UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________ to __________________

Commission File Number: 1-5057

BOISE CASCADE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	82-0100960
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1111 West Jefferson Street P.O. Box 50 Boise, Idaho	83728-0001
(Address of principal executive officers)	(Zip Code)

(208) 384-6161

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $2.50 par value	New York Stock Exchange
American & Foreign Power Company Inc. Debentures, 5% Series due 2030	New York Stock Exchange
Common Stock Purchase Rights	New York Stock Exchange
7.5% Adjustable Conversion-Rate Equity Security Units (Issued by Boise Cascade Trust I)	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [X].

The aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the price at which the stock was sold as of the close of business on February 28, 2002: $2,088,330,611.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Class	Shares Outstanding as of February 28, 2002
Common Stock, $2.50 par value	58,089,864

Documents incorporated by reference

1. Portions of the registrant's annual report for the fiscal year ended December 31, 2001, are attached as Exhibit 13.1 to the Form 10-K, and are incorporated by reference into Parts I, II, and IV of this Form 10-K, and

2. Portions of the registrant's proxy statement relating to its 2002 annual meeting of shareholders to be held on April 18, 2002 ("Boise Cascade's proxy statement"), are incorporated by reference into Part III of this Form 10-K.

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PART I

ITEM 1. BUSINESS

As used in this 2001 Annual Report, the terms "Boise" and "we" include Boise Cascade Corporation and its consolidated subsidiaries and predecessors. Beginning with our 2001 Annual Report on Form 10-K, we have changed our company trade name to Boise and the names of our reportable business segments to Office Solutions, Building Solutions, Paper Solutions, and Corporate and Other. Previously, we referred to Boise Cascade Corporation and the office products, building products, paper and paper products, and corporate and other segments.

Boise is a major distributor of office products and building materials and an integrated manufacturer and distributor of paper and wood products. We are headquartered in Boise, Idaho, with domestic and international operations. We own or control over 2 million acres of timberland in the United States. We were incorporated under the laws of Delaware in 1931 under the name Boise Payette Lumber Company of Delaware, as a successor to an Idaho corporation formed in 1913. In 1957, our name was changed to Boise Cascade Corporation.

Financial information pertaining to each of our industry segments and to each of our geographic areas for the years 2001, 2000, and 1999 is presented in Note 16, "Segment Information," of the Notes to Financial Statements in our 2001 Annual Report. This information is included in Exhibit 13.1 to the Form 10-K and is incorporated by reference.

Our sales and income are affected by the industry supply of products relative to the level of demand and by changing economic conditions in the markets we serve. Demand for paper and paper products and for office products correlates closely with real growth in the gross domestic product and with white collar employment levels. Paper and paper products and building products operations are also affected by supply and demand in international markets and by customer inventory levels. Our building products businesses are dependent on repair-and-remodel activity, housing starts, and commercial and industrial building, which in turn are influenced by the availability and cost of mortgage funds. Declines in building activity that may occur during winter affect our building products businesses. In addition, some operating costs may increase at facilities affected by cold weather. Seasonal influences, however, are generally not significant.

We have no unusual working capital practices. We believe the management practices followed by Boise with respect to working capital conform to common business practices in the United States.

We engage in acquisition and divestiture discussions with other companies and make acquisitions and divestitures from time to time. It is our policy to review our operations periodically and to dispose of assets which fail to meet our criteria for return on investment or which cease to warrant retention for other reasons. (See Notes 3, 13, 14, and 15 of the Notes to Financial Statements in our 2001 Annual Report. This information is included in Exhibit 13.1 to the Form 10-K and is incorporated by reference.)

OFFICE SOLUTIONS

Boise distributes a broad line of items for the office, including office supplies and paper, technology products, and office furniture through our Office Solutions segment. All of the products sold by this segment are purchased from outside manufacturers or from industry wholesalers, except office papers which are sourced primarily from our paper operations. Office Solutions sells these office products directly to corporate, government, and small- and medium-sized offices in the United States, Canada, Mexico, Australia, and New Zealand.

Customers with more than one location are often served under the terms of one contract (national contract). These national contracts provide consistent products, prices, and service to multiple locations. If the customer desires, we also provide summary billings, usage reporting, and other special services. At February 28, 2002, Office Solutions operated 64 distribution centers, 2 outbound sales centers, and 4 customer service centers. Office Solutions also operates over 100 retail stores in Canada, Hawaii, Australia, and New Zealand.

Office Solutions sales for 2001, 2000, 1999, 1998, and 1997 were $3,536 million, $3,697 million, $3,397 million, $3,081 million, and $2,607 million, respectively.

In April 1995, Boise Cascade Office Products Corporation (BCOP) completed an initial public offering. Immediately after the offering, we owned 82.7% of BCOP's outstanding common stock. In December 1999, we announced a proposal to acquire the 18.9% of BCOP's then outstanding common stock owned by other shareholders. In March 2000, with the recommendation of BCOP's board of directors, we commenced a tender offer for these shares of $16.50 per share in cash. The tender offer was completed on April 19, 2000. Effective April 20, 2000, BCOP again became a wholly owned subsidiary of Boise Cascade Corporation. (See Note 14 of the Notes to Financial Statements in our 2001 Annual Report. This information is included in Exhibit 13.1 to the Form 10-K and is incorporated by reference.)

In September 2000, we sold our European office products operations to Guilbert S.A. of France. In October 2000, we acquired the Blue Star Business Supplies Group of US Office Products, a distributor of office and educational supplies in Australia and New Zealand.

In October 2000, we contributed the assets of Boise Marketing Services, Inc. (BMSI), our majority-owned promotional products subsidiary, to IdentityNow. IdentityNow provides corporate branded merchandise, promotional products, and related items for Fortune 1000 companies. This transaction was accounted for as a purchase business combination. IdentityNow issued shares of its voting common stock in exchange for the assets of BMSI. The assets exchanged were nonmonetary. The common stock of neither BMSI nor IdentityNow is traded on a public exchange. Based on the postmerger business plan and cash flow projections, the value of the IdentityNow common stock received was equal to the value of the BMSI assets contributed. Accordingly, no gain or loss was recorded on the transaction. As a result of the merger, we hold approximately a 29% equity position in IdentityNow. We account for our investment under the equity method of accounting. Our investment in this venture was $25.0 million and $92.4 million at December 31, 2001 and 2000.

In December, we received notice that the consolidated group of which IdentityNow is a member was experiencing liquidity problems that could affect IdentityNow. In addition, the promotional products industry was hard hit in 2001 by the decline in the U.S. economy, as companies reduced their discretionary spending. Also in December, IdentityNow provided us with revised revenue projections showing lower sales for the company than previously estimated. Based on this information, we concluded that a decline in the fair value of our investment in IdentityNow was more than temporary. Therefore, in December 2001, we wrote down our investment in IdentityNow to its estimated fair value using a discounted cash flow valuation method. We recorded a noncash, pretax charge of $54.3 million. We recorded a $4.6 million tax benefit related to this write-down. The fair value of our investment could further decline if actual cash flows are less than projected or if IdentityNow, or the consolidated group of w hich it is a member, experiences additional liquidity problems.

BUILDING SOLUTIONS

Boise is a major producer of structural panels, lumber, and particleboard through our Building Solutions segment. We also manufacture engineered wood products consisting of laminated veneer lumber (LVL), which is a high-strength engineered structural lumber product, wood I-joists, and laminated beams. Most of our production is sold to independent wholesalers and dealers and through our own wholesale building materials distribution outlets. Our wood products are used primarily in housing, industrial construction, and a variety of manufactured products. Wood products manufacturing sales for 2001, 2000, 1999, 1998, and 1997 were $792 million, $882 million, $958 million, $913 million, and $958 million, respectively.

The following table sets forth annual practical capacities of our wood products facilities as of December 31, 2001, and our 2001 production:

	Number of Mills	Capacity at December 31, 2001 (a)	Production
		(millions)	
Plywood and veneer (sq. ft.) (3/8" basis) (b)	11	1,805	1,821
Oriented strand board (OSB) (sq. ft.) (3/8 " basis) (c)	1	400	391
Lumber (board feet)	7	390	378
Particleboard (sq. ft.) (3/4" basis)	1	200	198
Engineered wood products (d)	3		
Laminated veneer lumber (cubic feet)		18	11
I-joists (equivalent lineal feet)		-	151

(a) Capacity is production assuming normal operating shift configurations.

(b) Production and operating rate applicable to plywood only. Not included is our plant in Brazil, which is in the start-up phase.

(c) In 1995, we formed a joint venture to build an oriented strand board (OSB) plant in Barwick, Ontario, Canada. We own 47% of the joint venture and account for it on the equity method. A subsidiary of Abitibi-Consolidated, Inc., the Northwestern Mutual Life Insurance Company, and Allstate Insurance

Company hold the other 53%. The 400 million square feet of annual capacity represents 100% of the production volume.

(d) A portion of laminated veneer lumber production is used to manufacture I-joists at two engineered wood products plants. Capacity is based on laminated veneer lumber production only.

In February 2001, we announced the permanent closure of our plywood mill and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, due to the significant decline in federal timber offered for sale. We completed these closures in the second quarter, and 373 positions were eliminated.

In 2001, we began construction of a new facility in Satsop, Washington, to manufacture wood-plastic composite building products. Start-up should occur in third quarter 2002. The raw material for these products will come from plastic waste, such as warehouse, grocery, nursery, and building materials film and wrap, and urban wood waste from the western United States. Our initial launch into the marketplace will be a siding product that is intended for residential construction in the Northwest.

We formed a wholly owned subsidiary, Boise Cascade do Brasil, to build and operate a veneer and plywood mill in the city of Guaiba, Rio Grande do Sul, Brazil. The mill, which uses plantation eucalyptus, will be able to produce 150 million square feet of 3/8" veneer a year. About 70% of the veneer will be used to produce LVL at our plant in Alexandria, Louisiana. The rest will be processed into hardwood plywood in Guaiba for use in the furniture industry. We began construction in first quarter 2001. Start-up of the plant began in fourth quarter 2001.

Boise operates 28 wholesale building materials distribution facilities. These operations market a wide range of building materials, including lumber, plywood, oriented strand board, particleboard, decking, engineered wood products, paneling, drywall, builders' hardware, and metal products. These products are distributed to retail lumber dealers, home centers specializing in the do-it-yourself market, and industrial customers. A portion (approximately 30% in 2001) of the lumber, panels, and engineered wood products required by our distribution operations is provided by our manufacturing facilities, and the balance is purchased from outside sources.

The following table sets forth sales volumes for our building materials manufacturing business and sales dollars for our building materials distribution business for the years indicated:

	2001	2000	1999	1998	1997
			(millions)		
Plywood (square feet -- 3/8" basis)	1,820	1,880	1,529	1,815	1,836
Oriented strand board (square feet -- 3/8" basis) (a)	389	397	374	347	151
Lumber (board feet)	393	448	517	572	657
Laminated veneer lumber (cubic feet)	6.7	6.3	5.5	3.8	2.7
I-joists (equivalent lineal feet)	156	142	135	106	82
Particleboard (square feet -- 3/4" basis)	199	193	187	190	195
Building materials distribution (sales dollars)	$ 1,596	$ 1,601	$ 1,289	$ 873	$ 742

(a) Includes 100% of the sales volume from our joint venture, of which we own 47%.

TIMBER RESOURCES

Boise owns or controls approximately 2.3 million acres of timberland in the U.S. Our timberlands are managed as part of our Building Solutions and Paper Solutions segments. The impact of our timberlands on our results of operations is included in these segments. The amount of timber we harvest each year from our timber resources, compared with the amount we purchase from outside sources, varies according to the price and supply of timber for sale on the open market and according to what we deem to be in the interest of sound management of our timberlands. During 2001, 44% of our timber needs were met by internal sources, 47% were provided by private sources, and 9% were met by government sources. During 2000, these percentages were 41%, 47%, and 12%, and in 1999, they were 40%, 50%, and 10%. Over the past several years, the amount of timber from public lands available for commercial harvest in the United States has declined significantly due to environmental litigation and changes in government poli cy. In 2001, we closed our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, due to the significant decline in federal timber offered for sale. Further constraints on timber supply that would affect our remaining facilities may be imposed in the future. Additional curtailments or closures of our wood products manufacturing facilities are possible.

In March 2002, we announced that we will make no new commitments to enter into federal timber contracts that would require the harvest of timber from old-growth forests. This announcement formally recognizes a trend that Boise has already been following, and will not materially affect our available timber supply.

In 2001, we purchased 19,000 acres of timberland to support the operations of our pulp and paper mill in Jackson, Alabama. Fiber for our newly constructed eucalyptus veneer and plywood plant in Brazil will initially come from private sources. We also purchased 35,000 acres of plantation land in Brazil to meet future fiber requirements.

Long-term leases of private lands generally provide Boise with timber harvesting rights and carry with them the responsibility for managing the timberlands. The remaining life of all leases ranges from 15 to 64 years. In addition, we have an option to purchase approximately 205,000 acres of timberland under lease and/or contract in the South. We seek to maximize the utilization of our timberlands through efficient management so that the timberlands will provide a sustained supply of wood for future needs. To do this, we work to improve tree selection, site preparation, planting, fertilization, thinning, and logging techniques. For example, using genetic analysis, we are able to select trees that are larger and provide faster growth, increased disease resistance, and a higher proportion of usable fiber. Computerization enables us to compile and analyze complex data to identify the most beneficial level of management for specific timberland tracts.

During 2001, our mills processed approximately 0.8 billion board feet of sawtimber (timber used to make lumber and veneer) and 1.6 million cords of pulpwood (timber used in papermaking); 51% of the sawtimber and 55% of the pulpwood were harvested from our owned or controlled timber resources. The balance was acquired from various private and government sources. Approximately 60% of the 1.1 million bone-dry units (a bone-dry unit is 2,400 dry pounds) of hardwood and softwood chips consumed by our Northwest pulp and paper mills in 2001 were provided from our whole-log chipping facility, our cottonwood fiber farm, and our Northwest wood products manufacturing facilities as residuals from the processing of solid wood products. Of the 638,000 bone-dry units of residual chips used in the South, 33% were provided by our Southern wood products manufacturing facilities.

At December 31, 2001, 2000, and 1999, the acreages of owned or controlled timber resources in the United States by geographic area and the approximate percentages of total fiber requirements available from our respective timber resources in these areas and from the residuals from processed purchased logs are shown in the following table:

	Northwest (a)			Midwest (b)			South (c)			Total (d)		
	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
						(thousands of acres)						
Fee	1,281	1,279	1,277	308	308	308	438	419	418	2,027	2,006	2,003
Leases and contracts	30	30	30	-	-	-	288	286	287	318	316	317
	1,311	1,309	1,307	308	308	308	726	705	705	2,345	2,322	2,320
Approximate % of total fiber requirements available from: (e) Owned and controlled timber resources	35 %	30 %	29 %	19 %	21 %	23 %	44 %	39 %	37 %	36 %	32 %	31 %
Residuals from processed purchased logs	8	12	11	- -	- -	- -	4	5	4	6	8	8
Total	43 %	42 %	40 %	19 %	21 %	23 %	48 %	44 %	41 %	42 %	40 %	39 %

(a) Principally sawtimber.

(b) Principally pulpwood.

(c) Sawtimber and pulpwood.

(d) At December 31, 2001, our inventory of merchantable sawtimber was approximately 6.8 billion board feet, and our inventory of pulpwood was approximately 11.3 million cords. At December 31, 2000, these inventories were approximately 6.8 billion board feet and approximately 11.2 million cords, and at December 31, 1999, these inventories were approximately 6.8 billion board feet and approximately 11.1 million cords.

(e) Assumes harvesting of company-owned and controlled timber resources on a sustained timber yield basis and operation of our paper and wood products manufacturing facilities at practical capacity. Percentages shown represent weighted average consumption on a cubic volume basis.

We assume substantially all risks of loss from fire and other casualties on all the standing timber we own, as do most owners of timber tracts.

Additional information pertaining to our timber resources is presented under the caption "Timber Supply and Environmental Issues" of the Financial Review in our 2001 Annual Report. This information is included in Exhibit 13.1 to the Form 10-K and is incorporated by reference.

PAPER SOLUTIONS

Boise manufactures and sells uncoated free sheet papers (office papers, printing grades, forms bond, envelope papers, and value-added papers), containerboard, corrugated containers, newsprint, and market pulp through our Paper Solutions segment. Paper Solutions sales on a segment basis for 2001, 2000, 1999, 1998, and 1997 were $1,942 million, $2,048 million, $1,887 million, $1,888 million, and $1,744 million, respectively.

This business segment is focused primarily on uncoated free sheet papers and containerboard and corrugated containers. Uncoated free sheet represented 55% of segment revenues in 2001, and containerboard and corrugated containers accounted for 22%. Newsprint, market pulp, and wood fiber accounted for the remaining 23% of revenue.

In terms of company integration, 34% of our uncoated free sheet is sold through our office products business, and the equivalent of 57% of our containerboard production is consumed by our corrugated container plants.

Our paper and containerboard is manufactured at five mills in the United States. These mills had an annual capacity of 2.9 million short tons at December 31, 2001. Our products are sold to distributors and industrial customers primarily by our own sales personnel with the exception of newsprint, which is marketed by Abitibi-Consolidated, Inc., under a long-term contract. Corrugated containers are manufactured at six U.S. plants, which have an annual capacity of approximately 6.0 billion square feet. The containers produced at our plants are used to package fresh fruit and vegetables, processed food, beverages, and many other industrial and consumer products. We sell our corrugated containers primarily through our own sales personnel.

Our paper mills are supplied with pulp primarily from our own integrated pulp mills. Pulp mills in the Northwest manufacture chemical pulp from wood residuals produced as a byproduct of solid wood products manufacturing plants. Pulp mills in the Midwest and South manufacture chemical, thermomechanical, and groundwood pulp primarily from pulpwood logs and, to a lesser extent, from wood residuals from solid wood products facilities. We also process most of the recycled fiber used in our paper and containerboard products.

Wood residuals are provided by our own sawmills and panel plants in the Northwest and, to a lesser extent, in the South, and the remainder is purchased from outside sources.

The following table sets forth annual practical capacities of our paper manufacturing locations as of December 31, 2001, and our 2001 production:

	Number of Machines	Capacity at December 31, 2001 (a)	Production
		(short tons)	
PULP AND PAPER MILLS			
Jackson, Alabama			
Uncoated free sheet	2	505,000	457,469
DeRidder, Louisiana			
Containerboard	1	560,000	521,049
Newsprint	2	440,000	404,404
International Falls, Minnesota			
Uncoated free sheet	4	560,000	460,480
St. Helens, Oregon			
Uncoated free sheet	3	270,000	240,710
Market pulp	-	115,000	100,767
Wallula, Washington			
Uncoated free sheet	1	235,000	225,880
Market pulp	1	125,000	119,088
Containerboard	1	130,000	123,778
Total	15	2,940,000	2,653,625
ANNUAL CAPACITY BY PRODUCT			
Uncoated free sheet		1,570,000	
Containerboard		690,000	
Newsprint		440,000	
Market pulp		240,000	
Total		2,940,000	

(a) Capacity assumes 24-hour days, 365 days per year, except for days allotted for planned maintenance.

The following table sets forth sales volumes of paper and paper products for the years indicated:

	2001	2000	1999	1998	1997
	(thousands of short tons)				
Uncoated free sheet	1,386	1,393	1,426	1,403	1,314
Containerboard	644	680	655	624	604
Newsprint	395	423	422	431	440
Market pulp and other	157	150	149	129	161
	2,582	2,646	2,652	2,587	2,519
	(millions of square feet)				
Corrugated containers	4,736	4,968	4,681	4,182	3,568

COMPETITION

All of the markets we serve are highly competitive, with a number of substantial companies operating in each. We compete in our markets principally through price, service, quality, and value-added products and services.

The business-to-business office products market is highly competitive. Purchasers of office products have many options when purchasing office supplies and paper, technology products, and office furniture. We are among the four largest business-to-business contract stationers in the United States. We also compete with worldwide contract stationers, large retail office products suppliers, direct-mail distributors, discount retailers, drugstores, supermarkets, and thousands of local and regional contract stationers, many of whom have long standing customer relationships. Competition is based principally on price and service. We believe our excellent customer service gives us a competitive advantage among business-to-business office products distributors. Our ability to network our distribution centers into an integrated system enables us to serve, at a competitive cost, large national accounts that rely on us to deliver consistent products, prices, and service to multiple locations.

The building products markets in which we compete are very large and highly fragmented, with fewer than ten national producers, but hundreds of local and regional manufacturers and distributors. In plywood, laminated veneer lumber, and I-joists, we are among the top five domestic producers. We hold much smaller competitive positions in other building products. Most of our competitors are located in the United States and Canada, although we have seen increasing competition from outside North America. We not only compete with manufacturers and distributors of similar building products but also with products made from alternative resources, such as steel and plastics. Many factors influence competition in the building products markets, chiefly price, quality, and service. Our attention to quality and customer service are our chief competitive advantages in this segment.

Our major paper products are uncoated free sheet, containerboard, and newsprint. All of these products are globally traded commodities with numerous worldwide manufacturers. About a dozen major manufacturers compete in the North American paper market. We are among the top five North American producers of uncoated free sheet papers. We hold much smaller positions in the newsprint and containerboard markets. Price, quality, and service are all important competitive determinants across paper markets. All of our paper manufacturing facilities are located in the United States, and we compete largely in the domestic arena. We do, however, face competition from foreign producers. The level of this competition varies depending on the level of demand abroad and the relative rates of currency exchange. In general, paper production does not rely on proprietary processes or formulas, except in highly specialized or custom grades.

Our paper products also compete with electronic transmission and document storage options. As trends towards these options continue, we may see variances in the demand for paper products overall or shifts from one type of paper to another. For example, demand for newsprint grades may decline, and demand for office papers may increase as newspapers are replaced with electronic media that can be downloaded and printed by the reader.

ENVIRONMENTAL ISSUES

Our discussion of environmental issues is presented under the caption "Timber Supply and Environmental Issues" of the Financial Review in our 2001 Annual Report. This information is included in Exhibit 13.1 to the Form 10-K and is incorporated by reference. In addition, environmental issues are discussed under "Item 3. Legal Proceedings" of this Form 10-K.

EMPLOYEES

At December 31, 2001, we had 24,168 employees, 6,347 of whom were covered under collective bargaining agreements. In 2001, we obtained a labor contract extension effective until 2005 covering our Louisiana wood products manufacturing facilities. At March 31, 2002, contracts covering approximately 370 workers in our office products business in Vaughn, Ontario, Canada, are scheduled to expire.

IDENTIFICATION OF EXECUTIVE OFFICERS

Information with respect to our executive officers is set forth in "Item 10. Directors and Executive Officers of the Registrant" of this Form 10-K and is incorporated into this Part I by reference.

CAPITAL INVESTMENT

Information concerning our capital expenditures is presented under the caption "Investment Activities" and in the table titled "2001 Capital Investment by Segment" of the Financial Review in our 2001 Annual Report. This information is included in Exhibit 13.1 to the Form 10-K and incorporated by reference.

ENERGY

The Paper Solutions segment is our primary energy user. Self-generated energy sources in this segment, such as wood wastes, pulping liquors, and hydroelectric power, provided 55% of total 2001 energy requirements, compared with 57% in 2000 and 58% in 1999. The energy requirements fulfilled by purchased sources in 2001 were as follows: natural gas, 57%; electricity, 36%; residual fuel oil, 6%; and other sources, 1%. Costs for energy purchased in 2001 were $48 million higher than they were in 2000.

ITEM 2. PROPERTIES

We own substantially all of our facilities other than those in our Office Solutions segment. The majority of the Office Solutions facilities are rented under operating leases. Regular maintenance, renewal, and new construction programs have preserved the operating suitability and adequacy of our properties. Our properties are in good operating condition and are suitable and adequate for the operations for which they are used. We own substantially all equipment used in our facilities. Information concerning production capacity and the utilization of our manufacturing facilities is presented in Item 1 of this Form 10-K.

Following is a list of our facilities by segment as of February 28, 2002. In addition, our corporate headquarters is located in Boise, Idaho, and our Office Solutions segment headquarters is located in Itasca, Illinois.

OFFICE SOLUTIONS

64 distribution centers located in Arizona, California (2), Colorado, Connecticut, Delaware, District of Columbia, Florida (2), Georgia, Hawaii, Idaho, Illinois, Indiana, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri (2), Nevada (2), New Mexico, New York (2), North Carolina, Ohio (2), Oklahoma, Oregon, Pennsylvania (2), Tennessee (2), Texas (2), Utah, Vermont, Virginia, Washington (2), Wisconsin, Canada (7), Mexico, Australia (7), and New Zealand (6).

2 outbound sales centers located in Illinois and Oklahoma.

4 customer service centers located in Illinois (2), Virginia, and Wyoming.

108 retail stores located in Canada (70), Hawaii (3), Australia (6), and New Zealand (29).

BUILDING SOLUTIONS

7 sawmills located in Alabama, Oregon (3), and Washington (3).

12 plywood and veneer plants located in Louisiana (2), Oregon (7), Washington (2), and Rio Grande do Sul, Brazil.

1 particleboard plant located in Oregon.

3 laminated veneer lumber/wood I-joist plants located in Louisiana, Oregon, and New Brunswick, Canada.

1 wood beam plant located in Idaho.

47%-owned oriented strand board joint venture located in Ontario, Canada.

28 wholesale building materials units located in Arizona, Colorado (2), Florida, Georgia, Idaho (2), Illinois, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Hampshire, New Jersey, New Mexico, North Carolina, Oklahoma, Tennessee, Texas (3), Utah, and Washington (4).

PAPER SOLUTIONS

5 pulp and paper mills located in Alabama, Louisiana, Minnesota, Oregon, and Washington.

6 distribution centers located in California, Georgia, Illinois, New Jersey, Oregon, and Texas.

2 converting facilities located in Oregon and Washington.

6 corrugated container plants located in Idaho (2), Oregon, Utah, and Washington (2).

TIMBER RESOURCES

For a list of our timber properties, see the table under "Timber Resources" in "Item 1. Business" of this Form 10-K.

