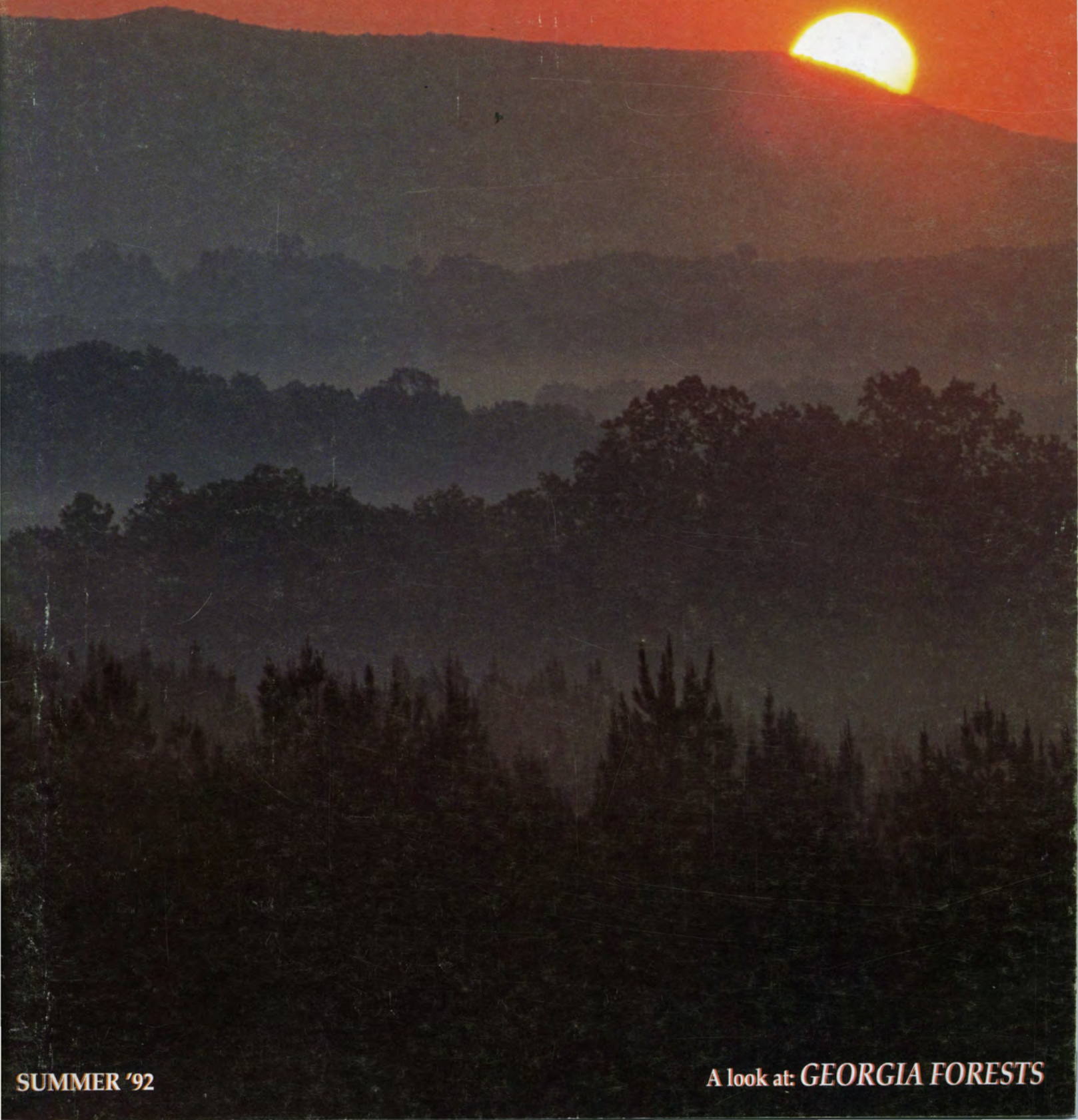
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InTouch

By and for Employees of Temple-Inland Forest Products Corporation



SUMMER '92

A look at: *GEORGIA FORESTS*

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CONTENTS



My Turn 1
Building Products Group Vice President Harold Maxwell outlines the mission and business strategies for the group.

A Look at Georgia Forests 2
Temple-Inland's forest holdings in Georgia have a different look, but face similar challenges. Read about Georgia forests, a tale of two Jaspers and Cherokee legends.

This 'n That 9
Spotlight on the Wildlife Department;
Trade shows give Temple-Inland an edge;
Quick action saves life;
Werner Westphal's contribution to particleboard development.



Perspectives 13
Capitol View takes a look at reauthorization of the Endangered Species Act; Texas trucking system needs changes; Inland to build box plant in Mexico; Anthony Frank is new Temple-Inland director.

Insiders 16
Customer Profile — American Woodmark Corporation;
Pineland's $3 million improvement project;
molasses by-product usage growing.



Summer, 1992
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Cover Photo
The rolling foothills of the Appalachian and Blue Ridge Mountains form the resource base for Inland-Rome's forest operations. A variety of softwood species, including Virginia pine, shortleaf and white pine, are mixed with oak, hickory, gum and poplar to form the unique forests of Northwest Georgia.

photo by Jay Brittain

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MY TURN



JAY BRYAN

Harold C. Maxwell
Group Vice President
Building Products Group

In March 1990 key managers of the Building Products Group were summoned to a planning meeting to be held at Scrappin' Valley, and, in my letter of invitation, I issued some comments in order to set the stage for the meeting. I would like to re-state a portion of that memo to provide some background on the development of our mission statement and strategies for the Building Products Group.

"The competitive character of the building products industry has been evolving toward a more market-driven climate. Companies are finding ways to provide greater value to customers through higher quality and new product/service innovation. While the ability to compete on price will always be an essential part of the competitive equation for us, it is no longer the only factor. The future growth and prosperity of our organization is clearly dependent on how well we are able to take advantage of this shift away from a purely commodity-oriented basis of competition.

"At the heart of successful market-driven organizations is their ability to understand the needs of customers and the capabilities of competitors. These two areas of knowledge produce the opportunities and challenges that shape our business plans and guide our daily activities. For businesses like ours, that have been more commodity oriented, this is a major transition touching on nearly every area of our operations."

To accomplish the above, a preliminary analysis of the present strategic position of all our businesses within Building Products was made. This process began with an analysis of the particleboard business, which has been undergoing major changes in response to a relatively sudden collapse of particleboard demand in the new home construction segment. This necessitated repositioning the business into the industrial segment such as furniture and cabinets. This is a growing market which will provide opportunities for future expansion.

The initial analysis of particleboard confirmed two things. First, we had already made dramatic strides to reposition ourself into the industrial segment. Second, to maintain this momentum and move more capacity (existing and new) into industrial production, a much greater knowledge of the marketplace would be required.

In response to this recognition, several actions were taken to better understand the competitive environment:

(1) The location, volume potential and product preferences of individual segments making up the industrial particleboard market were developed.

(2) Competitive benchmarking of all U.S. particleboard mills with respect to capacity, cost, and product offerings was performed.

(3) Market research was conducted to understand what factors were currently driving the purchase decisions of our customers, how we and our competitors were rated (by customer) on these key purchase factors, and how these differences were influencing price. Finally, to analyze and understand the significance of these relationships to our business, a logistically based optimization model was created.

We went through a similar process in all our strategic business units and in 1991 completed a 5-year Strategic Action Plan for the Building Products group. In doing this we initiated a strategic planning process for the Building Products group and developed a new mission statement as follows:

"To enhance shareholder value by participating in selected business units that provide synergies with other corporate assets and/or provide opportunities for favorable return. This will be accomplished through our high performance teams of employees dedicated to the efficient production of quality products and unequaled customer service."

It is important that we develop and implement strategies for the Building Products Group that are consistent with our overall mission as part of the Temple-Inland organization.

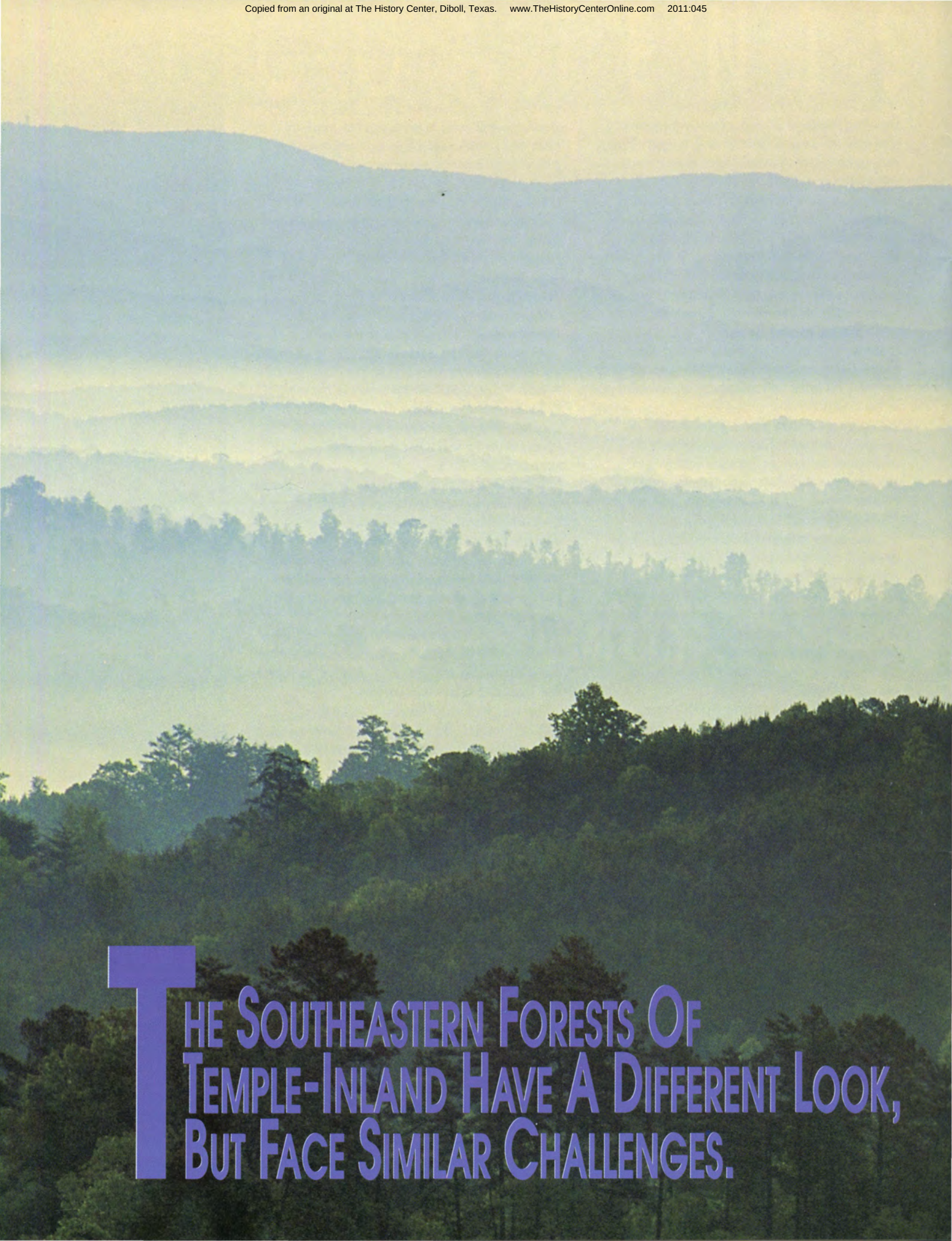
Our role in Temple-Inland is not only to supply earnings, but also to support other major assets and corporate strategies while adding diversification which reduces the risk associated with the parent company. It is diversity that has made Temple-Inland one of the best performing major forest products companies. When one business segment is at the bottom of its cycle, the others have been able to carry the banner.

