one plywood mill. It is one of 30 Boise Cascade facilities across the nation and the state's second largest lumber mill. Boise Cascade is based in Boise, Idaho.



DICK JUST
... 'an outstanding effort'

11-11-95

LOCAL HISTORY

External factors affected mill's closure

YAKIMA HERALD REPUBLIC

LOCAL HISTORY

By JENNIFER HIEGER
Of the Herald-Republic

Three years ago, Boise Cascade Corp. began to worry aloud about the future of its Yakima plywood mill.

The facility, officials believed, was too costly.

On Monday, the plant's inefficiencies collided with two important industry forces — sharp cuts in logging on federal land and the emergence of a strong competitor to plywood — to produce a disastrous result, observers say.

Boise Cascade announced it will close the plywood mill by year's end, putting 220 people out of work in an area with a jobless rate already twice the state average.

With the jobs go some of Yakima's best blue-collar wages.

We just have not been able to bring the Yakima plywood plant up to the level of efficiency that's needed to be competitive.

— Doug Bartels,
Boise Cascade Corp. spokesman

Workers in the mill earn, on average, \$14.77 an hour.

The mill's economic outlook is bleak enough that the company

hasn't looked for buyers.

Along with the Yakima mill, Boise Cascade plans to close sawmills in Horseshoe Bend, Idaho, Elgin, Ore., and Fisher, La.

Built in 1962, the Yakima mill is mid-sized by Boise Cascade standards, with the capacity to produce 210 million square feet of plywood annually — a small but noticeable share of the 1.9 billion square feet of plywood and veneer the company produced last year.

While Boise Cascade has closed sawmills in the last decade, this marks the first time it's shutting down a plywood facility.

The move will reduce the company's plywood roster in the timber and wood division to five mills.

"We just have not been able to bring the Yakima plywood plant up to the level of efficiency that's

needed to be competitive," said Doug Bartels, a spokesman at the company's headquarters in Boise, Idaho. "We're not really certain as to why that is. We've made investments, we've worked at it."

In terms of production, Boise Cascade is the country's sixth-largest timber company. Weyerhaeuser Co. of Tacoma ranks first.

Whatever the mill's internal problems, external factors have compounded the economic pressure.

The northern spotted owl controversy of 1990, which led to a three-year injunction against timber-sales sensitive areas, marked the start of dramatic reductions in harvesting on federal land. Though the explosive issue has

■ See CLOSURE, Page 2A



(Staff photo by Kirk Hirota)
Boise Cascade workers leave the company's Yakima plywood plant during a shift change Tuesday. Company officials announced Monday the plant will close by year's end.

BOISE CASCADE CORPORATION

JUL 15 1998

LOCAL HISTORY

YAKIMA HERALD REPUBLIC

Closure/Oriented strand board is wave of future

■ Continued from Page 1A

faded from the headlines, timber supplies continue to vex companies such as Boise Cascade.

In nearly all the cases where companies shut down mills, problems with timber supplies were a decisive factor, said Paul Ehinger, a longtime industry consultant in Eugene, Ore., who tracks mill closures.

Since 1989, timber companies have closed 37 plywood mills in the five western states, lowering the total to 48, according to Ehinger's records.

"The curtailment of federal timber is the primary issue," Ehinger said.

"If you have five of the most athletic guys in the world and the music stops and you've just got four chairs, only four get to sit down," he said.

The prospect of increased access to timber is uncertain.

"In the western part (of Washington) where trees grow faster, you can maybe see around

the corner, but not on the East," Ehinger said.

More recently, the industry has found itself in a strange spot. Demand for lumber, driven in part by housing construction, is strong. But at the same time, increasing imports from Canada and decreasing exports to Japan have led to an oversupply of wood products and falling lumber prices.

"We're kind of in a profitless prosperity, because the demand is there but the price is not," said Butch Bernhardt, a spokesman for the Western Wood Products Association in Portland.

At the same time, plywood, which is made of thin layers of wood glued and pressed together, is facing stiff competition from another construction material known as oriented strand board.

The board is made from less expensive trees with less labor, said Jack Merry, a spokesman for the Engineered Wood Products Association in Tacoma.

