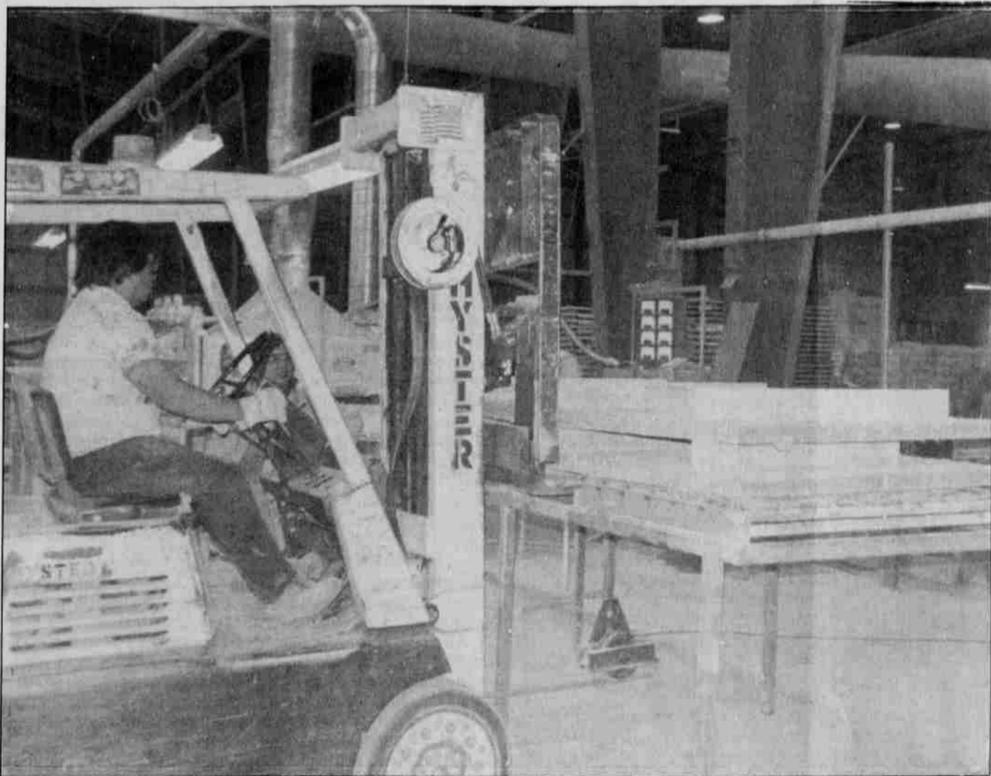


# Products reveal potential, possibilities for WSCP



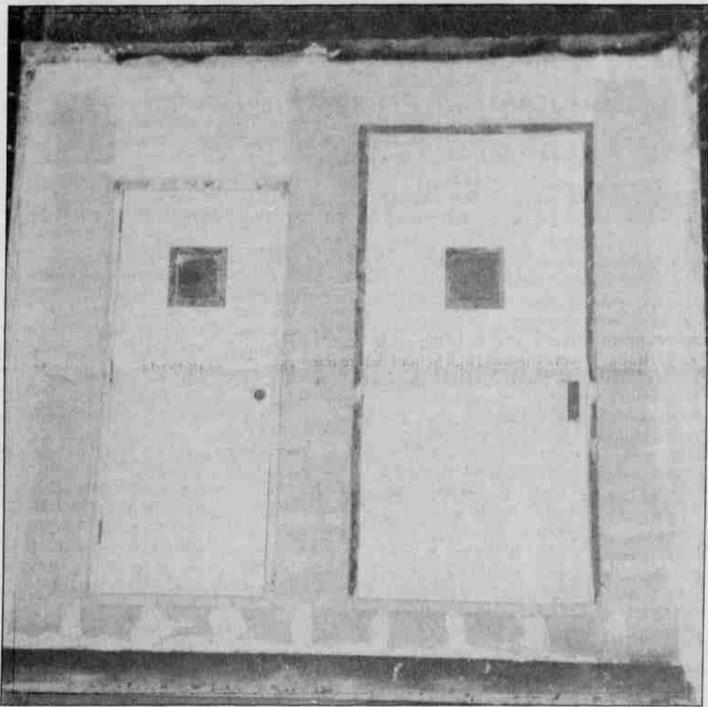
Warm Springs Composite Products employee moves a stack of fire-resistant door material in preparation for final sanding and cutting.