The strategic action plan that we developed can be viewed as a road map that will lead us along our journey in fulfilling our role as part of Temple-Inland. The planning process is not a one-time event which produces a plan that is put on a shelf and referenced; but instead, it is an ongoing process that we hope will grow, gain momentum, and lead to a continuation of developing and implementing winning strategies.

To be sure that we have the right prescription for winning strategies, there are three processes that we must ingrain into the management of our business.

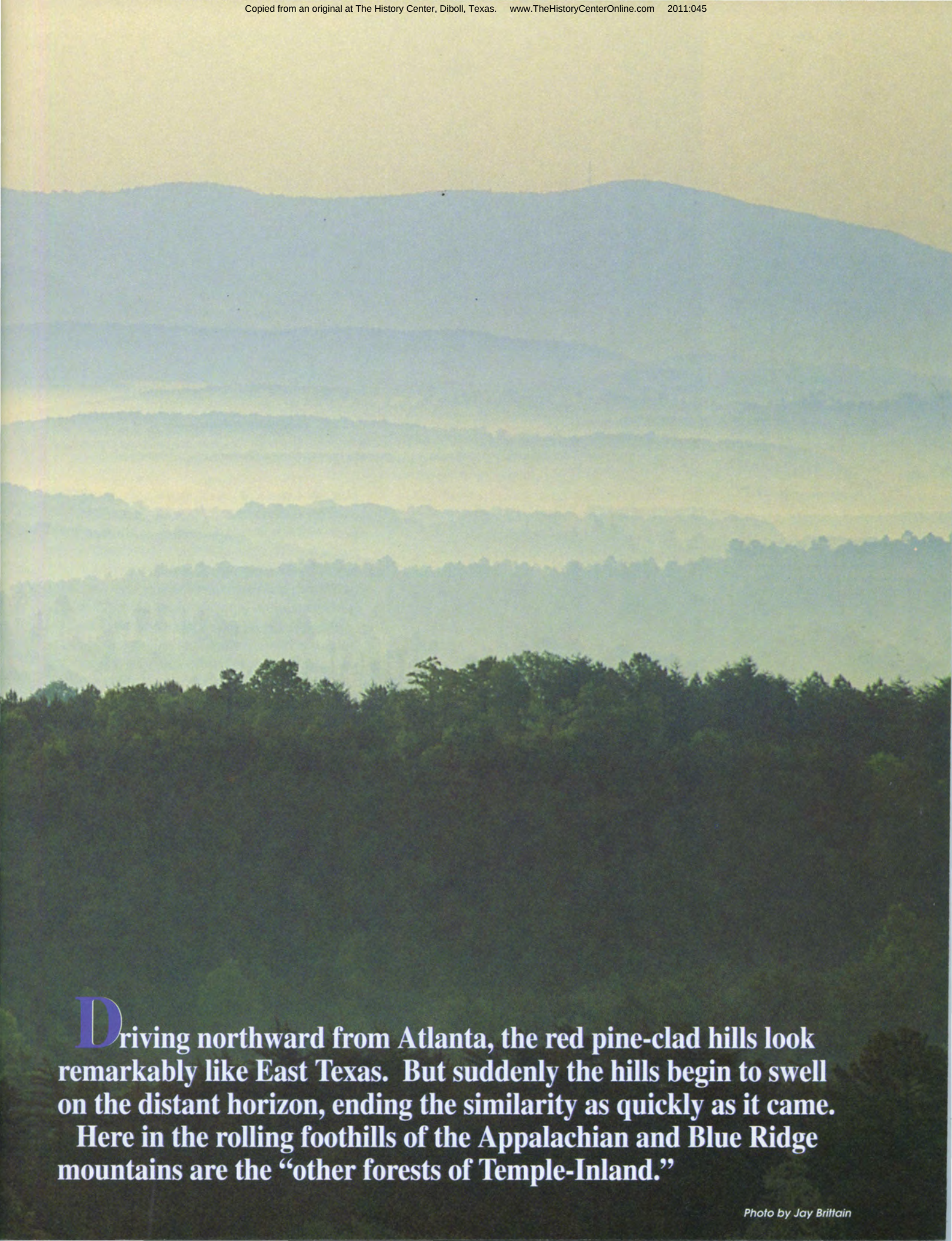
First, ***marketing research***. It has been said that he who has the best information wins. I'll take this one step further. --(continued on page 22)

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The Southeastern Forests Of Temple-Inland Have A Different Look, But Face Similar Challenges.

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Driving northward from Atlanta, the red pine-clad hills look remarkably like East Texas. But suddenly the hills begin to swell on the distant horizon, ending the similarity as quickly as it came. Here in the rolling foothills of the Appalachian and Blue Ridge mountains are the "other forests of Temple-Inland."

Photo by Jay Brittain

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JAY BRITAIN

Loblolly pine, seen here in the distance, grows extremely well in the rich Georgia soil. Because the preferred product is pulpwood, rotations in the region average 28 years as compared to 34 to 38 years in Texas and Louisiana.

"Our fiber needs are different, so we have to manage our forests in a different manner"

Spread over more than a half-million acres in Northwest Georgia and Eastern Alabama, they are not readily associated with Temple-Inland because they fly the flag of Inland-Rome, Inc., instead of the T-wheel symbol associated with the more visible forests of Temple-Inland in Texas and Louisiana.

The name isn't the only difference between the two forested regions.

The Georgia and Alabama forests have different management objectives, the public issues affecting the lands are more subtle, and even the forest species often take on a new identity.

The principal customer of the fiber harvested from the Georgia and Alabama forests is a 2300-ton-a-day Inland linerboard mill and an adjacent sawmill at Rome, Georgia. About 20 percent of the two facilities' timber comes from the company's forests and 80 percent makes its way from individual landowners such as farmers, doctors, lawyers and just plain folks.

While the Georgia and Alabama forests grow a variety of softwood species—such as Virginia pine, shortleaf and white pine—most of the fiber used for manufacturing is loblolly pine, which grows well in the region. Last year Inland-Rome foresters planted more than 11 million new loblolly seedlings. Foresters like Billy Middleton have been pleased with the survival rate.

Because the preferred product is pulpwood, the forest rotation rate in the region is about 28 years compared to 34 to 38 years in Texas and Louisiana.

"Our fiber needs are different, so we have to manage our forests in a different manner," said Ron Cockrel, operations manager for Inland-Rome forests.

And because the Georgia and Alabama terrain is different, harvests are also somewhat different than in Texas. Here, forest cuts tend to be smaller, seldom exceeding a few hundred acres. Forest thinnings are infrequent because the rugged terrain makes them impractical.

While the mountainous timberlands grow hardwoods like oak, hickory, gum and poplar in abundance, most of the species are low-grade upland species and the wood is used largely for down-scale products such as pallets.

Public issues like scenic easements and the protection of endangered wildlife species have not engulfed Cockrel and his fellow foresters, but he feels they're just down the road—literally.

"The continuing urban growth of Atlanta, and the environmental concerns of urban residents, will reach into North Georgia in a few years and we anticipate greater public discussion concerning forest harvest practices,"



JAY BRITAIN

Ron Cockrel, operations manager of Inland-Rome Forests.

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said Cockrel.

Here's how Cockrel sees some of the emerging issues:

• Regeneration harvests. "Our cuts are smaller and in most cases isolated and remote. As a result, the public concern isn't as high. As more and more people begin moving north from Atlanta, we can expect more public discussion of this and other aesthetic issues."



JAY BRITAIN

The continuing urban growth of Atlanta will reach into North Georgia in a few years. Cockrel predicts issues such as scenic easements and forest harvest practices will gain greater public discussion.

• Endangered species. "The red-cockaded woodpecker hasn't been seen here, principally because we don't have the large, old-growth timber desired by the bird. But we are training our people to be sensitive to the bird's habitat in case it shows up on our lands."

• Scenic easements. "Georgia's new coastal and mountains act prohibits the cutting of trees in certain mountain areas, as well as the development of ridgelines, but we can easily accommodate the act."

• Forest management practices. "We've initiated voluntary guidelines for harvesting, stream crossings and other management practices on our lands, and I think this system is working pretty well. But, like everyone else, we'll have to work closely with logging contractors to see that the guidelines work in the field."

• Taxes. "Georgia's new timber tax law will probably increase everyone's taxes, but most people in the industry feel it should help moderate the growth of taxes in the long run."

Middleton, Ellijay district supervisor, and Bill Berry, regional manager at Jasper, are both concerned that the encroachment of development properties, such as those along the Coosawattee River, will bring changes to Northwest Georgia.

"As more people from the big cities, who have different ideas about forest management, move into the rural areas, we'll see

(continued on next page)



JAY BRITAIN

Inland-Rome Forester Billy Middleton is one of the "old timers" who knows the history of the area as well as the dynamics of managing forests in one of the country's fastest growing and productive forest products regions.



JAY BRITAIN

Bill Berry (left), regional manager at Jasper, and Tim West, district supervisor, see encroachment from Atlanta development properties bringing change to Northwest Georgia.



JAY BRITAIN

Northwest Georgia has earned its reputation as a premier trout fishing area because of streams such as this one.

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Unlike Temple-Inland's vast concentrated forests in East Texas, Inland-Rome's patchwork-like holdings are often nestled within rural homesteads.



JAY BRITAIN

Kudzu, a pesky vine brought to Georgia to halt roadside slope erosion, has literally taken over the landscape, climbing trees, fences, utility poles, eventually killing the foliage in its path. Georgia foresters report pranksters enjoy starting fires in the kudzu at the bottoms of hills and watch the fire race up the hillside.

increased pressures," said Middleton.

Berry said the urban pressures will be intensified by the projected development of a new "outer belt" around Atlanta, a super highway that will cut through a portion of the company's timberlands near Jasper.

To deal with the pressures, Berry says the company is trading or selling lands most likely to be used for development in Northwest Georgia and buying less-sensitive timberlands in Alabama.

Temple-Inland inherited the Georgia and Alabama forests as the result of its merger with Inland Container Corporation. The use of the lands for growing fiber, however, dates back to the 1950s when they were acquired in parcels to supply a new paper mill built at Rome by Georgia Kraft Company.

The lands today stretch roughly from Pell City, Alabama, on the west, to the South Carolina border on the east, to LaGrange, Georgia, on the south, and to the Tennessee border on the north. They cover 39 counties in Georgia and 11 in Alabama with about 94,000 acres of the 513,000 under the management of Inland-Rome leased from other owners.