"A few years ago, if (the wood) wasn't considered much good for

anything," Merry said.

But oriented strand board is on the march. This year, the United States is forecast to produce 11.1 billion square feet of the material, up from 5.4 billion in 1990. This year, plywood production is expected to drop to 17.2 billion square feet, from 20.9 billion in 1990.

In the last year, plywood prices have fallen, while those for oriented strand board have risen sharply.

"There's been a sense for years that OSB would replace plywood. It basically performs the same function at a lower cost," said Burrie Elmore, editor of Random Links, a weekly newsletter in Eugene that tracks wood-product prices.

Boise Cascade opened its first oriented strand board plant in Barwick, Ontario, in 1997.

The company's strategy is to seek growth through "engineered products" like oriented strand board, which ultimately will claim a bigger share of the market than

plywood, Bartels said.

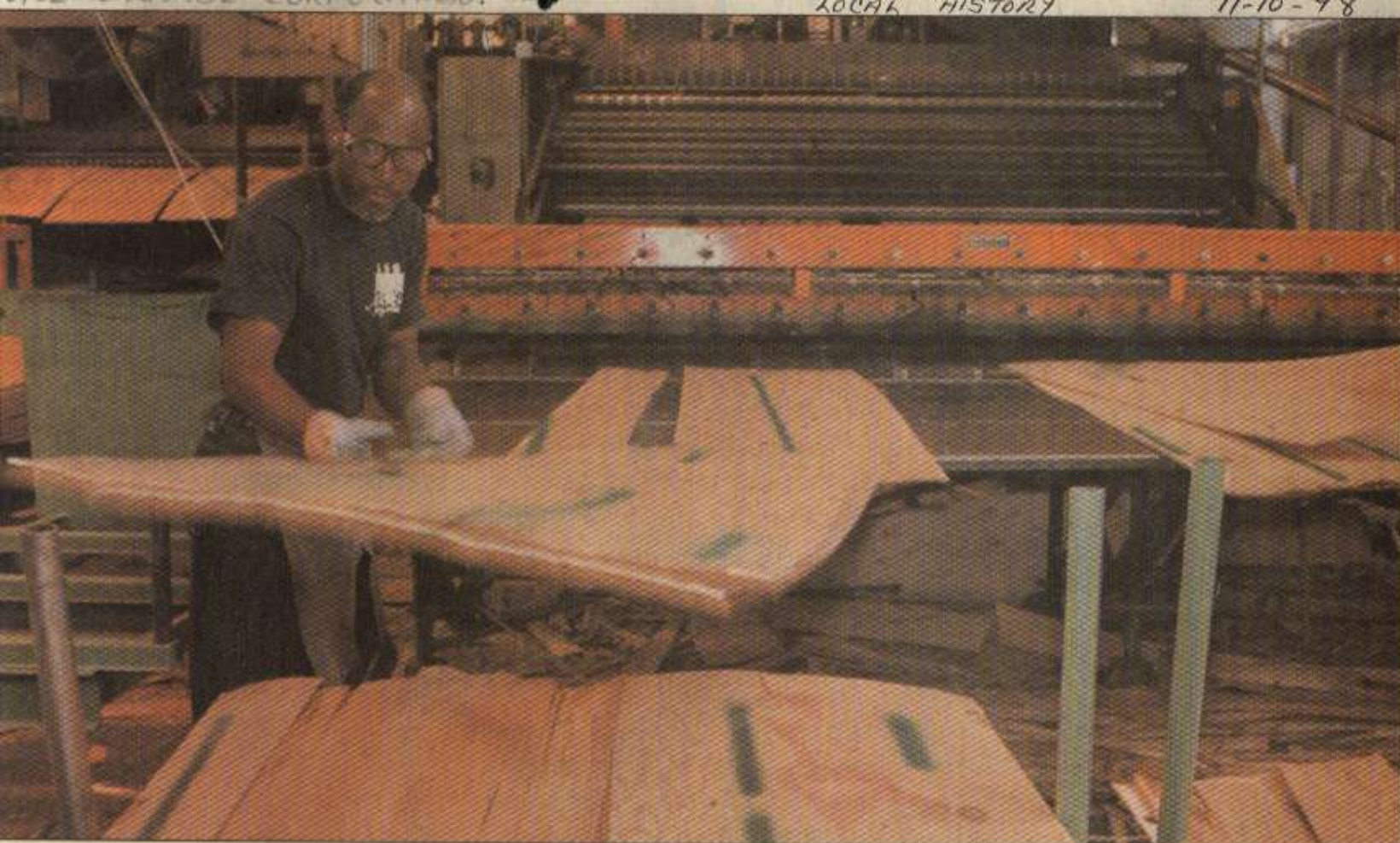
"What it (the strategy) means is what you're seeing now," Bartels said.

