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College of Business
College of Forestry

Studies in Management and Accounting for the
FOREST
PRODUCTS
INDUSTRY

DRUG TESTING IN THE WORKPLACE

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WTD Industries, Inc.

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Madonna Posey has been with WTD Industries in the Personnel Department since May 1987. Ms. Posey took over management of the Company's drug testing program in November 1990. In addition to the drug testing program, she is responsible for the Oregon mills in matters pertaining to personnel. Madonna Posey attended Portland State University where she majored in psychology and Linn Benton Community College where she majored in nursing.

Ed Redman manages the insurance, industrial safety, and fire prevention programs of WTD Industries. Mr. Redman has been with WTD since 1985 and served on the Governor's committee for workers' compensation reform. Prior to joining WTD, Mr. Redman spent 23 years with the Oregon State Accident Insurance Fund in various capacities, including Director. Ed Redman has a B.A. degree in Business from the University of Houston, with additional course work in industrial safety at the University of Oregon.

Robert J. Riecke is employed with WTD Industries as Vice President-Administration and General Counsel and has been with WTD in various capacities since its founding in 1983. Mr. Riecke oversees WTD's legal, risk management, environmental, human resources and investor relations functions. Mr. Riecke is a 1976 graduate of the University of Illinois School of Law and practiced business and corporate law before joining WTD.

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INTRODUCTION

WTD Industries, Inc. and its subsidiaries ("WTD") employ approximately twelve hundred people in the business of manufacturing lumber and related activities.

In the mid 1980's WTD implemented a drug testing program to prevent users of illegal drugs from working for or continuing to work for the Company. The program was motivated by economics in that drug users do not work as safely or as productively as other employees.

What follows is an analysis of the need for and legal restrictions on drug testing, and a description or "blueprint" of WTD's drug testing program.

WTD has found that a drug testing program is one of several ways to ensure it has a quality work force, with reference checking and interviews being additional tools when hiring, and progressive discipline being used to manage existing employees.

Any drug testing program should be designed carefully to comply with legal and business requirements and such a program should not be adopted without expert review.

THE NEED FOR DRUG TESTING

The Bureau of National Affairs of Washington, D.C. has reported that:

- The accident rate among employees with a substance abuse problem is four to six times higher than among employees without a substance abuse problem;
- Alcohol is involved in 40% of industrial fatalities and 50% of industrial accidents;
- Absenteeism among employees with a drinking/drug problem is five to eight times higher;
- Absenteeism among employees with an alcoholic family member is 10 times higher;
- Medical claims are three times higher in substance abuse families; and
- The productivity of employees with a drug or alcohol problem is 25% to 40% less; grievances are four times as high.

According to the latest data from the National Household Survey on Drug Abuse, there are 11.4 million people who reported taking an illegal drug within the last 30 days. Of these people, two thirds are employed. That translates into 6.7 million workers or 5.8% of the work force.

The hazard of drugs in the workplace has been well documented by scientific studies. In the mid 1980's, Stanford University researched the effects of marijuana on pilots in a flight simulator. Pilots were tested in certain flight situations including emergencies and their reactions recorded. They were then given a marijuana cigarette to smoke and tested over a period of time. Several that tested well in the non-drug condition crashed the plane during the simulation after the drug use. All tested less effective. One of the most revealing facts discovered was that, after a period of time, everyone who said they were no longer under the influence still tested poorly; i.e., pilots thought they were no longer under the influence when in fact they were. Consequently, there is a real danger that a worker who smokes marijuana before work, although believing that he is not affected, can present a danger to himself and co-workers. Another conclusion drawn in the research is that peripheral vision was limited when under the influence, which can cause an additional workplace hazard¹.

Cocaine and methamphetamines present different types of hazards. Individuals under the influence immediately after using cocaine or methamphetamines become very hyperactive. The senses are accelerated and the individual may actually work faster. However, workers under the influence of those drugs are more prone to take risks thinking they can beat the speed of a machine and reach in, or drive a fork lift too fast. A cocaine or methamphetamine high only lasts a few hours; the user then starts slipping into a low. Senses are dulled and reaction time drops. A hazard may not be recognized in time to prevent an accident, or if the hazard is recognized, one's ability to react may be impaired².

The use of barbiturates can result in drowsiness and uncoordinated movements, which also are significant safety hazards³.