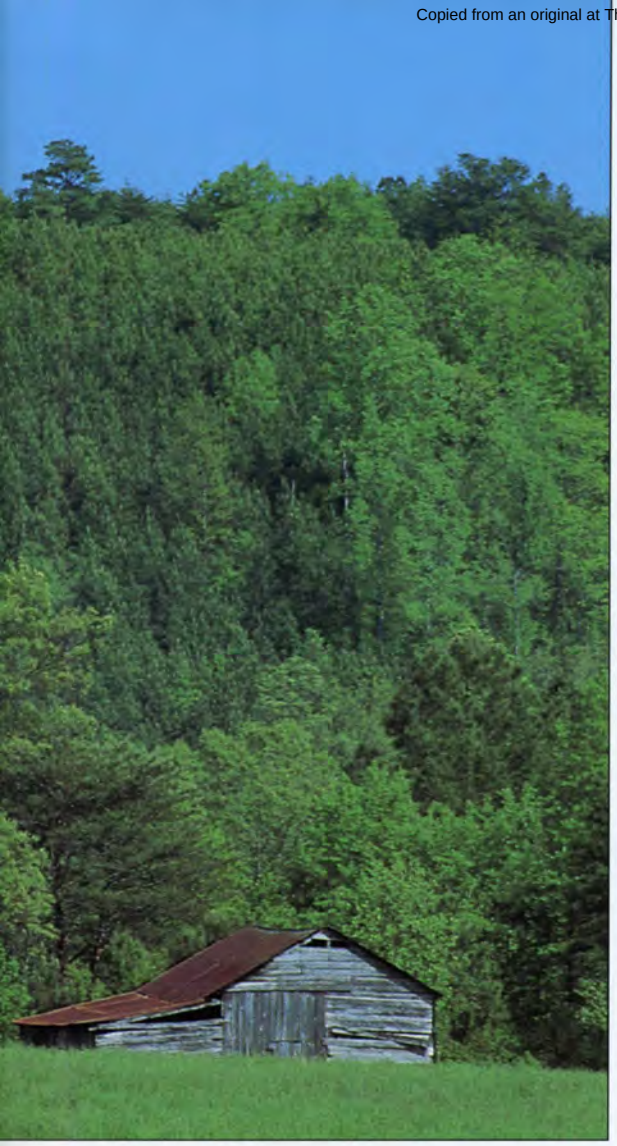
The forests are served by four regions at Jasper, Gainesville, Douglasville and Cedartown. Each of the regions has two or more districts in small communities like Waleska,



JAY BRITAIN

An 800-acre tract of Inland-Rome timberland was devastated by the southern pine beetle. This area was replanted two years ago.

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Ellijay, Coosa, Homer, Dawsonville, Dallas, Whitesburg, Franklin, Pell City, and Cave Springs.

Because the Rome manufacturing facilities rely heavily on fiber from non-company sources, the forest group spends much of its time buying wood on the market.

Company foresters also work closely with state wildlife officials and local hunting clubs, who leased some 200,000 acres from the company last year. The lands are abundant in wild turkeys, deer, squirrel, grouse, quail and black bears.

"The leasing program has produced good relationships with local residents," said Cockrel. "And the Georgia Department of Natural Resources does an excellent job in keeping lands well-stocked."

Another forest dweller, the southern pine beetle, is currently dormant after a serious epidemic that killed thousands of trees several years ago. ■

The story of two Jaspers

Jasper, Texas, and Jasper, Georgia, are three states apart. But they have striking similarities.

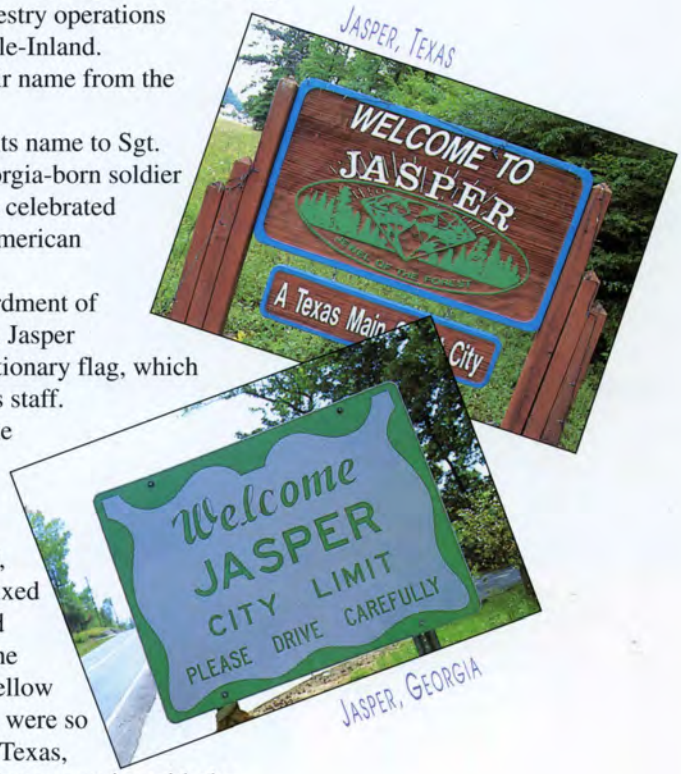
• Both are small communities where life revolves around an historic courthouse.

• Both are tied to the forest products industry and have regional forestry operations associated with Temple-Inland.

• And both got their name from the same man.

Each Jasper owes its name to Sgt. William Jasper, a Georgia-born soldier who became the most celebrated enlisted man in the American Revolution.

During the bombardment of Fort Sullivan in 1776, Jasper recovered the Revolutionary flag, which had been shot from its staff. Braving deadly fire, he raised the flag above the walls of the fort.



Jasper, who later died in action in 1779, has seen his name affixed to dozens of cities and counties throughout the South. Jasper and a fellow soldier, John Newton, were so linked in the war that Texas, Missouri and Illinois have counties with the names of Jasper and Newton side by side. Eight states have Jasper counties and four have Newton counties.

In Jasper, Georgia, Temple-Inland's Georgia and Alabama forests are known as Inland-Rome. The lands are managed by a staff of about 140 men and women with Jasper serving one of four regional offices. With a population of about 3,000, Jasper is the seat of government for Pickens County, an area rich in Indian history, marble quarries and scenic forests. The county was named for another revolutionary war hero, Colonel Andrew Pickens.

Like its Texas counterpart (with a population of 7,000), Jasper is moving toward a more diversified economy by bringing in more industries and business and developing a stronger tourist trade. ■

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JAY BOITAN

Georgia's misty hills hold sacred the Indian lore and legend with community names like Coosawattee, Talking Rock, Sosebee, Ellijay and Waleska dotting the landscape.

CHEROKEE LEGENDS CLING TO FORESTS

Indian lore runs deep in the Inland-Rome forests of northwest Georgia.

Names like Coosawattee, Talking Rock, Sosebee, Ellijay and Waleska dot the landscape—mute reminders of the early 1800s when the Cherokee Indian nation occupied much of the region.

Ellijay, the home of an Inland-Rome forest district office, took its name from an Indian word meaning "the place where two rivers meet."

Waleska, home of another Inland-Rome forest district, is another Indian word.

The Cherokees, who had one of the most advanced cultures of any Indian tribe, were concentrated around the four Georgia communities of Talking Rock, Talona Creek, Sharp Mountain Creek and Longswamp Creek—places familiar to Inland-Rome foresters on a daily basis.

The Indians cleared fields and built fine log structures such as the old Nelson tavern, which still stands. They also built and maintained the first public road in northwest Georgia.

At Talking Rock Ford, a Cherokee Indian, George Corn Tassel, murdered another Indian in 1829, and the state of Georgia exercised a claim to legal authority over the Indians by having George tried and hung at Gainesville, Georgia. The trial signaled the end of the Cherokee Nation, and eventually led to their banishment.

In 1835, the Cherokees had a population of about 1,000, but in three decades the Indians were gone, the result of a displacement that lead to the infamous "Trail of Tears."

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Growing wildlife *along with the trees*

Either subtly or directly, the harvesting of trees almost always has an impact of some type on wildlife.

The goal of Temple-Inland's Wildlife Department is to make sure that it has a minimal effect on wildlife in general and a positive effect on some major species. This ensures a diversity of wildlife that can thrive in the same forests that grow wood fiber for paper and building materials.

For that reason, a team of wildlife biologists and technicians is constantly testing and researching the effects of timber management practices on wildlife species.

"It's important that we do our job well, so that wildlife will grow right along with the timber," said Darryl Stanley, Manager of Wildlife.

Stanley's team does most of its research work at Boggy Slough and Scrappin' Valley, two major wildlife preserves owned and managed by Temple-Inland in East Texas.

At Boggy Slough, located in Trinity and Houston Counties, biologist Don Dietz, game management technician Stan Cook and utility employee Richard Capps perform wildlife projects on the 22,000 acres.

Biologists Joe Hamrick and Clayton Wolf are running projects and conducting studies at the 11,000-acre Scrappin' Valley, located in Sabine and Newton Counties.

Stanley, meanwhile, oversees all projects on the two forests while overseeing other wildlife activities on the 1.3 million acres Temple-Inland owns in Texas. The department works closely with all Temple-Inland foresters.

Some of the projects include:

• A three-year quail relocation study. "Since we reintroduced quail into the East Texas pineywoods, we're trying to manage a part of our land as an ideal quail habitat. The quail are tagged by radio transmitters and tracked by biologists and technicians," explained Stanley.

• A five-year study on pine plantation management and its affects on wildlife. A first-of-its-kind project, this $650,000 study will be conducted by Temple-Inland and the School of Forestry at Stephen F. Austin State University. "Our goal is to determine how Temple-Inland's management technique affects wildlife including the white-tailed deer and 40 other species," Stanley said. Over 70 research sites are scattered throughout Temple-Inland land for the comprehensive study.

Many Temple-Inland studies are cooperative efforts with other organizations, such as Stephen F. Austin State and Texas A&M universities. For example, the Wildlife Department and A&M recently completed one of the largest quail studies on genetics.

While much of the department's work deals with research, another aspect is managing the 800,000 acres of Temple-Inland forests leased to hunting clubs.

Management plans are prepared and recommendations made to the clubs, with technical assistance provided by the Wildlife Department. Recently, the department contributed money to 13 hunting clubs for habitat improvement projects, such as planting roadsides in wildlife food and improving water supplies for wildlife.

JAY BRITTAIN



Temple-Inland's Wildlife Department includes Scotty Parsons, Stan Cook, Richard Capps, Darryl Stanley, Joe Hamrick, Don Dietz and Clayton Wolf.

Secretary Carmen Wright plays a key role in communications with the hunting clubs, taking care of the paperwork.

Another function of the department is to interact with environmental groups. As a result of this work, Stanley feels timber companies and environmental groups will gain greater understanding of environmental challenges.

"Many of these groups now acknowledge we are concerned about our lands and the different species that live on them," Stanley said. "They also understand we support forest management that enables these species to grow and prosper."

A good example is the black bear in Louisiana. Stanley serves on the Black Bear Conservation Committee, which is helping to protect the threatened species by developing guidelines for habitat enhancement.

Stanley also serves on several other committees to protect other endangered species, including the red-cockaded woodpecker.