Last year, Boise Cascade's sales totaled \$5.5 billion, up from \$3.8 billion a decade ago. But its income faltered. After regularly turning a profit, the company began to register income losses in 1991. It fared better in 1995 and 1996, but again slipped into the loss category in 1997.

A recent Standard & Poor's stock report stated that the company's shares are overvalued.

Some analysts, however, like the company's prospects.

A June report from First Boston characterizes Boise Cascade as financially astute, crediting chief executive officer George Harad, who took over in 1993, with positioning the company for improved future earnings. The report cites Harad's moves to close or sell five high-cost mills in recent years.



Boise Cascade plywood operator Otis King sorts wood in a 1995 photo. A combination of factors, including a fire at Boise's mill in Medford, Ore., and improved efficiency at the Yakima plant, has extended employment for the Yakima workers.

Yakima Gets Extended Run of Mill

Boise Cascade will keep Yakima plywood plant going to end of 1999

By DAVID LESTER
YAKIMA HERALD-REPUBLIC

A three-month reprieve is turning into a full year for employees of Boise Cascade's plywood mill in Yakima.

The Boise, Idaho-based wood-products firm announced Monday plans to continue operating the plant through the end of next year. The decision maintains the jobs of 220 employees an additional nine months.

Employees were informed of the decision Monday. Company officials made the decision Friday.

The mill originally was scheduled to close late next month. But the closure was extended to April in the aftermath of a fire that destroyed Boise's Medford, Ore., plywood plant in September.

Dick Just, a Boise Cascade regional manager in Kettle Falls, said the plant is being kept open to fill customer orders that would have been lost otherwise. It is the second extension is being made due to the Oregon fire.

"Because we are still trying to figure out how or if to rebuild Medford, we want to maintain relationships with customers," Just said Monday. "Within the company, it would have been hard to do that if Yakima was closed down."

Just added, however, the extension would not have been possible without improved production performance that has made the plant more efficient.

"While the decision to extend the closure date is so we can continue to meet our customer requirements, had the economic penalty been as severe as it was eight months ago, we wouldn't have made that decision," he said. "Things have gotten better. We

have the flexibility to extend the closure and serve those customer requirements."

He credited employees for the improved performance.

Lori Johanson, Boise's senior human resource coordinator in Yakima, said the plant has become more productive by making sure more of the raw wood product ends up in a piece of plywood.

"The better numbers we have received in the last couple of months are because employees have worked hard at doing their jobs as efficiently and effectively as possible," she said.

Sherry Scott of Yakima, business agent for the Western Council of Industrial Workers Local 2739, said the extension had been rumored for some time.

"Certainly, from a union standpoint, we are looking at it as a positive in that it gives us that much more time to continue to make necessary improvements to make the plant more efficient and more

profitable to extend beyond next year," she said.

Scott said the plant is receiving a better log supply and that is helping the plant be more efficient.

"Right now they are getting some really good logs and that helps as much as anything," Scott said. "It's hard to identify some real specific improvements. It's more of a teamwork attitude where people are working together."

Plant efficiency was one of the issues that prompted Boise to announce the plant closure. Other issues were dwindling timber supplies, rising costs, and increasing inventories of finished product.

"Some of our operating inefficiencies have improved for a short period of time," Johanson said. "We still have some of those issues to deal with to a varying degree."

The 220 plywood plant employ-

PLEASE SEE **MILL** PAGE 9A

BOISE CASCADE CORP.