ITEM 3. LEGAL PROCEEDINGS

We have been notified that we are a "potentially responsible party" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or similar federal and state laws with respect to 20 active sites where hazardous substances or other contaminants are located. We cannot predict with certainty the total response and remedial costs, our share of the total costs, the extent to which contributions will be available from other parties, or the amount of time necessary to complete the cleanups. Based on our investigations, our experience with respect to cleanup of hazardous substances, the fact that expenditures will, in many cases, be incurred over extended periods of time, and the number of solvent potentially responsible parties, we do not believe that the known actual and potential response costs will, in the aggregate, materially affect our financial condition or results of operations.

In March 2000, EPA Regions VI and X issued Boise a combined Notice of Violation (NOV) alleging violations of air emission permits and the New Source Review/Prevention of Significant Deterioration program. In March 2001, the EPA issued a second NOV, supplementing the original notice. The NOV alleged violations at seven of our plywood plants and one particleboard plant for the period 1979 through 1998. The NOV set forth the EPA's authority to seek, among other things, penalties of up to $27,500 per day for each violation. In March 2002, we resolved the allegations through a consent decree filed in U.S. District Court in Oregon. The consent decree is pending approval by the Court. As part of the consent decree, we agreed to install additional air pollution controls at several facilities at a total capital cost of approximately $12 million. We also agreed to implement supplemental environmental projects at a cost of approximately $2.9 million. These expenditures will be made over several years and will be capitalized as part of our additions to property, plant and equipment and will be depreciated over their expected useful lives. Additionally, we agreed to pay a $4.35 million civil penalty. The company had previously established reserves for this penalty.

During the last 15 years, eight potential class action lawsuits have been filed against the company arising out of its former manufacture and sale of hardboard siding products. The company discontinued the manufacture of these products in 1984. These lawsuits have alleged that siding manufactured by the company was inherently defective when used as exterior cladding for homes and other buildings. The plaintiffs have sought to hold the company financially responsible for the repair and replacement of siding, to make restitution to the class members, and to award each class member compensatory and enhanced damages. To date, no court has granted class certification in any of these actions, and all of the cases except one have been dismissed in their entirety. The sole remaining lawsuit was filed in the Circuit Court of Champaign County, Illinois. The eight individual plaintiffs in this litigation seek class certification and damages in excess of $15,000. We believe there are valid factual and legal de fenses to this case. We will continue to resist certification of any class and will vigorously defend all claims by the plaintiffs.

We are also involved in other litigation and administrative proceedings arising in the normal course of our business. In the opinion of management, our recovery, if any, or our liability, if any, under pending litigation or administrative proceedings, including those described in the preceding paragraphs, would not materially affect our financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

Inapplicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is listed on the New York Stock Exchange. The high and low sales prices for our common stock, as well as the frequency and amount of dividends paid on such stock, are included in Note 18, "Quarterly Results of Operations," of the Notes to Financial Statements in our 2001 Annual Report. Information concerning restrictions on the payments of dividends is included in Note 8, "Debt," of the Notes to Financial Statements in our 2001 Annual Report. The information under these captions is included in Exhibit 13.1 to the Form 10-K and is incorporated by reference. The approximate number of common shareholders, based upon actual record holders at February 28, 2002, was 14,866.

SHAREHOLDER RIGHTS PLAN

The company has had a shareholder rights plan since January 1986. The current plan took effect in December 1998. At that time, the rights under the previous plan expired, and we distributed to our common stockholders one new right for each common share held. The rights become exercisable ten days after a person or group acquires 15% of our outstanding voting securities or ten business days after a person or group commences or announces an intention to commence a tender or exchange offer that could result in the acquisition of 15% of these securities. Each full right, if it becomes exercisable, entitles the holder to purchase one share of common stock at a purchase price of $175 per share, subject to adjustment. Upon payment of the purchase price, the rights may "flip in" and entitle holders to buy common stock or "flip over" and entitle holders to buy common stock in an acquiring entity in such amount that the market value is equal to twice the purchase price. The rights are nonvoting and may be redeem ed by the company for one cent per right at any time prior to the tenth day after an individual or group acquires 15% of our voting stock, unless extended. The rights expire in 2008. Additional details are set forth in the Renewed Rights Agreement filed with the Securities and Exchange Commission as Exhibit 4.2 in our Form 10-Q for the quarter ended September 30, 1997.

SELECTED FINANCIAL DATA

ITEM 6.

The following table sets forth our selected financial data for the years indicated and should be read in conjunction with the disclosures in Items 7 and 8 of this Form 10-K:

	2001(a)	2000 (b)	1999 (c)	1998 (d)	1997
	(millions, except per-common-share amounts)				
Assets					
Current assets	$ 1,245	$ 1,577	$ 1,531	$ 1,368	$ 1,354
Property and equipment, net	2,608	2,582	2,557	2,571	2,630
Other	1,081	1,108	1,050	1,032	986
	$ 4,934	$ 5,267	$ 5,138	$ 4,971	$ 4,970
Liabilities and shareholders' equity					
Current liabilities	$ 1,266	$ 1,014	$ 1,125	$ 1,130	$ 894
Long-term debt, less current portion	1,063	1,715	1,585	1,578	1,726
Guarantee of ESOP debt	81	108	133	156	177
Other	773	664	550	559	455
Minority interest					
Company-obligated mandatorily redeemable securities of subsidiary trust holding solely debentures of parent	173	- -	- -	- -	- -
Other minority interest	-	9	131	117	105
Shareholders' equity	1,578	1,757	1,614	1,431	1,613
	$ 4,934	$ 5,267	$ 5,138	$ 4,971	$ 4,970
Net sales	$ 7,422	$ 7,807	$ 7,148	$ 6,355	$ 5,669
Net income (loss) before cumulative effect of accounting change	$ (43)	$ 179	$ 200	$ (26)	$ (30)
Cumulative effect of accounting change, net	-	-	-	(8)	-
Net income (loss)	$ (43)	$ 179	$ 200	$ (34)	$ (30)
Net income (loss) per common share					
Basic before cumulative effect of accounting change	$ (.96)	$ 2.89	$ 3.27	$ (.81)	$ (1.19)
Cumulative effect of accounting change	-	-	-	(.15)	-
Basic (e)	$ (.96)	$ 2.89	$ 3.27	$ (.96)	$ (1.19)
Net income (loss) per common share					
Diluted before cumulative effect of accounting change	$ (.96)	$ 2.73	$ 3.06	$ (.81)	$ (1.19)
Cumulative effect of accounting change	-	-	-	(.15)	-
Diluted (e)	$ (.96)	$ 2.73	$ 3.06	$ (.96)	$ (1.19)
Cash dividends declared per common share	$ .60	$ .60	$ .60	$ .60	$ .60

(a) 2001 includes a pretax charge of $54.0 million for closures of our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, and a $4.9 million charge for the write-off of our assets in Chile.

2001 includes a pretax charge of $10.9 million to accrue for a one-time liability related to postretirement benefits for our Northwest hourly paperworkers.

2001 includes a pretax charge of $54.3 million for the write-down to fair value of an equity method investment.

2001 includes $5.0 million of pretax income for the reversal of unneeded reserves for potential claims related to the sale in 2000 of our European office products operations.

(b) 2000 includes a pretax gain of $98.6 million on the sale of our European operations.

(c) 1999 includes a pretax gain of $47.0 million for the sale of 56,000 acres of timberland in central Washington.

1999 includes pretax gains of $35.5 million, $4.0 million, $2.3 million, and $0.4 million for the reversal of previously recorded restructuring charges in our Building Solutions, Office Solutions, Paper Solutions, and Corporate and Other segments.

1999 includes a pretax loss of $4.4 million related to early retirements in our Corporate and Other segment.

(d) 1998 includes a pretax charge of $38.0 million for a companywide cost-reduction initiative and the restructuring of operations.

1998 includes a pretax gain of $45.0 million related to an insurance settlement for our Medford, Oregon, plywood plant, which was severely damaged by fire.

1998 includes a pretax charge of $61.9 million for the restructuring of our wood products manufacturing business and a pretax charge of $19.0 million for the revaluation of paper-related assets.

1998 includes a net-of-tax charge of $8.6 million for the adoption of AICPA Statement of Position 98-5, Reporting on the Costs of Start-Up Activities.

1998 net loss per common share includes a negative 7 cents related to the redemption of our Series F Preferred Stock.

(e) The computation of diluted net loss per common share was antidilutive in the years 2001, 1998, and 1997; therefore, the amounts reported for basic and diluted loss per share are the same.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition and results of operations are presented under the caption "Financial Review" in our 2001 Annual Report. This information is included in Exhibit 13.1 to the Form 10-K and is incorporated by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information concerning quantitative and qualitative disclosures about market risk is included under the caption, "Disclosures of Financial Market Risks," in the Financial Review in our 2001 Annual Report. This information is included in Exhibit 13.1 to the Form 10-K and is incorporated by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements and related notes, together with the report of independent public accountants, are presented in our 2001 Annual Report. This information is included in Exhibit 13.1 to the Form 10-K and is incorporated by reference.

Supplementary quarterly financial data is presented in Note 18, "Quarterly Results of Operations" of the Notes to Financial Statements in our 2001 Annual Report. This information is included in Exhibit 13.1 to the Form 10-K and is incorporated by reference.

The 9.85% notes issued in June 1990 and the 9.45% debentures issued in October 1989 each contain a provision under which, in the event of the occurrence of both a designated event (change of control), as defined, and a rating decline, as defined, the holders of these securities may require Boise to redeem the securities.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Inapplicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The directors and nominees for director are presented under the caption "Board of Directors" in our proxy statement. This information is incorporated by reference.

Executive Officers as of February 28, 2002:

Name	Age	Position or Office	Date First Elected as an Officer
George J. Harad *	57	Chairman of the Board and Chief Executive Officer	05/11/82
Mr. Harad has been CEO of Boise since 1994.			
Stanley R. Bell	55	Senior Vice President	09/25/90
Mr. Bell has served as Senior Vice President, Building Solutions, Distribution, since 2000 and previously served as Vice President, Building Solutions, Distribution, beginning in 1990.			
John C. Bender *	62	Senior Vice President	02/13/90
Mr. Bender has served as Senior Vice President, Building Solutions, since 1999 and previously served as Vice President, Building Solutions, beginning in 1993.			
Theodore Crumley *	56	Senior Vice President and Chief Financial Officer	05/10/90
Mr. Crumley has served as Senior Vice President and Chief Financial Officer since 1994.			
A. Ben Groce *	60	Senior Vice President	02/08/91
Mr. Groce has served as Senior Vice President, Paper Solutions, since 1994.			
John W. Holleran *	47	Senior Vice President and General Counsel	07/30/91
Mr. Holleran has served as Senior Vice President and General Counsel since 1996.			
Christopher C. Milliken *	56	Senior Vice President	02/03/95
Mr. Milliken has served as Senior Vice President, Office Solutions, since 1997 and previously served as Vice President, Office Solutions, since 1995.			
A. James Balkins III	49	Vice President	09/05/91
Mr. Balkins has served as Vice President, Office Solutions, since 1998 and previously served as Vice President, Corporate Planning and Development, beginning in 1996.			
John A. Berilla	57	Vice President	05/07/01
Mr. Berilla joined the company in May 2001 as Vice President, Human Resources. Prior to joining the company, he served as Corporate Director, Employee Relations, for the Lear Corporation from 1997 until 2001 and as Corporate Director, Human Resources, for ITT Industries from 1992 to 1997.			
Charles D. Blencke	58	Vice President	12/11/92
Mr. Blencke has served as Vice President, Paper Solutions, since 1992.			
Thomas E. Carlile *	50	Vice President and Controller	02/04/94
Mr. Carlile has served as Vice President and Controller, since 1994.			
Graham L. Covington	59	Vice President	09/24/98
Mr. Covington has served as Vice President, Paper Solutions, since 1998 and previously served as Director or Manager, Sales and Marketing, Paper Solutions, from 1985.			

Kenneth W. Cupp 55 Vice President 04/20/00

Mr. Cupp has served as Vice President, Office Solutions, since 2000 and previously served as Region Manager, Office Solutions, since 1995.

Robert W. Egan 42 Vice President 12/08/00

Mr. Egan has served as Vice President, Information Technology, since 2000 and previously served as Director, Information Services, from 1998 to 2000 and Director, Enterprise Applications, from 1996 to 1998.

David A. Goudge 54 Vice President 04/20/00

Mr. Goudge has served as Vice President, Office Solutions, since 2000 and previously served as Director, Office Solutions Marketing, since 1993.

Karen E. Gowland 43 Vice President and Corporate Secretary 09/25/97

Ms. Gowland has served as Vice President, Associate General Counsel, and Corporate Secretary since 1997. Prior to that time, she served as Associate General Counsel beginning in 1989.

Vincent T. Hannity 57 Vice President 07/26/96

Mr. Hannity has served as Vice President, Corporate Communications and Investor Relations, since 1996.

Miles A. Hewitt 43 Vice President 04/20/00

Mr. Hewitt has served as Vice President, Paper Solutions, since 2000 and previously served as Mill Manager, Paper Solutions, from 1994 to 2000.

Guy G. Hurlbutt 60 Vice President 07/31/98

Mr. Hurlbutt has served as Vice President, Public Policy and Environment, since 1998 and previously as Director, Environmental Affairs, beginning in 1997 and as Associate General Counsel from 1984 to 1997.

Judith M. Lassa 43 Vice President 07/28/00

Ms. Lassa has served as Vice President, Paper Solutions, since 2000 and previously served as Packaging Business Manager from 1997 to 2000 and as Production Manager from 1996 to 1997.

Irving Littman 61 Vice President and Treasurer 11/01/84

Mr. Littman has served as Vice President and Treasurer since 1986.

Thomas A. Lovlien 46 Vice President 04/20/00

Mr. Lovlien has served as Vice President, Building Solutions, Manufacturing, since 2000 and previously served as Operations Manager, Building Solutions, in 1999 and Regional Manager from 1993 to 1999.

Richard W. Merson 59 Vice President 12/12/97

Mr. Merson has served as Vice President, Paper Solutions, since December 1997 and previously served as Regional Manager, Paper Solutions, beginning in 1993.

Carol B. Moerdyk 51 Vice President 05/10/90

Ms. Moerdyk has served as Vice President, Office Solutions, since 1992.

David A. New 51 Vice President 04/30/97

Mr. New has served as Vice President, Timberland Resources, since 1997 and previously served as the Technical Manager, Forestry, Pulp, and Paper, Southeast Asia Group for Fletcher Challenge Ltd. from 1995 to 1997.

Michael D. Rowsey 52 Vice President 02/08/02

Mr. Rowsey has served as Vice President, Office Solutions, since 2002, and previously served as Director, Logistics, Office Solutions, from 2000. From 1998 to 2000 Mr. Rowsey was a private consultant. From 1995 to 1998, he was employed as Executive Vice President with United Stationers.

James E. Sterrett 50 Vice President 12/14/01

Mr. Sterrett has served as Vice President, Building Solutions, Manufacturing, since 2001 and previously served as General Sales Manager, Building Solutions, Manufacturing, beginning in 1994.

Nick A. Stokes 44 Vice President 04/20/01

Mr. Stokes has served as Vice President, Building Solutions, Distribution, since April 2001 and previously served as Division Operations Manager, Region Operations Manager, or Division Sales Manager beginning in 1991.

* Executive officer under Section 16 of the Securities and Exchange Act of 1934. Some of these officers have established trading plans under SEC Rule 10b-5.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning compensation of Boise's executive officers for the year ended December 31, 2001, is presented under the caption "Compensation Tables" in our proxy statement. This information is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Information concerning the security ownership of certain beneficial owners as of December 31, 2001, is set forth under the caption "Ownership of More Than 5% of Boise Stock" in Boise's proxy statement and is incorporated by reference.

(b) Information concerning security ownership of management as of December 31, 2001, is set forth under the caption "Stock Ownership - Directors and Executive Officers" in Boise's proxy statement and is incorporated by reference.

(c) Information concerning compliance with Section 16 of the Securities Exchange Act of 1934 is set forth under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in Boise's proxy statement and is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning certain relationships and related transactions during 2001 is set forth under the caption "Business Relationships with Directors" in Boise's proxy statement and is incorporated by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as a part of this Form 10-K for Boise:

(1) Financial Statements.

(i) The Financial Statements, the Notes to Financial Statements, and the Report of Independent Public Accountants and the Report of Management are incorporated by reference from Boise's 2001 Annual Report.

- Balance Sheets as of December 31, 2001 and 2000.
- Statements of Income (Loss) for the years ended December 31, 2001, 2000, and 1999.
- Statements of Cash Flows for the years ended December 31, 2001, 2000, and 1999.
- Statements of Shareholders' Equity for the years ended December 31, 2001, 2000, and 1999.
- Notes to Financial Statements.
- Report of Independent Public Accountants.
- Report of Management.

(2) Financial Statement Schedules.

None required.

(3) Exhibits.

A list of the exhibits required to be filed as part of this report is set forth in the Index to Exhibits, which immediately precedes such exhibits, and is incorporated by reference.

(b) Reports on Form 8-K.

On November 30, 2001, we filed a Form 8-K with the Securities and Exchange Commission to file preliminary documents and an opinion of counsel relating to our Adjustable Conversion-Rate Equity Security Units.

On December 10, 2001, we filed a Form 8-K with the Securities and Exchange Commission to file completed documents relating to our 7.50% Adjustable Conversion-Rate Equity Security Units.

No other Form 8-Ks were filed during fourth quarter 2001.

(c) Exhibits.

See Index to Exhibits.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Boise Cascade Corporation

By /s/ George J. Harad

George J. Harad

Chairman of the Board and Chief Executive Officer

Dated: March 18, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 18, 2002.

	Signature	Capacity
(i)	Principal Executive Officer:	
	/s/ George J. Harad George J. Harad	Chairman of the Board and Chief Executive Officer
(ii)	Principal Financial Officer:	
	/s/ Theodore Crumley Theodore Crumley	Senior Vice President and Chief Financial Officer
(iii)	Principal Accounting Officer:	
	/s/ Thomas E. Carlile Thomas E. Carlile	Vice President and Controller
(iv)	Directors:	
	/s/ George J. Harad George J. Harad	/s/ Gary G. Michael Gary G. Michael

George J. Harad	Gary G. Michael
	/s/ A. William Reynolds
Philip J. Carroll	A. William Reynolds
/s/ Claire S. Farley	/s/ Francesca Ruiz de Luzuriaga
Claire S. Farley	Francesca Ruiz de Luzuriaga
/s/ Rakesh Gangwal	
Rakesh Gangwal	Jane E. Shaw
/s/ Richard R. Goodmanson	/s/ Frank A. Shrontz
Richard R. Goodmanson	Frank A. Shrontz
/s/ Edward E. Hagenlocker	/s/ Carolyn M. Ticknor
Edward E. Hagenlocker	Carolyn M. Ticknor
/s/ Donald S. Macdonald	/s/ Ward W. Woods, Jr.
Donald S. Macdonald	Ward W. Woods, Jr.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated January 29, 2002, incorporated by reference in this Form 10-K for the year ended December 31, 2001, into Boise Cascade Corporation's previously filed post-effective amendment No. 1 to Form S-8 registration statement (File No. 33-28595); post-effective amendment No. 1 to Form S-8 registration statement (File No. 33-21964); the registration statement on Form S-8 (File No. 33-31642); the registration statement on Form S-8 (File No. 33-45675); the registration statement on Form S-8 (File No. 333-37124); the pre-effective amendment No. 1 to Form S-3 registration statement (File No. 333-41033); the registration statement on Form S-8 (File No. 333-86425); the registration statement on Form S-8 (File No. 333-86427); the registration statement on Form S-8 (File No. 333-61106); and the registration statement on Form S-3 (File No. 333-74450).

/s/ ARTHUR ANDERSEN LLP

Boise, Idaho
March 18, 2002

BOISE CASCADE CORPORATION

INDEX TO EXHIBITS

Filed with the Annual Report
on Form 10-K for the
Year Ended December 31, 2001

Number		Description	Page Number
2		Inapplicable	--
3.1	(1)	Restated Certificate of Incorporation, as restated to date	--
3.2	(2)	Bylaws, as amended, December 11, 1998	--
4.1	(3)	Trust Indenture between Boise Cascade Corporation and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, as amended	--
4.2	(4)	1997 Revolving Loan Agreement -- $600,000,000, dated as of March 11, 1997, as amended September 25, 1997	--
4.3	(5)	Renewed Rights Agreement, dated as of September 25, 1997	--
4.4	(6)	Purchase Contract Agreement between Boise Cascade Corporation and BNY Western Trust Company, as purchase contract agent, dated December 5, 2001	--
4.5	(6)	Amended and Restated Declaration of Trust of Boise Cascade Trust I among Boise Cascade Corporation, as depositor, BNY Western Trust Company, as property trustee, and The Bank of New York (Delaware), as Delaware trustee, dated December 5, 2001	--
4.6	(6)	Guarantee Agreement between the Boise Cascade Corporation, as guarantor, and BNY Western Trust Company, as guarantee trustee, dated December 5, 2001	--
4.7	(6)	Pledge Agreement between Boise Cascade Corporation, JPMorgan Chase Bank, as collateral agent, custodial agent and securities intermediary, and BNY Western Trust Company, as purchase contract agent, dated December 5, 2001	--
9		Inapplicable	--
10.1	(7)	Key Executive Performance Plan for Executive Officers, as amended through January 1, 2000	--
10.2		1986 Executive Officer Deferred Compensation Plan, as amended through January 1, 2002	29
10.3	(8)	1983 Board of Directors Deferred Compensation Plan, as amended through July 29, 1999	--
10.4		1982 Executive Officer Deferred Compensation Plan, as amended through January 1, 2002	42
10.5	(9)	Executive Officer Severance Pay Policy	--
10.6	(7)	Supplemental Early Retirement Plan for Executive Officers, as amended through December 7, 2000	--
10.7	(8)		--

		Boise Cascade Corporation Supplemental Pension Plan, as amended through July 29, 1999	
10.8	(8)	1987 Board of Directors Deferred Compensation Plan, as amended through July 29, 1999	--
10.9	(7)	1984 Key Executive Stock Option Plan, as amended through February 8, 2001	--
10.10	(9)	Executive Officer Group Life Insurance Plan description	--
10.11	(8)	1980 Split-Dollar Life Insurance Plan, as amended through July 29, 1999	--
10.12	(8)	Form of Agreement with Executive Officers, as amended through July 29, 1999	--
10.13	(10)	Supplemental Health Care Plan for Executive Officers, as revised July 31, 1996	--
10.14	(9)	Nonbusiness Use of Corporate Aircraft Policy, as amended	--
10.15	(7)	Executive Officer Financial Counseling Program description, as amended through July 27, 2000	--
10.16	(9)	Family Travel Program description	--
10.17	(8)	Form of Directors' Indemnification Agreement, as revised July 29, 1999	--
10.18	(11)	Deferred Compensation and Benefits Trust, as amended by the Form of Sixth Amendment dated May 1, 2001	--
10.19	(8)	Director Stock Compensation Plan, as amended through July 29, 1999	--
10.20		Director Stock Option Plan, as amended through December 13, 2001	54
10.21		1995 Executive Officer Deferred Compensation Plan, as amended through January 1, 2002	60
10.22	(8)	1995 Board of Directors Deferred Compensation Plan, as amended through July 29, 1999	--
10.23	(8)	1995 Split-Dollar Life Insurance Plan, as amended through July 29, 1999	--
10.24		2001 and 2002 Performance Criteria for the Key Executive Performance Plan for Executive Officers	73
10.25	(12)	Boise Cascade Office Products Corporation Key Executive Retention and Incentive Plan, effective March 15, 2000	--
10.26		2001 Key Executive Deferred Compensation Plan, as amended through January 1, 2002	77
10.27	(7)	2001 Board of Directors Deferred Compensation Plan, adopted July 28, 2000	--
10.28	(13)	Key Executive Performance Unit Plan, adopted February 8, 2001	--
11		Computation of Per Share Earnings	99
12.1		Ratio of Earnings to Fixed Charges	100
12.2		Ratio of Earnings to Combined Fixed Charges and Preferred Dividend Requirements	101
13.1		Incorporated sections of the Boise Cascade Corporation 2001 Annual Report	102
16		Inapplicable	--
18		Inapplicable	--
21		Significant subsidiaries of the registrant	150
22		Inapplicable	--
23		Consent of Arthur Andersen LLP (see page 24)	--
24		Inapplicable	--
99		Inapplicable	--

(1) Exhibit 3.1 was filed as Exhibit 3 in Boise Cascade's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996, and is incorporated by reference.

(2) Exhibit 3.2 was filed under the same exhibit number in Boise Cascade's 1998 Annual Report on Form 10-K and is incorporated by reference.

(3) The Trust Indenture between Boise Cascade Corporation and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, as amended, was filed as Exhibit 4 in the Registration Statement on Form S-3 No. 33-5673, filed May 13, 1986. The First Supplemental Indenture, dated December 20, 1989, to the Trust Indenture between Boise Cascade Corporation and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, was filed as Exhibit 4.2 in the Pre-Effective Amendment No. 1 to the Registration Statement on Form S-3 No. 33-32584, filed December 20, 1989. The Second Supplemental Indenture, dated August 1, 1990, to the Trust Indenture was filed as Exhibit 4.1 in Boise Cascade's Current Report on Form 8-K filed on August 10, 1990. The Third Supplemental Indenture, dated December 5, 2001, between Boise Cascade Corporation and BNY Western Trust Company, as trustee, to the Trust Indenture dated as of October 1, 1985, between Boise Cascade Corporation and U.S. Ban k Trust National Association (as successor in interest to Morgan Guaranty Trust Company of New York) was filed as Exhibit 99.2 in Boise Cascade's Current Report on Form 8-K filed on December 10, 2001. Each of the documents referenced in this footnote is incorporated by reference.

(4) Exhibit 4.2 was filed under the same exhibit number in Boise Cascade's 1996 Annual Report on Form 10-K. The Form of First Amendment to 1997 Revolving Credit Agreement dated as of September 25, 1997, was filed as Exhibit 4.1 in Boise Cascade's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997. Each of the documents referenced in this footnote is incorporated by reference.

(5) Exhibit 4.3 was filed as Exhibit 4.2 in Boise Cascade's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997, and is incorporated by reference.