"We're working with all of these groups to protect endangered species in the South," he said. "While we're in the business of producing fiber, we want our lands managed to protect the environment as well." ■

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The Buidling Products Group's Marketing Department showcased this new booth at the National Association of Home Builders trade show in Las Vegas, Nevada.

Trade shows give Temple-Inland an edge.

With increased competition in the building products market, Temple-Inland's Marketing Department is always looking for the slightest edge. Trade shows have become an important marketing tool that assists Temple-Inland in this edge.

For Marketing Vice President Joe Sample, "Trade shows are a growing business. It brings us face-to-face with customers that we typically know only through telephone, FAX or electronic data interchange. We have the opportunity to meet the people who are buying our products and in many cases develop enduring friendships."

Temple-Inland maintains an active trade show schedule throughout the year, with events ranging from small dealer shows of a few hundred people to giant gatherings like the National Association of Home Builders Trade Show with as many as 60,000. Temple-Inland is currently involved in 34 shows per year.

Managing this active schedule and the wide variety of exhibit equipment is Marketing Services Manager Pete Smart. Working with advertising agencies and a Dallas production company, topnotch exhibits have become a trademark of Temple-Inland.

This August, particleboard sales management, led by Marketing Manager Jack Beene, and production personnel will travel to Atlanta for the International Woodworking and Furniture Show. Attendees from around the world will be there, creating an unusual opportunity to promote Temple-Inland's industrial particleboard product line.

"We're excited about this particular show," Beene said. "We have a tremendous opportunity to reach new customers and talk about important services such as our cut-to-size and laminating features."

Trade shows have also become an effective tool in the introduction of new products like TrimCraft, an engineered exterior wood trim, and Sretch 54, the group's newest gypsum wallboard product.

The key to each show is knowing the audience and how to communicate with them effectively. Creating a little excitement and sometimes doing the unusual brings people into the Temple-Inland exhibit.

At the Lumberman's Association of Texas show this year in San Antonio, for example, the group developed a "Home Team" concept featuring a baseball theme that coincided with the opening of baseball season and the overall convention theme.

Temple-Inland employees working in the exhibit wore the "Home Team" logo on their jackets and baseball caps. The baseball theme was creatively tied to the products and the exhibit design. To top it all off, Blue Bell ice cream was served to visiting customers at the rate of 800 cones per day.

The Marketing Department's trade show schedule reaches a peak between January and March, and again between September to November. Between the two seasons, the marketing team tries to catch its breath, concentrating on other opportunities.

"Trade shows are a growing part of our marketing budget," Smart said. "They are an effective marketing tool in knowing our customers, learning their needs, and selling our products. And that's the bottom line." ■



JAY BERTAIN

Pete Smart, Building Products marketing services manager, displays the oversized promotional items that illustrated this year's "home team" theme at the Lumberman's Association of Texas show in San Antonio.

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Quick action proves value of CPR training

Temple-Inland employee Matthew Quick was taking a golf lesson at Crown Colony Country Club in Lufkin when Judy Inge of Fort Worth, playing in a tournament, collapsed and stopped breathing.

Quick's CPR training, with the help of a nurse, probably saved her life.

"Since this was the first time to use it, I was surprised that I reacted like I did," Quick said. "During the process, I stayed calm and concentrated on the rhythm of the CPR, making sure I was getting a full breath inside her."

Mrs. Inge later underwent a coronary bypass operation and at last report was doing fine.

When Matthew Quick saved a life because of training he received at Temple-Inland, it showed just how important safety courses have become.

Each year Keith Anderson of Corporate First Aid, along with the Ruth Oates at the Development Center, train hundreds of employees throughout the company in cardiopulmonary resuscitation (CPR), first aid, and emergency medical services.

With interest in the classes growing each year, it's a goal of the two departments to have people trained at all levels at all job sites.

Training includes:

- *CPR, the most common and popular of all emergency training. CPR, a four to eight-hour course, needs to be renewed every year.*
- *First Aid, also a four to eight-hour course, is renewed every other year.*
- *Emergency Medical Services, a more extensive course, consisting of 40 hours of training. EMS certificate is renewed every four years.*

The emphasis on this type of training has a high priority at Temple-Inland, and the courses exceed what's required by law, according to Anderson. "We recognize minimum government training standards, but we cover those and far exceed what the law requires," Anderson said. "We want to make sure that our trained employees can handle any situation."

Training at all levels and all plants is a goal of the First Aid and Development Center. Anderson said anyone interested in these three areas can receive the training. "We determine if the people are interested and make sure we have adequate coverage throughout the company," he said.

Temple-Inland is looking for enough people in the right place at the right time. For instance, he hopes to have a trained employee within one minute of any accident in the company.

"If a person stops breathing, it's important to have a person trained in CPR only a minute away," he said. "We're in the process of having employees trained on certain shifts at the mills, to assure us that we always have someone trained nearby."

Not only does Anderson like to see people trained in CPR, he wants to see first aid classes taught as well.

"If we have more people trained, we'll be more efficient," he said. "If we can treat a person immediately after an emergency occurs, we already have a jump on the road to recovery. Therefore, we can limit the injury or illness so that an employee might be out for a couple of days rather than a couple of months."

For example, heat stress is taught in the first aid class. Anderson said participants are taught to recognize signs of a person who's suffering from heat stress, which develops quickly into heat stroke.



JAY BRITAIN

Matthew Quick, Forests Group draftsman, used his Temple-Inland CPR training to save the life of Judy Inge of Fort Worth.

"Each minute is critical for a person suffering heat stroke," Anderson said. "If you catch the symptoms early enough, only a couple hours of rest is needed. If not caught early, heat exhaustion will require IV therapy in the hospital."

Anderson said the difference can be less than an hour, which makes these three classes some of the most important a person will ever take.

Matthew Quick, who put his CPR training to good use, said he appreciates the required course offered at Temple-Inland. "People should realize how important CPR and first-aid training are," he said. "If places of business would require this training for the employees, we would have more people qualified." ■

"If a person stops breathing, it's important to have a person trained in CPR only a minute away"

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A day in 1953 changed his life

"As a young boy, I played in wood shavings, and maybe that's why I was attracted to wood products as a career"

In the spring of 1953, German-born Werner Westphal, 29, stood at a crossing on the U.S./Canada border, watching a immigration official examine his visa and passport.

Communism was on the march in Eastern Europe, and Westphal—trained and educated in Europe's wood products industry—was confident that his professional skills would be in greater demand in the United States. He had come to America with only a few pennies in his pocket.

Now, Westphal's career rested in the hands of an immigration clerk he had never seen before. His heart sank as the clerk stamped a large "X" on his passport and stuffed Westphal's visa in a drawer.

"I was sure my whole life had been rejected by that X," he recalls.

But the immigration official's stamp meant he had been approved for entry in the U.S. and Westphal was allowed to cross at International Falls, Minnesota. He considers that day one of the most important in his life.

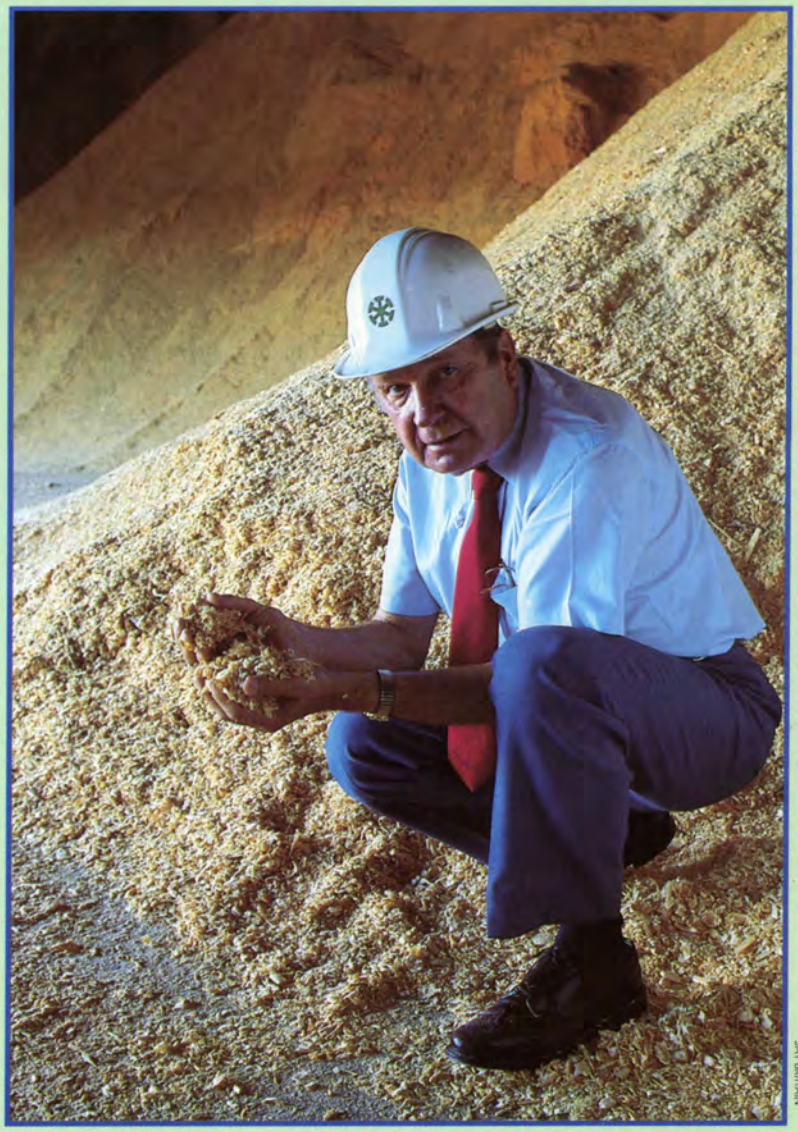
Today, Westphal—technical director of Temple-Inland's particleboard group—is one of the country's leading authorities on particleboard and composite wood manufacturing.

Born and educated in Berlin, Westphal's father owned a millwork and furniture factory in rural Germany, but lost everything in the German depression of the 1920s and 30s. "As a young boy, I played in wood shavings, and maybe that's why I was attracted to wood products as a career," he remembers.

A chemical engineer and industrial technician, Westphal's first job in America was far removed from his training, and came by accident:

"I was looking at a car in International Falls when the dealer, a Norwegian named Thompson, asked me if I wanted to buy it. I told him I didn't even have a job, much less money for a car. So the dealer called up a lumber yard, which he also owned, and told the manager to give me a job. I started the next day unloading stocker coal from boxcars. I didn't have a place to stay, either, so Mr. Thompson rented me an apartment over his car dealership."

When Westphal applied for a job at the Minnesota and Ontario Pulp and Paper Mills in



JAY BRITAIN

Particleboard Operation Technical Director Werner Westphal, who joined the company in 1983, focuses his work today on how to make particleboard a more competitive product in the building products industry.

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International Falls, he was hired, but his resume was lost and he was put to work cleaning railroad cars. A few weeks later, his resume was found, and he moved into a job researching converted wood products—a field in which he specialized.

Unhappy with the snows of Minnesota, Westphal gradually began to move his career and family south, first to Wisconsin, then Virginia, and finally to Texas in 1983 when he joined Temple-Inland.

Westphal focuses his work today on ways to make particleboard a more competitive product in the building products industry—using veneers, emulsions and coatings to create applications for a broader field of industries such as furniture manufacturing and construction.