EMPLOYERS' REACTION TO THE SAFETY HAZARD

Both the Federal government and private industry have reacted to the problem of drugs in the workplace. The Federal government imposes certain drug control requirements on its contractors in the form of the Drug Free Workplace Act of 1988 and requires testing in limited circumstances, particularly in the area of law enforcement. Corporate drug testing programs are in place at more than 80% of 79 manufacturing firms who participated in a recent survey, reported the Manufacturers' Alliance for Productivity and Innovation. The survey, which covered 1.5 million employees, revealed that 93% of the employers conduct pre-employment testing and 75% will test current employees under certain circumstances. WTD and other private employers started testing for drugs in the

¹ Jerome Yesavage, M.D., Von Otto Lierer, Ph.D. et al, "Carry-over Effects of Marijuana Intoxication on Aircraft Pilot Performance, A Preliminary Report" American Journal of Psychiatry (November, 1985) : 142:11 (1325 ff).

² Drug Information Guide, Belinda McFee, Drug Counseling and Evaluation Services

³ Ibid

mid 1980's when the technology developed to the point that chemical analysis of urine allowed accurate identification of the presence of illegal substances at a reasonable cost.

In addition to a testing program identifying drug users, a drug testing program sends a message of company philosophy; to the user it says quit and for the former user it is a deterrent to relapse.

Over the years WTD has received comments from its workers that its drug testing program does act as a deterrent. Employees who in the past used drugs as "recreation" appreciated the incentive that the drug testing program provided to get off and stay off drugs.

Prior to WTD initiating any drug testing of either employees or applicants, a drug and alcohol policy was carefully drafted with legal sensitivities in mind (see Exhibit 1). The drug policy was given to employees more than 30 days before any testing occurred with a written notice that drug testing would occur in the near future. Job applicants are similarly warned by language in the application form that drug testing will occur as part of the application process. The drug policy has been made part of WTD's employee handbook which requires written acknowledgment and agreement with the terms (see Exhibit 2).

Approximately 1,000 WTD employees were involved in the initial test. Of that group approximately 5% tested positive. When comparing the individuals that were positive to those that had workers' compensation claims, it was revealed that the 5% that were positive had 60% of the claim costs, or, in the reverse, 95% of the work force had only 40% of the claim costs.

THE POLITICAL AND LEGAL ENVIRONMENT FOR DRUG TESTING

In the mid and late 1980's, as more and more employers introduced drug testing programs, there were numerous legal challenges launched by labor unions and the American Civil Liberties Union against drug testing. The legal challenges against the WTD drug testing program, all of which were defeated, occurred in a political climate that increasingly accepted the idea that drug testing was justified by safety concerns. Little resistance from workers was encountered and many recognized that the program made the workplace safer for them.

Numerous state and Federal laws impact the structure of any drug testing program. It is imperative that before adopting any drug testing program competent legal advice be sought and both the statutory and case law of the relevant jurisdictions be reviewed.

Some of the legal issues affecting drug testing are described below.

State and Federal Constitutional Issues

- **Right to privacy.** There is no specific grant of privacy in the U.S.

Constitution, although states provide for varying levels of privacy protection. For example, to withstand constitutional challenge in California, a private employer (not a governmental or other public entity) must show a "compelling interest" to conduct drug testing of employees or applicants. In contrast, under Washington state's constitution, privacy protection only applies to state action and does not apply to private employer actions at all.

- Protection against unreasonable search and seizure provided by the Fourth Amendment of the U.S. Constitution and many state constitutions. Generally, search and seizure protections apply only to government actions. Governmental testing or testing mandated by government rules has generally been upheld where there has been a legitimate government interest demonstrated (e.g., the travelling public is protected) and the intrusion of the test is reasonable (e.g., the urine sample is collected in a "medical" environment and is not observed)⁴.

National Labor Relations Act

Drug screening for existing employees is a mandatory subject of bargaining, but drug screening for applicants is not. In other words, an employer is prohibited from drug testing employees if any existing labor agreement does not provide for it, unless drug testing is first bargained over with the union.

It has been the experience of WTD that unions are opposed to mandatory drug testing of workers. WTD has bargained to impasse with unions over this and other issues, and has implemented final offers, over the objections of unions, which provide for drug testing. Bargaining to impasse negates the need to gain union approval.