11-10-98

YHR

MILL/'Signal That Things are Changing'

Continued from Page 1A

ees earn wages that average \$12.80 per hour.

A local economic development official said he hopes the decision means the company is taking a different look at the Yakima mill and its future.

"While it was only announced the plant will stay open through 1999, it has given us a signal that things are changing," said Dave McFadden, executive director of the Yakima County Development Association. "The productivity is up at the mill, and combined with other factors like the Medford fire and a slight improvement in plywood markets, it is hopeful this can be turned around."

The Medford plant was the company's largest plywood plant, pro-

ducing about 375 million feet of plywood annually, much of it the same construction-grade plywood produced in the Yakima mill. The Medford mill also produced sanded, finished plywood.

The Yakima mill's annual production is about 225 million feet.

Scott said there will be some level of frustration among plant employees who would prefer to have some certainty about their futures. Some are trying to make plans to return to school or enter training programs for a new career.

LOCAL HISTORY

12-28-78

Boise Cascade Will Rebuild in Medford

MEDFORD, Ore. (AP) — Boise Cascade's announcement last week that it will rebuild part of its burned-down plywood plant was greeted with a mix of optimism and caution.

Business leaders and local government officials praised the wood products company's rebuilt operation, which will retain at least one-third, and as many as three-quarters, of the 450 employees that worked at the plant before it was destroyed by a Labor Day fire.

"From Boise Cascade, it's an early Christmas present," said Gordon Safley, executive director of the Southern Oregon Regional Economic Development Inc. "The beneficiaries will be not only the Boise Cascade employees who lost their jobs, but also the suppliers that will regain a significant portion of their business."

Some employees who were thrown out of work by the fire — particularly those who were far down on the seniority list — still were unsure about their immediate futures.

"I had heard rumors they would rebuild, but I'm going to have to call to see what's going on," said Manuel Rios, who worked at the plant for two years. "But I'd love to go back. If they hire up to 300, that would give me a chance."

"I don't know whether I should get excited or depressed about it," said Ron Spielbusch of Medford, who started his 34th year with Boise Cascade the month before the fire. "I've got about eight years left before retirement. Unlike my son, who's worked there 12 years but can start another career, I am too old to start over. I need the retirement, insurance and other benefits."

Boise Cascade announced on Christmas Eve that it would rebuild part of the plant to produce dry veneer — the sheets used to make plywood — and prepare the panels it uses at its White City mill to make laminated veneer lumber.

Of the plant's 450 employees, about 50 still are working in cleanup and salvage and will gradually be shifted over to the reconstruction project in the spring, said Bob Smith, employee relations manager for Boise Cascade's western Oregon region.

BOISE CASCADE CORPORATION LOCAL HISTORY YAKIMA HERALD REPUBLIC 6-5-99

Boise Cascade Plant to Remain Open

By JOSEPH ROSE
YAKIMA HERALD-REPUBLIC

Boise Cascade Corp. abandoned plans Friday to close its Yakima plywood plant, prompting a collective sigh of relief from community leaders and the 220 employees who faced losing their jobs at year's end.

The Boise, Idaho-based timber company said operations at its

Yakima plant, targeted for closure last summer as part of a massive restructuring plan, now will continue indefinitely.

"Indefinitely is about as permanent as you get in the timber industry these days," said Mike Tracy, vice-president of the Yakima County Development Association, which was established to retain and attract business. "This is wonderful news."

Boise Cascade officials said two factors changed the plant's fate: Signs the facility is running more efficiently and a fire that gutted parts of Boise Cascade's Elgin, Ore., plywood plant last week.

"Continued operation of the Yakima plant now has increased importance in supplying Boise Cascade's plywood customers," said company spokeswoman Lori

Johanson.

Yakima's plywood plant earlier had won a reprieve due to fire.

Last year, a blaze destroyed Boise Cascade's plywood mill in Medford, Ore., which the company is rebuilding. In response, officials delayed for a year the Yakima plant's closure, originally slated for the end of 1998.

When the latest news was announced during Friday's morn-

ing shift, workers clapped, cheered and howled elatedly.