He is also pursuing air quality research he hopes will enhance the environmental appeal of the company's particleboard plants.

Temple-Inland operates three particleboard plants at Diboll, Monroeville, Alabama, and Thompson, Georgia. Together they produce about 300 million square feet of 3/4-inch board a year.

Some of the Temple-Inland developments Westphal has watched during his career include the transformation of particleboard from a product used primarily as a flooring underlayment to one utilized in a variety of ways, such as furniture manufacture. He has also watched the emergence of computer technology, leading to more efficient manufacturing.

The basics of particleboard manufacturing haven't changed much in the last 20 years, said Westphal, but he believes emerging new technology will one day lead to presses that produce a continuous ribbon of particleboard, replacing the current "batch" system of manufacturing.

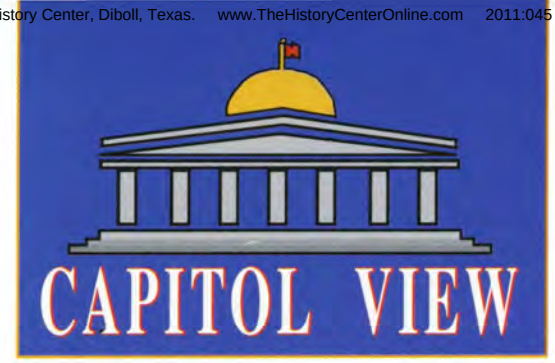
"This could be the industry's technology of the future, and we're watching it very closely," he said, "because it has the potential of producing a more uniform and economical product."

Because of its flexibility and economics, particleboard could also emerge as an important building material in growing Third World countries, says Westphal.

As he continues his work with particleboard, Westphal continues to earn the respect of the industry. He is a former officer and director of the National Particleboard Association and was recently named to "Who's Who in America" because of his technical work. He also takes pride in a son, Rolf-Werner, who is a nationally-known metal sculptor.

Regardless of how much his career grows, Werner Westphal still remembers that spring day in 1953 when he came to America.

"My life changed that day," he said. ■



Environmental Overreach

The sixth reauthorization of the **Endangered Species Act (ESA)** is presently underway. Congress enacted ESA in 1973 after a period of rapid economic growth and inadequate attention to the environment. Now, almost 20 years later, some members of Congress believe the ESA is being applied **far beyond the scope** of what the legislation was intended to do — to outlaw the wanton killing off of endangered plant and animal species.

700 species are currently listed with an additional 3500 in line for protection. The potential costs of enforcing the act are enormous. The cost to "recover" all currently listed species is estimated at **$5 billion** over the next 10 years, not counting the economic losses from private and public projects simply shut down because of the law.

In California, private business interests claim more than $6 billion will be lost to the listing of a bird called the gnatcatcher, not to mention the Sacramento Delta smelt's recovery costs, estimated at $12 billion.

In Travis County (Austin), Texas, where two listed songbirds appear, private landowners have been threatened with criminal prosecution for such innocent activities as **clearing brush from their fence lines.** Property values in the area have fallen more than $350 million, economic development has stopped, and agricultural operations are in limbo. Federal officials and environmental groups have seen opportunity in the depressed real estate market there and now talk of creating a wildlife refuge for the songbirds. Landowners have little recourse but to sell out.

The ESA requires the listing of every species which is determined to be endangered or threatened "solely" on the basis of "scientific" data. Under current law, consideration may be given to the economic or **social impacts** of listing a species. The act has brought to a standstill the logging of millions of acres in Oregon and Washington to "recover" the spotted owl's habitat. When the owl issue is at least partially settled, some 30,000 to 60,000 jobs by conservative estimate stand to be lost (not counting the logger's families).

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In Travis County (Austin), Texas, where two listed songbirds appear, private landowners have been threatened with criminal prosecution for such innocent activities as clearing brush from their fence lines.

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(Capitol View)

Department of the Interior Secretary Manual Lujan released the Bush Administration's preservation plan for the northern spotted owl on May 14. It is the first plan to consider **social and economic costs** when preserving a species. According to the Department of Interior, the Lujan plan will save 17,000 jobs, 1 billion board feet of timber each year, and $68 million per year in tax revenue when compared to the original recovery plan issued by the U.S. Fish and Wildlife Service. The Secretary's plan would support over 1300 owl pairs and would **set aside 2.8 million acres** of currently nonreserved federal lands in addition to 1.5 million acres in national parks and wilderness areas.

Secretary Lujan's alternative plan represents a **sensible balance** between the preservation of a unique species and the economic health of whole communities. If Congress makes any changes to the Endangered Species Act, they must include a mandatory review of economic and human impact as recovery plans are considered to protect the biodiversity of our environment. -- *Tony Bennett*

Tommy Burch Contract Logger of the Year

Long-time Temple-Inland contract logger, Tommy Burch, was named the 1992 State Logger of the Year by the Texas Forestry Association. Burch, who has been a logging contractor for Temple-Inland since 1974, was described as "a good steward of the land who willingly complies with Best Management Practices and incorporates compliance into his logging plans." He currently serves as chairman of the TFA's Texas Logging Council, and helped organize the log auction for Logging Wheels, a charitable fund raiser of TFA.



JAY BRITAIN

Exemplary Temple-Inland contract logger Tommy Burch was named Outstanding State Logger by the Texas Forestry Association.

TRUCKING SYSTEM NEEDS CHANGES, SAYS PATRICK

Earlier this year, a trucker picked up a load of lumber at Temple-Inland's sawmill in DeQuincy, Louisiana, and carried it to Austin, 300 miles away. The transportation costs averaged 81 cents a hundred weight, or about $373.

On the same day, another truck picked up a similar load at a company mill in Pineland, Texas, and carried it to Austin. The trip was about 25 miles shorter, but the transportation costs averaged $1.03 a hundred weight, or about $474.

This comparison—and the growing costs of shipping goods in Texas—is why Don Patrick, transportation manager for Temple-Inland, believes that Texas' regulated trucking system



Temple-Inland's transportation manager Don Patrick hopes inequities in Texas trucking regulations will be changed to make locating and operating businesses in Texas easier.

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needs to be changed.

Under the Texas system, it is frequently cheaper to ship products such as lumber from points out of the state into Texas than it is between two points in Texas.

This inequity, Patrick feels, is why an increasing number of businesses are locating their warehouses and manufacturing plants just across the state line despite the fact that most of their customers are in Texas.

"For many commodities, the costs of transportation can be as much as 20 percent of the product price," he says. "When you reach this level, it becomes much more economical for a company to locate its facilities where it will get the best break on shipping costs."

Patrick feels Texas lawmakers should take two steps to make the Texas trucking system more efficient:

1. "The system should make it easier for truckers to get permits and enter the shipping business. The current system discourages competition and causes permit delays that can run into years."

2. "There should be more flexibility in the rates. The current system, for example, discourages truckers from working with customers to haul one product to a city and then back-hauling another product to the point of origin. As a result, there is a lot of inefficient dead-head (one-way) hauling in Texas."

A basic underlying problem, says Patrick, is that intrastate truckers are exempt from anti-trust regulation in Texas. This, he says, lets truckers determine what rates are used and effectively eliminates competition.

The Texas system, administered by the Texas Railroad Commission, is much different from trucking regulation in Louisiana, Georgia and Alabama, where Temple-Inland also operates manufacturing facilities.

"In these three states, the carriers have more flexibility to set rates and it is not difficult to get intrastate authority for hauling, " he said.

While truckers often claim that Texas' regulated system is needed to keep their companies profitable and to prevent unsafe vehicles from traveling on Texas highways, Patrick says studies in other states have shown that deregulation has not produced unsafe trucking practices.

"There are adequate safety laws on the books to keep truckers from using poor and unsafe equipment, and we're certainly not for relaxing those laws," he said.

Patrick said he expects a strong business campaign to change Texas' regulated trucking system in 1993, when the Texas Legislature convenes for its regular session in Austin.

At the same time, the Bush administration announced earlier this year that it plans to sue states such as Texas that continue to impose state regulation and higher rates on truck shipments. Among many shippers and Bush deregulators, Texas is the most notorious example of costly state regulation.

A study of U.S. Department of Transportation data by Federal Express, the nationwide delivery service, estimated that Texas Railroad Commission regulations cost shippers and consumers $1 billion a year in higher costs.

The Federal Express study showed that in the paper and paperboard industry manufacturers and consumers could save between $165 and $292 million each year under a deregulated intrastate system. ■



JAY BRITAIN

"For many commodities, the costs of transportation can be as much as 20 percent of the product price"

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Fletcher Wallboard employees Terry Johnson and Ron Hodge have completed EMT training and First Responder training, respectively.



After eight weeks of classes, Fletcher Wallboard employees are now certified first responders. A first responder learns CPR, first aid, and medical emergency training and is a member of the EMS system, trained to render first care for a patient and to help EMT's at the emergency scene. Those certified include (front) Vickie Bridges, Ruth Brittain, Treasia Leatherbury, and Kilbrent Stephenson. Also (middle) Charlie Smith, Liz Sanders, Tom Lindley, and Linda Lowe. Also (back) Charlie Howell, Scout Trout, Raymond Summit, and Dexter Stockstill. Not pictured is Ted Williams.

Papermill producing elemental chlorine free pulp

Per Klykken, production manager, Bleached Paperboard Group, reports elemental chlorine free pulp (ECF) is now being produced in all three existing bleach plants at the mill in Evadale. Monox-L is now being added in place of elemental chlorine.

"Initial results are promising for achieving comparable pulp quality as well as improving our environment," said Klykken. "Our mill joins a list of 50 other mills throughout the world producing ECF pulp. Interestingly, we became only the second U.S. mill able to make this claim."



MARK BUSH

Perseverance is paying off for Green "Buffalo" Scott Jr. and Myrton Thompson, Diboll Lumber Operation Truck Shop employees, who are completing diesel mechanic training at a local college. Both men are upgrading their skills as mechanics through a four-hour class, which they have attended four times a week, after work, for the past three months. Green has completed both semesters, while Myrton has completed one semester. The class covers theory, repair, trouble shooting and rebuilding of diesel engines.



JOHN LYONS

Various prototype products include plastic/wood composites, shredded computer paper and wood; peanut hulls and wood; powdered resins and wood; a fire resistant composite (this sample shows a 20-minute blow torch burn); foil covered plywood for roofing, and a paper-faced panel for exterior application; and cedar oriented strandboard.

Wood composite panel R&D
What would happen if...?

It could be as simple as adding Lysol disinfectant spray to board adhesive to see if a mold/mildew resistant panel could be made for bathroom vanities. Or, as complex as using "meltable" recycled plastic milk jugs to eliminate currently used adhesives altogether. Will the idea work? R&D will give us the answer.

Such is the thinking behind Particleboard Operation's research and development lab. According to John Lyons, director of particleboard's Product Development Center, beginning with a plant trial is usually not the answer due to the initial high risk of failure. Therefore, a laboratory-scale trial for prototype development is the first step after evaluating the feasibility of the idea.

Wood composite panel prototype development requires a standard laboratory hot press. The Product Development Center in Diboll purchased such a press in May. The single opening press can produce panels up to 24"x24" in length and width with a maximum panel pressure of 1388 p.s.i., heating temperature of 500 degrees and mat thickness of 15 inches.