Prohibitions of Discrimination Against Disabled\Handicapped Individuals

Various state and Federal laws prohibit discrimination against disabled and handicapped individuals and require reasonable accommodation of such individuals. Under such laws, it can be argued that a drug addicted employee is handicapped and cannot be terminated if he fails a drug test. Casual drug users are not protected by such laws. In order to comply with the laws, WTD allows an employee who fails a drug test, and asserts that he is addicted, to enter into a "last chance" agreement. The worker is terminated, granted an unpaid leave to attend a rehabilitation program (a part of which is often paid for by the employee's health insurance) and reinstated after rehabilitation. One of the provisions of the last chance agreement is that the worker must stay drug free thereafter as evidenced by regular drug tests (See Exhibit 3).

The Americans with Disabilities Act⁵ prohibits physical exams and drug tests

⁴ Skinner v. Railway Labor Executives' Assn., 109 S Ct 1402 (1989)

⁵ Public Law 101-336 (1990)

before a conditional offer of employment is made and excludes the use of illegal drugs from the definition of disability.

Drug Free Workplace Act of 1988

This Federal law requires that contractors who do business with the Federal government in excess of \$25,000 must make a good faith effort to maintain a drug free workplace by taking certain actions and certifying that such actions have been accomplished.

The major requirements imposed by the Act are as follows:

- Establish a policy that unlawful drug manufacturing, distribution, possession and use are prohibited in the workplace, establish penalties for violation of the policy; and notify employees of the policy and penalties.
- Require that an employee convicted of a criminal drug offense occurring in the workplace notify the company. The company must then notify the Federal contracting agency of the conviction within 10 days of receiving notice.

Failure to comply with this law can result in debarment, i.e., prohibition from contracting with the Federal government⁶.

A more restrictive anti-drug program of course is allowed, subject to the other legal constraints described above.

The Omnibus Transportation Employee Testing Act of 1991

The United States Department of Transportation (DOT), charged with overseeing the safety of the national transportation system, requires drug testing of commercial interstate train, truck, mass transit and airplane operators. Oregon has adopted the DOT requirements for intrastate commercial carriers. Tests conducted under the DOT requirements must meet certain technical and procedural requirements promulgated by the National Institute on Drug Abuse (NIDA)⁷.

Unemployment Compensation Laws

In Oregon, an employee will be eligible for unemployment benefits if he fails a drug test and is terminated or if he quits rather than take a drug test, unless the employer can show that the employer has an "objectively demonstrable" reason to believe that the terminated employee was under the influence of drugs while at work. Consequently, if an employee is discharged for failing a random drug test routinely given, he will receive unemployment benefits unless there is additional

⁶ Public Law 100-690 (1988)

⁷ Public Law 102-143 (1991)

evidence that the employee was under the influence while at work.

In Washington, benefits will be denied if the employer can show that the test is "reasonable" (i.e., there was advance notice to employees, the test is reliable, and was given in a reasonable manner).

WTD'S DRUG TESTING PROGRAM

Extent of Testing

WTD currently conducts two types of drug screening or testing at its operations in Oregon and Washington: Applicant and Employee. WTD's drug screening program at its Vermont facility is significantly different because of local law differences.

- Applicant testing. Post job offer drug screening is conducted after an applicant has passed both the reference and interview portions of the hiring process and a conditional job offer has been made. In order to be put to work at one of WTD's facilities, the applicant must pass both the physical and drug screen test. As little time as possible is allowed between the notification to the applicant of the required drug test and the drug test itself. With too much notification, an individual can flush his system by drinking large amounts of water and produce a negative result even after ingesting an illegal substance just several days prior to the test. If the applicant passes both the physical and drug tests, the final job offer is made to him. All employees, salaried and hourly, are tested for drugs prior to hire.
- Employee testing. Employee testing is conducted under four circumstances: random, mill/department-wide, "just cause" or "reasonable suspicion", and DOT mandated testing.

Random drug testing is done monthly, quarterly, and/or yearly. When random drug testing is being conducted, the date for the test and the participants are selected by the general manager in consultation with the personnel department. The plant general manager determines what portion of the work force to test, usually from 10% to 20% at any one time. The test population is a large enough sample to detect drug use in the work force and remind the crew that drug testing will occur, but is substantially less expensive than testing the whole crew. Participants are randomly selected for the test. Each employee is arbitrarily given a number and the numbers are then entered into a random selector calculator or computer. This selection is completed shortly before the actual test to ensure confidentiality.