(6) Exhibits 4.4, 4.5, 4.6, and 4.7 were filed as exhibits 99.4, 99.7, 99.9, and 99.10, respectively, in Boise Cascade's Current Report on Form 8-K filed on December 10, 2001, and are incorporated by reference.

(7) Exhibits 10.1, 10.6, 10.9, 10.15, and 10.27 were filed under the same exhibit numbers in Boise Cascade's 2000 Annual Report on Form 10-K and are incorporated by reference.

(8) Exhibits 10.3, 10.7, 10.8, 10.11, 10.12, 10.17, 10.19, 10.22, and 10.23 were filed under the same exhibit numbers in Boise Cascade's 1999 Annual Report on Form 10-K and are incorporated by reference.

(9) Exhibits 10.5, 10.10, 10.14, and 10.16 were filed under the same exhibit numbers in Boise Cascade's 1993 Annual Report on Form 10-K and are incorporated by reference.

(10) Exhibit 10.13 was filed under the same exhibit number in Boise Cascade's 1996 Annual Report on Form 10-K and is incorporated by reference.

(11) The Deferred Compensation and Benefits Trust, as amended and restated as of December 13, 1996, was filed under the same exhibit number in Boise Cascade's 1996 Annual Report on Form 10-K. Amendment No. 4, dated July 29, 1999, to the Deferred Compensation and Benefits Trust was filed under the same exhibit number in Boise Cascade's 1999 Annual Report on Form 10-K. Amendment No. 5, dated December 6, 2000, to the Deferred Compensation and Benefits Trust was filed under the same exhibit number in Boise Cascade's 2000 Annual Report on Form 10-K. Amendment No. 6, dated May 1, 2001, to the Deferred Compensation and Benefits Trust was filed as Exhibit 10 in Boise Cascade's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001. Each of the documents referenced in this footnote is incorporated by reference.

(12) Exhibit 10.25 was filed as Exhibit 10 in Boise Cascade's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000, and is incorporated by reference.

(13) Exhibit 10.28 was filed as Exhibit 99 in Boise Cascade's Form 8-K filed with the Securities and Exchange Commission on February 15, 2001, and is incorporated by reference.

Exhibit 10.2

BOISE CASCADE CORPORATION

1986 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

(As Amended Through January 1, 2002)

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1986 Executive Officer Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing executive officers of the Company the opportunity to defer a portion of their compensation and thereby encourage their productive efforts.

2. Definitions.

2.1 Change in Control. A Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 20% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection&nbs p;2.1(c)(i) shall not be deemed to be a change in control of the Company; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least 2/3rds of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) continuing directors continuing to constitute at least 66 2/3% of the number of directors of the combined entity immediately following consummation of such merger or consolidation and (b) the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving enti ty or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 20% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.1(c)(i) shall not be deemed to be a change in control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

For purposes of this section and Section 2.14, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section and Section 2.14, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.2 Committee. The Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.3 Compensation. A Participant's salary, commission, bonus and other payments for personal services rendered by a Participant to the Company during a calendar year. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursement, cost-of-living allowance, education allowance, premium on excess group life insurance, or any Company contribution to the Pension Plan or the Savings and Supplemental Retirement Plan, and the fact that an amount constitutes taxable income to the Participant shall not be controlling for this purpose. Compensation shall not include any taxable income realized by, or payments made to, an employee as a result of the grant or exercise of an option to acquire stock of the Company or as a result of the dis position of such stock and shall not include compensation resulting from any long-term incentive plan.

2.4 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his or her Compensation pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.5 Deferred Compensation and Benefits Trust. The irrevocable trust (the "DCB Trust") established by the Company with an independent trustee for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.6 Disability. A condition that totally and continuously prevents the Participant, for at least 6 consecutive months, from engaging in an "occupation" for remuneration or profit. During the first 24 months of Disability, "occupation" means the Participant's occupation at the time the Disability began. After that period, "occupation" means any occupation for which the Participant is or becomes reasonably fitted by education, training, or experience. Notwithstanding the foregoing, a Disability shall not exist for purposes of this Plan if the Participant fails to qualify for Disability benefits under the Social Security Act, unless the Committee determines, in its sole discretion, that a Disability exists.

2.7 Early Retirement Date. The date of a Participant's Termination of Employment for reasons other than death, total disability (as defined in the Pension Plan), or disciplinary reasons (as that term is used for purposes of the Company's Corporate Policy 10.2, Termination of Employment) before attaining age 65 but after attaining age 55, and after completing 10 years of service (as defined in the Pension Plan). For purposes of this section, a Participant's age and years of service shall be determined by taking into account any imputation of age or service permitted under any special early retirement program offered by the Company and applicable to the Participant.

2.8 Executive Officer. The Chairman of the Board and Chief Executive Officer, the President and Chief Operating Officer, any Executive Vice President, any Senior Vice President, any Vice President, the Secretary, the Treasurer, or the Controller of the Company.

2.9 Minimum Death Benefit. The Minimum Death Benefit shall be equal to the sum of the following:

(a) The Minimum Death Benefit to which a Participant is entitled for the deferrals and corresponding Company Contributions made to the Plan for the period January 1, 1987, through December 31, 1990, which shall be an amount equal to three times the Participant's total expected deferrals up to a maximum of $500,000.

and

(b) The Minimum Death Benefit to which a Participant is entitled for the deferrals and corresponding Company Contributions to the Plan for the period January 1, 1992, through December 31, 1995, which shall be an amount equal to three times the Participant's total expected deferrals up to a maximum of $500,000.

The amount of the Minimum Death Benefit payable under this Section 2.9 shall be subject to adjustment in the event there is an alteration of the amount to be deferred as provided in Section 4.3.

2.10 Moody's Times 130%. The Company shall accumulate the Participant's deferred compensation with monthly interest equivalent to an annualized rate of 130% times Moody's Composite Average of Yields on Corporate Bonds for the preceding calendar month as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto), or, if such monthly yield is no longer published, a substantially similar average selected by the Committee.

2.11 Normal Retirement Date. The first day of the month on or after a Participant's 65th birthday.

2.12 Participant. An Executive Officer who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.13 Pension Plan. The Boise Cascade Corporation Pension Plan for Salaried Employees, as amended from time to time.

2.14 Potential Change in Control. A Potential Change in Control of the Company shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities, unless that Person has filed a schedule under Section 13 of the Securities Exchange Act of 1934 and the rules and regulations promulgated under Section 13, and that schedule (including any and all amendments) indicates that the Person has no intention to (a) control or influence the management or policies of the Company or (b) take any action inconsistent with a lack of intention to control or influence the management or policies of the Company; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

2.15 Service. Service as earned and credited under the Pension Plan.

2.16 Termination of Employment. The Participant's ceasing to be employed by the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of early retirement, normal retirement, death, or disability, provided that transfer from the Company to a subsidiary or parent of the Company shall not be deemed a Termination of Employment for purposes of this Plan.

3. Administration and Interpretation of the Plan. The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of the se employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Any interpretation by the Committee shall be final and binding on the Participants.

4. Participant Compensation Deferral.

4.1 Compensation Deferral. Prior to January 1, 1987, an Executive Officer who wishes to participate in the Plan shall execute a written Deferred Compensation Agreement, in the format provided by the Company, whereby the Executive Officer elects to defer a portion of his or her Compensation otherwise earned and payable on or after January 1, 1987, and through the 4-year period ending December 31, 1990. An Executive Officer who is contributing to the 1982 Executive Officer Deferred Compensation Plan on January 1, 1987, shall elect prior to January 1, 1987, to participate in this Plan for 4 full calendar years beginning January 1 of the calendar year after his or her contributions cease to the 1982 Executive Officer Deferred Compensation Plan. Prior to January 1, 1991, an Executive Officer who w ishes to participate in the Plan through the period ending December 31, 1995, shall execute a written Deferred Compensation Agreement covering such period. The amount of annual Compensation to be deferred shall be in whole percentage increments as specified in the applicable Deferred Compensation Agreement. The period during which Compensation is reduced shall be the calendar years specified in the Deferred Compensation Agreement. The amount deferred shall result in corresponding reductions in the Compensation payable to a Participant.

4.2 Participation in the Plan. An Executive Officer who first attains such status subsequent to January 1, 1987, and prior to December 31, 1991, and who continues to retain his or her status as an Executive Officer, shall be entitled to participate in the Plan until December 31, 1995, and shall be bound by all the other terms and conditions of the Plan. An Executive Officer who first attains such status subsequent to January 1, 1992, and prior to December 31, 1995, shall be entitled to participate in the Plan until December 31, 1995, and shall be bound by all the other terms and conditions of the Plan. An Executive Officer shall complete a Deferred Compensation Agreement within 30 days of becoming eligible and being notified of the terms and conditions of the Plan. Contributions to the Plan shall commence the first of the month following the completion of the Deferred Compensation Agreement. The Company shall notify a new Participant promptly upon becoming eligible.

4.3 Alteration of Compensation Deferral. The amount of compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Committee. A request to alter the amount of compensation deferred must be submitted by a Participant in writing to the Committee prior to January 1 of the year for which such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Committee, the modification shall affect only future years of participation; and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the Company to effect the adjusted benefits payable to the Participant.

4.4 Company Contribution. The Company shall, at the election of a Participant, contribute an additional amount equal to 4.2% of the Participant's Compensation to the Plan, to be used to provide benefits as specified in the Deferred Compensation Agreement. If a Participant elects to have such amount contributed under the Deferred Compensation Agreement, the Company shall not make any matching contribution for such Participant under the Company Savings and Supplemental Retirement Plan.

4.5 Continuation of Contribution. Should there be a Termination of Employment by a Participant prior to having completed the entire period of participation determined in accordance with Sections 4.1 or 4.2, the Participant may elect, subject to the approval of the Committee, to continue contributing to the Plan at the same rate in effect upon Termination of Employment for such period of time, up to and including the entire period of participation determined in accordance with Sections 4.1 or 4.2, as may be approved by the Committee, in which case, he or she will continue to be a Participant and be bound by all the other terms and conditions of the Plan. In any such case, the Company may continue its contributions or may require the Participant to contribute the amounts formerly contributed by the Company.

5. Payment of Deferred Amounts.

5.1 Participant Account. The Company shall maintain for each Participant an account by accumulating his or her deferred compensation plus the Company contribution, if any, and each month, the account shall be updated with a monthly rate of interest equal to Moody's Times 130%.

5.2 Return of Deferrals. At the time a Participant executes the Deferred Compensation Agreement, he or she may elect to receive a return of his or her deferrals. Each such return of deferral shall be made in a lump sum, 7 years after the end of the calendar year in which the deferral is made. Prior to January 1 of the year preceding the year in which any return of deferral is to be made, the Participant may request to defer a portion or all of the payment of the return of deferral until such time as the account would otherwise be paid. Any such request shall be approved or denied at the sole discretion of the Committee. Any return of deferral paid shall be deemed a distribution, and, accordingly, shall be deducted from the Participant's account and shall reduce the benefits provided under this section by the dollar amou nt of any such payments.

5.3 Plan Benefits. Upon Termination of Employment for reasons other than disability, a Participant shall be paid his or her account in a lump sum or in equal monthly installments calculated to distribute his or her account plus accrued interest for a period of not more than 15 years. Payments shall commence on the date and shall be made in the manner elected by the Participant in the Deferred Compensation Agreement. Unpaid balances under the installment election continue to earn interest at the rate of Moody's Times 130%. If a Participant does not make an election, his or her account shall be paid out in monthly installments over 15 years beginning January 1 of the year following Termination of Employment. The Participant may request other forms of payout which are subject to approval by the Committee, pursuant to Section 5.4.

5.4 Change of Election. A Participant may request a change in the payout election any time prior to January 1 of the year benefits are scheduled to be paid, provided further that the request is received by the Committee at least 30 days prior to the date benefits are scheduled to be paid. The changed payout election must be one of the payout options in the original deferral agreement. Such request must be in writing and shall be approved or denied at the discretion of the Committee. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

Notwithstanding any provision in this Plan to the contrary, a Participant or Beneficiary may request at any time a single lump-sum payment of the amount credited to an account or accounts of the Participant under the Plan. The amount of the payment shall be equal to (i) the Participant's accumulated account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of such accumulated account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. This request must be made in writing to the Committee. The lump-sum payment shall be made within 30 days of the date on which the request for distribution is received. If a request is made under this provision, the Participant shall not be eligible to par ticipate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in such event, any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to Compensation payable to the Participant during this 12-month period.

5.5 Payment on Death After Benefits Commence. If a Participant dies after his or her benefits have commenced and prior to the distribution of the entire Participant Account, his or her beneficiary shall receive any benefit payments in accordance with the Deferred Compensation Agreement.

5.6 Death Benefit. If a Participant should die while a Participant in the Plan and prior to the commencement of Plan distributions, the Company shall pay his or her designated beneficiary or beneficiaries the greater of the accumulated account balance or the Minimum Death Benefit. Payments shall be made as specified in the Deferred Compensation Agreement. The Participant Account shall be updated with a monthly rate of interest equal to Moody's Times 130%.

5.7 Disability Benefit. For a Participant who made deferrals into the Plan prior to January 1, 1991, and who terminates prior to attaining age 65 due to a Disability, the Company shall pay the Participant in monthly installments commencing on the first day of the seventh consecutive month following the Participant's Disability, the Disability Benefit specified in the Deferred Compensation Agreement until the Participant attains his or her Normal Retirement Date or ceases to be totally and continuously disabled. The maximum Disability Benefit shall be an amount which, when combined with Primary Social Security, company-sponsored group Long-Term Disability, and disability benefits from other deferred compensation plans, is equal to 80% of predisability salary. For the purpose of this maximum, the 80% of predisability salary shall be indexed to the Consumer Price

Index. After a Participant who is receiving a Disability Benefit attains his or her Normal Retirement Date, he or she shall be entitled to be paid the account in accordance with the form of payment elected in the Deferred Compensation Agreement. If a Participant dies while receiving a Disability Benefit, the Participant's beneficiary shall receive the Death Benefit pursuant to Section 5.6. If a Participant meets the requirements for a Disability Benefit and the amount of the Disability Benefit on the Deferred Compensation Agreement is $0, or if there is no Disability Benefit stated on such Participant's Deferred Compensation Agreement, then the Participant's Account shall be paid in monthly installments over a 15-year period beginning the month the Disability Benefit would have been paid and unpaid account balances shall accumulate at Moody's Times 130%.

A Participant who makes deferrals into this Plan subsequent to December 31, 1991, shall be entitled to, in addition to the Disability Benefit described above, a Disability Benefit equal to the remaining balance, if any, of his or her Participant Account. The payment, timing, and amount of the benefit shall be consistent with the previous paragraph pertaining to a Participant's Disability Benefit.

5.8 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. In the event of a Participant's death prior to the receipt of all benefit payments, all subsequent payments to be made under the Plan shall be to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation shall be in effect at the time when any benefits payable under this Plan shall become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Employment Not Guaranteed by Plan. This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

6.3 Taxes. The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld.

6.4 Construction. The Plan shall be construed according to the laws of the state of Idaho.

6.5 Form of Communication. Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Committee or the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728-0001.

7. No Reduction in Pension Benefit. To compensate a Participant for any reduction in pension benefits under the Pension Plan which may result from a Participant's deferring Compensation under this Plan, the Company shall pay to the Participant an amount equal to the reduction in pension benefits in the same manner and at the same time as such benefits would have been paid under the Pension Plan.

8. Amendment and Termination. The Company, acting through its Board of Directors or any committee of the Board, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

9. Unsecured General Creditor. Except as provided in Section 10, Participants and their beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest, or claims in any property or assets of the Company. The assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be an unfunded and unsecured promise of the Company to pay money in the future.

10. Deferred Compensation and Benefits Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the DCB Trust an amount of cash, marketable securities, or other property acceptable to the trustee equal in value to 105% of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the DCB Trust, to pay the Company's obligations under this Plan (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee as may be necessary in order to maintain the Funding Amount with respect to this Plan.

Upon a change in control of the Company, the assets of the DCB Trust shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

11. Claims Procedure.

11.1 In General. Claims for benefits under the Plan, other than claims for Disability benefits under Section 5.7, shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days for special circumstances by the Compensation Manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

11.2 Disability Claims. Claims for Disability benefits under Section 5.7 of the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 45 days after the application is filed. This 45-day period may be extended for up to two additional 30-day periods by the Compensation Manager, in his or her sole discretion, in each case for reasons beyond the Plan's control and by providing written notice of the extension to the claimant prior to the expiration of the current period. If additional information is needed from the Participant in order to make a decision on the claim, the Manager will notify the Participant of the information needed and the Participant will have 45 days to provide the requested information. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits,
- if an internal rule or guideline was relied upon, state that an internal rule or guideline was relied upon and that a copy of the rule or guideline will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment,

applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and

- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

12. Claims Review Procedure.

12.1 In General. Any Participant, former Participant, or Beneficiary of either, who has been denied a benefit claim, other than a claim for Disability benefits under Section 5.7 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 11.1, and shall be filed with the Company's Compensation Manager. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Pla n for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

12.2 Disability Claims. Any Participant, former Participant, or Beneficiary of either, who has been denied a claim for Disability benefits under Section 5.7 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed with the Company's Compensation Manager no later than 180 days after receipt of the written notification provided for in Section 11.2. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The seni or human resources officer shall make his or her decision, in writing, within 45 days after receiving the claimant's request for review. This 45-day period may be extended an additional 45 days if special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 45-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim,
- indicate whether any rule, guideline, protocol or criterion was relied on in the decision and, if so, that a copy of such rule, guideline, protocol or criterion will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

Exhibit 10.4

BOISE CASCADE CORPORATION

1982 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

(As Amended Through January 1, 2002)

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1982 Executive Officer Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing executive officers of the Company the opportunity to defer a portion of their compensation and thereby encourage their productive efforts.

2. Definitions.

2.1 Change in Control. A Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 20% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection&nbs p;2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least 2/3rds of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) continuing directors continuing to constitute at least 66 2/3% of the number of directors of the combined entity immediately following consummation of such merger or consolidation and (b) the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving enti ty or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 20% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

For purposes of this section and Section 2.12, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section and Section 2.12, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.2 Committee. The Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.3 Compensation. A Participant's salary, commission, bonus, and other payments for personal services rendered by a Participant to the Company during a calendar year. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursement, cost-of-living allowance, education allowance, premium on excess group life insurance, or any Company contribution to the Pension Plan or the Savings and Supplemental Retirement Plan, and the fact that an amount constitutes taxable income to the Participant shall not be controlling for this purpose. Compensation shall not include any taxable income realized by, or payments made to, an employee as a result of the grant or exercise of an option to acquire stock of the Company or as a result of the di sposition of such stock and shall not include compensation resulting from any long-term incentive plans such as the Company's Performance Share Plan.

2.4 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his or her Compensation pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.5 Deferred Compensation and Benefits Trust. The irrevocable trust (the "DCB Trust") established by the Company with an independent trustee for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.6 Disability. A condition that totally and continuously prevents the Participant, for at least 6 consecutive months, from engaging in an "occupation" for remuneration or profit. During the first 24 months of Disability, "occupation" means the Participant's occupation at the time the Disability began. After that period, "occupation" means any occupation for which the Participant is or becomes reasonably fitted by education, training, or experience. Notwithstanding the foregoing, a Disability shall not exist for purposes of this Plan if the Participant fails to qualify for Disability benefits under the Social Security Act, unless the Committee determines, in its sole discretion, that a Disability exists.

2.7 Early Retirement Date. The date of a Participant's Termination of Employment for reasons other than death, total disability (as defined in the Pension Plan), or disciplinary reasons (as that term is used for purposes of the Company's Corporate Policy 10.2, Termination of Employment) before attaining age 65 but after attaining age 55, and after completing 10 years of service (as defined in the Pension Plan). For purposes of this section, a Participant's age and years of service shall be determined by taking into account any imputation of age or service permitted under any special early retirement program offered by the Company and applicable to the Participant.

2.8 Executive Officer. The Chairman of the Board and Chief Executive Officer, the President and Chief Operating Officer, any Executive Vice President, any Senior Vice President, any Vice President, the Secretary, the Treasurer, or the Controller of the Company.

2.9 Normal Retirement Date. The first day of the month on or after a Participant's 65th birthday.

2.10 Participant. An Executive Officer who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.11 Pension Plan. The Boise Cascade Corporation Pension Plan for Salaried Employees, as amended from time to time.

2.12 Potential Change in Control. A Potential Change in Control of the Company shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities, unless that Person has filed a schedule under Section 13 of the Securities Exchange Act of 1934 and the rules and regulations promulg ated under Section 13, and that schedule (including any and all amendments) indicates that the Person has no intention to (a) control or influence the management or policies of the Company or (b) take any action inconsistent with a lack of intention to control or influence the management or policies of the Company; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

2.13 Service. Service as earned and credited under the Pension Plan.

2.14 Termination of Employment. The Participant's ceasing to be employed by the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of early retirement, normal retirement, death or disability, provided that transfer from the Company to a subsidiary or parent of the Company shall not be deemed a Termination of Employment for purposes of this Plan.

3. Administration and Interpretation of the Plan. The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Any interpretation by the Committee shall be final and binding on the Participants.

4. Participant Compensation Deferral.

4.1 Compensation Reduction. Prior to January 1, 1983, an Executive Officer who wishes to participate in the Plan shall execute a written Deferred Compensation Agreement, in the format provided by the Company, whereby the Executive Officer elects to defer a portion of his or her Compensation otherwise earned and payable on or after January 1, 1983. The amount of annual Compensation to be deferred shall be in whole percentage increments of not less than 6% nor greater than 10% of Compensation. The period during which Compensation is reduced shall be the 4 calendar years immediately following 1982. The amount deferred shall result in corresponding reductions in the Compensation payable to a Participant.

4.2 Participation After January 1, 1983. An Executive Officer who first attains such status subsequent to January 1, 1983, and prior to January 1, 1987, shall be entitled to participate in the Plan for 4 full calendar years after being elected an Executive Officer and shall be bound by all the other terms and conditions of the Plan. An Executive Officer who, although eligible, elects not to participate in the Plan, may subsequently and with the approval of the Company become a Participant before January 1, 1987, for such a period of time, up to and including 4 full calendar years from the commencement of participation, as may be approved by the Company, in which case he or she shall be bound by all the other terms and conditions of the Plan.

4.3 Alteration of Compensation Deferral. The amount of Compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Committee. A request to alter the amount of Compensation deferred shall be submitted by a Participant in writing to the Committee prior to January 1 of the year that such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Committee, the modification shall be effective for all future years of participation; and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the Company to effect the adjusted benefits payable to the Participant.

4.4 Company Contribution. The Company shall, at the election of a Participant, contribute an additional amount equal to 3.6% (however, effective July 1, 1989, this amount shall be increased to 4.2%) of the Participant's Compensation to the Plan, to be used to provide benefits as specified in the Deferred Compensation Agreement. If a Participant elects to have such amount contributed under the Deferred Compensation Agreement, the Company shall not make any matching contribution for such Participant under the Company Savings and Supplemental Retirement Plan.

4.5 Continuation of Contribution. Should there be a Termination of Employment by a Participant prior to having completed the entire period of participation determined in accordance with Sections 4.1 or 4.2, the Participant may elect, subject to the approval of the Committee, to continue contributing to the Plan at the same rate in effect upon Termination of Employment for such period of time, up to and including the entire period of participation determined in accordance with Sections 4.1 or 4.2, as may be approved by the Committee, in which case he or she will continue to be a Participant and be bound by all the other terms and conditions of the Plan. In any such case, the Company may continue its contributions or may require the Participant to contribute the amounts formerly contributed by the Company.

5. Payment of Deferred Amounts.

5.1 Normal Benefit. Unless a Participant is otherwise receiving a benefit under this Plan, and except as provided in this section, the Company shall pay to a Participant in 180 equal monthly installments commencing on the Participant's Normal Retirement Date, as compensation earned for services rendered prior to such date, the Normal Benefit amount specified in the Deferred Compensation Agreement (the "Normal Benefit"). If a Participant is employed by the Company after attaining age 65, payment of the Normal Benefit shall commence on the first day of the month following the Participant's Termination of Employment.

5.2 Payment Upon Death After Normal Retirement. If a Participant entitled to the Normal Benefit dies after his or her Normal Retirement Date, his or her beneficiary shall receive any Normal Benefit payments that would have been paid to the Participant. In lieu of the monthly Normal Benefit payments, upon the request of the Participant's beneficiary, the Committee may, in its discretion, approve an actuarially determined equivalent lump-sum payment to the Participant's beneficiary.

5.3 Early Benefit. If a Participant terminates employment on an Early Retirement Date, the Company shall pay to the Participant, in 180 equal monthly installments commencing on the first day of the month coincident with or next following the Early Retirement Date, as compensation earned for services rendered prior to such time, the Early Benefit amount specified in the Deferred Compensation Agreement corresponding to the Participant's age on his or her Early Retirement Date or an amount actuarially determined if a Participant's Early Benefit is not specified for that age (the "Early Benefit"). Subject to approval by the Committee, a Participant may elect to defer commencement of payment of the Early Benefit. This election shall be in writing and submitted to the Committee prior to January 1 of the year of the Participant' s Early Retirement Date, and at least 30 days prior to the Participant's Early Retirement Date. If a Participant makes such an election, the Company shall pay the Participant in 180 equal monthly installments the Early Benefit specified in the Deferred Compensation Agreement corresponding to the Participant's age on the date to which the deferral has been made or an amount actuarially determined if a Participant's Early Benefit is not specified for that age -- or if a Participant elects to defer payment of such benefit past the first day of month after attaining age 65, the Normal Benefit. If a Participant dies before receiving 180 monthly Early Benefit payments, his or her beneficiary shall receive any unpaid Early Benefits that would have been paid to the Participant. In lieu of the monthly Early Benefit payments, upon the request of the Participant's beneficiary, the Committee may, in its discretion, approve an actuarially determined equivalent lump-sum payment to the Participa nt's beneficiary.

A Participant who terminates employment prior to attaining age 55, but who has completed 10 years of service, may elect, subject to approval by the Company, to commence receiving an Early Benefit at any time between ages 55 and 65, in accordance with the provisions of this section. This election shall be in writing and submitted to the Committee prior to the end of the calendar year preceding the year in which the Participant elects to commence receiving the Early Benefit.