Many employees said not knowing whether the plant would remain open after 1999 had added a great deal of stress to their family lives.

"We were hanging on the edge for a long time," said Robert Biscorer, 39, who has operated front-

PLEASE SEE **PLANT** PAGE 9A

BOISE CASCADE CORP. LOCAL HISTORY YAKIMA HERALD REPUBLIC 6-5-99

PLANT/Workers Cheer Announcement

Continued from Page 1A

end loaders at the plant for eight years and has a wife and three children at home. "It's a big relief to know you'll have a job and keep making money."

Boise Cascade also delivered good news to Elgin, where last week's fire left 178 workers without jobs. The company said it will continue operations at the town's sawmill indefinitely. "Repair of the Elgin (plywood) plant will begin soon," Johanson said.

The company announced last July that it planned to close the sawmill, the Yakima plywood plant and several other facilities, saying they had underperformed for years.

In terms of job losses, Yakima was going to be the biggest loser in the company's restructuring. The chances of getting Boise Cascade to reverse its decision looked dim.

But after months of saying the facility was an economic liability, the company now says things are changing. "Operating efficiencies within the Yakima plywood plant have been improving," John Bender, vice president of Boise Cascade's Timber and Wood Product's Division, said in a statement. "That trend must continue to

make the plant more competitive within the industry."

Bender also said timber supplies will "remain sufficient" to keep the plant operating in the immediate future, but his comments also seemed to come with a warning. He said increasing the availability of timber from U.S. forest lands is essential for long-term operations.

Nevertheless, Yakima city Manager Richard Zais said the company "deserves a lot of accolades for continuing to work on this issue ... and exploring all options to keep" the plant operating.

While the company's Yakima sawmill and its 155 jobs were going to be left intact, the loss of the plywood plant still would have stripped the community of one of its most important economic pillars, Zais said.

Friday's announcement came as a surprise to both Zais and Tracy, who said the area's chronically weak economy has avoided — at least for the foreseeable future — a painful blow.

"Two-hundred-plus family wage jobs are staying," Tracy said.

What's more, the plywood mill won't become an abandoned shell of a building and tax dollars that would have been spent on retrain-

ing programs can be used for other things, he said.

Workers at the plywood plant said they had begun to brace for the closure by squirreling away extra money, putting off major purchases and signing up for a retraining program at Perry Technical Institute.

Some joked that they were thinking of applying for jobs at McDonald's.

One man said he plans to buy a boat this weekend, now that he knows his job is more than temporary. Others said they planned to keep saving money, just in case the plant is closed down the road.

But even workers who complained that "indefinitely" was too much of a gray area to feel secure said it was hard not to smile.

Rick Causey, 42, a shift supervisor who has worked at the plant for 20 years, said the plant's new life will relieve his family's stress over the once-impending closure.

"We've trying to keep the faith, holding out hope that it would stay open," he said. "When I get home, my wife and I are going to go out and celebrate."

■ Reporter Joseph Rose can be reached by phone at 577-7628, or by e-mail at jrose@yakima-herald.com

Boise to Sell Kittitas Co. Timberland

6-17-99 LOCAL HISTORY

CLE ELUM (AP) — Boise Cascade Corp. will sell timberland in the Teanaway and Cabin Creek areas to U.S. Timberlands for about \$60 million.

The sale involves 56,000 acres: 51,000 acres in the Teanaway and 5,000 acres in Cabin Creek.

"We're selling virtually all of our holdings in those areas," said Doug Bartels, information officer for Boise Cascade. "We're going to take the proceeds and reduce our debt." Bartels said the land is no longer necessary to supply Boise's operations.

U.S. Timberlands owns 615,000 acres of timberland in Oregon, east of the Cascade Range.