At the most, two people at the mill site will be made aware of the date of the test; the general manager and one other individual. The second individual, usually the controller or personnel clerk, is responsible for auditing the current employee files for a signature page from the most current employee handbook. If the signature page is found to be missing from an employee's file, a new handbook and signature page is distributed and the signed signature page (Exhibit 2) is obtained prior to the test.

Mill/department-wide testing is done periodically, usually once a year. When mill-wide testing is performed, all employees, including the office staff, are tested. When department-wide testing is conducted, all employees in the targeted department, including the supervisor(s), are tested. Confidentiality is handled the same as when conducting random drug testing.

"Just cause" or "reasonable suspicion" testing is triggered by suspicion of an individual's impairment possibly caused by drug use. This determination is usually made by a supervisor and results from observance of some unusual behavior by an employee. If drug use and impairment are suspected, the employee is accompanied by a supervisor or lead person to the testing site, and transportation for the employee to his home after the test is arranged. The employee is suspended without pay until the results of the drug test are received.

DOT mandated testing is conducted according to National Institute on Drug Abuse (NIDA) guidelines. Only employees falling under the DOT regulations are given a NIDA drug test.

The Cost of Drug Testing

The laboratory work for a NIDA drug test is currently \$29.50 per employee with a cost of \$17.50 for a non-NIDA test. The specimen collection cost ranges from \$12 to \$17 per employee, depending on whether the collection occurs off site or on site.

Drug Testing Procedure

As indicated, a conditional offer of employment is extended to those individuals chosen for hire after favorable references and interviews have been completed. The individual is contacted by personnel, offered a position on the condition that the applicant passes a drug screen and physical, and an appointment is set up for the individual. If the individual fails to show for the appointment, the person is not rescheduled unless he calls in and explains satisfactorily his inability to keep the appointment. If the individual cancels or fails to keep the second appointment, the person is considered to have not accepted the conditional offer, and no additional attempts are made to drug test the individual.

During random testing, if a selected employee is on layoff, sick or absent from work on the day of the test, his name is removed from the current test list and added to the list for the next random test. If the employee admits current drug usage, he is given the option of quitting or submitting a urine specimen for testing.

During mill/department-wide tests, employees absent from work on the day of the test are called and asked to come in for the test. If the employee is unable to come in (e.g., too sick or out of town), he is sent to a collection facility the first day he returns to work.

Except for NIDA testing, which requires that specimen collection be off site,

specimen collection is conducted either off site or laboratory technicians from a qualified laboratory come to the mill site to collect specimens. Collection facilities are selected on the basis of their proximity to the operation requiring collection and their willingness to follow procedures ensuring consistency and accuracy.

During the collection process, laboratory technicians supervise but do not observe the collections, and they complete chain of custody and medical consent forms. If an employee does not consent to the test, he will be discharged for violation of the drug policy (see Exhibit 1). It is important that chain of custody be established (i.e., documentation exists which conclusively establishes that a particular sample came from the specific employee). Without valid chain of custody, the drug test is useless.

Only urine is collected; no blood is drawn. During a supervised collection, a technician waits outside the bathroom door to receive the specimen before the donor washes his hands. Bluing is put into the toilet and the hot water is shut off so dilution of the specimen by water is immediately detectable, either by an abnormal color or by an abnormally low temperature. The specimen collection cup has a temperature measuring strip built into the device and it immediately measures the temperature of the contents of the cup.

When the specimen is handed over to the technician, a portion of the specimen is poured into a second container to prevent accidental contamination of the specimen by the instruments used to perform the tests. A thermometer is inserted into the second container and the temperature is measured a second time. This ensures that the thermometer strip on the collection device is working correctly. The acceptable temperature range for a specimen is 90.5 - 99.8 degrees Fahrenheit. If the temperature range is outside of the acceptable range, the specimen is not accepted as a testable sample and the donor is asked to submit a second specimen.

A small amount of urine is drawn and tested for specific gravity. Specific gravity tests the dilution of the specimen and is defined as the weight of a substance compared with an equal volume of water. Water is used as a standard and considered to have a specific gravity of one (1.000). Urine can have a variable specific gravity and is considered to be testable if the specific gravity is 1.005 or above. If the specimen is below this level, the entire specimen is discarded and the donor is asked to submit a second specimen. Both the primary specimen and secondary specimen container are kept in view of the donor at all times during the temperature and specific gravity tests.