The provisions of this Section 5.3 shall apply to a Participant who is continuing to make contributions pursuant to Section 4.5, except that such Participant shall be deemed for this purpose only to have terminated employment upon the expiration of the period of continued participation as determined in accordance with Section 4.5.

Notwithstanding any provision in this Plan to the contrary, an Executive Officer or Beneficiary may request at any time a single lump-sum payment of his or her benefit described under the Plan. This request must be made in writing to the Committee. The lump-sum payment shall be made within 30 days of the date on which the request for distribution is received. The amount of the payment shall be equal to (i) the actuarial equivalent of the benefit described under Sections 5.1, 5.2, or 5.3 as determined by the same actuarial adjustment used under the Pension Plan with respect to the determination of the amount payable as a lump-sum distribution, using the assumptions used for purposes of calculating such present values under the Pension Plan and 120% of the applicable PBGC interest rate (the "Plan Benefit"), and reduced by (ii) an amount equal to 10% of the Plan Benefit. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. If a request is made under this provision, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in such event any deferred compensation agreement pursuant to any nonqualified deferred compensation plan of the Company shall not be effective with respect to compensation payable to the Participant during this 12-month period.

5.4 Disability Benefit. If a Participant terminates employment with the Company prior to attaining age 65 due to a Disability, the Company shall pay the Participant, in monthly installments commencing on the first day of the seventh consecutive month following the Participant's Disability, the Disability Benefit specified in the Deferred Compensation Agreement until the Participant attains his or her Normal Retirement Date or ceases to be totally and continuously disabled (the "Disability Benefit"). After a Participant who is receiving a Disability Benefit attains his or her Normal Retirement Date, he or she shall be entitled to the Normal Benefit. If a Participant dies while receiving a Disability Benefit, the Participant's beneficiary shall receive the Survivor's Benefit pursuant to Section 5.6.

5.5 Termination Benefit. Except as provided in Sections 5.3, 5.4, and 5.6, upon a Participant's Termination of Employment prior to completing 1 year of participation in the Plan, the Company shall pay to a Participant, as Compensation earned for services rendered, a lump-sum amount equal to: (i) the amount of Compensation deferred pursuant to the Participant's Deferred Compensation Agreement, plus interest on the amount deferred at the Bank of America prime interest rate as of the first business day of that calendar year, compounded annually from the dates of the deferrals; and (ii) any Company contribution credited on behalf of the Participant if the Participant is fully vested in the Company Savings and Supplemental Retirement Plan, plus interest at the Bank of America prime interest rate as of the first b usiness day of that calendar year, compounded annually from the dates of contribution. Such payment shall be made within 60 days following Termination of Employment.

If Termination of Employment occurs after 1 year of participation in the Plan, the benefits provided in Sections 5.1, 5.2, 5.3, and 5.7 shall be multiplied by a percentage corresponding to the years of participation in the Plan, based on the following schedule:

Years of Participation	Percentage
1 but less than 2	75
2 but less than 3	85
3 but less than 4	93
4 and Over	100

5.6 Survivor's Benefit. If a Participant dies while employed by the Company, or after Termination of Employment if receiving a Disability Benefit, or if eligible for (but not yet receiving) an Early Benefit or Normal Benefit, the Company shall pay to the Participant's beneficiary, in equal monthly installments commencing on the first day of the month after the Participant's death, the Survivor's Benefit specified in the Deferred Compensation Agreement until the Participant would have attained age 65; however, such payments shall continue in any event for at least 180 months.

5.7 Proportionate Benefit. All benefits payable under this Section 5 shall be proportionately adjusted by a fraction, the numerator of which is the actual dollar amount deferred by a Participant and the denominator of which is the product of the Stated Deferral specified in the Deferred Compensation Agreement multiplied by four. For the purpose of determining the benefit payable under Sections 5.4 or 5.6, in the event of Disability, or death prior to January 1, 1987, the denominator of the above-referenced fraction shall be the product of the Stated Deferral specified in the Deferred Compensation Agreement multiplied by the actual years (and fractions thereof) of deferral.

5.8 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. In the event of a Participant's death prior to the receipt of all benefit payments, all subsequent payments to be made under the Plan shall be to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation shall be in effect at the time when any benefits payable under this Plan shall become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

5.9 Deferred Compensation and Benefits Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the DCB Trust an amount of cash, marketable securities, or other property acceptable to the trustee equal in value to 105% of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the DCB Trust, to pay the Company's obligations under this Plan (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee as may be necessary in order to maintain the Funding Amount with respect to this Plan.

Upon a Change in Control of the Company, the assets of the DCB Trust shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Employment Not Guaranteed. This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

6.3 Taxes. The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld.

6.4 Construction. The Plan shall be construed according to the laws of the state of Idaho.

6.5 Form of Communication. Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Committee or the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728-0001.

7. No Reduction in Pension Benefit. To compensate a Participant for any reduction in pension benefits under the Pension Plan which may result from a Participant's deferring Compensation under this Plan, the Company shall pay to the Participant an amount equal to the reduction in pension benefits in the same manner and at the same time as such reduced benefits would have been paid under the Pension Plan.

8. Amendment and Termination. The Company, acting through its Board of Directors or any committee of the Board, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

9. Claims Procedure.

9.1 In General. Claims for benefits under the Plan, other than claims for Disability benefits under Section 5.4, shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 day s for special circumstances by the Compensation Manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

9.2 Disability Claims. Claims for Disability benefits under Section 5.4 of the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 45 days after the application is filed. This 45-day period may be extended for up to two additional 30-day periods by the Compens ation Manager, in his or her sole discretion, in each case for reasons beyond the Plan's control and by providing written notice of the extension to the claimant prior to the expiration of the current period. If additional information is needed from the Participant in order to make a decision on the claim, the Manager will notify the Participant of the information needed and the Participant will have 45 days to provide the requested information. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits,
- if an internal rule or guideline was relied upon, state that an internal rule or guideline was relied upon and that a copy of the rule or guideline will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

10. Claims Review Procedure.

10.1 In General. Any Participant, former Participant, or Beneficiary of either, who has been denied a benefit claim, other than a claim for Disability benefits under Section 5.4 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 9.1, and shall be filed with the Company's Compensation Manager. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

10.2 Disability Claims. Any Participant, former Participant, or Beneficiary of either, who has been denied a claim for Disability benefits under Section 5.4 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed with the Company's Compensation Manager no later than 180 days after receipt of the written notification provided for in Section 9.2. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The senio r human resources officer shall make his or her decision, in writing, within 45 days after receiving the claimant's request for review. This 45-day period may be extended an additional 45 days if special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 45-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim,
- indicate whether any rule, guideline, protocol or criterion was relied on in the decision and, if so, that a copy of such rule, guideline, protocol or criterion will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

BOISE CASCADE CORPORATION

DIRECTOR STOCK OPTION PLAN

(As Amended Through December 13, 2001)

1. Plan Administration and Eligibility.

1.1 Purpose. The purpose of the Boise Cascade Corporation (the "Company") Director Stock Option Plan (the "Plan") is to encourage ownership of the Company's common stock by its nonemployee directors.

1.2 Administration. The Executive Compensation Committee or any successor to the Committee (the "Committee") shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibiliti es, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Any interpretation by the Committee shall be final and binding on the Participants.

1.3 Participation in the Plan. Individuals who are directors of the Company as of each January 1, and who are not employees of the Company or any of its subsidiaries, are eligible to receive grants of options in that calendar year in accordance with Section 3.1 of this Plan ("Eligible Directors").

2. Stock Subject to the Plan.

2.1 Number of Shares. The maximum number of shares of the Company's $2.50 par value Common Stock ("Common Stock" or "Shares") which may be issued pursuant to options granted under this Plan shall be 200,000 Shares, subject to adjustment as provided in Section 4.4.

2.2 Nonexercised Shares. If any outstanding option under this Plan for any reason expires or is terminated without having been exercised in full, the Shares allocable to the unexercised portion of the option shall again become available for issuance under options granted pursuant to this Plan.

2.3 Share Issuance. Upon the exercise of an option, the Company may issue new Shares or reissue Shares previously repurchased by or on behalf of the Company.

3. Options.

3.1 Option Grant Dates. Options shall be granted automatically to each Eligible Director on July 31 of each year (or, if July 31 is not a business day, on the immediately preceding trading day) (the "Grant Date"). Any nonemployee director first elected as a director after January 1 but prior to December 31 in any year shall be granted an option covering the same number of shares as options granted to Eligible Directors on the Grant Date for that calendar year. The Grant Date for an option granted to a newly-elected director hereunder shall be the later of July 31 or the date of such director's election to the Board, and the Option Price of such option shall be determined as of such Grant Date.

3.2 Option Price. The purchase price per share for the Shares covered by each option shall be the closing price for a share of Common Stock as reported on the composite tape by the New York Stock Exchange, or another generally accepted pricing standard chosen by the Company, on the Grant Date (the "Option Price").

3.3 Number of Option Shares. The number of Shares subject to options granted to each participating director on each Grant Date will be 2,500. The Board of Directors may increase or decrease this number, not more frequently than once each year, by action taken at least 6 months prior to the Grant Date for which such increase or decrease is effective.

3.4 Director Terminations. If a director participating in this Plan retires, resigns, dies, or otherwise terminates his or her position on the Company's Board of Directors, he or she shall not be eligible to receive a grant of an option in any year following the year in which he or she terminates.

3.5 Written Documentation. Each grant of an option under this Plan shall be evidenced in writing, which shall comply with and be subject to the terms and conditions contained in this Plan.

3.6 Nonstatutory Stock Options. Options granted under this Plan shall not be entitled to special tax treatment under Section 422A of the Internal Revenue Code of 1986.

3.7 Period of Option. Options may be exercised 12 months after their Grant Date, provided, however, that options held by a director shall be immediately exercisable upon the occurrence of any of the events described in Section 3.11, recognizing that Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Act"), may limit a director's ability to resell the Shares acquired upon the exercise until 6 months after the Grant Date. No option shall be exercisable after the earlier to occur of (a) 3 years from the date upon which the option holder terminates his or her position as a director of the Company or (b) 10 years from the option's Grant Date.

3.8 Exercise of Options. Options may be exercised only by written notice to the secretary of the Company and payment of the exercise price in (i) cash, (ii) Shares, (iii) a loan from the Company, or (iv) delivery of an irrevocable written notice instructing the Company to deliver the Shares being purchased to a broker selected by the Company, subject to the broker's written guarantee to deliver cash to the Company, in each case equal to the full consideration of the Option Price for the Shares which are being exercised. Options may be exercised in whole or in part.

3.9 Options Not Transferable. Each option granted under this Plan shall not be transferable by the optionee other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Internal Revenue Code of 1986, as amended, or Title I of the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder. No option granted under this Plan, or any interest therein, may be otherwise transferred, assigned, pledged, or hypothecated by the director to which the option was granted during his or her lifetime, whether by operation of law or otherwise, or be made subject to execution, attachment, or similar process.

Notwithstanding the foregoing, Options granted to or held by any director may be transferred as a gift (but not sold for value) by such director to any immediate family member of such director, to a trust established for the benefit of any immediate family members, to a partnership in which only immediate family members are partners, or to other similar entities established for the benefit of immediate family members. Options so transferred shall continue to be subject to all terms and conditions described in the applicable Stock Option agreement, and any such transfer by gift shall be subject to all applicable rules and regulations of the Internal Revenue Service and Securities and Exchange Commission.

3.10 Exercise by Representative Following Death of Director. A director, by written notice to the Company, may designate one or more persons (and from time to time change such designation), including his or her legal representative, who, by reason of the director's death, shall acquire the right to exercise all or a portion of an option granted under this Plan. Any exercise by a representative shall be subject to the provisions of this Plan.

3.11 Acceleration of Stock Options. Notwithstanding Section 3.7, if, while unexercised options remain outstanding hereunder:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 20% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection&nbs p;3.11(c)(i) shall not be deemed to be a change in control of the Company; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least 2/3rds of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) continuing directors continuing to constitute at least 66 2/3% of the number of directors of the combined entity immediately following consummation of such merger or consolidation and (b) the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving enti ty or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 20% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 3.11(c)(i) shall not be deemed to be a change in control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale;

then from and after the date on which any such event described in paragraphs (a) through (d) above occurs (which shall constitute a "change in control" of the Company), all options previously granted under this Plan shall be immediately exercisable in full.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

4. General Provisions.

4.1 Effective Date of This Plan. This Plan shall be effective December 16, 1994, subject to approval by the shareholders of the Company. Options may be granted under this Plan only after shareholder approval of this Plan.

4.2 Duration of This Plan. This Plan shall remain in effect until all Shares subject to option grants have been purchased or all unexercised options have expired. Notwithstanding the foregoing, no options may be granted pursuant to this Plan on or after the 10th anniversary of this Plan's effective date.

4.3 Amendment of This Plan. The Board of Directors may suspend or discontinue this Plan or revise or amend it in any respect, provided, however, that without approval of a majority of the Company's shareholders no revision or amendment shall (i) change the number of Shares subject to this Plan (except as provided in Section 4.4), (ii) change the designation of the class of directors eligible to participate in the Plan, (iii) change the exercise price of the options, or (iv) materially increase the benefits accruing to participants under or the cost of this Plan to the Company. Moreover, in no event may Plan provisions be amended more than once every 6 months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules and regulations thereun der. No amendment, modification, or termination of this Plan shall in any manner adversely affect the rights of any director holding options granted under this Plan without his or her consent.

4.4 Changes in Shares. In the event of any merger, consolidation, reorganization, recapitalization, stock dividend, stock split, or other change in the corporate structure or capitalization affecting the Shares, appropriate adjustment shall be made in the number (including the aggregate numbers specified in Section 2.1) and kind of Shares or other securities which are or may become subject to options granted under this Plan prior to and subsequent to the date of the change.

4.5 Limitation of Rights.

4.5.1 No Right to Continue as a Director. Neither this Plan, nor the granting of an option under this Plan, nor any other action taken pursuant to this Plan shall constitute or be evidence of any agreement or understanding, express or implied, that the Company will retain a director for any period of time, or at any particular rate of compensation.

4.5.2 No Shareholders' Rights for Options. An optionee shall have no rights as a shareholder with respect to the Shares covered by his or her options until the date of the issuance to him or her of a stock certificate therefor.

4.6 Assignments. The rights and benefits under this Plan may not be assigned except as provided in Sections 3.9 and 3.10.

4.7 Notice. Any written notice to the Company required by any of the provisions of this Plan shall be addressed to the secretary of the Company and shall become effective when it is received.

4.8 Shareholder Approval and Registration Statement. This Plan shall be approved by the Board of Directors and submitted to the Company's shareholders for approval. Any options granted under this Plan prior to effectiveness of a registration statement filed with the Securities and Exchange Commission covering the Shares to be issued hereunder shall not be exercisable until, and are expressly conditional upon, the effectiveness of a registration statement covering the Shares.

4.9 Governing Law. This Plan and all determinations made and actions taken pursuant hereto shall be governed by and construed in accordance with the laws of the state of Delaware.

BOISE CASCADE CORPORATION

1995 KEY EXECUTIVE DEFERRED COMPENSATION PLAN

(As Amended Through January 1, 2002)

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1995 Key Executive Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing key executives of the Company the opportunity to defer a portion of their compensation and thereby encourage their productive efforts on behalf of the Company. The Plan is also intended to provide Participants with an opportunity to supplement their retirement income through deferral of current compensation. The Plan is an unfunded plan providing deferred compensation to a select group of senior management or highly compensated employees.

2. Definitions.

2.1 Account Accumulation Rate. The rate of imputed interest which shall be applied to Participants' Deferred Accounts. This rate shall be equal to Moody's Times 130% during (i) the period of time the Participant is employed by the Company or any of its subsidiaries, and (ii) the period following the Participant's Termination of Employment, provided that at the time of such Termination of Employment the Participant satisfies the Rule of 70 or has attained age 55 and has 10 or more Years of Service, and provided that following Termination of Employment the Participant has not provided services for remuneration to a Competitor. With respect to any time period not included in the foregoing, the Account Accumulation Rate applicable to a Participant's Deferred Account shall be equal to Moody's.

2.2 Compensation. A Participant's salary, commission, bonus, and other payments for personal services rendered by a Participant to the Company during a calendar year, determined prior to giving effect to any deferral election under this Plan or any incentive compensation plan sponsored by the Company. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursement, cost-of-living allowance, education allowance, premium on excess group life insurance, or any Company contribution to the Pension Plan or any savings or 401(k) plan sponsored by the Company; the fact that an amount constitutes taxable income to the Participant shall not be controlling for this purpose. Compensation shall not include any taxable income realized by, or payments made to, an employee as a result of the grant or exercise of an option to acquire stock of the Company or as a result of the disposition of such stock, and shall not include compensation resulting from any stock option, stock bonus, restricted stock, phantom stock, or similar long-term incentive plan.

2.3 Competitor. Any business, foreign or domestic, which is engaged, at any time relevant to the provisions of this Plan, in the manufacture, sale, or distribution of products, or in the providing of services, in competition with products manufactured, sold, or distributed, or services provided, by the Company or any subsidiary, partnership, or joint venture of the Company. The determination of whether a business is a Competitor shall be made by the Company's General Counsel, in his or her sole discretion.

2.4 Deferred Account. The record on the Company's books of the cumulative amount of (i) a Participant's compensation deferred pursuant to this Plan, plus (ii) imputed interest on such deferred amounts accrued as provided in Section 5.1.

2.5 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his or her Compensation pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.6 Deferred Compensation and Benefits Trust. The irrevocable trust (the "DCB Trust") established by the Company with an independent trustee for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

a. A "Potential Change in Control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; unless that Person has filed a schedule under Section 13 of the Securities Exchange Act of 1934 and the rules and regulations promulgated under Section 13, and that schedule (including any and all amendments) indicates that the Person has no intention to (a) control or influence the management or policies of the Company, or (b) take any action inconsistent with a lack of intention to control or influence the management or policies of the Company; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

b. A "Change in Control" shall be deemed to have occurred if:

(i) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 20% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in con nection with a transaction described in Subsection 2.6(b)(iii)(a) shall not be deemed to be a Change in Control of the Company; or

(ii) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least 2/3rds of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(iii) The consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (a) a merger or consolidation which would result in both (i) continuing directors continuing to constitute at least 66 2/3% of the number of directors of the combined entity immediately following consummation of such merger or consolidation and (ii) the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 66 2/3% of the combined voting power of the voting sec urities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 20% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.6(b)(iii)(a) shall not be deemed to be a Change in Control of the Company; or

(iv) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.7 Key Executive. Employees of the Company, excluding executive officers of the Company, who are specifically identified by the Company as eligible to participate in this Plan.

2.8 Moody's. An annualized rate of interest equal to Moody's Composite Average of Yields on Corporate Bonds as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto), or, if such monthly report is no longer published, a substantially similar rate determined in a manner determined to be appropriate by the Company, in its sole discretion. The rate to be applied for purposes of this Plan shall be based, for any given month, on the published rate for the immediately preceding calendar month.

2.9 Moody's Times 130%. An annualized rate of interest equal to 130% times Moody's Composite Average of Yields on Corporate Bonds as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto), or, if such monthly report is no longer published, a substantially similar rate determined by the Company, in its sole discretion. The rate to be applied for purposes of this Plan shall be based, for any given month, on such published rate for the immediately preceding calendar month.

2.10 Normal Retirement Date. The first day of the month on or after a Participant's 65th birthday.

2.11 Participant. A Key Executive who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.12 Pension Plan. The Boise Cascade Corporation Pension Plan for Salaried Employees, as amended from time to time.

2.13 Rule of 70. The attainment by a Participant of a number of Years of Service and age which, when added together, equal or exceed 70.

2.14 SSRP Maximum Compensation. The maximum amount of a Participant's Compensation that may be taken into account for purposes of the Company's Savings and Supplemental Retirement Plan.

2.15 Termination of Employment. The Participant's ceasing to be employed by the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of early retirement, normal retirement, death or disability, provided that transfer from the Company to a subsidiary or parent of the Company shall not be deemed a Termination of Employment for purposes of this Plan.

2.16 Year of Service. A Year of Service as accumulated under the Pension Plan.

3. Administration and Interpretation. The Company, acting through its senior human resources officer or his or her delegates, shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Company may also adopt any rules it deems necessary to administer the Plan. The Company's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Company with respect to those responsibilities, unless limited in writing by the Company. An y Participant may appeal any action or decision of these employees to the Company's senior human resources officer. Claims for benefits under the Plan and appeals of claim denials shall be in accordance with Sections 11 and 12. Any interpretation by the Company's senior human resources officer shall be final and binding on the Participants.

4. Participant Compensation Deferral.

4.1 Compensation Deferral. A Key Executive who wishes to participate in the Plan during the period from January 1, 1996, through December 31, 2000, shall execute a written Deferred Compensation Agreement within 30 days of the date the Participant commences employment with the Company, in substantially the form described in Exhibit A-1 (for Participants in salary guideline 118 or above) or A-2 (for Participants in salary guideline 117 or below). The amount of annual Compensation to be deferred shall be in whole percentage increments as specified in the Deferred Compensation Agreement. The period during which Compensation is reduced shall be the calendar years specified in the Deferred Compensation Agreement. The amount deferred shall result in corresponding reductions in the Compensation payable to a P articipant.

4.2 Alteration of Compensation Deferral. The amount of compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Company. A request to alter the amount of compensation deferred must be submitted by a Participant in writing to the Company prior to January 1 of the year for which such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Company, the modification shall affect only future years of participation, and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the Company to effect the adjusted benefits payable to the Participant.

4.3 Company Contribution. The Company shall make additions to Participants' Deferred Accounts as specified in the applicable Deferred Compensation Agreement.

5. Payment of Deferred Amounts.

5.1 Participant Account. For each Participant, the Company shall maintain a record of the Participant's deferrals by accumulating the amount of his or her deferred compensation, plus the Company contribution, if any, and each month the record shall be updated with an imputed monthly rate of interest equal to the applicable Account Accumulation Rate.

5.2 Plan Benefits Upon Termination of Employment. Upon Termination of Employment for reasons other than death or disability prior to satisfying the Rule of 70 or attaining age 55 with 10 or more Years of Service, the Account Accumulation Rate on such Participant's Deferred Account shall be adjusted, effective as of the date of Termination of Employment, to a rate equal to Moody's. Such rate shall apply prospectively from the date of termination to all undistributed amounts of the Participant's Deferred Account.

Upon Termination of Employment for reasons other than disability, after satisfying the Rule of 70, or attaining age 55 with 10 or more Years of Service, a Participant shall be paid his or her Deferred Account in a lump sum or in equal monthly installments calculated to distribute his or her Deferred Account over a period of not more than 15 years. Payments shall commence on the date and shall be made in the manner elected by the Participant in the Deferred Compensation Agreement. Unpaid balances under the installment election continue to be credited with imputed interest at the applicable Account Accumulation Rate. If a Participant does not make an election, his or her account shall be paid out in monthly installments over 15 years beginning January 1 of the year following Termination of Emplo yment.

5.3 Service With A Competitor. If a Participant provides services for remuneration to a Competitor following Termination of Employment, then notwithstanding anything in this Plan to the contrary, the Account Accumulation Rate applicable to such Participant's Deferred Account balance shall be equal to Moody's, effective as of the date upon which such Participant first rendered services to a Competitor.

5.4 Hardship Distribution. In the event of serious and unanticipated financial hardship, a Participant may request termination of his or her participation in the Plan and a lump-sum distribution of all or a portion of his or her Deferred Account balance. The Participant making a hardship distribution request under this section shall document, to the Company's satisfaction, that distribution of his or her account is necessary to satisfy an unanticipated, immediate, and serious financial need, and that the Participant does not have access to other funds, including proceeds of any loans, sufficient to satisfy the need. Upon receipt of a request under this section, the Company may, in its sole discretion, terminate the Participant's involvement in the Plan and distribute all or a portion of the Participant's account balance in a lump s um, to the extent such distribution is necessary to satisfy the financial need. The Participant shall sign all documentation requested by the Company relating to any such distribution, and any Participant whose participation in the Plan terminates under this paragraph shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company for a period of 12 months following the date of any distribution under this Section 5.4.

5.5 Premature Distribution With Penalty. Notwithstanding any provision in this Plan to the contrary, a Participant or beneficiary may, at any time, request a single lump-sum payment of the amount credited to a Participant's Deferred Account under the Plan. The amount of the payment shall be equal to (i) the Participant's Deferred Account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of such Deferred Account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. This request must be made in writing to the Company. The lump-sum payment shall be made within 30 days of the date on which the Company received the request for the distribution. If a request is made under this provision, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in this event, any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to Compensation payable to the Participant during this 12-month period.

5.6 Distribution Upon Extraordinary Events. If any Participant terminates employment with the Company as a direct result of the sale or divestiture of a facility, operating division, or reduction in force in connection with any reorganization of the Company's operations or staff, such Participant may request distribution of his or her entire account balance. Upon receipt of a request for distribution under this section, the Company may, in its sole discretion, elect whether to approve or deny the request. If the Company approves a request under this section, distribution of the Participant's account shall occur no later than January 1 of the year following the year during which such Termination of Employment occurs.

5.7 Small Account Distributions. If a Participant terminates employment with the Company for any reason and either (i) the Participant's benefit under this Plan is less than $5,000 in lump sum present value, calculated in accordance with reasonable assumptions, or (ii) the monthly payment under the benefit payment option selected by the Participant is less than $75 per month, such Participant's entire Deferred Account balance shall be promptly distributed by the Company to the Participant, and the Participant shall have no further rights or benefits under this Plan. Any distribution under this paragraph shall be made no later than January 1 of the year following the year in which such Termination of Employment occurs.

5.8 Change of Election. A Participant may request a change in the payout election any time prior to January 1 of the year benefits are scheduled to be paid, provided that the request is received by the Company at least 30 days prior to the date benefits are scheduled to be paid. The changed payout election must be one of the payout options in the original deferral agreement. Such request must be in writing and shall be approved or denied at the sole discretion of the Company. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

5.9 Distributions Following Participant Death. If a Participant dies after his or her benefits have commenced and prior to the distribution of his or her entire Deferred Account, his or her beneficiary shall receive any benefit payments in accordance with the Deferred Compensation Agreement. If a Participant dies prior to the commencement of

Plan distributions, the Company shall pay his or her designated beneficiary or beneficiaries the Participant's Deferred Account balance. Payments shall be made as specified in the Deferred Compensation Agreement. The Participant's Deferred Account shall be updated with a monthly rate of interest equal to the applicable Account Accumulation Rate.

