



The Collins
Companies

news

Volume 2
Issue 1

Headquarters

The Collins Companies
1618 SW First Avenue
Portland, Oregon 97201

**Sawmills and
Forest Lands**

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Lakeview, Oregon
Kane, Pennsylvania

Composite Products

Klamath Falls, Oregon

Retail Yards

Paradise, Oroville and
Chester, California

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Meeting New Challenges

As the summer of 2000 approaches, we also seem to be nearing the end of the most recent round of economic expansion and a dwindling of the robust economy. Prices for forest products are dropping as interest rates increase. Our construction products for housing, such as plywood sheathing and softwood framing lumber, are part of this significantly challenging market segment. To counteract this, we are working rapidly and intensely toward increasing our sales of certified products to Home Depot and other large "home center" concerns that are critically

important to our near term and longer term future. Likewise, our skill and prowess at manufacturing, marketing and customer service will surely be put to the test. Meeting these challenges will require us to focus major emphasis on these areas. To help address these issues and to help propel The Collins Companies to another level of excellence, we have hired Eric L. Schooler. Eric is currently functioning as Executive Vice President with a plan to succeed me as President later this year.

The Collins Companies have evolved to a sort of mini-conglomerate of manufacturing, marketing and forest management. Manufacturing has become our most significant sector. Approximately 93% of our 1120 employees are directly involved in manufacturing operations.



James E. Quinn, *President/CEO*

The Collins Companies have achieved and enhanced an industry leading reputation in sustainable forestry and environmental responsibility. It is now critical that we raise our manufacturing effectiveness up to a level that matches or exceeds our forest management reputation. Eric epitomizes the leader we need in that effort.

This promises to be another challenging year for the forest products industry. We live in a time of rapid technological advancement and one of recognition of the need for taking greater responsibility for our environment. At The Collins Companies, we are well positioned to participate in this changing world but we must be responsive, adaptive and aggressive. Let's go forth and make it happen.



James E. Quinn
President/CEO

Chester Dry Kilns

In early February, the Chester sawmill saw the start-up of three new dry kilns. The installation of the kilns was done under the supervision of Frank Del Carlo and Larry Ostman. The new kilns will allow us to increase volume as well as improve the quality of our drying system. Instead of having to push lumber rapidly through the drying process, we will now have the capacity for quality control. The older kilns at Chester date from 1950 and before, and are in need of upgrades and replacement. The additional capacity will allow time to do repairs on the older kilns.



Wellons Incorporated from Oregon was the vendor for the kiln equipment. The kilns are built to accept charges that are three units high and ninety-six feet long. Each kiln can hold about 270,000 feet of dimension lumber. The kilns have a computer system that provides for the discrete control of multiple heating zones. Sensors throughout the kilns report

information on internal conditions in the kiln. This information is used to update operating parameters to assure accurate control of the drying process. The new kilns will increase our drying capacity by 40%.

The enhanced technical capability of the kilns is expected to provide our customers with tighter drying specifications. This will be important for our industrial lumber

customers who are paying additional money for lumber that meets tight moisture content and stress-free specifications.

The kilns are located near the sawmill stacker and planer infeed. This location provides lumber handling efficiencies and reduced forklift travel. The construction included a large cooling shed for the storage of dry lumber under roof. That storage is intended to permit direct transfer into the planer infeed without additional handling.

The new location and the construction required a high degree of coordination and cooperation among the construction, planer and kiln crews. So, thanks to everyone for their efforts. It was really appreciated. The kiln crew lost a lot of lumber storage and handling capacity during the construction. Mike McDonald, Mark Dickson, and the rest of supervisor Ron McCoy's kiln crew maintained the flow of well-dried lumber to the planer throughout the project. They did this despite the loss of capacity and the disruption from construction.

The Chester log yard crew did the earthwork to prepare for excavation and the finished grading around the kilns. The mill electricians wired a new substation and did the industrial and technical wiring of the kilns. Much of the concrete was poured and finished by the plant carpenters. There were no hitches in the start-up. Good job to everyone involved!

—Ron McCoy



Welcome Eric Schooler



Eric L. Schooler

So, who is Eric Schooler? Well, he's a normal sort of guy. Born in Raymond, Washington, he has been a lifelong resident of the Pacific Northwest. He and his wife, Dianne (yes, 2 n's like Ms. Kerkar) have two sons who are both attending college. He's an athlete, has played many sports and coached basketball and baseball, but now limits himself to the occasional golf game. Eric graduated Central Washington University in Ellensburg, Washington with a BS in Business Administration.

As a third generation wood products prodigy, Eric has "done it all", from pulling

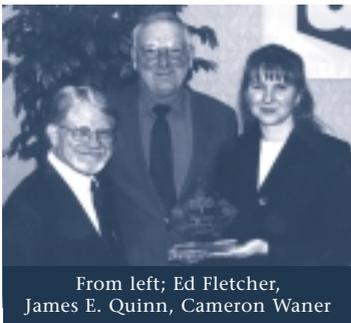
green chain to sawing, and every machine in between. In addition to his position as director of WWPA and WCLIB for many years, he has worked for Publishers Paper Company, Seaboard Lumber Company, Crown Zellerbach/Cavenham, and most recently as VP Manufacturing for Hampton Affiliates.