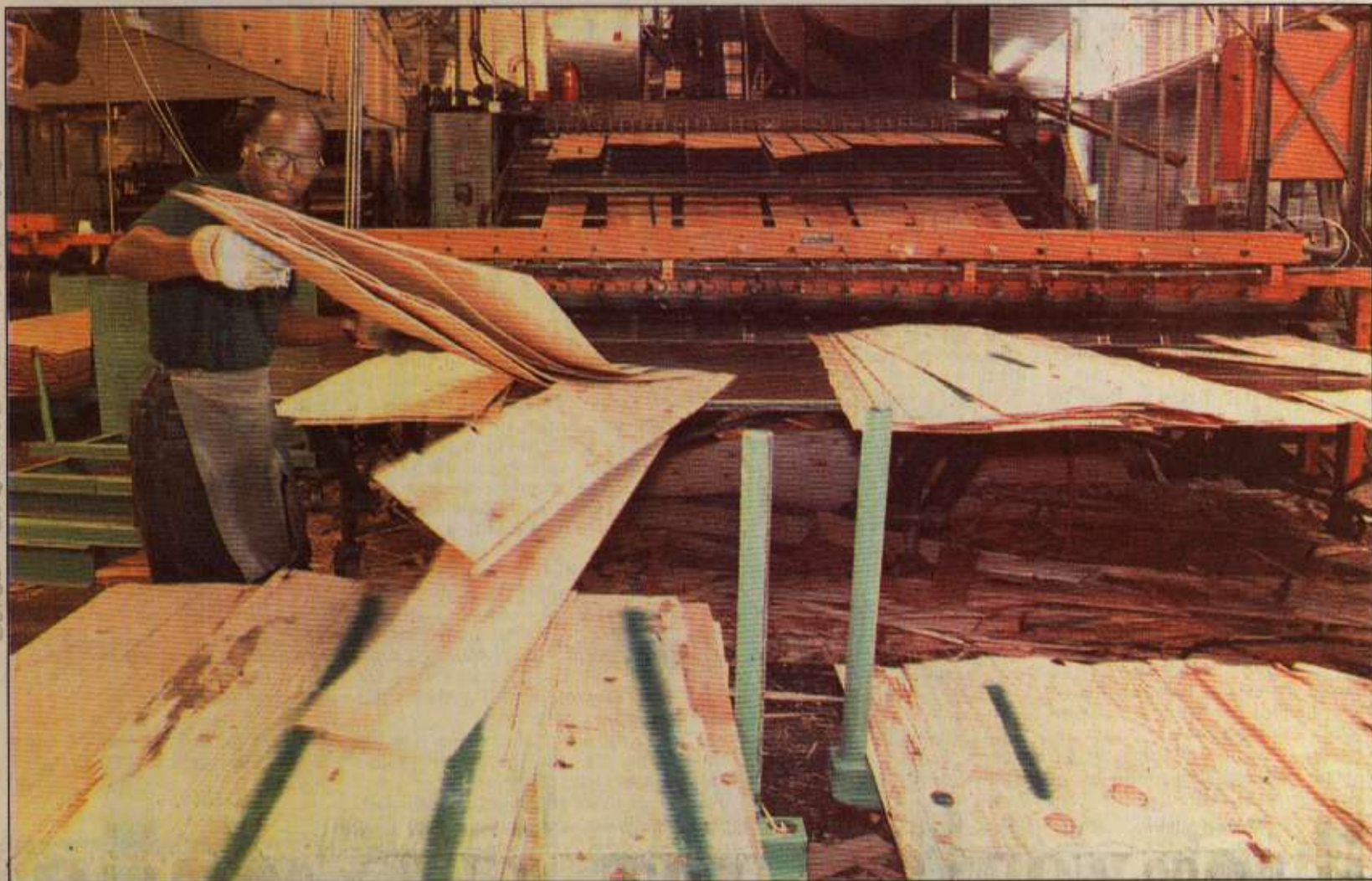
Boise Cascade, or its predecessor company, has owned the Teanaway land since 1903, said Jeff Jones, chief unit forester for Boise Cascade.

The Teanaway Valley is renowned for its scenic qualities, in large part created by the juxtaposition of farm and forest land. Boise Cascade has played a role in that by never clear-cutting the Teanaway.

Greg Byrne, chief financial officer for U.S. Timberlands, said he could not comment on the company's land management strategy for Teanaway and Cabin Creek.

In a news release from U.S. Timberlands, the company's chairman and CEO John Rudey stated said the properties will add about 480 million board feet of timber, principally Douglas fir and Ponderosa pine, to the company.