5.10 Disability Benefit. If a Participant terminates employment with the Company prior to attaining age 65 due to a disability, the Participant may apply to the Company to have his or her account distributed in monthly installments over a 15-year period commencing on the first day of the month following the month in which the Company approves such request. The Company may, in its sole discretion, approve or deny any such request.

5.11 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. If a Participant dies before receiving all benefit payments, all subsequent payments under the Plan shall be made to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation is in effect when any benefits payable under this Plan become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Employment Not Guaranteed by Plan. This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

6.3 Taxes. The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld.

6.4 Construction. To the extent not preempted by federal law, the Plan shall be construed according to the laws of the state of Idaho.

6.5 Form of Communication. Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 1111 West Jefferson Street, P.O. Box 50, Boise Idaho 83728-0001.

7. No Reduction in Pension Benefit. To compensate a Participant for any reduction in pension benefits under the Pension Plan which may result from a Participant's deferring Compensation under this Plan, the Company shall pay to the Participant an amount equal to the reduction in pension benefits in accordance with the Company's Supplemental Pension Plan.

8. Amendment and Termination. The Company, acting through its Chief Executive Officer or his or her delegate, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

9. Unsecured General Creditor. Except as provided in Section 10, Participants and their beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest, or claims in any property or assets of the Company. The assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be an unfunded and unsecured promise of the Company to pay money in the future.

10. Deferred Compensation and Benefits Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the DCB Trust an amount of cash, marketable securities, or other property acceptable to the trustee equal in value to 105% of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the DCB Trust, to pay the Company's obligations with respect to Deferred Accounts under this Plan (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee as may be necessary in order to maintain the Funding Amount with respect to th is Plan.

Upon a Change in Control of the Company, the assets of the DCB Trust shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

11. Claims Procedure.

11.1 In General. Claims for benefits under the Plan, other than claims for disability benefits under Section 5.10, shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days fo r special circumstances by the Compensation Manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

11.2 Disability Claims. Claims for disability benefits under Section 5.10 of the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 45 days after the application is filed. This 45-day period may be extended for up to two additional 30-day periods by the Compensatio n Manager, in his or her sole discretion, in each case for reasons beyond the Plan's control and by providing written notice of the extension to the claimant prior to the expiration of the current period. If additional information is needed from the Participant in order to make a decision on the claim, the Manager will notify the Participant of the information needed and the Participant will have 45 days to provide the requested information. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits,
- if an internal rule or guideline was relied upon, state that an internal rule or guideline was relied upon and that a copy of the rule or guideline will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

12. Claims Review Procedure.

12.1 In General. Any Participant, former Participant, or Beneficiary of either, who has been denied a benefit claim, other than a claim for disability benefits under Section 5.10 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 11.1, and shall be filed with the Company's Compensation Manager. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Pl an for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

12.2 Disability Claims. Any Participant, former Participant, or Beneficiary of either, who has been denied a claim for disability benefits under Section 5.10 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed with the Company's Compensation Manager no later than 180 days after receipt of the written notification provided for in Section 11.2. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review . The senior human resources officer shall make his or her decision, in writing, within 45 days after receiving the claimant's request for review. This 45-day period may be extended an additional 45 days if special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 45-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim,
- indicate whether any rule, guideline, protocol or criterion was relied on in the decision and, if so, that a copy of such rule, guideline, protocol or criterion will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

BOISE CASCADE CORPORATION
KEY EXECUTIVE PERFORMANCE PLAN

I. 2001 Payout Criteria

PAYOUT AS A PERCENT OF SALARY

Financial Improvement	CEO	SVP -- 65%	SVP -- 55%	VP -- 50%	VP -- 45%
($155,860,000)	0.00%	0.00%	0.00%	0.00%	0.00%
($150,000,000)	1.00%	0.60%	0.50%	0.50%	0.40%
$150,000,000	151.00%	98.10%	83.00%	75.50%	67.90%
$331,536,000	181.20%	117.80%	99.70%	90.60%	81.60%
$331,536,001	197.90%	128.60%	108.80%	99.00%	89.10%
$431,536,000	214.60%	139.50%	118.00%	107.30%	96.60%

· For Financial Improvement in excess of $431.5 million, the payout increases proportionally to the increase from $331.5 million to$431.5 million.

· The payout is interpolated on a straight line for Financial Improvement not shown in the table.

· Financial Improvement is measured by calculating the company's economic value added.

Economic Value Added = Net Operating Profit Before Tax - Capital Charge

Net Operating Profit Before Tax (NOPBT)* = Income from operating assets
+ Imputed interest of capitalized lease obligations
+ Increase (decrease) in LIFO reserve
- - Amortization of restructuring losses

* Unusual nonrecurring and nonoperating income or expense items do not affect NOPBT

Capital Charge = Capital x 16%

Capital** = Operating Capital
+ Imputed capital value of lease obligations
+ Total LIFO reserve account
- - Gain from the sale of assets
+ Unamortized restructuring losses

** Nonrecurring and nonoperating losses do not affect Operating Capital. There may be adjustments to Operating Capital for strategic investments while they are under construction and up to two additional years subject to approval by the Executive Compensation Committee of the Board.

II. Alternative Payout

An Alternative Payout shall be calculated as follows: the actual percentage payouts earned for the 2000 plan year under the company's Paper Division Incentive Plan, Packaging Division Incentive Plan, Timber and Wood Products Division Incentive Plan, BMDD Incentive Plan, BCOP Incentive Plan, and Trucking Division Incentive Plan shall be averaged (weighted according to the total capital of each respective division). This average payout shall then be multiplied by the ratio each officer's target payout bears to the target payout of key executives in such plans (e.g., VP ratio = 45 or 50/24; SVP ratio = 55 or 65/24; CEO ratio = 100/24) to arrive at the Alternative Payout percentage. The Alternative Payout may be reduced by the Executive Compensation Committee, in its sole discretion, to any percentage amount (including zero).

Payout under the Plan will be the greater of (1) payout determined under criteria based on economic value added or (2) the Alternative Payout.

BOISE CASCADE CORPORATION
KEY EXECUTIVE PERFORMANCE PLAN

I. 2002 Payout Criteria

PAYOUT AS A PERCENT OF SALARY

Financial Improvement	CEO	SVP -- 65%	SVP -- 55%	VP -- 50%	VP -- 45%
($200,000,000)	0.00%	0.00%	0.00%	0.00%	0.00%
($150,000,000)	25.00%	16.25%	13.75%	12.50%	11.25%
$150,000,000	158.33%	102.91%	87.08%	79.17%	71.25%
$461,000,000	210.17%	136.61%	115.59%	105.09%	94.58%
$461,000,001	227.00%	147.55%	124.85%	113.50%	102.15%
$561,000,000	243.50%	158.28%	133.93%	121.75%	109.58%

· For Financial Improvement in excess of $561 million, the payout increases proportionally to the increase from $461 million to $561 million.

· The payout is interpolated on a straight line for Financial Improvement not shown in the table.

· Financial Improvement is measured by calculating the company's economic value added.

Economic Value Added = Net Operating Profit Before Tax - Capital Charge

Net Operating Profit Before Tax (NOPBT)* = Income from operating assets
+ Imputed interest of capitalized lease obligations
+ Increase (decrease) in LIFO reserve
- - Amortization of restructuring losses

* Unusual nonrecurring and nonoperating income or expense items do not affect NOPBT

Capital Charge	=	Capital x 16%
Capital**	=	Operating Capital + Imputed capital value of lease obligations + Total LIFO reserve account - - Gain from the sale of assets + Unamortized restructuring losses

** Nonrecurring and nonoperating losses do not affect Operating Capital. There may be adjustments to Operating Capital for strategic investments while they are under construction and up to two additional years subject to approval by the Executive Compensation Committee of the Board.

II. <u>Alternative Payout</u>

An Alternative Payout shall be calculated as follows: the actual percentage payouts earned for the 2001 plan year under the company's Paper Division Incentive Plan, Packaging Division Incentive Plan, Timber and Wood Products Division Incentive Plan, BMDD Incentive Plan, BCOP Incentive Plan, and Trucking Division Incentive Plan shall be averaged (weighted according to the total capital of each respective division). This average payout shall then be multiplied by the ratio each officer's target payout bears to the target payout of key executives in such plans (e.g., VP ratio = 45 or 50/24; SVP ratio = 55 or 65/24; CEO ratio = 100/24) to arrive at the Alternative Payout percentage. The Alternative Payout may be reduced by the Executive Compensation Committee, in its sole discretion, to any percentage amount (including zero).

Payout under the Plan will be the greater of (1) payout determined under criteria based on economic value added or (2) the Alternative Payout.

BOISE CASCADE CORPORATION

2001 KEY EXECUTIVE DEFERRED COMPENSATION PLAN

(As Amended Through January 1, 2002)

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 2001 Key Executive Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing a select group of senior management and highly compensated employees of the Company and its subsidiaries the opportunity to defer a portion of their cash compensation and thereby encourage their productive efforts on behalf of the Company. The Plan is also intended to provide Participants with an opportunity to supplement their retirement income through deferral of current compensation. The Plan is an unfunded plan.

2. Definitions.

2.1 Bonus. The payout amount earned by a Participant under one of the Company's Key Executive Performance Plans or Retention Incentive Plans.

2.2 Change in Control. A Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 20% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.2 (c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least 2/3rds of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) continuing directors continuing to constitute at least 66 2/3% of the number of directors of the combined entity immediately following consummation of such merger or consolidation and (b) the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving enti ty or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 20% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.2(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

(e) For purposes of this Section and Section 2.12, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(f) For purposes of this Section and Section 2.12, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.3 Compensation. A Participant's Salary and Bonus. Compensation (either Salary or Bonus) shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursement, cost-of-living allowance, education allowance, premium on excess group life insurance, or any Company contribution to the Pension Plan or any savings or 401(k) plan sponsored by the Company; the fact that an amount constitutes taxable income to the Participant shall not be controlling for this purpose. Compensation shall not include any taxable income realized by, or payments made to, an employee as a result of the grant or exercise of an option to acquire stock of the Company or as a result of the disposition of such stock, and shall not include compensation resulting from any stock op tion, stock bonus, restricted stock, phantom stock, or similar long-term incentive plan.

2.4 Competitor. Any business, foreign or domestic, which is engaged, at any time relevant to the provisions of this Plan, in the manufacture, sale, or distribution of products, or in the providing of services, in competition with products manufactured, sold, or distributed, or services provided, by the Company or any subsidiary, partnership, or joint venture of the Company. The determination of whether a business is a Competitor shall be made by the Company's General Counsel, in his or her sole discretion.

2.5 Deferred Account. The record maintained by the Company for each Participant of the cumulative amount of (a) account balances accumulated under other deferred compensation plans or programs of the Company which are merged into this Plan, as listed in Appendix A, (b) Compensation deferred pursuant to this Plan, (c) the amount of any Company matching allocation, and (d) imputed gains or losses on those amounts accrued as provided in Sections 4.8 and 4.9.

2.6 Deferred Compensation Agreement. Collectively, the written agreements between a Participant and the Company in substantially the form set forth in Appendix B, whereby a Participant irrevocably agrees to defer a portion of his or her Salary and/or Bonus (a Deferral Election Agreement) and the Company agrees to make benefit payments in accordance with the provisions of the Plan (a Distribution Election Agreement).

2.7 Deferred Compensation and Benefits Trust. The irrevocable trust (the "DCB Trust") established by the Company with an independent trustee for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.8 Executive Officer. Executive Officers of the Company required to be identified as such in the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

2.9 Investment Account. Any of the accounts identified by the Company from time to time, described in Exhibit A, to which Participants may allocate all or any portion of their Deferred Accounts for purposes of determining the gains or losses to be assigned to the Deferred Accounts.

2.10 Participant. A Key Executive (as defined in Section 4.1) who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.11 Pension Plan. The Boise Cascade Corporation Pension Plan for Salaried Employees, as amended from time to time.

2.12 Potential Change in Control. A Potential Change in Control shall be deemed to have occurred if (a) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (b) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (c) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; unless that Person has filed a schedule under Section 13 of the Securities Exchange Act of 1934 and the rules and regulations promulgated under Section 13, and that schedule (including any and all amendments) indicates that the Person has no intention to (i) control or influence the management or policies of the Company, or (ii) take any action inconsistent with a lack of intention to control or influence the management or policies of the Company; or (d) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

2.13 Rule of 70. The attainment by a Participant of a number of Years of Service and age which, when added together, equal or exceed 70.

2.14 Salary. A Participant's salary, commission, and other payments for personal services rendered by a Participant to the Company during a calendar year, determined prior to giving effect to any deferral election under this Plan or any incentive compensation plan sponsored by the Company.

2.15 Stock Unit. A notional account unit equal in value to one share of the Company's common stock.

2.16 Termination. The Participant's ceasing to be employed by the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of early retirement, normal retirement, death or disability, provided that transfer from the Company to a subsidiary or vice versa shall not be deemed a Termination for purposes of this Plan.

2.17 Year of Service. A Year of Service as accumulated under the Pension Plan.

3. Administration and Interpretation. The Company, acting through its senior human resources officer or his or her delegates, shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Company may also adopt any rules it deems necessary to administer the Plan. The Company's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Company with respect to those responsibilities, unless limited in writing by the Company. An y Participant may appeal any action or decision of these employees to the Company's senior human resources officer. Claims for benefits under the Plan and appeals of claim denials shall be in accordance with Sections 10 and 11. Any interpretation by the Company's senior human resources officer shall be final and binding on the Participants.

4. Participant Deferral and Distribution Elections.

4.1 Eligibility. The Company shall identify those employees of the Company or any of its subsidiaries, including Executive Officers, who are eligible to participate in this Plan ("Key Executives"). Eligibility to participate in the Plan is entirely at the discretion of the Company and shall be limited to a select group of senior management or highly compensated employees. Eligibility to participate in this Plan for any calendar year shall not confer the right to participate during any subsequent year.

4.2 Execution of Agreement. A Key Executive who wishes to participate in the Plan must execute a Deferred Compensation Agreement(s) either (a) for newly eligible individuals, within 30 days after first becoming eligible to participate in the Plan to defer Salary and/or Bonus to be earned during the remainder of that calendar year and subsequent years, or (b) prior to January 1 of the first calendar year for which the Deferred Compensation Agreement(s) will be effective. Participants shall make separate elections with respect to deferrals of Salary and Bonus.

4.3 Deferral Election. Within limits established by the Company, each Key Executive shall have the opportunity to elect the amount of his or her Salary and/or Bonus to be paid in calendar years subsequent to the date of election, which will be deferred in accordance with this Plan. The Compensation otherwise paid to a Participant during each calendar year beginning after the date of the deferral election shall be reduced by the amount elected to be deferred. Elections to defer Compensation are irrevocable except as otherwise provided in this Plan. The amount of Salary and/or Bonus to be deferred will be specified in the Deferred Compensation Agreement(s), must be at least 6% of the Participant's Compensation, and will be limited to specified maximum percentages of the Participant's Compensation.

4.4 Change of Deferral Election.

(a) A Participant who wishes to change an election to defer Compensation may do so at any time by notifying the Company's Manager of Salaried and Executive Compensation in writing prior to January 1 of the year for which the change in election is to be effective.

(b) A Participant who wishes to change an election to defer Compensation after January 1 of any calendar year for which the change in election is to be effective must submit a written request to the Company's Manager of Salaried and Executive Compensation to revoke his or her deferral election. The request must state why the Participant believes he or she should be permitted to revoke the prior election. Requests will be reviewed as soon as administratively feasible and, if a change is permitted, the change will be effective for all remaining pay periods following the date of the determination.

4.5 Distribution Election. At the time a Participant elects to defer Compensation under Section 4.3, he or she shall elect a distribution option for the Compensation so deferred, including gains or losses thereon, as specified in the Deferred Compensation Agreement. The distribution election shall apply to all amounts attributable to the Participant's Deferred Account under this Plan, including amounts previously deferred under plans listed under Appendix A which have been merged into this Plan. Elections regarding distribution of Deferred Accounts under this Plan are irrevocable except as otherwise provided in this Plan.

4.6 Change of Distribution Election. Participants who are actively employed by the Company or its subsidiaries, or who have terminated employment as described in Sections 5.2.2 or 5.2.3, may request, in writing, a change in their distribution election. The changed distribution election must be one of the distribution options in the original Deferred Compensation Agreement. The Company must receive the request by the earlier of (a) January 1 of the year benefits are first scheduled to be paid, or (b) 30 days before the first date benefits are scheduled to be paid. The request shall be approved or denied at the Company's sole discretion. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

4.7 Company Matching Contribution. A Participant may elect to have the Company allocate to the Participant's Deferred Account in this Plan an additional amount equal to the Company Matching Contribution that would otherwise be made to the Participant's account in the Savings and Supplemental Retirement Plan (assuming a 6% Participant contribution to that plan). The Company matching contribution will be allocated to the Investment Account to which the Participant's deferrals of Compensation are allocated.

4.8 Deferred Account Allocations and Adjustments. The Company shall maintain a record of each Participant's Deferred Account balance and allocations. Each Participant (a) must allocate his or her current deferrals of Compensation to one of the Investment Accounts, and (b) may, from time to time, choose to change the allocation of his or her current deferrals of Compensation to a different Investment Account.

4.8.1 Each Participant's Deferred Account shall be adjusted on a monthly basis to reflect the gains or losses attributable to the Investment Account(s) selected by the Participant. Interest earned will be credited to a Participant's account on the last day of each month. Computation of the gains or losses of the Investment Accounts shall be at the Company's sole discretion.

4.8.2 Participants who are active employees may change the allocation of future deferrals to or from any Investment Account, other than the Stock Unit Account, on any business day, with any change effective as of the first pay period beginning after the date of the change.

4.8.3 A Participant's Deferred Account balance carried forward into this Plan from any plan listed on Appendix A shall be allocated to the Stable Value Account, except that any portion of the Participant's Deferred Account balance which was invested in a notional stock account in the prior plan shall be allocated to the Stock Unit Account. Amounts allocated to the Stock Unit Account under this section shall initially represent a number of Stock Units equal to the number of notional stock units represented in the Participant's deferred account under the prior plan. Thereafter, the Participant's Deferred Account shall be maintained according to the terms of this Plan. For vesting purposes under this Plan, a Participant's Deferred Account shall be deemed to have first been cre dited with Stock Units on the same date the Participant's account under the prior plan was first credited with Stock Units.

4.8.4 Participants who are active employees, or who are terminated employees under Sections 5.2.2 or 5.2.3, may shift the allocation of all or any portion of their Deferred Account balance among any of the Investment Accounts, other than the Stock Unit Account or the Stable Value Account, on any business day, with any change effective as of the next business day.

4.8.5 Deferred Account balances allocated to the Stable Value Account may not be allocated to any other Investment Account.

4.9 Stock Unit Account. Each Participant who is an Executive Officer shall have the opportunity to allocate all or a portion of his or her current deferrals of Compensation to the Stock Unit Account under the terms and conditions set forth in this Section 4.

4.9.1 Each Executive Officer who is a Participant may elect at any time, and from time to time, to have his or her Deferred Account credited with allocated Stock Units, with the elections effective for deferrals of Compensation earned beginning with the first pay period after the Company receives the Participant's valid written election. Under no circumstances, however, may elections to allocate deferred Compensation or Deferred Account balances to the Stock Unit Account be made or changed more frequently than once in any 4-month period. If a Participant timely elects to have his or her Deferred Account credited with Stock Units, then the Participant's Deferred Account shall be credited with the number of Stock Units (on the date on which the Compensation would otherwise hav e been paid to the Participant), equal to (i) 100% of the amount of such deferred Compensation ("Participant Stock Units"), plus (ii) 25% of the amount of such deferred Compensation ("Company Matching Stock Units"). Each Stock Unit shall have an initial value based on the closing price of the Company's common stock on the New York Stock Exchange ("NYSE") on that date (or, if the common stock is not traded on the NYSE on such date, on the immediately preceding trading day) or another generally accepted pricing standard chosen by the Company. Thereafter, each Stock Unit shall have a value equal to the market value of one share of the Company's common stock. Except as provided in Subsections 4.9.4 or 4.9.5, Stock Units must be held for a minimum of 6 months from the date on which they are first credited to the Participant's account. Participants may not sell, transfer, assign, alienate, or pledge Stock Units.

4.9.2 If a Participant elects to allocate his or her deferrals of Compensation to the Stock Unit Account, then on each dividend payment date for the common stock, additional Stock Units shall be credited to the Participant's Deferred Account ("Dividend Equivalent Stock Units"). Dividend Equivalent Stock Units shall (a) be equal in value to the imputed dividend on each Stock Unit credited to the Participant's account as of the record date for that dividend; (b) be allocated, as appropriate, to either the Participant Stock Units or the Company Matching Stock Units credited to the Participant's Deferred Account; and (c) vest in accordance with the vesting of the underlying Stock Units to which they are allocated.

4.9.3 A Participant shall be fully vested in his or her Participant Stock Units, including allocated Dividend Equivalent Stock Units, at all times. Vesting in Company Matching Stock Units, including allocated Dividend Equivalent Stock Units, shall be as follows: (a) 100% upon the Participant's death, total disability, or retirement (normal or early); (b) 100% upon a Change in Control; (c) 100% upon the Participant's involuntary termination (other than a termination for "Disciplinary Reasons" as that term is used in Corporate Policy 10.2, Termination of Employment) or termination as a direct result of the sale or permanent closure of a facility, operating unit, or division of the Company; or (d) for termination of employment for all other reasons (inc luding voluntary terminations), 20% (cumulative) on each anniversary of the date the Participant's account was first credited with Stock Units under this Plan.

4.9.4 Upon the occurrence of a Potential Change in Control, shares of Common Stock equal to the number of Stock Units in all Participants' Deferred Accounts shall be transferred to the Trustee of the DCB Trust to be held in accordance with the terms of the DCB Trust and this Plan. Upon a Change in Control, all Stock Units credited to a Participant's Deferred Account shall be converted to Stock Units of equivalent value payable in the common stock of the successor entity to the Company, as follows: if the Change in Control involves the merger or sale of the entire Company or a tender offer for all the outstanding Common Stock, conversion shall be at the conversion, sale, or exchange price applicable to the Common Stock in connection with such Change in Control. Shares of Comm on Stock held by the Trustee shall be converted to shares of common stock of the successor entity (if any) at the same conversion value as described in this subsection. Following a Change in Control and after public disclosure of at least 30 days financial results of the consolidated entity, each Participant may elect, at any time or from time to time, to convert all or any portion of his or her Stock Unit Account to a dollar equivalent and have such amount credited thereafter with the applicable Account Accumulation Rate. If a Participant makes such an election, the Trustee shall sell, into the open market, shares of stock attributable to Stock Units in such Participant's Deferred Account as previously acquired and held pursuant to this subsection, and shall hold, invest, and reinvest the proceeds of such sale in accordance with the terms of the DCB Trust. If the Change in Control does not involve the merger or sale of the entire Company or a tender offer for all the outstanding Common Stock, Stock Units shall be converted to a dollar equivalent at the highest trading price of the Company's Common Stock during the 20-day period immediately preceding the date of the Change in Control and credited to the Investment Account(s) selected by the Participant.

4.9.5 If the Participant's Deferred Account is credited with Stock Units, the Participant shall be paid the value of all vested Stock Units in his or her Deferred Account in accordance with the Participant's election under his or her Deferred Compensation Agreement and in the form of the Company's Common Stock (or, if applicable, in accordance with Subsection 4.9.4). If a Participant's Deferred Account is credited with Stock Units and the Participant terminates employment and is eligible for a distribution, but shares of Common Stock are not then available for distribution, the Company may elect, in its sole discretion, to delay the distribution until shares become available.

5. Distributions.

5.1 Distributions in General. The Company shall distribute Participants' Deferred Accounts as elected by each Participant in the applicable Deferred Compensation Agreement, except as otherwise provided in this Section 5, or, with respect to Stock Units, as provided in Section 4.9.

5.2 Plan Benefits Upon Termination.

5.2.1 Upon Termination for reasons other than death or disability prior to satisfying the Rule of 70 or attaining age 55 with 10 or more Years of Service, the Participant's entire Deferred Account (with the exception of any amounts allocated to the Stock Unit Account) shall be automatically allocated to the Stable Value Investment Account, notwithstanding any elections or allocation decisions previously made by the Participant. In addition, the imputed interest rate on the Participant's Deferred Account shall be adjusted, effective as of the date of Termination, to a rate equal to Moody's. That rate shall apply prospectively from the date of Termination to all undistributed amounts of the Participant's Deferred Account. From and after the date of Termination, the Participan t shall have no rights under this Plan to alter the Investment Account to which his or her Deferred Account is allocated, or to request any change in previous distribution election(s). Distributions under this Section 5.2.1 shall be made according to the election specified in the Participant's Deferred Compensation Agreement.

5.2.2 Upon Termination for reasons other than disability, after satisfying the Rule of 70 or attaining age 55 with 10 or more Years of Service, a Participant shall be paid his or her Deferred Account in a lump sum or in equal monthly installments calculated to distribute his or her Deferred Account over a period of not more than 15 years, as elected by the Participant in his or her Deferred Compensation Agreement. Payments shall commence on the date and shall be made in the manner elected by the Participant in the Deferred Compensation Agreement. Unpaid balances under the installment election shall continue to be credited with imputed gains or losses based on the applicable Investment Account. Deferred Account balances allocated to the Stable Value Account under this s ection shall continue to be credited with imputed interest at Moody's times 130%, consistent with Exhibit A.

5.2.3 If a Participant terminates employment prior to attaining age 65 due to a disability, the Participant may apply to the Company to have his or her account distributed in monthly installments over a 15-year period commencing on the first day of the month following the month in which the Company approves the request, notwithstanding any prior distribution election. The Company may, in its sole discretion, approve or deny the request. Deferred Account balances allocated to the Stable Value Account under this section shall continue to be credited with imputed interest at Moody's times 130%, consistent with Exhibit A.