In both the unacceptable temperature and specific gravity situations, the donor is given no more than 12 ounces of liquid during a one hour period before being asked to submit a second specimen. If the second specimen fails the above tests, the employee will be asked to submit to additional tests until a testable sample is obtained. If the person is an applicant and is not yet an employee, the individual is given three chances to provide a testable sample. If an employee refuses to submit a specimen for testing, he is subject to discharge.

After obtaining the specimen, the chain of custody form and supporting documentation is completed by both the technician supervising the collection and the donor. The urine specimen is then sent to a qualified laboratory. The primary laboratory used in Oregon and Washington by WTD is Oregon Medical Laboratories (OML), which is a NIDA approved laboratory. Only NIDA approved labs are qualified to provide drug testing to industries regulated by the federal government. NIDA labs must be used to provide testing regulated by DOT.

WTD screens for up to six substances: amphetamines, barbiturates, cocaine metabolites, phencyclidine, opiates and marijuana metabolites. A metabolite is defined as any product of metabolism.

All substances are measured in nanograms (ng) per milliliter (ml). A nanogram is one-billionth of a gram and a milliliter is one-thousandth of a liter. Amphetamines are screened initially at 300 to 1,000 ng/ml, barbiturates at 200 to 300 ng/ml, cocaine metabolites at 300 ng/ml, phencyclidine at 25 ng/ml, opiates at 300 ng/ml, and marijuana metabolites at 50 to 100 ng/ml. When marijuana is tested at these levels, there is virtually no chance that the test will be positive because of passive inhalation of smoke.

All screening levels were selected on the advice of qualified pathologists or, in the case of DOT testing, by NIDA guidelines.

When the specimen is received at the testing laboratory, the seal on the specimen is checked to ensure that no leakage has occurred, checked against the supporting documentation for matching name and identification (social security number), and verified for the correct chain of custody procedure. If the container has leaked, if the signatures and/or other identification does not match, or if the chain of custody has been breached, the specimen will not be tested. The location requesting the test will be notified and the donor will be asked to give another specimen. If everything is in order, the specimen will be assigned a control number. At that point another technician will begin the testing. The specimen is first tested for integrity. To pass the integrity test, the specimen must not be diluted and must not contain any substance foreign to urine. If the specimen does not pass the integrity test, the specimen will not be tested further. The requesting location will be notified and the donor will be asked to give another specimen. If the specimen passes the integrity test, it goes on to the next phase.

The initial screening used is an immunoassay test marketed under the name EMIT. The immunoassay test is performed using the screening levels noted above. If none of the controlled substances are detected, the testing is complete and the specimen is reported as negative. In the case of a negative result for a "just cause" test, the employee is reinstated with back pay and all rights and privileges he had before the drug test. In post job offer testing, the donor will be called and the final job offer extended.

If one or more of the controlled substances is detected, the specimen is subjected to two additional combined confirmatory tests: gas chromatography and mass

spectrometry (GC/MS). GC/MS are highly sophisticated tests that can identify each chemical compound based on its own unique molecular structure. With these tests, the presence and identity of drugs can be determined with certainty. Both non-NIDA and NIDA tests are confirmed using the GC/MS tests.

Once a test is confirmed positive, OML sends the results to a Medical Review Officer (MRO) (a licensed physician) designated by WTD. The MRO compares the results of the positive test to the medications, both prescribed and over the counter, named by the donor as having been taken during the last 30 days prior to the collection of the specimen. If the MRO determines that the positive test could have been caused by a substance appropriately taken by the donor, the test will be ruled negative. If the MRO determines that the positive test could not have been caused by medications listed by the donor, the test will be ruled positive. The result, negative or positive, is then reported to the corporate personnel office. Corporate personnel will review the documents to determine the accuracy of the report. If there are no inconsistencies, the personnel clerk at the originating location will be notified of the result.

Action Taken Upon Positive Results

If a positive drug test is obtained in a post job offer test, the originating location will withdraw the conditional job offer.

The written test results are obtained, reviewed, and then confidentially sent to the appropriate location by corporate personnel. The general manager at the location will conduct the job offer withdrawal. The applicant is notified, advised that his drug test was positive for an illegal substance (the illegal substance is named), and the job offer is withdrawn. All comments made by the applicant are documented. This applicant will not be considered for hire at any of our locations for a minimum of one year.

If a positive drug test result is obtained for an employee, the employee will be discharged.