"Not only will this piece of equipment aid in the evaluation of Temple-Inland's existing panel products, with respect to increased quality and cost reductions through research studies, it will allow for the development of totally new composite panel prototypes for new markets," said Lyons.

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In September, 1990, the **West Memphis Gypsum Operation** embarked on new ground by incorporating by-product gypsum into the process. In 1991, the plant processed 25,503 tons of by-product gypsum, or 10% of the raw material requirements.

In comparison to natural gypsum, the by-product gypsum is much finer and of a higher purity, both of which are quality enhancements for the West Memphis board. The only negative is the high free moisture content, which increases the difficulty in material handling. Management and calciners have made equipment modifications to the existing equipment to successfully handle the higher moisture raw material.

The current source of by-product is from Jersey Miniere Zinc Company and results from their scrubbing process to reduce sulphur emissions. The Jersey Miniere by-product is hauled by dump truck from Clarksville, Tennessee to West Memphis where it is blended with natural rock and processed.



West Memphis Plant Engineer Dan Bowden, Assistant Plant Engineer Steve Rehrig, and Leadman Lloyd Bourne make a visual inspection of synthetic gypsum testing samples.

The use of by-product gypsum makes sense when the economics from transportation provide lower cost raw material. In addition, the natural rock quarry reserves are extended into the future by the amount of by-product usage.

In the future, additional large quantities of by-product gypsum, in particular, F.G.D. (Flue Gas Desulphurization) will be used by gypsum companies. The Clean Air Act requires the lowering of emissions by coal-burning utilities by January 1, 1995. This mandated regulation will bring several million tons of by-product gypsum to the marketplace.

"Certainly, there will be opportunities for the incorporation of this by-product into board manufacturing. We are continuing to explore these possibilities where the logistics make sense from an economics viewpoint," said Jim McNeer, plant manager. "We are excited about the possibilities of savings in raw material costs that by-product gypsum can give and know that the future will see an ever increasing quantity as the United States places greater emphasis on cleaner air."



JAY BRITAIN

Overseeing the eight-month lay-up line project were Rix Samford, Special Projects manager/Group engineer for Panel products; Wayne Fuller, Complex Service superintendent; and James Foster, Complex Electrical supervisor.

Pineland prepares for the future with $3 million project.

An improvement project at Temple-Inland's Pineland plywood plant has positioned the facility to deal with growing competition in the building products industry.

With the addition of a new $2.4 million forming line and $700,000 on a third press installation, the plant will be able to enhance the quality of all panel products, enabling it to better compete in the panel market, said Plant Manager Bill Jones.

The forming line consists of eight different locations for glue application versus the old line's single applicator. Having multiple glue applications allows for glue spread variations, resulting in better bonding. It also gives maximum flexibility for dealing with veneer moisture fluctations, thus optimizing dryer productivity, which in turn maximizes plant output.

"While the plant will only realize a moderate increase in plywood production, these capital expenditures will place our plant in position to economically accomodate future expansion and

(continued on next page)



On May 1, Southwest Louisiana Lumber Operation celebrated its two-year anniversary. Le Chef D'Cajun David Kellam (Solid Wood operations manager) assisted Plant Manager Gary Frost in grilling hamburgers and hot dogs for all the SWL employees.



Three employees of Temple-Inland's Monroeville Particleboard Operation recently won the first place trophy in the Monroe County Men's Bowling Association championships. Team members include Flash Isaak, process technician; Bob Boyer, finishing foreman; and Stephen Williams, PLC technician.

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increase production later," said Jones.

"Our objective in Pineland is to be a low-cost producer of a high quality board. The current improvements will not only upgrade quality, reduce labor costs, and save on operating materials, but will also improve raw material utilization and production flexibility," explained Jones.

"With the increased competition from alternate panel products such as OSB (oriented strand board), future success of plywood plants will be determined by their ability to respond to market needs at an economical price. This project, along with past capital expenditures and future plans, will position our facility to be strategically equipped for this purpose. We can now produce any and all plywood products at a high quality cost and have the flexibility to meet customer needs," said Jones.



JAY BRITAIN

Pineland Operation employee Keith McCary checks sheet alignment at the sheet drop station.

Fiber Products organizes Emergency Response Team

An Emergency Response Team was organized at Fiber Products this past January consisting of 16 Emergency Care Attendants and three Emergency Medical Technicians.

The team is conducting monthly training sessions while also working on the plant emergency organization plan, including fire protection, evacuation and emergency care.

In addition, a five member confined space rescue team has evolved out of the Emergency Response Team. With recent equipment purchases and completion of Level II Rescue Training in Beaumont this summer, the team is preparing itself to handle structural and confined space rescue.



JAY BRITAIN

Participating in Level II Rescue Training in Beaumont this summer were Fiber Products employees Cecil Hance, Joe Perkins, Darrell Roberts, Andy Archer, Billy Junge and Kim Tolbert. This rescue situation simulates an upper floor rescue with the victim lowered to the floor below.

Chancellor named APA chairman

Glenn A. Chancellor, Temple-Inland's group vice president, Forests, has been elected to lead the American Pulpwood Association as its chairman for the next two years.

On being elected to the APA's highest leadership position, Chancellor noted the issue that will be the keynote of his chairmanship: "I am gravely concerned that almost 200 forest workers lose their lives each year supplying wood to the nation's sawmills and pulp and paper mills. This rate of injury and even death is unacceptable for a major industry in America."

Chancellor said his personal goal is that "APA will work to reduce forest worker fatalities by half before the year 2000."



KEN BARTULA

Water group reaches out to public sector for new business.

As a new division for Temple Associates, the Water Facilities Group is landing major wastewater construction projects throughout Texas and the South.

Created only four years ago, the group is accumulating major projects despite a lingering recession. One of its latest jobs is a $15 million regional wastewater treatment plant in North Houston.

"We're very pleased with the progress we've made in such a short time," said Bob Mullen, group manager, who was instrumental in starting the group.

Today, the company has five project superintendents (Woody Wade, Jerry Tompkins, Robert Fausto, Scott Zimmerman and Ed Ginther) and several project managers (Stan Conley, Tony Gonzalez and Julius Lindberg) and one secretary, Patricia Perez.

Based in Houston, the group has landed other major jobs throughout the state, including:

- *A $5 million project for the City of Fort Worth.*
- *A $3.3 million treatment plant for the City of Harlingen.*
- *A $5.8 million project for the City of Houston.*

By focusing on public contracts, the group has been able to effectively compete with other construction companies despite the recession. In winning the North Houston project, for example, the group won over nine other companies.

"There is a lot of competition out there these days, but we have established ourselves and we have gained an excellent reputation," Mullen said.

Most of the jobs the company bids on are municipal and requires a month in some cases to develop a bid, such as the North Houston project. Chris Smith, Jeff Bryant and Jim Highsmith, along with Mullen, coordinate the estimating process on bidding on water treatment plants and wastewater treatment plants.

"It's an extensive job and it takes a lot of manhours," Mullen said.

While the group is concentrating on public projects, Mullen feels the economy will soon improve, and the Water Facilities Group can again begin pursuing private projects.

"We have an enormous potential in the next few years," Mullen said. "We're gearing up and getting ready." ■

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Customer Profile:

American Woodmark Corporation

Partners in excellence

American Woodmark Corporation manufactures and distributes kitchen cabinets and vanities for the remodeling and new home construction markets. As the third largest selling brand nationally, American Woodmark manufactures and sells 101 cabinet lines in a wide variety of designs, materials and finishes. Its products are sold on a nationwide basis through a network of independent distributors and directly to home centers, major builders and home manufacturers.

Temple-Inland's particleboard group has enjoyed a long relationship with American Woodmark Corporation and its predecessor companies, going back to the mid-1970s. The relationship was solidified when American Woodmark located its new mill in Toccoa, Georgia which is near Temple-Inland's particleboard plant in Thomson.

"At the time, we were using west coast particleboard. In order to lower our shipping costs, we were interested in an east coast board that would be equal to the west coast board's fine face and machinability," said Bill Francis, American Woodmark's Quality Assurance manager. "Temple-Inland was interested in working with us to develop a high quality east coast board, equal to or surpassing the quality of the west coast board. Temple-Inland listened to our suggestions."

Jack Beene, Temple-Inland's particleboard marketing manager, said that as a result, Temple-Inland refined the board to meet the particular needs of American Woodmark.

In a new, highly competitive environment, American Woodmark has renewed its mission to "create value through people." With over 2,100 employees, the company operates seven manufacturing facilities in Arizona, Georgia, Virginia and West Virginia, and eight regional distribution centers across the country. American Woodmark became a public company in 1986. ■





American Woodmark Corporation, who uses Temple-Inland particleboard in the constuction of kitchen cabinets and vanities, is the nation's third largest selling brand. Kitchen cabinets such as the "Tempo White" and "Tiffany Cathedral Honey" are manufactured and distributed by American Woodmark for the remodeling and new home construction markets.

Museum youth thank Bleached Paperboard

In an article in the Art Museum of Southeast Texas' magazine "500 Main," the Bleached Paperboard Group was lauded for its participation for the third year in the museum's Handmade Paper Project.

"I think it's pretty cool that a big company like Temple-Inland cares enough about us kids to come to the Museum and teach us to make paper. This is a cool thing to do," wrote an Evadale fifth grade student about the project.

For the third year, Marge Smith, communications director for the Bleached Paperboard Group, has headed up the project which teaches hundreds of Southeast Texas youth to appreciate the papermaking process.