The tract being sold represents 4 percent of Boise Cascade's fee-owned timberland in the Northwest.



Dried wood veneer is once again being produced at Boise Cascade's Yakima plant after a March 29 fire that shut down the veneer operation. Wednesday morning, Otis West sorts according to grade veneer dried in dryer No. 2.

(Staff photo by Gordon King)

Plant's almost back to normal

Boise Cascade lumbers into operation after fire

By JOSEPH ROSE
Of the Herald-Republic

Log chips are flying and steaming veneer dryers are rumbling again at Boise Cascade's massive northeast Yakima plywood plant.

Three months after a devastating fire caused \$1.1 million in damage and resulted in 130 temporary layoffs, the company says the plant should be back to full operation within the next week.

"It's basically the same place it was before," said Boise Cascade spokeswoman Erin Nuxoll of the plant's renovations. "We didn't add anything, we just fixed things up."

Meanwhile, company officials are exploring ways to improve the fire-control sprinkler system that failed to contain the fire, which swept through a 100-foot-by-300-foot section of the building on March 29.

A tour of the plant Wednesday showed few signs of the blaze.

Destroyed beams and industrial wiring in the building's rafters had been replaced. And Nuxoll said all of the workers have been hired back, even though 12 of the plant's 180 jobs are expected to be eliminated this month.

Plant manager Bob MaGruder said the facility also is operating better than it was before the blaze. At full operation, the plant produces 5,000 panels per eight-hour shift.

"The fire gave us a chance to upgrade the

equipment," MaGruder said. "The plant is running strong. Of course, I'd prefer not to have to upgrade this way again."

The company's four 30-year-old veneer dryers escaped major structural damage but the motors, wiring and some other mechanical parts had to be replaced, he said.

The last of the damaged machines is undergoing the final stages of its upgrade, and will be ready for operation within the next week, MaGruder said.

On the down side of the fire's aftermath, Boise Cascade expects to lose more than \$1 million in revenue in addition to \$1.1 million in renovation and repair costs. The plant's usual production of about 60 million board feet a year will be down by about 13 million this year due to the shutdown from March 30 to June 1, MaGruder said.

But Nuxoll said neither the lost revenue nor the repair costs had anything to do with the company's decision last month to trim 24 jobs in Yakima. The cutbacks, she said, are due to the company's desire to streamline operations.

Nuxoll said 12 jobs at the plywood plant will be eliminated permanently through early retirement plans, effective July 10.

After the cutbacks, Boise Cascade — Yakima County's second-largest private employer — will have a total work force of 446 compared with 520 a year ago. The company has a \$16 million annual payroll.

"The cutbacks in the last year have been through attrition," Nuxoll said.

On Wednesday, the company held a barbecue outside the plant for returning employees. Nuxoll said 50 employees were kept on for the cleanup and repair phases.

The plant is part of Boise Cascade's three-mill Yakima complex, the state's second-largest wood-products manufacturing facility. The fire burned one-third of the plywood-manufacturing building, located near North Seventh and East H streets.

Nuxoll said the company still does not know how the fire started, only that it was sparked in one of the dryers.

Most of the damage came from flames climbing above the sprinkler system — which reportedly kicked in immediately after the fire started — and destroying the rafter wiring that serves the machinery.

The rest of the company's sprawling complex, which includes two sawmills, was untouched and remained fully operational. No injuries were reported from the fire.

Without operational veneer dryers, which heat wood strips at temperatures up to 400 degrees to remove sap and other moisture, the entire plywood operation came to a halt.

Dryer operator Wayne Haney said small fires in the dryers are relatively common, but he had no idea why the March blaze erupted out of control. "Dryer fires happen, but that was a rare incident," he said. "There's not much we're doing different."

Morton & Sons Bark, Livestock Bedding & Firewood Sales Inc. of Yakima said the plant's temporary closure also put a strain on its supply of landscaping bark, which is recycled from the logs Boise Cascade uses for plywood.

"We were out of bark for a long time after the fire," said Morton & Sons employee Darlene Keller. "We finally had to bring a shipment over from the coast. (The plywood plant) starting up again has definitely helped us."