5.3 Service With A Competitor. If a Participant provides services for remuneration to a Competitor following his or her Termination, then notwithstanding anything in this Plan to the contrary, the Participant's entire Deferred Account balance shall be distributed in a single lump sum as soon as administratively feasible.

5.4 Hardship Distribution. If serious and unanticipated financial hardship occurs, a Participant may request termination of participation in the Plan and a lump-sum distribution of all or a portion of his or her Deferred Account balance. The Participant shall document, to the Company's satisfaction, that distribution of his or her account is necessary to satisfy an unanticipated, immediate, and serious financial need, and that the Participant does not have access to other funds, including proceeds of any loans, sufficient to satisfy the need. Upon receipt of a request under this Section, the Company may, in its sole discretion, terminate the Participant's involvement in the Plan and distribute all or a portion of the Participant's account balance in a lump sum, to the extent necessary to satisfy the financial need. The Participant shall sign all documentation requested by the Company relating to the distribution. Any Participant whose participation in the Plan terminates under this Section shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company for a period of 12 months following the date of the distribution.

5.5 Premature Distribution With Penalty. Notwithstanding any provision in this Plan to the contrary, a Participant or beneficiary may, at any time, request in writing a single lump-sum payment of the amount credited to his or her Deferred Account under the Plan. The amount of the payment shall be equal to (a) the Participant's Deferred Account balance under the Plan as of the payment date, reduced by (b) an amount equal to 10% of the Deferred Account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. The payment shall be made within 30 days of the date on which the Company received the request for the distribution. If a Participant makes a request under this provision, he or she shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after the request. In addition, in such event, any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to Compensation payable to the Participant during that 12-month period.

5.6 Distribution Upon Extraordinary Events. If any Participant terminates employment with the Company as a direct result of the sale, closure, or divestiture of a facility, operating division, or reduction in force in connection with any reorganization of the Company's operations or staff, the Participant may request a lump sum distribution of his or her entire Deferred Account balance without penalty. Upon receipt of a request for distribution under this section, the Company may, in its sole discretion, elect whether to approve or deny the request. If the Company approves the request, distribution of the Participant's Deferred Account balance shall occur on or about January 1 of the year following the year during which Termination occurred.

5.7 Small Account Distributions. On the date of Termination, if a Participant's Deferred Account balance is less than $7,500, the Company shall promptly distribute the entire Deferred Account balance in a lump sum to the Participant, regardless of Participant's distribution election, and the Participant shall have no further rights or benefits under this Plan.

5.8 Distributions Following Participant Death; Designation of Beneficiary. The Company shall make all payments to the Participant, if living. A Participant shall designate a beneficiary by filing a written notice of designation with the Company in such form as the Company may prescribe. If a Participant dies either before benefit payments have commenced under this Plan or after his or her benefits have commenced but before his or her entire Deferred Account has been distributed, his or her designated beneficiary shall receive any benefit payments in accordance with the Deferred Compensation Agreement. If no designation is in effect when any benefits payable under this Plan become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the Participant's estate.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, as described in Section 5.8.

6.2 Taxes. The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld.

6.3 Construction. To the extent not preempted by federal law, the Plan shall be construed according to the laws of the state of Idaho.

6.4 Form of Communication. Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Manager of Salaried and Executive Compensation at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728-0001.

6.5 Service Providers. The Company may, in its sole discretion, retain one or more independent entities to provide services to the Company in connection with the operation and administration of the Plan. Except as may be specifically delegated or assigned to any such entity in writing, the Company shall retain all discretionary authority under this Plan. No Participant or other person shall be a third party beneficiary with respect to, or have any rights or recourse under, any contractual arrangement between the Company and any such service provider.

7. Amendment and Termination. The Company, acting through its board of directors or any duly authorized committee thereof, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

8. Unsecured General Creditor. Except as provided in Section 9, Participants and their beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest, or claims in any property or assets of the Company. The assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be an unfunded and unsecured promise of the Company to pay money in the future.

9. Deferred Compensation and Benefits Trust. Upon the occurrence of any Potential Change in Control, the Company shall transfer to the DCB Trust an amount of cash, marketable securities, or other property acceptable to the trustee equal in value to 105% of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the DCB Trust, to pay the Company's obligations with respect to Deferred Accounts under this Plan (the "Funding Amount"); provided, however, the company shall transfer shares of its common stock equal in number to the number of Stock Units credited to Participants under Section 4.8 in lieu of transferring cash or other property to satisfy its funding obligations under this Section 9. The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the t erms of the DCB Trust. In addition, from time to time, the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee as may be necessary in order to maintain the Funding Amount with respect to this Plan.

Upon a Change in Control, the assets of the DCB Trust shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

10. Claims Procedure.

10.1 In General. Claims for benefits under the Plan, other than claims for disability benefits under Section 5.2.3, shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days f or special circumstances by the Compensation Manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

10.2 Disability Claims. Claims for disability benefits under Section 5.2.3 of the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 45 days after the application is filed. This 45-day period may be extended for up to two additional 30-day periods by the Compe nsation Manager, in his or her sole discretion, in each case for reasons beyond the Plan's control and by providing written notice of the extension to the claimant prior to the expiration of the current period. If additional information is needed from the Participant in order to make a decision on the claim, the Manager will notify the Participant of the information needed and the Participant will have 45 days to provide the requested information. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits,
- if an internal rule or guideline was relied upon, state that an internal rule or guideline was relied upon and that a copy of the rule or guideline will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

11. Claims Review Procedure.

11.1 In General. Any Participant, former Participant, or Beneficiary of either, who has been denied a benefit claim, other than a claim for disability benefits under Section 5.2.3 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 10.1, and shall be filed with the Company's Compensation Manager. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the P lan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

11.2 Disability Claims. Any Participant, former Participant, or Beneficiary of either, who has been denied a claim for Disability benefits under Section 5.2.3 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed with the Company's Compensation Manager no later than 180 days after receipt of the written notification provided for in Section 10.2. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The se nior human resources officer shall make his or her decision, in writing, within 45 days after receiving the claimant's request for review. This 45-day period may be extended an additional 45 days if special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 45-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim,
- indicate whether any rule, guideline, protocol or criterion was relied on in the decision and, if so, that a copy of such rule, guideline, protocol or criterion will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

12. Lawsuits, Jurisdiction, and Venue. No lawsuit claiming entitlement to benefits under this Plan may be filed prior to exhausting the claims and claims review procedures described in Sections 10 and 11. Any such lawsuit must be initiated no later than (a) one year after the event(s) giving rise to the claim occurred, or (b) 60 days after a final written decision was provided to the claimant under Section 11, whichever is sooner. Any legal action involving benefits claimed or legal obligations relating to or arising under this Plan may be filed only in Federal District Court in the city of Boise, Idaho. Federal law shall be applied in the interpretation and application of this Plan and the resolution of any legal action. To the extent not preempted by federal law, the laws of the state of Idaho shall apply.

13. Effective Date of Plan. This Plan shall become effective as of January 1, 2001.

EXHIBIT A

INVESTMENT ACCOUNTS

1. Stable Value Account. Deferred Accounts allocated to this account shall be credited, while the Participant is actively employed with the Company, with imputed interest equal to an annualized rate of interest equal to 130% of Moody's Composite Average of Yields on Corporate Bonds ("Moody's") as determined each month from Moody's Bond Record (as published by Moody's Investor's Service, Inc.) or any successor thereto, or, if such monthly report is no longer published, a substantially similar rate determined by the Company, in its sole discretion. Moody's, for purposes of this Plan, shall be based for any given month on such published rate for the immediately preceding calendar month. Upon Termination, Deferred Accounts allocated to this account shall be credited with either Moody's times 130% or with Moody's, as provided in Section 5.2 of the Plan.

2. Stock Unit Account (Executive Officers Only). Deferred Accounts allocated to this account shall be credited with Stock Units as though Compensation, as it is earned and deferred, had been used to purchase shares of the Company's common stock as provided in Section 4.9 of the Plan.

APPENDIX A

List of Deferred Compensation Plans/Programs Merged into

the 2001 Key Executive Deferred Compensation Plan

- Boise Cascade Corporation 1982 Executive Officer Deferred Compensation Plan*
- Boise Cascade Corporation 1986 Executive Officer Deferred Compensation Plan
- Boise Cascade Corporation 1995 Executive Officer Deferred Compensation Plan
- Boise Cascade Corporation 1987 Key Executive Deferred Compensation Plan
- Boise Cascade Corporation 1995 Key Executive Deferred Compensation Plan
- Boise Cascade Corporation Key Executive Performance Plan for Executive Officers (deferral option)*
- Boise Cascade Corporation Key Executive Performance Plan for Key Executives (deferral option)*
- Boise Cascade Office Products Corporation 1995 Executive Officer Deferred Compensation Plan
- Boise Cascade Office Products Corporation 1995 Key Executive Deferred Compensation Plan
- Boise Cascade Office Products Corporation Key Executive Deferred Compensation Plan
- Boise Cascade Office Products Corporation Key Executive Performance Plan (deferral option)*
- Boise Cascade Office Products Corporation Retention and Incentive Plan (deferral option)*

** indicates merger of plans only to extent of participant elections to transfer accrued liabilities to this Plan.*

NOTE: Plan merger is effective only with respect to active employees. All rights of participants and obligations of the Company under the above-listed plans with respect to employees who have terminated employment with the Company or any subsidiary prior to January 1, 2001, shall be as described in those plans. Such former employees shall not be Participants in , or have any rights under, this Plan.

APPENDIX B

Boise Cascade Corporation

Form of Key Executive Deferred Compensation Deferral Election Agreement

THIS AGREEMENT, dated ______________________, is between BOISE CASCADE CORPORATION (the "Company") and _______________________ (the "Executive"). The Company designates the Executive as a Participant in the Company's 2001 Key Executive Deferred Compensation Plan (the "Plan"), which is incorporated into this Agreement. The Company and the Executive agree as follows:

Salary Deferral Election

1. I, the Executive, would like to defer a portion of my 2001 Compensation [YES____] [NO____] [*Initial one*]. If Yes, I irrevocably elect to defer receipt of ____% (6% to _____%) of my cash Compensation otherwise payable to me commencing January 1, 2001. ***Note: This election will apply to your base Salary and Bonus paid during 2001***

and in successive years ***unless you elect to change this deferral election as provided in the Plan***. You will have the opportunity each year to make a different deferral election for the following year.

Bonus Deferral Election

2. I, the Executive, would like to defer a portion of my Bonus (KEPP, Division Incentive, and/or BCOP Retention Incentive Plan) in addition to the deferral election stated above [YES____] [NO____] [*Initial one*]. If Yes, I irrevocably elect to defer receipt of ____% (6% to 100%) of the Bonus, if any, otherwise payable in 2002 and following years. ***Note: You will have the opportunity each year to make a different bonus deferral election on bonus amounts to be paid the following year. Therefore, you may delay making this bonus election until the open enrollment period during 2001.***

Company Matching Contributions

3. The Executive irrevocably elects to have the Company's matching SSRP allocations/contributions made to this Plan in lieu of any matching contributions/ allocations to the SSRP. [YES____] [NO____] [*Initial one*]

The Company believes, but does not guarantee, that a deferral election made in accordance with the terms of the Plan is effective to defer the receipt of taxable income. The Executive has been advised to consult with his or her attorney or accountant familiar with the federal and state tax laws regarding the tax implications of this Deferred Compensation Agreement and the Plan.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day first written above.

BOISE CASCADE CORPORATION	EXECUTIVE
By______________________________	By_____________________________

Boise Cascade Corporation

Form of Key Executive Deferred Compensation Distribution Election Agreement

THIS AGREEMENT, dated ___________, is between BOISE CASCADE CORPORATION (the "Company") and ______________________ (the "Executive"). The Company has designated the Executive as a Participant in the Company's 2001 Key Executive Deferred Compensation Plan (the "Plan"), which is incorporated into this Agreement. The Company and the Executive agree as follows:

Distribution Election. ***This election will apply to ALL your deferred compensation with Boise Cascade with the exception of pre-2001 Deferred Bonus Accounts that you have decided NOT to roll into this Plan.***

1. The Executive elects the following **form of distribution** of his or her Deferred Account balance (choose one):

____ A. Lump-sum payment.

____ B. Monthly installment payments over a period of ________ years (not to exceed 15 years). Payments will be approximately equal in amount.

____ C. Other. Describe in detail below or in an attachment.

2. The Executive elects the following **distribution beginning date** (choose one):

____ A. January 1 of the year following Termination of Employment.

____ B. The later of age 55 or Termination of Employment.

____ C. The later of age 65 or Termination of Employment.

____ D. The later of __________ (date) (cannot be later than age 65) or Termination of Employment.

3. If the Executive dies *before* his or her distributions from the Plan begin, the Company will pay the Executive's designated beneficiary the Deferred Account balance as (choose one):

____ A. Lump-sum payment.

____ B. Monthly installment payments over a period of _______years (not to exceed 15 years). Payments will be approximately equal in amount.

____ C. Other. Describe in detail below or in an attachment.

4. If the Executive dies *after* installment payments have begun, the Company will pay the Executive's designated beneficiary (choose one):

____ A. Lump sum of the remaining Deferred Account balance.

____ B. The remaining installment payments.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day first written above.

BOISE CASCADE CORPORATION	EXECUTIVE
By______________________________	By_____________________________

Boise Cascade Corporation

Form of Deferred Bonus Consolidation Election

THIS ELECTION, dated _____________________, is made by __________________ (the "Executive"). The Company has designated the Executive as a Participant in the Company's 2001 Key Executive Deferred Compensation Plan (the "Plan"), under which this Election is made. Under the terms of the Plan, the Executive may elect to transfer existing account balances under the deferral option of the Company's Key Executive Performance Plans to this Plan.

Deferred Bonus Consolidation Election

I hereby elect to transfer my Deferred Bonus Account(s) to my Deferred Account under the Plan. I acknowledge that all rights with respect to the Deferred Bonus Account(s) under the terms of the Key Executive Performance Plan(s) will be null and void and that my rights with respect to the deferred compensation represented by those account balances will be governed exclusively by the terms and conditions of the Plan, including but not limited to the distribution election I make or have made under the Plan.

[YES____] [NO____] [*Initial one*]

The Executive has executed this Election on the day first written above.

EXECUTIVE

By______________________________

Boise Cascade Office Products Corporation

Form of Deferred Bonus Consolidation Election

THIS ELECTION, dated _____________________, is made by __________________ (the "Executive"). The Company has designated the Executive as a Participant in the Company's 2001 Key Executive Deferred Compensation Plan (the "Plan"), under which this Election is made. Under the terms of the Plan, the Executive may elect to transfer existing account balances under the deferral option of the Company's Key Executive Performance Plans and/or Retention Incentive Plan to this Plan.

Deferred Bonus Consolidation Election:

I hereby elect to transfer my Deferred Bonus Account(s) to my Deferred Account under the Plan. I acknowledge that all rights with respect to the Deferred Bonus Account(s) under the terms of the Key Executive Performance Plan(s) will be null and void and that my rights with respect to the deferred compensation represented by those account balances will be governed exclusively by the terms and conditions of the Plan, including but not limited to the distribution election I make or have made under the Plan.

[YES____] [NO____] [*Initial one*]

Deferred Retention Incentive Consolidation Election:

I hereby elect to transfer my Deferred Retention Incentive Account to my Deferred Account under the Plan. I acknowledge that all rights with respect to the Deferred Retention Incentive Account under the terms of the Boise Cascade Office Products Key Executive Retention and Incentive Plan will be null and void and that my rights with respect to the deferred compensation represented by those account balances will be governed exclusively by the terms and conditions of the Plan, including but not limited to the distribution election I make or have made under the Plan.

[YES____] [NO____] [*Initial one*]

The Executive has executed this Election on the day first written above.

EXECUTIVE

By______________________________

BOISE AND SUBSIDIARIES
Computation of Per Share Earnings

	Year Ended December 31		
	2001	2000	1999
	(thousands, except per-share amounts)		
Basic			
Net income (loss)	$ (42,501)	$ 178,574	$ 199,753
Preferred dividends (a)	(13,085)	(13,095)	(13,559)
Basic income (loss)	$ (55,586)	$ 165,479	$ 186,194
Average shares used to determine basic income (loss) per common share	57,680	57,288	56,861
Basic income (loss) per common share	$ (.96)	$ 2.89	$ 3.27
Diluted			
Basic income (loss)	$ (55,586)	$ 165,479	$ 186,194
Preferred dividends eliminated	13,085	13,095	13,559
Supplemental ESOP contribution	(11,738)	(11,192)	(11,588)
Diluted income (loss)	$ (54,239)	$ 167,382	$ 188,165
Average shares used to determine basic income (loss) per common share	57,680	57,288	56,861
Stock options and other	447	253	419
Series D Convertible Preferred Stock	3,670	3,872	4,139
Average shares used to determine diluted income (loss) per common share	61,797	61,413	61,419
Diluted income (loss) per common share	$ (.88)(b)	$ 2.73	$ 3.06

(a) The dividend attributable to the company's Series D Convertible Preferred Stock held by the company's ESOP (employee stock ownership plan) is net of a tax benefit.

(b) Because the computation of diluted loss per common share was antidilutive, diluted loss per common share reported for the year ended December 31, 2001, was the same as basic loss per common share.

EXHIBIT 12.1

BOISE AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges

	Year Ended December 31				
	2001	2000	1999	1998	1997
	(thousands)				
Interest costs	$ 128,970	$ 152,322	$ 146,124	$ 159,870	$ 137,350
Guarantee of interest on ESOP debt	8,732	10,880	12,856	14,671	16,341
Interest capitalized during the period	1,945	1,458	238	1,341	10,575
Interest factor related to noncapitalized leases (a)	11,729	13,394	13,065	11,308	11,931
Total fixed charges	$ 151,376	$ 178,054	$ 172,283	$ 187,190	$ 176,197
	=======	=======	=======	=======	=======
Income (loss) before income taxes, minority interest, and cumulative effect of accounting change	$ (47,611)	$ 298,331	$ 355,940	$ (16,878)	$ (28,930)
Undistributed (earnings) losses of less than 50% owned entities, net of distributions received	8,039	(2,061)	(6,115)	3,791	5,180
Total fixed charges	151,376	178,054	172,283	187,190	176,197
Less: Interest capitalized	(1,945)	(1,458)	(238)	(1,341)	(10,575)
Guarantee of interest on ESOP debt	(8,732)	(10,880)	(12,856)	(14,671)	(16,341)
Total earnings before fixed charges	$ 101,127	$ 461,986	$ 509,014	$ 158,091	$ 125,531
	=======	=======	=======	=======	=======
Ratio of earnings to fixed charges	-	2.59	2.95	-	-
Excess of fixed charges over earnings before fixed charges	$ 50,249	$ - -	$ - -	$ 29,099	$ 50,666

(a) Interest expense for operating leases with terms of one year or longer is based on an imputed interest rate for each lease.

EXHIBIT 12.2

BOISE AND SUBSIDIARIES
Ratio of Earnings to Combined Fixed Charges
and Preferred Dividend Requirements

	Year Ended December 31				
	2001	2000	1999	1998	1997
	(thousands, except ratios)				
Interest costs	$ 128,970	$ 152,322	$ 146,124	$ 159,870	$ 137,350
Interest capitalized during the period	1,945	1,458	238	1,341	10,575
Interest factor related to noncapitalized leases (a)	11,729	13,394	13,065	11,308	11,931
Total fixed charges	142,644	167,174	159,427	172,519	159,856
Preferred stock dividend requirements -- pretax	15,180	16,019	17,129	19,940	44,686
Combined fixed charges and preferred dividend requirements	$ 157,824	$ 183,193	$ 176,556	$ 192,459	$ 204,542
	=======	=======	=======	=======	=======
Income (loss) before income taxes, minority interest, and cumulative effect of accounting change	$ (47,611)	$ 298,331	$ 355,940	$ (16,878)	$ (28,930)
Undistributed (earnings) losses of less than 50% owned entities, net of distributions received	8,039	(2,061)	(6,115)	3,791	5,180
Total fixed charges	142,644	167,174	159,427	172,519	159,856
Less interest capitalized	(1,945)	(1,458)	(238)	(1,341)	(10,575)
Total earnings before fixed charges	$ 101,127	$ 461,986	$ 509,014	$ 158,091	$ 125,531
	=======	=======	=======	=======	=======
Ratio of earnings to combined fixed charges and preferred dividend requirements	- -	2.52	2.88	- -	- -
Excess of combined fixed charges and preferred dividend requirements over total earnings before fixed charges	$ 56,697	$ - -	$ - -	$ 34,368	$ 79,011

(a) Interest expense for operating leases with terms of one year or longer is based on an imputed interest rate for each lease.

FINANCIAL REVIEW

Nomenclature. Beginning with our 2001 Annual Report, we have changed our company trade name to Boise and the names of our reportable business segments to Office Solutions, Building Solutions, Paper Solutions, and Corporate and Other. Previously, we referred to Boise Cascade Corporation and the office products, building products, paper and paper products, and corporate and other segments.

RESULTS OF OPERATIONS

	2001	2000	1999
Sales	$ 7.4 billion	$ 7.8 billion	$ 7.1 billion
Net income (loss)	$ (42.5) million	$ 178.6 million	$ 199.8 million
Net income (loss) per diluted share	$(.96)	$2.73	$3.06
Net income before nonroutine items	$ 46.8 million	$ 121.3 million	$ 148.2 million
Net income per diluted share before nonroutine items	$.57	$1.80	$2.22
		(percentage of sales)	
Materials, labor, and other operating expenses	80.7%	79.3%	78.0%
Selling and distribution expenses	10.6%	10.7%	10.4%
General and administrative expenses	1.8%	1.6%	1.8%

Nonroutine Items. In December 2001, we wrote down our investment in an equity affiliate to its estimated fair value. We recorded a noncash, pretax charge of $54.3 million. We recorded a $4.6 million tax benefit related to this write-down. We also reversed $5.0 million of now-unneeded reserves for potential claims rising from the sale in 2000 of our European office products operations. These adjustments were recorded in our Office Solutions segment. See the discussion of nonroutine items for that segment for additional detail.

In February 2001, we announced the permanent closure of our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, due to the significant decline in federal timber offered for sale. We completed these closures in the second quarter. In first quarter 2001, we recorded a pretax charge of $54.0 million related to these closures. In addition, in first quarter 2001, we wrote off our investment in assets in Chile with a pretax charge of $4.9 million. These adjustments were recorded in our Building Solutions segment. See the discussion of nonroutine items for that segment for additional detail.

In first quarter 2001, our Corporate and Other segment recorded a $10.9 million pretax, noncash charge to accrue for a one-time liability related to postretirement benefits for our Northwest hourly paperworkers. These workers participated in a multiemployer trust that converted to a single employer trust.

The net impact of these nonroutine items decreased net income $89.3 million and income per diluted share $1.53 for the year ended December 31, 2001.

In third quarter 2000, we sold our European office products operations to Guilbert S.A. of France. The sale resulted in a pretax gain of $98.6 million, which is recorded in the Office Solutions segment. Forward exchange contracts related to our acquisition of the Blue Star Business Supplies Group in Australia and New Zealand resulted in foreign exchange losses of $1.7 million in our Corporate and Other segment. We also recorded $3.0 million of severance and facility closure expense in our Office Solutions segment.

Nonroutine items increased net income $57.3 million, or 93 cents per diluted share, in 2000.

In first quarter 1999, we recorded $4.4 million of pretax expense related to an early retirement program announced in fourth quarter 1998. This amount is recorded in our Corporate and Other segment.

In 1999, we reversed $42.2 million of restructuring charges we had taken in 1998. We reversed these charges after restructuring by Office Solutions in the United Kingdom proved to be less costly than originally anticipated and after we decided to continue operations at two of four wood products manufacturing facilities we had planned to close. We also made minor adjustments, primarily in our Paper Solutions segment, to reflect actual experience.

In fourth quarter 1999, we recorded a pretax gain of $47.0 million from the sale of 56,000 acres of timberland in central Washington.

Nonroutine items increased 1999 results by $51.6 million, or 84 cents per diluted share.

The nonroutine items discussed above are included in "Other (income) expense, net" in the Statements of Income (Loss).

The following table shows income (loss), before income taxes and minority interest, as reported and adjusted for nonroutine items.

	Year Ended December 31					
	2001		2000		1999	
	As Reported	Before Non-routine Items	As Reported	Before Non-routine Items	As Reported	Before Non-routine Items
			(millions)			
Office Solutions	$ 97.4	$ 146.7	$ 236.6	$ 141.0	$ 154.6	$ 150.6
Building Solutions	(22.3)	36.7	52.1	52.1	273.8	191.3
Paper Solutions	70.7	70.7	202.6	202.6	117.7	115.4
Corporate and Other	(65.7)	(54.9)	(41.8)	(40.1)	(45.4)	(41.4)
	80.1	199.2	449.5	355.6	500.7	415.9
Interest expense	(127.7)	(127.7)	(151.2)	(151.2)	(144.7)	(144.7)
	$ (47.6)	$ 71.5	$ 298.3	$ 204.4	$ 356.0	$ 271.2

Overview Before Nonroutine Items. Sales in 2001 decreased, compared with sales in 2000, due to reduced demand in Office Solutions, lower product prices in Paper Solutions and Building Solutions, and the midyear closure of our Idaho plywood and lumber operations. Sales decreased 4% in Building Solutions and 5% in Paper Solutions. Office Solutions sales decreased 4% in 2001, and same-location sales decreased 2%. Total Office Solutions sales decreased at a higher rate than same-location sales because divestitures were not totally offset by acquisitions.

Sales in 2000 increased 9% over 1999 due to higher average paper prices and sales volume growth in Office Solutions and Building Solutions. Office Solutions sales increased 9% in 2000, and same-location sales increased 12%. Sales increased 10% in Building Solutions. Our 1999 acquisition of Furman Lumber, Inc., increased 2000 sales $449 million over 1999; however, these increases were offset by weakness in plywood and lumber prices. Paper Solutions sales increased 9% due to higher product prices.

In 2001, materials, labor, and other operating expenses increased as a percentage of sales, compared with 2000, because of higher energy costs in Paper Solutions and lower overall sales. Selling and distribution expenses as a percentage of sales were lower in 2001 than in 2000 due to our cost-reduction efforts. General and administrative expenses increased as a percentage of sales due to the decreased sales in 2001 and higher compensation costs.