JAY BRITTAIN

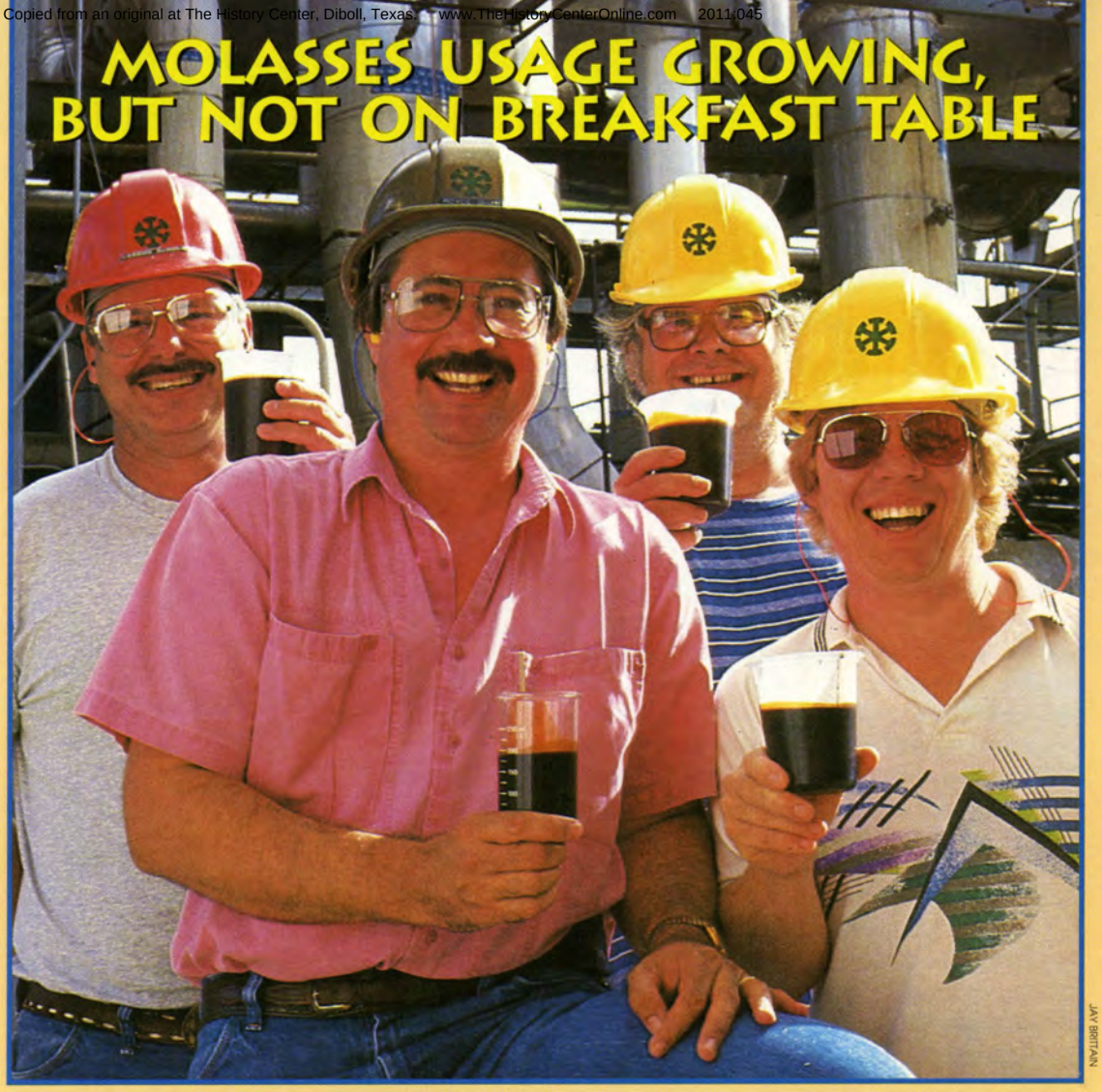


JAY BRITTAIN

Construction is 75 percent complete on Evadale's hardwood fiberline project. All major equipment has been set with initial flush and check-out of the digester to begin in August. Completion of the screen room is expected in September with bleach plant construction expected to end in October. Evadale management expects the first chips to be run through the line by mid to late October. The photos above show how the mill's skyline has changed with the addition of the hardwood fiberline, and the world class control room, which will house the line's control personnel.

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MOLASSES USAGE GROWING, BUT NOT ON BREAKFAST TABLE



JAY BRITTAIN

Displaying what looks like East Texas cane syrup are the Fiber Products wood molasses production crew Reagan Kimble, leadman; Royce Shaw, power department superintendent; Jim Welch, operator; and Wayne Clark, shipping.

Wood molasses isn't something you'll find on your breakfast table, but its uses are growing every year.

Sometimes called Temulose, wood molasses is derived from pine chips that come into Temple-Inland's Fiber Products Operation at Diboll.

The chips are steamed for pulp making, creating a sugar-like by-product. The water is then evaporated from the sugar to form wood molasses, which looks somewhat like East Texas cane syrup.

As the operations improvement director at the Fiber Products, John Minsinger instituted the production of the molasses from wood chips several years ago, and he is continually finding new uses for the product.

Currently, some of the uses of wood molasses include a cattle food supplement, a plywood glue additive, and an anti-cementing agent for power plant ash.

The latter use, pioneered by Houston Lighting & Power, helps to eliminate plugging problems in the production of electricity, saving the power company money and reducing safety hazards for their employees.

Although the sale of a former waste product is making a profit, Minsinger is proudest that the fiberboard plant avoids any waste water discharges into the environment.

"We're able to clean the water as the molasses is produced and then recirculate the distillate water back into the process."

Producing and selling the molasses takes the skilled work of several employees including:

- Royce Shaw, power superintendent, who oversees the daily production of the wood molasses production unit.
- Solomon Moses, Roger Officer, Leo Clark and James Welch, operators who oversee the daily production.
- Gary Martz, who is responsible for marketing the product.
- Reagan Kimble, who coordinates sales and shipments to customers.

Minsinger and his team are actively pursuing new markets for wood molasses, and he predicts additional uses for the byproduct will be found in the years ahead, including a possible conversion into ethyl alcohol for blending with gasoline.

"We're always looking for new and better uses for wood molasses," Minsinger said. ■

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Inland receives Miller award

Inland Container Corporation was honored by Miller Brewing Company with the prestigious "Partners in Excellence" award during ceremonies in February at the Santa Fe Springs, California plant.

"It's the Inland employees who make this award possible," said Lou Hernandez, production manager at Inland's Santa Fe Springs plant. "We've had an ongoing partnership and close relationship with Miller, and this award is a reflection of our commitment to quality. We are pleased because it also shows Miller's dedication to the environment by using recycled products."

Miller established the "Partners in Excellence" program in 1988 to highlight the achievements and cooperation of the best among its thousands of suppliers throughout the nation.

INLAND PLANS TO BUILD BOX PLANT IN MEXICO

The Temple-Inland Inc. board of directors has approved plans by Inland Container to build a corrugated box manufacturing plant in Mexico. Sites in the Mexico City area are currently being considered.

Inland Chairman and CEO Ben Lancashire said, "The final site selection would be made based on the best combination of land and construction cost and other economic considerations which will affect the cost competitiveness of the plant. Site selection will be made this summer with construction expected to begin late this year. We expect start-up in late 1993."

The 160,000-square-foot plant will be a full service corrugated plant with a corrugator and wide range of finishing equipment.

Lancashire said, "Our studies show the market for corrugated boxes in Mexico should expand rapidly in the next decade. Inland already sells to a number of customers with operations in Mexico. In addition, we currently supply boxes to a number of Mexican companies from our plant in Edinburg, Texas, located on the Texas-Mexico border."



Guaranty Federal Bank in cooperation with Temple-Inland Forest Products Corporation distributed 3,000 shumard oaks to customers on April 14.
The tree give-away was part of the company's Earth Day celebration, traditionally celebrated during mid-April.

Howes elected Inland president, chief operating officer

William B. Howes was elected Inland Container Corporation president and chief operating officer effective April 1, according to a statement released by Ben J. Lancashire, Inland's chairman and CEO.

"This move is being made in anticipation of my retirement in July, 1993, and will assure an orderly transition of my responsibilities," stated Lancashire. "I will continue in my responsibilities as chairman and chief executive officer."

Howes joined Inland in August 1990 as executive vice president following an outstanding 29-year business career with Union Camp Corporation.



The newly elected president and chief operating officer for Inland Container Corporation is William B. Howes.

Anthony M. Frank

elected Temple-Inland director

Anthony M. Frank, formerly Postmaster General of the United States, was elected to the company's board of directors on May 1.

Frank served as Postmaster General from March 1, 1988 until his resignation earlier this year. Prior to his tenure with the U.S. Postal Service, Frank was chairman of the board and chief executive officer of San Francisco-based First Nationwide Bank. Under his leadership, the federal savings bank grew into one of the largest savings institutions in the U.S., as assets grew from $400 million in 1971 to $34 billion the year he left.

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17 students receive Foundation scholarships

The Temple-Inland Foundation has announced the recipients of 1992 Temple-Inland Foundation scholarships.

Seventeen graduating seniors,were selected by a Scholarship Committee consisting of presidents of Texas colleges and universities.

Recipients are sons and daughters of active and retired employees of Temple-Inland Forest Products Corporation and Temple-Inland Financial Services. Final selections were based on each applicant's scholastic achievement and leadership abilities. Recipients include the following:

Daniel Wayne Brabham, of Buna, son of David W. Brabham, Bleached Paperboard Group;

Tonya Jo Cravey, of Silsbee, daughter of Prentice Cravey, Bleached Paperboard Group;

Michael Jason Creel, of Brownsboro, son of Acy E. Creel, Bleached Paperboard Group;

Kristy Michelle Frost, of DeQuincy, Louisiana, daughter of Gary E. Frost, Building Products Group;

Karen Elizabeth Furgurson, of Diboll, daughter of James M. Furgurson, Building Products Group;

Melissa Kay Hale, of Buna, daughter of John T. Hale, Bleached Paperboard Group;

Wendy Allison Hartman, of Jasper, daughter of Tommy E. Hartman, Bleached Paperboard Group;

Alisha Michelle Hebert, of Ville Platte, Louisiana, daughter of Buford D. Hebert, Universal Electric Company;

Jamie Lou Horton, of Kilgore, daughter of Linda L. Oberthier, Guaranty Federal Bank;

Jeffrey Brad Lankford, of Nacogdoches, son of Billy B. Lankford, Building Products Group;

Shaune David Martinez, of Diboll, son of Dave Martinez, Jr., Building Products Group;

Joe Allen Pierce, of Vidor, son of Melvin L. Pierce, Bleached Paperboard Group;

Denise Michelle Ranker, of Dallas, daughter of Anita L. Ranker, Guaranty Federal Bank;

Brenda Gail Robinson, of Lufkin, daughter of Jack A. Robinson, Building Products Group;

Amanda Kay Sanders, of Fletcher, Oklahoma, daughter of Elizabeth A. Sanders, Building Products Group;

Yolanda Renee Stephens, of Silsbee, daughter of James L. Stephens, Bleached Paperboard Group;

Christopher Alin Wells, of Diboll, son of Ernest E. Camp, Forests Group.

Temple-Inland Inc. reports improved 2nd quarter earnings

Temple-Inland Inc. reported earnings per share for the second quarter of 1992 of $.85 per share, up from $.74 per share in the second quarter last year. Second quarter earnings per share were up 35 percent from the first quarter's level this year.

Operating earnings for the second quarter totaled $71.7 million, up from $59.5 million in the comparable 1991 quarter.

In announcing the results, Clifford J. Grum, chairman and chief executive officer, said, "After five quarters of negative comparisons, it is a pleasure to announce this quarter's earnings. If the economy continues to recover, we are confident that earnings will improve over the balance of the year."

MY TURN *(continued from page 1)*

Who has the best information and applies it — is in a much better position. We must have a fact-based understanding of product attributes that govern purchase decisions in the marketplace. We must be insightful in product development and look beyond what we feel our capabilities are. This area is critical as we strive to extract more value from our commodity based products.

Secondly, ***benchmarking***. Our competitive standing relative to ourselves through time and to our chief competitors is required to provide valuable feedback on the implementation of our strategies. We must be able to quickly detect any flaws in the execution of our strategies as well as recognize our successes. Benchmarking will grow in its importance as we move from being primarily a Texas-based company to a major player in markets throughout the U.S. and overseas.

Thirdly, ***continuous total improvement***. The value gained from current winning strategies will surely play out as other companies gain the necessary skills or assets required to meet the customer's needs. ***We must be comfortable and efficient at managing change***. We should be prepared to alter our culture or archetype as the playing field evolves. This encompasses all elements of our business ranging from purchasing to personnel; from production to marketing.