The written results will be obtained, reviewed, and confidentially sent to the appropriate location by corporate personnel. The general manager and one additional member of the management team at the location will conduct the discharge. An exit interview form is used to guide the general manager during the discharge. The employee is told that he has read and signed the company's safety policy and the Employee Handbook as evidenced by the dated signature page of the Handbook in his personnel file. The employee is then asked if he is aware that a positive test constitutes grounds for termination and is given an opportunity to explain the positive test results. If the explanation is medically inconsistent with the test results (e.g., "I never took drugs") the discharge decision stands. Any offered explanation is considered before the final discharge decision is made. Specimens that test positive are kept for a year in the event that a retest of the sample is appropriate. The donor is not given the opportunity to give a new sample if the chain of custody and other validations are in order, since for some

drugs it takes only a day or two for the evidence of drug use to become non-detectable.

If drug rehabilitation is requested, the employee is still discharged but is told he will be contacted at a later date after reviewing the situation with legal or corporate personnel. Legal or corporate personnel will review the documented exit interview and determine whether rehabilitation is appropriate. Rehabilitation is considered to be appropriate if the employee recognizes and acknowledges a drug dependency problem and wants to be rehabilitated.

If rehabilitation has been approved, it is the employee's responsibility to choose an appropriate rehabilitation facility that corporate personnel will approve. When approved, the employee then must meet with a counselor at the rehabilitation facility to determine the prescribed course of treatment (i.e., inpatient or outpatient and length of time). A last chance agreement is prepared and the employee and company sign the agreement (Exhibit 3). After the inpatient treatment is completed, or after a period of 45 days, the individual is reinstated to a position at the company. If the employee tests positive again during his employment at the company, he will be discharged and will not be allowed to enter into another last chance agreement.

The terminated employee is not eligible for consideration for re-employment for a full year after discharge.

CONCLUSION

A significant portion of American industry, including a local manufacturer, WTD Industries, Inc., has concluded that a drug testing program is necessary to maintain a productive and safe work force.

The benefits of having a drug free work force are demonstrated by studies and WTD's experience.

WTD has shown that it is possible, at a reasonable expense, to meet the legal and technical requirements of implementing a reliable drug testing program.

EXHIBIT 1

ALCOHOL AND DRUG POLICY

Out of concern for the safety of its workers, the Company prohibits the buying, selling, transportation, possession, providing or using intoxicants or any controlled substances as defined by law (but excluding any substance lawfully prescribed for the employee's use) while on Company property or during work hours, including rest periods and meal periods, or reporting for work showing any signs of the use of intoxicants or under the influence of intoxicants or reporting to work after having used any controlled substance (but excluding any substance lawfully prescribed for the employee's use).

An individual is considered to be "under the influence" when, in the Company's determination, the individual's ability to safely and/or efficiently perform assigned work is impaired.

The Company may require employees to take a medical examination, including a blood and/or urine test, to detect drug usage. Such test(s) may be required regardless of whether the Company suspects on-duty impairment or off-duty drug use. Any employee who refuses to cooperate with any such examination is subject to immediate discharge. Detection of the presence of controlled substances as defined by law (excluding any substance lawfully prescribed for the employee's use) is grounds for discharge.

The Federal Government has enacted the Omnibus Drug Act of 1988 which requires that any employee convicted of a criminal drug offense occurring in the work place must notify the general manager within five days after the date of conviction.

The Company does not have an employee rehabilitation drug program, but programs for drug rehabilitation are available through the County and State.

EXHIBIT 2

I hereby acknowledge receipt of the Employee Handbook, Alcohol and Drug Policy, Safety Policy and Policy Statement on Disclosure and agree to abide by the terms thereof. **I FURTHER ACKNOWLEDGE THAT MY EMPLOYMENT WITH THE COMPANY IS TERMINABLE AT THE WILL OF EITHER THE COMPANY OR ME AT ANY TIME AND THAT THE COMPANY RESERVES THE RIGHT TO TERMINATE MY EMPLOYMENT FOR ANY REASON NOT CONTRARY TO LAW, WITH OR WITHOUT CAUSE, NOTICE OR WARNING.** This policy cannot be changed except by a written agreement signed by an officer of the Company.

Date: _____

Employee Signature

Employee Name (printed)

EXHIBIT 3

Name: _____ Date: _____
Address: _____
City, State, Zip: _____

RE: Reinstatement of Employment at _____ (Mill Name) _____.