In 2000, materials, labor, and other operating expenses increased as a percentage of sales, compared with 1999, because of product cost increases in Office Solutions, reduced margins in Building Solutions due to lower plywood and lumber prices, and higher energy-related costs in Paper Solutions. Selling and distribution expenses as a percentage of sales were higher in 2000 than in 1999 due to the growth in office products and building materials distribution sales, which have higher associated selling and distribution costs than sales in our manufacturing businesses. General and administrative expenses decreased as a percentage of sales in 2000 and 1999 due to our cost-reduction efforts and leveraging of fixed costs over higher sales.

See results of operations by segment for additional detail.

Interest expense was $127.7 million in 2001, $151.2 million in 2000, and $144.7 million in 1999. The variances were mainly due to changes in our debt levels and, to a lesser degree, changes in interest rates.

Our effective tax benefit rate in 2001 was 11.5%, compared with effective tax provision rates of 39% in 2000 and 40% in 1999. The 2001 rate was affected by the nondeductibility of a portion of the write-down of our investment in an Office Solutions equity affiliate. Before nonroutine items, our annual tax provision rate in 2001 was 34%. The decrease in our 2001 tax rate, before nonroutine items, compared with the 2000 and 1999 rates, was due primarily to our charitable donation of surplus property in Vancouver, Washington, for which we received a tax benefit. Changes in our tax rates were also due to the sensitivity of the rate to changing income levels and the mix of domestic and foreign sources of income.

Net income in 2001 decreased 61%, compared with net income in 2000, as a result of lower weighted average paper prices and unit sales volume and higher energy and chemical costs in Paper Solutions, as well as lower wood products sales prices in Building Solutions. Primarily as a result of the decline in lumber and plywood prices, 2000 net income decreased 18%, compared with 1999 income.

OFFICE SOLUTIONS

	2001	2000	1999
Sales	$ 3.5 billion	$ 3.7 billion	$ 3.4 billion
Segment income	$ 97.4 million	$ 236.6 million	$ 154.6 million
Segment income before nonroutine items	$ 146.7 million	$ 141.0 million	$ 150.6 million
		(percentage of sales)	
Gross profit margin	24.2%	24.3%	25.6%
Operating expenses	21.4%	17.9%	21.1%
Operating expenses before nonroutine items	20.0%	20.4%	21.2%
Operating profit	2.8%	6.4%	4.6%
Operating profit before nonroutine items	4.1%	3.8%	4.4%

Acquisitions and Divestitures. In April 2000, we completed a tender offer for the outstanding common stock of Boise Cascade Office Products Corporation (BCOP) owned by shareholders other than Boise. BCOP again became a wholly owned subsidiary of Boise. The purchase price, including transaction costs and payments to shareholders and stock option holders, totaled $216.1 million.

In September 2000, we sold our European office products operations to Guilbert S.A. of France for approximately $335.3 million. The sale resulted in a pretax gain of $98.6 million. Our sales for these operations totaled $241.8 million in 2000 and $324.0 million in 1999.

In October 2000, we acquired the Blue Star Business Supplies Group of US Office Products (Blue Star), a distributor of office and educational supplies in Australia and New Zealand, for $114.7 million in cash and the recording of $13.2 million in acquisition liabilities. We have closed nine acquired distribution centers and will close nine more in 2002. Approximately 230 employees have been terminated. Another 160 employees will be terminated during 2002. The acquisition liability balance was $5.0 million at December 31, 2001. Blue Star had sales of approximately $300 million in its fiscal year ended April 29, 2000.

In October 2000, we contributed the assets of Boise Marketing Services, Inc. (BMSI), our majority-owned promotional products subsidiary, to IdentityNow. IdentityNow provides corporate branded merchandise, promotional products, and related items for Fortune 1000 companies. This transaction was accounted for as a purchase business combination. IdentityNow issued shares of its voting common stock in exchange for the assets of BMSI. The assets exchanged were nonmonetary. The common stock of neither BMSI nor IdentityNow is traded on a public exchange. Based on the postmerger business plan and cash flow projections, the value of the IdentityNow common stock received was equal to the value of the BMSI assets contributed. Accordingly, no gain or loss was recorded on the transaction. As a result of the merger, we hold approximately 29% of the equity in IdentityNow and account for our investment under the equity method of accounting. Sales for BMSI totaled $74.0 million prior to the merger in 200 0 and $103.4 million in 1999.

In 1999, we completed two acquisitions in the Office Solutions segment with combined annualized sales of approximately $50 million at the time of announcement.

On a pro forma basis, if our 2000 acquisitions and divestitures in this segment had occurred on January 1, 2000, sales for that year would have decreased about $85 million, while net income and diluted earnings per share would not have materially changed. If our 2000 acquisitions and divestitures and our 1999 acquisitions had occurred on January 1, 1999, sales for 1999 would have decreased about $81 million, but net income would have increased about $6.6 million and diluted earnings per share would have increased about 11 cents.

See Note 14 to the financial statements for additional detail.

Nonroutine Items. In December 2001, we received notice that the consolidated group of which IdentityNow is a member is experiencing liquidity problems that could affect IdentityNow. In addition, the promotional products industry was hard hit in 2001 by the decline in the U.S. economy, as companies reduced their discretionary spending. Also in December, IdentityNow provided us with revised revenue projections that showed lower sales for the company than previously estimated. Based on this information, we concluded that a decline in the fair value of our investment in IdentityNow was more than temporary. Using a discounted cash flow valuation method, we determined that the fair value of our investment should be reduced to $25.0 million. Consequently, we recorded a noncash, pretax charge of $54.3 million. We also reversed $5.0 million of reserves for potential claims rising from the sale in 2000 of our European office products operations. Based on our current evaluation, these r eserves were no longer needed.

Segment income in 2000 included a $98.6 million gain on the sale of the European operations and $3.0 million in expense for severance and facility closures related to involuntary employee terminations.

During second quarter 1999, our Office Solutions segment revised the amount of a restructuring reserve for our United Kingdom operations. The restructuring program was less costly than originally anticipated due to lower professional and legal fees, the sublease of one of the facilities, the decision to retain a small printing business, and fewer employee terminations. The resulting increase in operating income of approximately $4.0 million included $0.5 million for reduced employee-related costs and $3.5 million for other exit costs, including lower lease costs.

Operating Results Before Nonroutine Items. Segment sales decreased 4% from 2000 to 2001 and increased 9% from 1999 to 2000. Same-location sales decreased 2% from 2000 to 2001 and increased 12% from 1999 to 2000. Total sales decreased at a higher rate than same-location sales because divestitures were not totally offset by acquisitions. The decrease in same-location sales was due mainly to the slowing U.S. economy, which resulted in fewer purchases by our existing U.S. customers.

Our gross profit margins were down slightly from 2000 to 2001 as a result of delivery costs that we were unable to leverage over lower sales. Operating expenses as a percentage of sales decreased due to our continued efforts to reduce our cost structure and to the sale in 2000 of the European operations, which had higher operating expenses as a percentage of sales than our other operations. As a result of a decrease in operating expenses, our operating profit as a percentage of sales improved in 2001, compared with 2000. Results for 2001 also include our $5.3 million share of IdentityNow's losses.

Gross profit margins were down in 2000, compared with 1999, because of product cost increases and a competitive pricing environment in the United States. Lower gross profit margins were only partially offset by lower operating expenses as a percentage of sales. Although costs increased in 2000, operating expenses as a percentage of sales decreased because of cost-control efforts and the leveraging of fixed costs over higher sales. Cost increases in 2000 were due to continued investment in strategic growth initiatives, including the Blue Star acquisition and middle-market business development. As a result of these factors, operating profit margins decreased in 2000, compared with 1999.

BUILDING SOLUTIONS

	2001	2000	1999
Sales	$ 2.4 billion	$ 2.5 billion	$ 2.2 billion
Segment income (loss)	$ (22.3) million	$ 52.1 million	$ 273.8 million
Segment income before nonroutine items	$ 36.7 million	$ 52.1 million	$ 191.3 million
Sales Volumes			
Plywood (1,000 sq. ft. 3/8" basis)	1,819,831	1,879,876	1,529,482
OSB (1,000 sq. ft. 3/8" basis) (a)	388,761	397,395	373,632
Lumber (1,000 board ft.)	392,544	448,199	517,457
LVL (100 cubic ft.)	66,578	62,826	55,141
I-joists (1,000 equivalent lineal ft.)	156,236	142,428	135,051
Particleboard (1,000 sq. ft. 3/4" basis)	198,737	193,109	186,860
Building materials distribution (millions of sales dollars)	$ 1,596	$ 1,601	$ 1,289
Average Net Selling Prices (b)			
Plywood (1,000 sq. ft. 3/8" basis)	$ 229	$ 234	$ 275
OSB (1,000 sq. ft. 3/8" basis)	126	174	197
Lumber (1,000 board ft.)	438	471	522
LVL (100 cubic ft.)	1,504	1,549	1,589
I-joists (1,000 equivalent lineal ft.)	895	951	1,004
Particleboard (1,000 sq. ft. 3/4" basis)	245	290	293

(a) Includes 100% of the sales of Voyageur Panel, of which we own 47%.
(b) Gross invoice price less trade discounts and freight costs.

Acquisitions. In June 2000, we acquired Alliance Forest Products-Joists, Inc. (AllJoist), for $14.6 million in cash. Formerly a subsidiary of Alliance Forest Products, Inc., AllJoist operates a wood I-joist manufacturing plant in St. Jacques, New Brunswick, Canada.

In September 1999, we acquired Furman Lumber, Inc. (Furman), for approximately $92.7 million, including $90.2 million in cash and the assumption of $2.5 million in debt. The acquisition included Furman's 12 facilities in the East, Midwest, and South. The former Furman facilities had 2000 sales of about $643 million. Sales of $194 million following our acquisition in 1999 are included in our 1999 results of operations.

On a pro forma basis, if the AllJoist acquisition had occurred on January 1, 2000, Building Solutions sales in 2000 would have increased $11 million, while net income and diluted earnings per share would not have materially changed. If the AllJoist and Furman acquisitions had occurred on January 1, 1999, sales in 1999 would have increased about $526 million, net income would have increased $1.2 million, and diluted earnings per share would have increased 2 cents.

See Note 15 to the financial statements for additional detail.

Nonroutine Items. In February 2001, we announced the permanent closure of our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, due to the significant decline in federal timber offered for sale. We completed these closures in the second quarter, and 373 positions were eliminated. In first quarter 2001, we recorded a pretax charge of $54.0 million related to these closures. Sales for our Idaho operations for the years ended December 31, 2001, 2000, and 1999, were $66.0 million, $115.8 million, and $138.6 million. The operating loss for the year ended December 31, 2001, was $5.8 million, while operating income for the years ended December 31, 2000 and 1999, was $2.2 million and $15.4 million.

In addition, in first quarter 2001, we wrote off our investment in assets in Chile with a pretax charge of $4.9 million.

Restructuring reserve liability account activity related to these 2001 charges is as follows:

	Asset Write-Downs	Employee-Related Costs	Other Exit Costs	Total
	(thousands)			
2001 expense recorded	$ 21,300	$ 15,000	$ 22,600	$ 58,900
Assets written down	(21,300)	-	-	(21,300)
Pension liabilities recorded	-	(9,600)	-	(9,600)
Charges against reserve	-	(5,000)	(10,100)	(15,100)
Restructuring reserve at December 31, 2001	$ -	$ 400	$ 12,500	$ 12,900
	=======	=======	=======	========

Asset write-downs were for plant and equipment at the closed Idaho facilities and the write-off of our equity investment in and related receivables from a joint venture in Chile. Employee-related costs include pension curtailment costs resulting from the shutdowns of the Idaho facilities and severance costs. Other exit costs include tear-down and environmental cleanup costs related to the Idaho facilities and reserves for contractual obligations with no future benefit. We spent approximately $15.1 million of the reserves in 2001. Most of the remaining reserve balance will be spent in 2002. These restructuring reserve liabilities are included in "Accrued liabilities, other" in the Balance Sheet.

In fourth quarter 1999, we sold 56,000 acres of timberland in central Washington, resulting in a pretax gain of $47.0 million. In second quarter 1999, this segment reversed $35.5 million in restructuring charges, which were recorded in 1998, because of our decision to continue operations at two wood products manufacturing plants we had planned to close.

Operating Results Before Nonroutine Items. Sales in 2001 decreased 4%, compared with 2000. The decline was due to lower sales prices for all of our wood products. Average plywood prices declined 2%; oriented strand board (OSB), 28%; and lumber, 7%. Plywood and lumber sales volumes declined due to the closure of the Idaho facilities. Distribution sales were about flat, compared with 2000, as lower prices were offset by higher sales volume.

The increase in sales in 2000, compared with 1999, was due to increased sales in distribution resulting from the acquisition of Furman in third quarter 1999 and increased sales in engineered products resulting from the acquisition of AllJoist in 2000. Excluding these acquisitions, sales declined 10% year over year due to significantly lower wood products prices. Average plywood prices were down 15%, while lumber prices declined 10%. Our plywood plant in Medford, Oregon, which was rebuilt after being damaged by fire in 1998, became fully operational during first quarter 2000. Our plywood plant in Elgin, Oregon, which was damaged by fire in May 1999, began operations at the end of 1999. As a result, plywood unit sales volume in 2000 increased 23% over 1999.

Segment income in 2001 decreased, compared with 2000, due to lower wood products volumes and prices. Delivered-log costs declined 5%, which offset increased conversion and distribution costs.

Reduced segment income in 2000, compared with 1999, was due to lower wood products prices. Costs were up only slightly, primarily in energy-related areas.

Voyageur Panel, a joint venture in Barwick, Ontario, Canada, has the capacity to produce 400 million square feet of OSB panels annually. We hold 47% of the equity. We have an agreement with Voyageur Panel under which we operate the plant and market its product. Our investment in this venture was $36.1 million and $37.6 million at December 31, 2001 and 2000. A Canadian forest products manufacturer and two insurance companies own the other equity interests.

We account for the joint venture under the equity method. Accordingly, segment results do not include the joint venture's sales but do include $1.5 million of equity in losses for 2001 and $4.0 million and $6.5 million of equity in earnings for 2000 and 1999, respectively. The debt of this affiliate, which totaled $15.6 million at December 31, 2001, has been issued without recourse to us. The other shareholders have the right to require Voyageur Panel to buy their equity interests at fair market value. We have the right to buy any shares sold back to Voyageur Panel before they are sold to other investors.

PAPER SOLUTIONS

	2001	2000	1999
Sales	$ 1.9 billion	$ 2.0 billion	$ 1.9 billion
Segment income	$ 70.7 million	$ 202.6 million	$ 117.7 million
Segment income before nonroutine items	$ 70.7 million	$ 202.6 million	$ 115.4 million
Sales Volumes (thousands of short tons)			
Uncoated free sheet	1,386	1,393	1,426
Containerboard	644	680	655
Newsprint	395	423	422
Other	157	150	149
	2,582	2,646	2,652
	==========	===========	==========
Average Net Selling Prices (per short ton) (a)			
Uncoated free sheet	$742	$768	$699
Containerboard	374	404	335
Newsprint	476	458	414

(a) Gross invoice price less trade discounts and freight costs.

Operating Results. The decreased sales in 2001, compared with 2000, were due to lower weighted average paper prices and unit sales volume. Weighted average paper prices decreased 4%, while unit sales volume decreased 2%. During 2001, we took about 150,000 tons of market-related curtailment and about 100,000 tons of downtime for capital projects and maintenance, mostly in uncoated free sheet. Value-added grades produced on our smaller paper machines accounted for 22%, or 310,000 tons, of our uncoated free sheet sales volume in 2001. Value-added grades generally have higher unit costs than commodities but also higher net sales prices and profit margins. Overall, the average net selling price of the value-added grades we sold in 2001 was $183 per ton higher than the average net selling price of our uncoated commodity grades.

Sales in 2000 increased due to weighted average paper prices that were 13% above 1999 prices. Unit sales volume was flat from 1999 to 2000. We incurred about 114,000 tons of market-related curtailment in 2000. Value-added grades produced on our smaller paper machines accounted for 23%, or 324,000 tons, of our uncoated free sheet sales volume in 2000. The average net selling price of the value-added grades we sold in 2000 was $172 per ton higher than the average net selling price of our uncoated commodity grades.

Segment income in 2001 also decreased, compared with 2000, because of higher energy costs, which increased 25% over 2000. The increase in energy costs was only partially offset by lower fiber and other manufacturing costs. Overall unit costs increased 6% in 2001, compared with 2000.

Segment income in 2000 improved significantly over 1999 due to product price increases, partially offset by unit costs that increased 5%. Although fixed costs were down slightly from 1999, variable costs increased, due in large part to rapidly escalating energy-related costs, including natural gas, electricity, and oil costs. Costs for energy purchased in 2000 were $52 million higher than they were in 1999. Most of the increase occurred in the second half of the year.

Office Solutions buys more paper from our paper business than any other customer. Office Solutions purchased 476,000 tons of cut-size office papers produced by Boise in 2001, 448,000 tons in 2000, and 410,000 tons in 1999. We expect this volume to increase in 2002.

Financial Condition and Liquidity

Operating Activities. Operations provided cash of $407.6 million in 2001, $548.5 million in 2000, and $454.6 million in 1999. In 2001, net income items provided $365.6 million of cash, and favorable changes in working capital items provided $42.0 million of cash from operations. In 2000, net income items provided $437.9 million of cash, and favorable changes in working capital items provided $110.6 million of cash from operations. Net income items provided $523.2 million of cash in 1999, offset by $68.6 million of unfavorable changes in working capital items, primarily receivables.

We have sold fractional ownership interests in a defined pool of trade accounts receivable. At both December 31, 2001, and December 31, 2000, $200 million of sold accounts receivable were excluded from "Receivables" in the Balance Sheets, compared with the December 31, 1999, balance of $100 million and the December 31, 1998, balance of $79 million. The increase at December 31, 2000, in sold accounts receivable of $100 million over the amount at December 31, 1999, and the increase at December 31, 1999, in sold accounts receivable of $21 million over the amount at December 31, 1998, provided cash from operations in 2000 and 1999.

Our ratio of current assets to current liabilities was 0.98:1 in 2001, compared with 1.55:1 in 2000. The change in this ratio is primarily the result of $250 million of borrowings under our revolving credit agreement and $125 million of 9.85% notes that were reclassified from long-term debt to current portion of long-term debt in 2001.

Most of our employees are covered by noncontributory defined benefit pension plans. The assets of the pension plans are invested primarily in common stocks, fixed-income securities, and cash equivalents. The market performance of these investments affects our recorded pension obligations, expense, and cash contributions. The amount of required minimum pension liability is determined based on the value of plan assets in comparison to the plans' accrued benefit obligations. Because of a negative return on plan assets in 2001, our minimum pension liability increased significantly, resulting in a decrease of $109.4 million in shareholders' equity in "Accumulated other comprehensive income (loss)." This adjustment to the minimum pension liability was a noncash charge and did not affect net income in 2001. However, we could be required to make further cash contributions and recognize higher pension expense in future years. Assuming an asset return of 9.25% and a discount rate of 7.25% in 2002, we estimate that our 2002 pension expense would increase to approximately $32 million, compared with approximately $11 million recognized in 2001. We expect to make cash contributions of $20 million to $30 million in 2002, compared with approximately $18 million in 2001.

Rental expenses for operating leases were $62.2 million in 2001. For operating leases with remaining terms of more than one year, the minimum lease payment requirements are $44.7 million for 2002, $34.9 million for 2003, $27.7 million for 2004, $21.6 million for 2005, and $18.7 million for 2006, with total payments thereafter of $236.0 million.

We acquire a portion of our wood requirements from outside sources. Except for deposits required pursuant to wood supply contracts, no amounts are recorded until we become obligated to purchase the timber. At December 31, 2001, based on average prices at the time, the unrecorded amount of those contracts was estimated to be approximately $29 million.

Investment Activities. Cash used for investment was $234.5 million in 2001, $548.8 million in 2000, and $327.4 million in 1999. Cash expenditures for property and equipment, timber and timberlands, and investments in equity affiliates totaled $341.5 million in 2001, $314.6 million in 2000, and $227.6 million in 1999. The 2001 amount included $26.1 million for the acquisition of about 54,000 acres of timberland in Alabama and Brazil.

In 2001, we used $4.7 million of cash for one Office Solutions acquisition. We used $216.1 million of cash for the purchase of the BCOP minority shares in 2000. Cash used to purchase facilities in 2000 totaled $130.3 million and included $114.7 million for the Office Solutions acquisition of Blue Star in Australia and New Zealand and $14.6 million for the purchase of the wood I-joist plant in Canada. Cash used to purchase facilities in 1999 included $90.2 million for Furman and $9.4 million for two Office Solutions acquisitions.

Noncash consideration included in capital spending consisted of assumption of debt and recording of liabilities totaling $3.0 million in 2001, $14.0 million in 2000, and $9.7 million in 1999. Details of 2001 capital investment by business are included in the table below:

2001 CAPITAL INVESTMENT BY SEGMENT

	Acquisitions/ Expansion	Quality/ Efficiency (a)	Timber and Timberlands	Replacement, Environmental, and Other	Total
			(millions)		
Office Solutions (b)	$12	$22	$ -	$ 19	$ 53
Building Solutions	62	15	8	28	113
Paper Solutions	3	38	28	107	176
Corporate and Other	1	-	-	6	7
Total	$78	$75	$36	$160	$349

(a) Quality and efficiency projects include quality improvements, modernization, energy, and cost-saving projects.

(b) Noncash capital expenditures totaled $3 million for the assumption of debt and recording of liabilities associated with acquisitions.

We expect capital investment in 2002 to be $270 million to $290 million, excluding acquisitions. In 2001, we began construction of a new facility in Satsop, Washington, to manufacture wood-plastic composite building products. The total cost of this facility is expected to be approximately $80 million. We spent $44.3 million in 2001. The remainder will be spent in 2002. Start-up should occur in third quarter 2002. The balance of our capital spending in 2002 will be for our ongoing environmental compliance program, quality and efficiency projects, replacement, and modest purchases of timber and timberlands. During 2001, we spent $29.6 million on environmental compliance. We expect to spend approximately $20.6 million in 2002 for this purpose.

In September 2000, we sold our European office products operations for $335.3 million. After debt repayments of $17.2 million, we received $158.5 million in 2000. In early January 2001, we received a final payment, net of forward exchange contracts, of $159.6 million, which we used to reduce debt.

In October 1999, we sold 56,000 acres of timberland in central Washington. The pretax gain on the sale was $47.0 million. Net cash proceeds after transaction costs and adjustments for timber harvested were $50.2 million.

Financing Activities. Cash used for financing was $179.2 million in 2001, $3.8 million in 2000, and $134.6 million in 1999. Dividend payments totaled $49.7 million in 2001, $50.4 million in 2000, and $51.1 million in 1999. In all three years, our quarterly cash dividend was 15 cents per common share.

Changes in short-term borrowings are reflected in net changes in notes payable. Additions to long-term debt in 2001 included $25 million of medium-term notes and $14.6 million of bank debt for our Australian operations. Payments of long-term debt in 2001 included $300 million under our revolving credit agreement and repayment of $40 million of medium-term notes.

In December 2001, a consolidated subsidiary trust issued $172.5 million of 7.5% adjustable conversion-rate equity security units that are redeemable in 2006. We used the net proceeds from this issuance to reduce borrowings under our revolving credit agreement and short-term debt. In December 2004, we will issue between 4.4 million and 5.4 million shares of our common stock and receive $172.5 million related to these securities. See Note 9 to the financial statements for additional detail.

Additions to long-term debt in 2000 included $175 million of net borrowings under our revolving credit agreement. Payments of long-term debt in 2000 included retirement of $100 million of 9.9% notes and repayment of $15 million of medium-term notes.

Additions to long-term debt in 1999 included $70 million of net borrowings under our revolving credit agreement and $59 million of medium-term notes. Payments of long-term debt in 1999 included redemption of $100 million of 9.875% notes, $59 million of medium-term notes, and $10 million under the former BCOP revolving credit agreement.

At December 31, 2001, we had $1.6 billion of debt outstanding. At December 31, 2000, we had $1.9 billion of debt outstanding. Our debt-to-equity ratio was 1.00:1 at December 31, 2001, and 1.09:1 at December 31, 2000. Changes in our credit ratings have no impact on our current senior long-term debt but could affect our costs of borrowings in future debt issuances and under the terms of our revolving credit agreements.

We have a revolving credit agreement with 23 major banks that permits us to borrow up to $600 million at variable interest rates based on the London Interbank Offered Rate (LIBOR). At December 31, 2001, the rate was 2.2%. We have entered into interest rate swaps related to $150 million of these borrowings, which gave us an effective interest rate for the revolving credit agreement of 3.8% at December 31, 2001. The revolving credit agreement contains financial covenants relating to minimum net worth, minimum interest coverage ratio, and ceiling ratio of debt to capitalization. Under this agreement, the payment of dividends depends on the existence and amount of net worth in excess of the defined minimum. Our net worth at December 31, 2001, exceeded the defined minimum by $117.2 million. At December 31, 2001, $250 million of borrowings was outstanding under this agreement. When the agreement expires in June 2002, any amount outstanding will be due and paya ble. We are currently negotiating a new revolving credit agreement.

At December 31, 2001 and 2000, we had $48.7 million and $52.0 million of short-term borrowings outstanding. The maximum amounts of combined short-term borrowings outstanding during the years ended December 31, 2001 and 2000, were $126.9 million and $173.1 million. The average amounts of short-term borrowings outstanding during the years ended December 31, 2001 and 2000, were $50.9 million and $94.0 million. For 2001 and 2000, the average interest rates for these borrowings were 4.6% and 6.7%.

Our $125 million of 9.85% notes are due and payable in June 2002.

At December 31, 2001, we had $405 million of unused shelf capacity registered with the Securities and Exchange Commission (SEC) for additional debt securities. In January 2002, we used $150 million of this capacity to sell 7.5% notes due in 2008. We used the proceeds from this sale to reduce borrowings under our revolving credit agreement and short-term debt.

Our cash requirements going forward will be funded through a combination of cash flow from operations, borrowings under our existing and future credit facilities, issuance of new debt or equity securities, and possible sales of assets.