When you see Eric (as you likely will – he's quite tall, you can't miss him, and feels VERY COMFORTABLE in manufacturing facilities), please feel free to say hello and extend your welcome to him.

Better Business Bureau Integrity Award Goes to The Collins Companies

The Better Business Bureau of Oregon and western Washington has awarded its Business Integrity Award for large companies to The Collins Companies of Portland.

Awards were announced April 6 for three winners from among small, medium, and large companies. A field of more than 100 entries was narrowed to nine finalists and then three winners.



From left; Ed Fletcher, James E. Quinn, Cameron Waner

Presenting the award to Collins was Ed Fletcher, Senior Vice President and Regional Trust Manager of US Bank's private banking division. Accepting were James E. Quinn,

Collins President & CEO and Cameron Waner, Marketing Coordinator. Collins has set itself apart from the competition by developing a reputation for sustainable forestry practices. A key point of its BBB award entry was emphasis on customer satisfaction.

Gift of Life

The last week in May, Ann Arvidson, our newest Sales Customer Service Team Member, made the ultimate sacrifice for her older brother. She is the only known bone marrow match (youngest in a family of eleven children) for her brother who was diagnosed in March with Leukemia-Myeloma. He has been through two rounds of chemotherapy treatments but it now appears that a bone marrow transplant is the only hope for cure.

Of an estimated 30,000 children and adults diagnosed with leukemia or other fatal blood diseases each year, nearly 70 percent cannot find donor matches within their own families. However, the donor can be unrelated. As the number of potential marrow donors increases, so do the chances of finding a match for the thousands of patients in need.

To find out more about becoming a volunteer donor, call the National Marrow Donor Program at **1-800-MARROW2**. For more information about leukemia, call **1-800-955-4LSA** or visit their web site at **www.leukemia.org**. Best wishes to Ann for her generosity and to her brother for a successful transplant.



Ann Arvidson

JTS Working in Klamath Falls

Recycling is alive and well in Klamath Falls. At the urging of our purchasing manager, Ron Hamilton, two of our suppliers have given us much to be proud of. Ron challenged Bob Green of Shields Bag Co., and Tom McPhee of Mendes Supply to help us eliminate disposing so much of our packaging supplies into our landfill.

The first step was to eliminate the use of core plugs in our shed pack cover cores. Since our operation did not need these beefed up tubes, this was an easy one. Next, we identified all the shipping material that was not part of our end product. Only packaging needed to ensure that our suppliers' materials reach us in a satisfactory condition was earmarked. We identified cores, fiber cradles, plastic roll guards, and scrap polyethylene as components that we would like to save from the landfill. The list is an impressive one.

With the help of Bob and Tom we are now able to stage this material, and when a truckload is accumulated, we send this material back to be reused by our suppliers. In the last six months we have returned six truckloads of material that in the past was



deposited into our landfill. Shields and Mendes are even picking up the freight on these shipments. Also being recycled are the oversized pallets that accumulate on

the plant site. Georgia Pacific is taking these pallets back for reuse, and again, at no cost to Collins Products, because Georgia Pacific is paying the freight on these shipments.

In the spirit of Earth Day 2000, this is another example of what can be done if we only look around us. Thanks to Ron, Bob, and Tom for helping all of us at Collins Products continue on our Journey To Sustainability.

—John Lynch



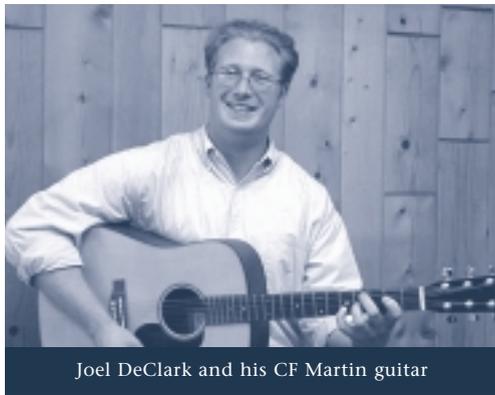
“In the last six months we have returned six truckloads of material that in the past was deposited into our landfill!”



FSC-certified CF Martin Guitars with CollinsWood®

CF Martin Guitars continues their tradition of building fine handcrafted guitars while exploring the use of certified and alternative woods. Traditional woods used in building acoustic style guitars are rosewoods and mahogany, but with diminishing supplies of these woods, the new trend is to seek alternative woods providing the same tonal qualities and properties. As a result, CF Martin and The Collins Companies have teamed up to offer musicians a FSC-certified line of guitars using our CollinsWood cherry, basswood, and hard maple.