On March 25, the Warm Springs Tribal Council approved resolution #8801, authorizing a referendum election which would provide funds for and formally establish Warm Springs Composite Products as a tribal enterprise. The election is tentatively set for Tuesday, May 17. Following is the question that will appear on the ballot.

*"Shall there be appropriated from the funds of the Confederated Tribes of the Warm Springs Reservation of Oregon for the purpose of building, equipping, operating and maintaining a manufacture plant for the manufacturing of fire resistant building components and other products utilizing diatomaceous earth and other materials, the sum of not to exceed one million four hundred thousand dollars (\$1,400,000) with an additional sum of one million dollars (\$1,000,000) to be provided by an Economic Development Administration grant and shall the Tribe be authorized to borrow not to exceed \$600,000 from available sources for additional working capital?"* Voters will answer yes or no.



Jim Mehlberg works slurry as it is poured into frame.



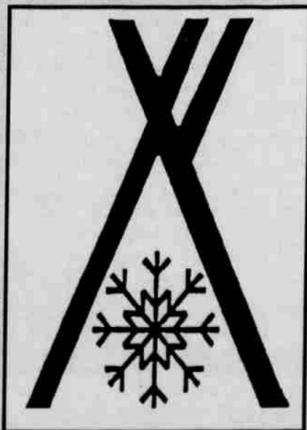
Two doors were taken to a testing facility in California in early March for certification. The doors successfully passed the test.

Who would have thought, not so many months ago, that Warm Springs would or could manufacture a product that could withstand temperatures nearly 1,800 degrees Fahrenheit?

On March 8, 1994, two doors, complete with hinges and small windows, were tested at the Warnock Hersey testing facility in Pittsburgh, California. The doors were subjected to a 90-minute fire test during which temperatures reached over 1,750 degrees. The fire test was followed by a high-pressure hose test which lasted 56 seconds. Each door weathered the certification test successfully, with Warnock Hersey representatives saying "they were the best assemblies ever burned." In fact, no other doors in the world have ever passed the test the first time around.

Warm Springs Composite Products has a video of the burn test for interested community members. For further information, call WSCP at 553-1143.

## Questions, answers offered on DE



### What is the DE Project?

The DE project is currently comprised of two separate parties: the DE Joint Venture (JV) and Warm Springs Composite Products (WSCP). For a better understanding of the DE project, look at the DE Project Organization chart provided.

The JV is an agreement between Structural Technology Inc. (STI), owned by Terry Turner and Phil Rodda, and the Confederated Tribes of Warm Springs. STI owns 49 percent of the JV, while the Tribe owns 51 percent of the JV.

Warm Springs Composite Products, although not officially established, is the name that has been given to the Tribe's new factory which makes fire resistant building materials and other products utilizing diatomaceous earth (DE).

A tribal referendum vote, tentatively set for Tuesday, May 17, 1994, will focus only on the establishment of Warm Springs Composite Products. The JV agreement will not be affected. The JV will continue to exist regardless of the referendum results.

### What is diatomaceous earth?

Diatomaceous earth, or DE, is the skeletal remains of tiny prehistoric water animals.

### Where does DE come from?

The DE currently being used by WSCP comes from a mine located along the Deschutes River at Lower Bridge just west of Terrebonne, Oregon. DE is common material found in many places around the world.

### Does the Tribe have a guaranteed supply of DE?

The Tribe has an agreement with the owners of the mine near Terrebonne that will provide a guaranteed supply of DE to the factory. The mine currently has 2.5 million tons of DE, the maximum usage by WSCP will amount to 5,000 tons annually. At this rate there is enough DE to last for 400 years, minimum. DE is also available from other sources.