If we execute in these three areas, I feel we can create a sustainable competitive advantage that will ensure that we carry our weight as part of the Temple-Inland organization.

I want to stress the critical role that our ***people*** will play in the future success of the Building Products group. The difference between the better performing companies and the rest of the pack is usually tied to their strategies, and it is the ***people*** who make and implement strategies. ■

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Guaranty employees get help from "FLEXPERTS"



JAY BRITAIN

Bill Cecka (standing left), Bleached Paperboard Group's Human Resources director, and Mike Chambers (standing right), Guaranty Federal's vice president for Human Resources, jointly address a group of Guaranty Federal Bank employees on Flexible Benefits Enrollment.

For Guaranty Federal Bank employees, the task of making Flex decisions was made a little easier last March with the help of Temple-Inland "Flexperts" Bill Cecka (Bleached Paperboard), Jean McCollum (Building Products), Sherry Tipps (Temple-Inland Mortgage Corporation), and Tina Clifford (Corporate Benefits).

As a new addition to Temple-Inland, Guaranty fully converted on April 1 to Temple-Inland's flexible benefits program — a move that has Guaranty employees breathing easier.

"We're talking about employees who have seen a lot of ups and downs in the S&L business before Temple-Inland bought Guaranty," said Mike Chambers, Guaranty's vice president of Human Resources.

"Now they feel much more secure with a firmly-established Texas company," Chambers added. "At the same time, implementation of the benefits plan demonstrates Temple-Inland's commitment to Guaranty and the affiliation with the other Temple-Inland companies."

In fact, Flex benefits enrollment was a significant milestone for employees at Temple-Inland's growing retail banking operation. It brought together employees from several banking operations acquired over the past two years — all under the Temple-Inland Flexible Benefits Plan.

"Guaranty employees now have the same health and welfare benefits as other Temple-Inland employees," said Bill Cecka, Bleached Paperboard Human Resources director. "They can choose from some of the best employee benefits available anywhere."

Flex was introduced in April 1990 and lets Temple-Inland employees choose the benefits they need for health care, life insurance, disability coverage, along with a selection of optional benefits like a health care spending account, dental care, and accidental death coverage.

But with so many choices, employees need to find out as much as they can about the Flex Plan before they select their benefits. That's where the assistance of a team of Flexperts came in.

"We've been in on Flex since its introduction," said Jean McCollum, Building Products Benefits Manager. "We know how it works and have a good feeling for the kinds of questions employees face when making their decisions."

With nearly 100 GFB branches and over 1,200 employees scattered across Texas from Fredericksburg to LaMarque and from Silsbee to Gonzales, the Guaranty Flex Team was on the road in early March holding over two dozen enrollment meetings.

"It was a good feeling introducing the program to new Temple-Inland employees," said Sherry Tipps, director of Human Resources at Temple-Inland Mortgage Corporation.

"Flex went in without a ripple for our employees," said Chambers. "We feel we're part of a real working partnership with other Temple-Inland operations." ■

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She's at the top of her class.



Andrea Rabak, assistant controller for Lumbermen's Investment Corporation, received the Elijah Watt Sells award from the American Institute of CPS's for scoring in the top 100 out of 70,000 who recently took the CPA exam.

Andrea Rabak was confident when she worked her last problem on the CPA exam last fall.

After receiving her passing scores, it meant the five years of going to school at night had finally paid off. She passed the exam with flying colors.

But Rabak, assistant controller for Lumbermen's Investment Corporation, a Temple-Inland Inc. company in Austin, Texas, didn't realize how well she had done until a letter arrived from the American Institute of CPA's.

She had received an Elijah Watt Sells award, a select award given for only the top 100 scores.

In Rabak's case, the award was especially significant, considering that 70,000 people took the test and that it takes the average person 4.77 tries to pass the entire four-part test.

"I was shocked by the letter," she said. "I knew I did well, and I was confident waiting for my scores. But I never would have realized I finished in the top 100 scores."



In accounting terms, Rabak finished in the top one-thousandth percent of the test takers.

Rabak credits the Temple-Inland tuition plan "Aid to Education" as a motivating factor for receiving her accounting degree and CPA certificate. "The company really goes out of its way to help students who are dedicated to receiving their degree," she said.

Originally a commercial lending employee, Rabak has excelled at each job with LIC. In 1986, she decided to return to school, enrolling at St. Edward's University in Austin. After many nights of class, she received her accounting degree in May 1991.

Today, she combines her school knowledge with the practical business applications. "Education is much more than going to school," she said. "Sure, it helps, but you have to know how to use it on the job."

FASTRILL

The Public Affairs Department is gathering information for a permanent exhibit in the new museum at Rusk, Texas. We are interested in relics and photographs of the community of Fastrill from 1922-1941. Please call David Van Hoorn at 829-1287 if you can help.

NEWS YOU CAN USE

If you sometimes feel there aren't enough hours in the day to do what you want to do, asking yourself these four questions may help.

1. What am I thinking about at this moment?

If you are not thinking about the task you're involved in, you're not going to be as effective as you could be. If you're not in the mood for a particular job, you'll prolong the agony. Push yourself to get the job done and get to the next one.

2. Do I say "yes" too often?

In sorting out the demands of your time, learn when to say "no." Is that community service activity helping your future as well as the group? It's good to do things to help others, but be sure you're not doing so many that you don't have enough time to accomplish the things you feel are important.

3. Am I spending too much time on record keeping?

Keeping records is important, but don't let the records control your time. Make sure you have a system that provides you with essential information. Don't go overboard on it.

4. Do I let the concept of time control me?

Of course there are certain "musts" related to time, but other than those, have you become a slave to the clock? For one week, try eating only when you're hungry, going to sleep only when you're tired, and generally breaking out of certain time-rut habits.

5. When do I have time by myself to do things that are important to me?

If you don't, rethink the way you're using your days. Set aside and take advantage of quiet time each day. Include time in your schedule for relaxation.

(Excerpted from Straight Talk, Real Estate Education Company, Chicago.)



Last issue we asked the question, " In what year did Southern Pine Lumber Company begin using trucks in its logging operations?" Only one response was received and it was incorrect. The answer is 1934.

This quarter, we're asking a question that concerns a cooperative project between Inland-Orange and the Bleached Paperboard Group. If you know the correct response, be the first to call Corporate Communications at 829-1430 or FAX the answer to 829-1329 and win a gift certificate to the Company Store. The question is...

Name the new product produced at Inland-Orange which uses excess bleached pulp from Evadale.

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SERVICE ANNIVERSARIES

SECOND QUARTER, 1992

Bleached Paperboard

35 years
Martha Bradshaw
Doyle Hollister
Lou Smith

30 years
Billy Poland
C.C. Rogers
Charles Sumrall
Mike Totten

25 years
Earl Allen Jr.
Thomas Bean
Steve Broeder
Russell Caillier
Donald Cobb
W.C. Cole
Curtiss Cormier
Lonnie Fea
A.E. Fedrick
Clyde Foxworth
James Havard
Robert Jones
Marshall Lavender
Lawrence Meeks
Willie Midkiff
Bill Miller
Kerry Morrison
Iley Oxley
George Pemble
Edward Perkins
M.D. Rawls
Charles Ray
Elmer Rivers
Joyce Shuff
Thomas Watson Jr.
Arthur West Jr.

20 years
Ray Parr
Warren Pigott

15 years
Owen Belk
Don Ener
Wayne Gardenhire Jr.
Beverly Hadnot
Joy Martindale
Mark Muckleroy
Larry Richardson
Jesse Tucker
Gerald Y'Barbo

10 years
Kathy Adams
Perry Galloway
Mike Hobbs
Claudia Sherman

5 years
Scott Barner
Mark Becker

Building Products

Buna

5 years
Bobby Deal
Dot Saari

Diboll

40 years
Cleon Murray

35 years
Geraldine Pouland

30 years
Frank Miranda
Wayne Windham

25 years
Richard Hanes
Charles Moses
Jerry Wagnone

20 years
Estevan Castro
Estaban Cavavos
Ken Johnson
Brad Lankford
Faustino Lopez
Charlie Minor Jr.
Fidencio Ramos
Eugene Rayborn
Faustino Salais
Roy Smith
Ruth Willis

15 years
Barry Cook
Alejandro Lopez
Esteban Mireles
Patrick Murphy
Mario Olivares
Cary Parr
Jerry Porter

10 years
Jesus Aguilar
Roberto Castillo
Charles V. Clark
Karl Davis
Roberto Esteves
Baldemar Gaitan Jr.
Jesus Gamez
Varie Henderson
J.J. Huizar
Reagan Kimble
Terry Markle
Kenny Matcek
Joe Perez
Manuel Roman
Richard K. Williams

5 years
Cary Cheshire
Michael Dorman
Rodney Grant
Demetrius Harrell
Steve Paulson
Elmus Ryder
George Taylor

Fletcher

5 years
Nicky Moore
Jay Smith
Dexter Stockstill

Monroeville

15 years
Christopher Cumbie
Ronald Flowers
Norman Lee
Virgil Lowery
Eddie Martin
Joseph Matheny
Donna Watson
Charles White

10 years
Dale Sims

5 years
David Bell
Jacqueline Crook
Lorenzo Johnson
James McDonald Jr.
Anthony Morrissette
William Royster
Wilson Watson
Stephen Williams
Cohn Wilson Jr.

Pineland

30 years
Hubert Young

25 years
Jesse Barnes
Arthur Sylvester

20 years
Billy Crow
Ronald McKinney

15 years
Larry Batson
John Booker III
Carolyn Marshall
Robert Rogers
Ronald Stewart
Michael Todd
Martha Watts
Jimmy Wimberly

10 years
Samuel Dubose
Doris Edwards
Edward Henson
Brenda Hutchings
Jerri Jackson
Bobby Kegler
Gregory Sepulvado
Bobby Williams

5 years
Alton Horn
Chad Jordan
Martin McClelland
James Nelson III
Kenneth Pickens
Joseph Reynolds
Thomas Runnels
J.T. Simmons

Southwest Louisiana

5 years
Jim Cowan

Thomson

20 years
Alpha Peebles

10 years
Randy Morgan

5 years
Stanley Perry

West Memphis

20 years
Lloyd Bourne
Craig Williams

15 years
Michael Davis
W.C. Hailey
Johnny Hamilton
Josephine Spencer

5 years
Eddie Allen
Luther Delaney
Ronald Rosenow
Steve Yablonski

Corporate

35 years
Herb Couture

15 years
Larry Clark

10 years
Melissa McGuire

5 years
Louise Johnson
Gloria Meza
Melanie Saxon

Forests

40 years
Harold Birdwell
Nelda Lanier

35 years
Lormayne Wunschel

25 years
Jim Stringer

20 years
James Folsom
Donny Impson
Walter Kelly
Robert Morgan

15 years
Pete McAninch
Herbert Olsen

10 years
Rich Standeven

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Similarities between Temple-Inland's Texas forests and Inland-Rome's Georgia forests can be found in flowers as well as trees. These are wild azaleas, a common sight along Georgia's rural roads. Georgia travelers can find them in the yellow, pink and orange variety. These wild azaleas are called "flame" because of their bright orange hue.

TEMPLE-INLAND
FOREST PRODUCTS CORPORATION
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