Dear _____ (Name) _____:

This letter is to confirm that you have decided to undergo treatment for a drug and/or alcohol problem and to confirm the agreement between _____ (Mill Name) _____ and yourself regarding the terms of continued employment by the company.

You may be reinstated as an employee by the Company upon the following conditions:

1. You follow the care requirements of your rehabilitation program through (Rehab Facility) _____ in _____ (City & State) _____.
2. You agree that _____ (Mill Name) _____ may conduct random urinalysis testing for controlled substances as defined by law and that a positive test shall result in immediate termination.
3. You remain available for work, free of a drug or alcohol problem.
4. Your work performance and conduct must be satisfactory in all other respects and up to the standards that _____ (Mill Name) _____ requires of its workers.
5. After (Enter date 45 days after termination), you will be returned to the first available job opening at the prevailing rate of pay as you continue your rehabilitation treatment. You will not have job bidding rights until you complete your program. Reemployment is contingent in all cases upon compliance with this letter.

If you understand and agree to abide by the terms of this agreement, please indicate by your signature in the space below.

You will be provided with a copy of this letter for your files.

Sincerely,

(General Manager's Name)
General Manager

The foregoing is hereby agreed to:

Employee Signature

Date

**STUDIES IN MANAGEMENT AND ACCOUNTING
IN THE FOREST PRODUCTS INDUSTRY**
Oregon State University

<u>No.</u>	<u>Monograph Title</u>
1	"The Rush to LIFO: Is It Always Good for Wood Products Firms?" (1976).
2	"Accounting and Financial Management in the Forest Products Industries: A Guide to the Published Literature," (1977 and 1981).
3	"A Decision Framework for Trading Lumber Futures," (October 1975).
4	"Capital Gains Tax Treatment in the Forest Products Industries," (June 1976).
5	"Measurement Difficulties in the Log Conversion Process," (June 1976).
6	"Capital Budgeting Practices in the Forest Products Industry," (March 1978).
7	"A Reporting and Control System for Wood Products Futures Trading Activities," (July 1978).
8	"Selected Issues of Financial Accounting and Reporting for Timber," (November 1978).
9	"Pool Log Transfer System," (August 1979).
10	"Fundamentals of Financing Major Timber Acquisitions," (February 1980).
11	"LIFO Inventories in the Forest Products Industry," (July 1980).
12	"Accounting Controls for a Forest Products Firm," (January 1981).
13	"Log Inventory Controls," (April 1981).
14	"Accounting Treatment for Wood Products Futures Trading Activities," (October 1981).
15	"A Reporting and Planning System for a Wood Products Operation," (November 1981).
16	"Boise Cascade's Productivity Improvement Program," (January 1982).
17	"Information Systems Planning in Weyerhaeuser Company," (August 1982).
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20	"Productivity Improvement Programs of Knowledge Workers in the Forest Products Industry," (November 1983).
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22	"Control and Measurement of Chips," (September 1984).
23	"Accounting for Buying Back Timber Cutting Contracts," (December 1984).
24	"Developing Cross-Hedging Strategies Based on Lumber Price-Change Variation and Seasonality," (May 1985).
25	"Unique Financial Reporting Considerations for Readers of Forest Products Companies Financial Statements," (November 1985).
26	"Improving Productivity Through Internal Contracting," (March 1986).
27	"Perspectives on the Timber Industry From a Lender's Standpoint," (October 1986).
28	"Long-Term Timber Supply and Its Importance in Strategic Planning," (March 1987).
29	"Microcomputer Applications in Timber Management and Accounting," (August 1988).
30	"Producing OSB Using Red Alder: A Feasibility Case Study," (January 1989).
31	"Export Marketing Activities of Small-Firm Lumber Manufacturers," (June 1989).
32	"Gainsharing Plans For Mill Operations In The Forest Products Industry," (October 1989).
33	"Tax Free Exchanges and Timberland Acquisitions," (December 1990).
34	"Education in Business: A Tool and a Responsibility," (May 1991).
35	"Family Firms in the Forest Products Industry," (February 1992).
36	"JIT At Oregon Cutting Systems," (March 1992).
37	"A Survey and Analysis of Cost to Value Allocation Practices of Solid Wood Product Manufacturers," (December 1992).
38	"Unique Financial Reporting Considerations for Readers of Financial Statements of Forest Products Companies," (October 1993)
39	"Control Process for Smaller Forest Products Companies," (December 1993)
40	"Drug Testing in the Workplace," (November 1994)

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