### What will the factory make?

WSCP is currently making all components (rails, stiles, blocking material and cores) for a complete fire-rated door system. (See Fire Door Diagram.) The manufacturing process has many other possibilities, including fire resistant building components and concrete and wood substitute products such as shakes and shingles.

### Who would own WSCP?

The factory would be 100 percent owned by the Confederated Tribes.

### Where is the factory located?

The facility is currently located at

Warm Springs Forest Products Industries where the plywood plant used to be.

### How many people would be employed?

WSCP currently employs 17 people, 14 of whom are tribal members or married into the Tribe. Compared to other entities on the reservation, WSCP has the highest percentage of Tribal Member and MIT workforce. If WSCP becomes officially established by the end of May, 25 to 30 employees are projected to be working by the end of 1994. Three or four years down the line, WSCP plans to employ at least 75 people, with the majority being Tribal Members and married into the Tribe.

### What is the wage scale at WSCP?

Wages and benefits are similar to that of WSFPI. The starting wage is \$8.50 per hour. If WSCP becomes a full manufacturing facility, the average loaded wage (including actual pay, compensation and benefits) is projected to be \$9.50 per hour.

### What does the JV do?

The JV (49 percent owned by STI and 51 percent owned by the Tribe) will develop technology that can be licensed to other companies to manufacture. WSCP will have the first right of refusal.

### What is the relationship of the JV to WSCP?

WSCP will be the first licensee to manufacture products developed by the JV.

The only relationship that exists between these parties is the license agreement between the JV and WSCP. The agreement will authorize WSCP to utilize the technology by manufacturing

DE products. Turner and Rodda are employed by WSCP to get the manufacturing facility started. They will stay with WSCP until tribal personnel are sufficiently trained to manage the facility.

### What other products will be manufactured?

The Tribe has the first right to any new products developed by the JV. If WSCP has the capabilities to manufacture products that will provide employment and profits for WSCP, these products may be manufactured at WSCP. However, the JV may license other companies to manufacture products not utilized by WSCP. The Tribe will then receive 51 percent of the JV profits/royalties, which represents 51 percent tribal ownership of the JV.

### What are the benefits of establishing WSCP?

The benefits would be: Increased tribal employment; additional revenues for the Tribe; an environmentally safe product; and, the acknowledgment of a world-class product manufactured right here in Warm Springs.

### Is there a market for the products manufactured at WSCP?

It is estimated that 600,000 fire-rated doors are sold annually in the United States alone. After passing a certification burn test on March 8, 1994, WSCP is now one of three companies in the US (the others being Georgia Pacific and Weyerhaeuser) capable of offering a full fire-rated door system.

### What is a burn test?

It is a 90-minute fire endurance and hose stream test. Our door was exposed to temperatures that reached nearly 1,800 degrees Fahrenheit for 90 minutes. At the conclusion of the burn, the exposed/burned side of the door was

then sprayed with an intense stream of water. Generally, if a door holds together after the burn test and hose stream test, it passes. The WSCP door performed extremely well. At the end of the test, the test engineer at Warnock Hersey stated, "That is the best unexposed surface I have ever seen." Furthermore, WSCP passed the certification burn on the first attempt. No other company has ever passed this test on the first try.

### Is WSCP selling the fire-rated doors?

No. But WSCP is selling some door components, such as blocking material, to Weyerhaeuser. Before it can sell the complete door system, WSCP has to be officially certified. The complete certification process will take approximately six weeks. After this process has been completed, WSCP plans to automate the manufacturing process so it can produce and sell the products efficiently. WSCP has standing and pending orders from Vancouver Door in Puyallup, Washington and Buell Door in Dallas, Texas.

### How much has been spent on the DE project? Will other funds be required and where will they come from?

The Tribe has advanced, upon Tribal Council authority, \$1.3 million to the pilot plant facility for research and development purposes. WSCP anticipates receiving an additional \$2.4 million; \$1 million from an Economic Development Administration (EDA) grant to be used for machinery and equipment costs; and, \$1.4 million to be received from the Tribe depending on the referendum vote. The referendum money will be used for operations of the newly established manufacturing facility (WSCP).