CF Martin offers three FSC-certified guitars. The musician, Sting, endorses two of these instruments, one as a signature model acoustic bass and the other as a classical nylon string guitar. The third is the classic dreadnought style steel string acoustic guitar.



Joel DeClark and his CF Martin guitar

Recently, I purchased one of these CF Martin certified dreadnought guitars. And wow, what a guitar! I was thrilled to play an instrument that projected the warmth, clarity, balance, and playability this guitar offered. The sound from my new Martin acoustic reminds me of high-end rosewood guitars I've played. All of which tells me that CF Martin has found a winning combination by using FSC-certified CollinsWood.

–Joel DeClark



Our last CollinsWood Awards were such a success that we are doing it again!

The goal of the CollinsWood Millennium Awards is to increase awareness of, and interest in, FSC-certified wood products. In particular, we want to stimulate the demand for FSC-certified CollinsWood. We hope to foster creative design and manufacturing using sustainable materials, including wood, bonding materials/techniques, and finishes.

The CollinsWood Millennium Awards are open to craftspeople and manufacturers of an array of products including:

- Store fixtures
- Small/home office furniture (SoHo)
- Entertainment/gaming cabinets
- Kitchen/bath cabinets

You can find the detailed criteria for judging the entries on our web site, www.CollinsWood.com, but suffice it to say the judges will be looking at the aesthetics, design, functionality, and durability of the product. The winners will be announced in September.

**“Our human destiny
is inextricably linked
to the actions of all
other living things.
Respecting this principle
is the fundamental
challenge in changing
the nature of business.”**

–Paul Hawken,
The Ecology of Commerce

CollinsWood®



Personnel Perspectives

from Human Resources

Corporate Calendar of Events
Tuesday, July 4 Independence Day Holiday
Thursday, July 27 Timber Owner's Meeting
Friday, July 28 Board of Directors Meeting
September 2000 Relocation of Portland Office
Monday, Sept. 4 Labor Day Holiday
Thursday, Nov. 23 Thanksgiving Day Holiday
Friday, Nov. 24 Thanksgiving Friday Holiday
Friday, Dec. 22 Christmas Eve Holiday (observed)
Monday, Dec. 25 Christmas Day Holiday
Friday, Dec. 29 New Year's Eve Holiday (observed)

A Note from Nancy Helseth

Occasionally I "wax poetic" about my goal of zero industrial accidents/illnesses. My audience patiently listens and agrees it is a laudable goal but perhaps unreachable in a work environment such as that created by wood products manufacturing facilities. Well, it is attainable, as proven by Lakeview in the first quarter of 2000. Is it "sustainable"? I think so. And I believe we have the mechanisms in place to do so.

After making an impassioned plea to my peers during the last management meeting, about renewing and refreshing the safety focus in our manufacturing facilities, Eric Schooler offered a provocative insight that made us all stop and think. He said safety should not be the top priority. The tension in the room was palpable – how could he say that after all our collective efforts to convince our people that it is? There was a collective sigh, however, when he followed the comment with a calm epistle about how safety parallels, and is in lock-step with, all priorities of an organization – production, quality and profit. If production is running smoothly, i.e., machines are operating efficiently and personnel are trained on their use and function; quality management measures are in place and understood; and profit/loss indicators are mastered, the likely outcome is that everyone will also work and behave in a safe manner. Our efforts with the Behavioral Accident Prevention Processes (BAPP) in Chester, Kane and Klamath Falls should supplement and add value to the synergy created by those activities. Further, the safety committees at all locations have an integral role in the process – not to be supplanted or replaced by BAPP, but enhanced by it.

–Nancy L. Helseth
Vice President, Human Resources

PEOPLE:

New in Portland

Rick Bacon, Overlay Sales Panel Products
Jaime Sanz de Santamaria, Strategic Analyst
Marilyn Hendrick, Corporate Controller
Eric Schooler, Executive Vice President
Goodbye to Barbara Johnson,
Nancy Stephens and Trina LeBrasseur

In Kane

Rob Fry, transfer to Purchasing
Jennifer Macey, Division Controller
Dave Yaegle, IT and Instrumentation Technician
Dave Trimpey, Harvest Manager
Goodbye to Jason Albright, Heidi Dahler and Bill Watson

In Builders Supply

Goodbye to John Woodworth

In Chester

Ron Mahugh, Division Controller
Goodbye to Jim Hancock

In Klamath Falls

Kathy Davis, Plant Site Administrative Assistant
Julie Stumpf, Particleboard Quality Assurance Supervisor
Terri Sites, Accounting Clerk
Carla Bartholomew, Payroll Clerk
Robert Scott, Sales Planning Manager in Hardboard
Brian Clingman, promoted to Particleboard Quality Assurance Supervisor
Goodbye to Debbie Scott, Shane Hancock and Aaron Schulte

"If you go through life convinced that your way is always best, all the new ideas in the world will pass you by."

–Akio Morita,
Chairman, Sony Corporation