We believe inflation has not had a material effect on our financial condition or results of operations; however, there can be no assurance that we will not be affected by inflation in the future. Our overall sales are not subject to significant seasonal variations.

Disclosures of Financial Market Risks

Changes in interest and currency rates expose the company to financial market risk. Our debt is predominantly fixed-rate. We experience only modest changes in interest expense when market interest rates change. Most foreign currency transactions have been conducted in local currencies, limiting our exposure to changes in currency rates. Consequently, our market risk-sensitive instruments do not subject us to material market risk exposure. Changes in our debt and continued international expansion could increase these risks. To manage volatility relating to these exposures, we may enter into various derivative transactions, such as interest rate swaps, rate hedge agreements, forward purchase contracts, and forward exchange contracts. We do not use derivative financial instruments for trading purposes.

The table below provides information about our financial instruments that are sensitive to changes in interest rates or foreign currency exchange rates. For debt obligations, the table presents principal cash flows and related weighted average interest rates by expected maturity dates. For obligations with variable interest rates, the table sets forth payout amounts based on current rates and does not attempt to project future interest rates. The interest rate swaps hedge the variable cash flow risk from the variable interest payments on $150 million of our current and anticipated future revolving credit agreements.

FINANCIAL INSTRUMENTS

							December 31			
							2001		2000	
	2002	2003	2004	2005	2006	There- after	Total	Fair Value	Total	Fair Value
						(millions)				
Debt										
Short-term borrowings	$ 48.7	-	-	-	-	-	$ 48.7	$ 48.7	$ 52.0	$ 52.0
Average interest rates	2.2%	-	-	-	-	-	2.2%	-	7.3%	-
Long-term debt										
Fixed-rate debt payments	$ 171.0	$ 158.1	$ 74.5	$ 215.0	$ 39.1	$ 603.8	$ 1,261.5	$ 1,201.6	$ 1,315.7	$ 1,276.2

Average interest rates	9.2%	8.9%	7.6%	7.2%	7.6%	7.1%	7.7%	-	7.9%	-
Variable-rate debt payments	$ 250.0	-	$ 25.0	-	-	-	$ 275.0	$ 273.1	$ 550.0	$ 550.0
Average interest rates	3.8%	-	4.0%	-	-	-	3.8%	-	7.0%	-
Adjustable conversion-rate equity security units	- -	- -	- -	- -	$ 172.5	- -	$ 172.5	$ 172.5	- -	- -
Average interest rate	-	-	-	-	7.5%	-	7.5%	-	-	-
Forward exchange contracts										
Notional currency (weighted average contractual exchange rate) Receive U.S. dollars/pay										
New Zealand dollars (.4138)	160.0	-	-	-	-	-	160.0	$ (.4) (a)	160.0	$ (6.6) (a)
Interest rate swaps										
Notional principal amount of interest rate exchange agreements maturing (variable to fixed)	- -	$ 50.0	$ 100.0	- -	- -	- -	$ 150.0	$ (4.8)	- -	- -
Average pay rate	-	5.4%	4.5%	-	-	-	4.8%	-	-	-
Average receive rate	-	2.1%	2.2%	-	-	-	2.2%	-	-	-

(a) Unrealized losses recorded in income at December 31, 2001 and 2000.

Forward exchange contracts were purchased to mitigate foreign currency risk related to foreign currency-denominated receivables of 187.7 million New Zealand dollars. Exchange gains and losses on the contracts partially offset exchange gains and losses on the receivables at December 31, 2001. For foreign currency forward exchange agreements outstanding as of December 31, 2001, the table presents notional amounts in the foreign currencies and weighted average contractual exchange rates by contractual maturity dates. These notional amounts are used to calculate the contractual payments to be exchanged under the contracts. The contracts mature in February 2002. Future exchange rates were not considered in the calculation of fair values at December 31, 2001.

We are exposed to modest credit-related risks in the event of nonperformance by counterparties to forward exchange contracts and interest rate swaps. However, we do not expect the counterparties, which are all major financial institutions, to fail to meet their obligations.

Other instruments subject to market risk, such as obligations for pension plans and other postretirement benefits, are not reflected in the table.

Timber Supply and Environmental Issues

Over the past several years, the amount of timber from public lands available for commercial harvest in the United States has declined significantly due to environmental litigation and changes in government policy. In 2001, we closed our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, due to the significant decline in federal timber offered for sale. Further constraints on timber supply that would affect our remaining facilities may be imposed in the future. As a result, we cannot accurately predict future log supply. Additional curtailments or closures of our wood products manufacturing facilities are possible.

We meet an important share of our fiber needs with the 2.3 million acres of timberland we own or control. During 2001, 44% of our fiber needs were met by internal sources, 47% by private sources, and 9% by government sources. During 2000, these percentages were 41%, 47%, and 12%, and during 1999, they were 40%, 50%, and 10%. Long-term leases generally provide Boise with timber harvesting rights and carry with them responsibility for managing the timberlands. The remaining life of all leases ranges from 15 to 64 years. In addition, we have an option to purchase approximately 205,000 acres of timberland under lease and/or contract in the South. We manage our timberlands so that they will provide a continuous and sustainable supply of wood for future needs.

Our two Northwest pulp and paper mills receive approximately 60% of their wood chips from internal sources, including our wood products and whole-log chipping operations and our cottonwood fiber farm near Wallula, Washington. Roughly 24% of the pulp used by our Wallula uncoated free sheet machine during 2001 was made from this cottonwood fiber.

In 2001, we purchased 19,000 acres of timberland to support the operations of our pulp and paper mill in Jackson, Alabama. Fiber for our newly constructed eucalyptus veneer and plywood plant in Brazil will initially come from private sources. We also purchased 35,000 acres of plantation land in Brazil to meet future fiber requirements.

Our forest management practices embrace the American Forest & Paper Association's Sustainable Forestry Initiative (SFI℠), a comprehensive system of principles, objectives, and performance measures that integrates the sustainable growing and harvesting of trees with protection of wildlife, plants, soil, and water quality. In 2000, we implemented a Forest Stewardship Program that includes ongoing third-party audits of our forest management practices on the 2.3 million acres of timberland we own or control in the United States and on other private and public lands from which we purchase timber.

PricewaterhouseCoopers LLP, an international audit firm, completed forest management and procurement audits on 1.8 million acres of Boise's timberland in Alabama, Louisiana, Minnesota, northeastern Oregon, and Washington in 2001 and forest management audits on 500,000 acres of our timberland in Idaho and western Oregon in 2000. The PricewaterhouseCoopers audit teams included technical experts in forest engineering, forest planning, range management, silviculture, and wildlife management. Auditors interviewed Boise staff, contractors, timber dealers, state and federal agency employees, landowners from whom the company has purchased timber, and neighboring landowners. Auditors also inspected office processes and numerous sites in the forest. These audits certified our full conformance with SFI Program standards and confirmed our conformance with our internal Forest Stewardship Values and Measures. The audits identified good management practices, where our performance was judged to be above av erage for the industry, and opportunities for improvement, where management practices and processes could be upgraded. Based on the auditors' feedback, we are developing and implementing action plans to improve our forest management practices.

Another feature of our program is a Forest Stewardship Advisory Council of nationally known conservation experts who participate with our forest managers in reviewing audit results and recommending any changes. Our customers are also invited to accompany audit teams into the forests to observe their work. In 2001, 34 customer representatives observed our timberland audits.

We invest substantial capital to comply with federal, state, and local environmental laws and regulations. Failure to comply with pollution control standards could result in interruption or suspension of our operations or could require additional expenditures. Our operating procedures and expenditures for ongoing pollution prevention and control should allow us to continue to meet applicable environmental standards.

In 1998, the Environmental Protection Agency (EPA) published rules, often referred to as Cluster Rules, that further regulate air and water emissions from pulp and paper mills. Our capital investment to date to comply with these rules has been approximately $117 million. In 2001, we met all current requirements mandated by the Cluster Rules. We anticipate that we will spend approximately $80 million to comply with rules that must be met by 2006.

We have been notified that we are a "potentially responsible party" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or similar federal and state laws with respect to 20 active sites where hazardous substances or other contaminants are located. In most cases, we are one of many potentially responsible parties, and our alleged contribution to these sites is relatively minor. For sites where a range of potential liability can be determined, we have established appropriate reserves. We believe we have minimal or no responsibility with regard to several other sites. We cannot predict with certainty the total response and remedial costs, our share of the total costs, the extent to which contributions will be available from other parties, or the amount of time necessary to complete the cleanups. Based on our investigations, our experience with respect to cleanup of hazardous substances, the fact that expenditures will, in many cases, be incurred over extended periods of time, and the number of solvent potentially responsible parties, we do not currently believe that the known actual and potential response costs will, in the aggregate, materially affect our financial condition or results of operations.

In March 2000, EPA Regions VI and X issued Boise a combined Notice of Violation (NOV) alleging violations of air emission permits and the New Source Review/Prevention of Significant Deterioration program. In March 2001, the EPA issued a second NOV, supplementing the original notice. The NOV alleged violations at seven of our plywood plants and one particleboard plant for the period 1979 through 1998. The NOV set forth the EPA's authority to seek, among other things, penalties of up to $27,500 per day for each violation. In March 2002, we resolved the allegations through a consent decree filed in U.S. District Court in Oregon. The consent decree is pending approval by the Court. As part of the consent decree, we agreed to install additional air pollution controls at several facilities at a total capital cost of approximately $12 million. We also agreed to implement supplemental environmental projects at a cost of approximately $2.9 million. These expenditures will be made over several year s and will be capitalized as part of our additions to property, plant and equipment and will be depreciated over their expected useful lives. Additionally, we agreed to pay a $4.35 million civil penalty. The company had previously established reserves for this penalty.

Critical Accounting Policies

The SEC defines critical accounting policies as those that are most important to the portrayal of our financial condition and results and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our current critical accounting policies are as follows.

Long-Lived Asset Impairment. We accounted for the impairment of long-lived assets in accordance with Financial Accounting Standards Board (FASB) Statement No. 121 and, beginning in 2002, will account for it in accordance with FASB Statement No. 144. We test for impairment using undiscounted cash flows and calculate the amount of impairment using discounted cash flows. Estimates of future cash flows require judgment and may change based on, among other things, the availability of timber, environmental requirements, capital spending decisions, and market conditions.

Restructuring Charges. Because of our decision to close our Idaho plywood and lumber operations, we recorded restructuring charges to accrue for liabilities rising from that closure. We accounted for these liabilities in accordance with Emerging Issues Task Force Issue 94-3. The estimates of future liabilities may change, requiring the recording of additional closure costs or the reduction of liabilities already recorded. Changes in estimates occur when exit costs, such as tear-down, environmental cleanup, and contractual obligations with no future benefit, are more or less costly than originally estimated.

Investments in Equity Affiliates. We periodically review the recoverability of investments in equity affiliates in accordance with Accounting Principles Board (APB) Opinion 18. The measurement of impairment is based on the estimated fair value of our investment. In 2001, we wrote down our investment in an equity affiliate, IdentityNow, using a discounted cash flow valuation method to determine fair value. The fair value of our investment could further decline if actual cash flows are less than projected or if IdentityNow, or the consolidated group of which it is a member, experiences additional liquidity problems.

Impairment Testing of Goodwill. We account for acquisitions under the purchase method of accounting, typically resulting in goodwill. We tested the value of goodwill in accordance with APB Opinion 17, using an undiscounted cash flow method. Beginning in 2002, we will perform an annual impairment test of goodwill under the provisions of FASB Statement No. 142. This statement requires estimates of fair values of reporting units. Estimates of fair values will vary from year to year due to changing business conditions in the United States, Canada, Australia, and New Zealand. These changes in fair values could cause us to reduce the carrying value of goodwill in future years.

Pensions. Most of our employees are covered by noncontributory defined benefit pension plans. We account for these costs in accordance with FASB Statement No. 87. That statement requires us to calculate our pension expense and liabilities using actuarial assumptions, including a discount rate assumption and a long-term asset return assumption. Returns on plan assets at, or in excess of, our asset return assumptions in past years have kept our pension expense and cash contributions to the plans at modest levels. Recent weaker market performance will significantly increase our pension expense and cash contributions in the future unless asset returns again exceed our assumptions. Changes in the interest rates that we use to determine our discount rate assumption may also cause volatility in our expense and cash contributions.

Environmental Remediation. We account for environmental remediation liabilities in accordance with the American Institute of Certified Public Accountants Statement of Position 96-1. Liabilities are recorded on an undiscounted basis when assessments and/or remedial efforts are probable and the cost can be reasonably estimated. We cannot predict with certainty the total response and remedial costs, our share of total costs, the extent to which contributions will be available from other parties, or the amount of time necessary to complete any remediation.

OUTLOOK

The recession in the U.S. economy is continuing to dampen demand in all of our businesses. Boise's near-term results are likely to be weak. Sales in Office Solutions in early 2002 are running below prior-year levels. Product prices in Paper Solutions were lower in early 2002 than fourth-quarter 2001 averages, and we expect to continue to take market-related curtailment. Building Solutions markets were at seasonal low points in early 2002.

Longer term, we are more optimistic. If the U.S. economy improves later in 2002, as we anticipate, the company should more clearly demonstrate its earning power.

In Office Solutions, sales growth should return to high single-digit or low double-digit rates as the economy recovers. We expect to maintain operating profit in the 3.5% to 4.5% range.

Housing starts are still relatively strong, which is important to our Building Solutions business. However, new structural panel supply is scheduled to start production this year, so the pace of recovery in this business may be moderate. We expect additional contributions from our engineered wood products and building materials distribution businesses.

In Paper Solutions, significant uncoated free sheet capacity closures in the United States, conversions of uncoated capacity to coated grades in Europe, and the limited amount of new capacity being added throughout the world are shifting the balance of supply and demand for uncoated free sheet in a favorable direction. Both consumer and producer inventories are at low levels. If the U.S. economy and paper demand improve, even modestly, shipments and operating rates should rise and support much better market conditions. Given our significant position in the uncoated free sheet business, Paper Solutions financial performance should improve substantially.

Forward-Looking Statements

Our Annual Report to Shareholders, including the preceding outlook, contains forward-looking statements as defined by federal securities laws. Actual results may differ materially from those expressed in or implied by the statements. Factors that could cause actual results to differ include, among other things, fluctuations in production capacity and demand across pulp, paper, and wood products markets; changes in the U.S. and world economies and the effect of those changes on imports and exports of paper and wood products; changes in the level of white-collar employment and the effect of those changes on the purchase of office products and paper; the implementation of laws and regulations that affect timber supply and/or our expenditures for environmental compliance; catastrophic events such as fire or windstorm; changes in energy and energy-related costs; the introduction of new technologies that reduce or replace the use of resource-based products; and other factors included in our filings with t he SEC.

STATEMENTS OF INCOME (LOSS)

Boise and Subsidiaries

	Year Ended December 31		
	2001	2000	1999
	(thousands, except per-share amounts)		
Revenues			
Sales	$ 7,422,175	$ 7,806,657	$ 7,148,340
Costs and expenses			
Materials, labor, and other operating expenses	5,990,601	6,193,863	5,573,610
Depreciation, amortization, and cost of company timber harvested	296,023	297,700	288,994
Selling and distribution expenses	785,243	832,485	745,927
General and administrative expenses	131,720	124,177	125,273
Other (income) expense, net	129,460	(83,535)	(77,707)
	7,333,047	7,364,690	6,656,097
Equity in net income (loss) of affiliates	(8,039)	2,061	6,115
Income from operations	81,089	444,028	498,358
Interest expense	(127,688)	(151,163)	(144,740)
Interest income	1,822	5,861	2,323
Foreign exchange loss	(2,834)	(395)	(1)
	(128,700)	(145,697)	(142,418)
Income (loss) before income taxes and minority interest	(47,611)	298,331	355,940
Income tax (provision) benefit	5,494	(116,349)	(142,376)
Income (loss) before minority interest	(42,117)	181,982	213,564
Minority interest, net of income tax	(384)	(3,408)	(13,811)
Net income (loss)	$ (42,501)	$ 178,574	$ 199,753
	========	========	========
Net income (loss) per common share			
Basic	$(.96)	$2.89	$3.27
	====	====	====
Diluted	$(.96)	$2.73	$3.06
	====	====	====

The accompanying notes are an integral part of these Financial Statements.

BALANCE SHEETS

Boise and Subsidiaries

	December 31	
	2001	2000
	(thousands)	
ASSETS		
Current		
Cash and cash equivalents	$ 56,702	$ 62,820
Receivables, less allowances of $11,534,000 and $7,607,000	424,722	671,793
Inventories	652,953	747,829
Deferred income tax benefits	65,004	50,924
Other	45,646	43,955
	1,245,027	1,577,321

Property		
Property and equipment		
Land and land improvements	68,482	70,551
Buildings and improvements	675,905	648,256
Machinery and equipment	4,606,102	4,447,628
	5,350,489	5,166,435
Accumulated depreciation	(2,742,650)	(2,584,784)
	2,607,839	2,581,651
Timber, timberlands, and timber deposits	322,132	291,132
	2,929,971	2,872,783
Goodwill and intangible assets, net of amortization of $61,986,000 and $49,053,000	408,279	403,331
Investments in equity affiliates	62,162	134,757
Other assets	288,529	278,731
Total assets	$ 4,933,968	$ 5,266,923
	=========	=========

The accompanying notes are an integral part of these Financial Statements.

BALANCE SHEETS (continued)

Boise and Subsidiaries

	December 31	
	2001	2000
	(thousands, except per-share amounts)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Short-term borrowings	$ 48,700	$ 52,000
Current portion of long-term debt	391,379	41,314
Income taxes payable	-	15,884
Accounts payable	503,402	596,882
Accrued liabilities		
Compensation and benefits	151,094	150,138
Interest payable	25,510	27,802
Other	145,866	130,374
	1,265,951	1,014,394
Debt		
Long-term debt, less current portion	1,062,866	1,714,776
Guarantee of ESOP debt	80,889	107,911
	1,143,755	1,822,687
Other		
Deferred income taxes	308,305	383,646
Other long-term liabilities	465,104	279,755
	773,409	663,401
Minority interest		
Company-obligated mandatorily redeemable securities of subsidiary trust holding solely debentures of parent	172,500	- -
Other minority interest	-	9,469
Commitments and contingent liabilities		
Shareholders' equity		
Preferred stock -- no par value; 10,000,000 shares authorized;		
Series D ESOP: $.01 stated value; 4,480,580 and 4,688,030 shares outstanding	201,626	210,961
Deferred ESOP benefit	(80,889)	(107,911)
Common stock -- $2.50 par value; 200,000,000 shares authorized; 58,061,762 and 57,337,158 shares outstanding	145,154	143,343
Additional paid-in capital	466,952	454,849
Retained earnings	985,311	1,074,228
Accumulated other comprehensive income (loss)	(139,801)	(18,498)
Total shareholders' equity	1,578,353	1,756,972
Total liabilities and shareholders' equity	$ 4,933,968	$ 5,266,923
	=========	=========
Shareholders' equity per common share	$25.10	$28.85
	=====	=====

The accompanying notes are an integral part of these Financial Statements.

STATEMENTS OF CASH FLOWS

Boise and Subsidiaries

Year Ended December 31		
2001	2000	1999
(thousands)		

(thousands)

Cash provided by (used for) operations			
Net income (loss)	$ (42,501)	$ 178,574	$ 199,753
Items in net income (loss) not using (providing) cash			
Equity in net (income) loss of affiliates	8,039	(2,061)	(6,115)
Depreciation, amortization, and cost of company timber harvested	296,023	297,700	288,994
Deferred income tax provision (benefit)	(17,302)	58,486	111,577
Minority interest, net of income tax	384	3,408	13,811
Restructuring activities	57,929	-	(37,815)
Write-down of assets	54,261	-	-
Other	13,705	395	1
Gains on sale of assets	(5,000)	(98,618)	(46,981)
Receivables	78,112	101,767	(93,493)
Inventories	93,084	(45,360)	(26,772)
Accounts payable and accrued liabilities	(109,150)	57,973	30,107
Current and deferred income taxes	(9,988)	6,782	13,300
Other	(10,045)	(10,528)	8,232
Cash provided by operations	407,551	548,518	454,599
Cash provided by (used for) investment			
Expenditures for property and equipment	(304,857)	(296,858)	(221,206)
Expenditures for timber and timberlands	(35,901)	(8,111)	(6,300)
Investments in equity affiliates	(783)	(9,672)	(80)
Purchase of minority interest	-	(216,087)	-
Purchases of facilities	(4,655)	(130,275)	(99,591)
Sales of assets	160,984	158,541	50,212
Other	(49,299)	(46,372)	(50,426)
Cash used for investment	(234,511)	(548,834)	(327,391)
Cash provided by (used for) financing			
Cash dividends paid			
Common stock	(34,546)	(34,356)	(34,008)
Preferred stock	(15,175)	(16,019)	(17,129)
	(49,721)	(50,375)	(51,137)
Short-term borrowings	(3,300)	(3,816)	(57,712)
Additions to long-term debt	39,559	175,370	134,426
Payments of long-term debt	(342,084)	(118,814)	(172,730)
Issuance of adjustable conversion-rate equity security units	165,225	- -	- -
Other	11,163	(6,164)	12,512
Cash used for financing	(179,158)	(3,799)	(134,641)
Decrease in cash and cash equivalents	(6,118)	(4,115)	(7,433)
Balance at beginning of the year	62,820	66,935	74,368
Balance at end of the year	$ 56,702	$ 62,820	$ 66,935
	========	========	========

The accompanying notes are an integral part of these Financial Statements.

STATEMENTS OF SHAREHOLDERS' EQUITY

Boise and Subsidiaries

For the Years Ended December 31, 1999, 2000, and 2001

Common Shares Outstanding		Total Share-holders' Equity	Preferred Stock	Deferred ESOP Benefit	Common Stock	Addi-tional Paid-in Capital	Retained Earnings	Accumulated Other Com-prehensive Income (Loss)
					(thousands)			
56,338,426	Balance at December 31, 1998	$ 1,431,099	$ 241,049	$ (155,731)	$ 140,846	$ 420,890	$ 791,618	$ (7,573)
	Comprehensive income (loss)							
	Net income	199,753	-	-	-	-	199,753	-
	Other comprehensive income (loss), net of tax							
	Cumulative foreign currency translation adjustment	(5,632)	- -	- -	- -	- -	- -	(5,632)
	Minimum pension liability adjustment	1,292	- -	- -	-	- -	- -	1,292
	Other comprehensive loss	(4,340)	- -	- -	- -	- -	- -	(4,340)
	Comprehensive income	$ 195,413						
		===========						
	Cash dividends declared							
	Common stock	(34,129)	-	-	-	-	(34,129)	-
	Preferred Stock	(17,127)	-	-	-	-	(17,127)	-
846,872	Stock options exercised	29,189	-	-	2,117	27,072	-	-
(28,731)	Treasury stock cancellations	(18,175)	(16,850)	-	(72)	(225)	(1,028)	-
991	Other	27,843	-	22,922	3	1,303	3,615	-

STATEMENTS OF SHAREHOLDERS' EQUITY (continued)

For the Years Ended December 31, 1999, 2000, and 2001

Common Shares Outstanding		Total Share-holders' Equity	Preferred Stock	Deferred ESOP Benefit	Common Stock	Addi-tional Paid-in Capital	Retained Earnings	Accumulated Other Com-prehensive Income (Loss)
					(thousands)			
57,157,558	Balance at December 31, 1999	$ 1,614,113	$ 224,199	$ (132,809)	$ 142,894	$ 449,040	$ 942,702	$ (11,913)
	Comprehensive income (loss)							
	Net income	178,574	-	-	-	-	178,574	-
	Other comprehensive income (loss), net of tax							
	Cumulative foreign currency translation adjustment	2,271	- -	- -	- -	- -	- -	2,271
	Minimum pension liability adjustment	(8,856)	- -	- -	- -	- -	- -	(8,856)
	Other comprehensive loss	(6,585)	-	-	-	-	-	(6,585)
	Comprehensive income	$ 171,989						
	Cash dividends declared							
	Common stock	(34,384)	-	-	-	-	(34,384)	-
	Preferred stock	(16,019)	-	-	-	-	(16,019)	-
179,157	Stock options exercised	6,201	-	-	448	5,753	-	-
(1,422)	Treasury stock cancellations	(13,279)	(13,238)	-	(4)	(11)	(26)	-
1,865	Other	28,351	-	24,898	5	67	3,381	-

STATEMENTS OF SHAREHOLDERS' EQUITY (continued)

For the Years Ended December 31, 1999, 2000, and 2001

Common Shares Outstanding		Total Share-holders' Equity	Preferred Stock	Deferred ESOP Benefit	Common Stock	Addi-tional Paid-in Capital	Retained Earnings	Accumulated Other Com-prehensive Income (Loss)
					(thousands)			
57,337,158	Balance at December 31, 2000	$ 1,756,972	$ 210,961	$ (107,911)	$ 143,343	$ 454,849	$ 1,074,228	$ (18,498)
	Comprehensive income (loss)							
	Net loss	(42,501)	-	-	-	-	(42,501)	-
	Other comprehensive loss, net of tax							
	Cumulative foreign currency translation adjustment	(9,014)	- -	- -	- -	- -	- -	(9,014)
	Cash flow hedges	(2,907)	-	-	-	-	-	(2,907)
	Minimum pension liability adjustment	(109,382)	- -	- -	- -	- -	- -	(109,382)
	Other comprehensive loss	(121,303)	-	-	-	-	-	(121,303)
	Comprehensive loss	$ (163,804)						
	Cash dividends declared							
	Common stock	(34,653)	-	-	-	-	(34,653)	-
	Preferred stock	(15,180)	-	-	-	-	(15,180)	-
717,639	Stock options exercised	21,735	-	-	1,794	19,941	-	-
(3,940)	Treasury stock cancellations	(9,460)	(9,335)	-	(10)	(31)	(84)	-
10,905	Other	22,743	-	27,022	27	(7,807)	3,501	-
58,061,762	Balance at December 31, 2001	$ 1,578,353	$ 201,626	$ (80,889)	$ 145,154	$ 466,952	$ 985,311	$ (139,801)

The accompanying notes are an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS
Boise and Subsidiaries

1. Summary of Significant Accounting Policies

Nomenclature. Beginning with our 2001 Annual Report, we have changed our company trade name to Boise and the names of our reportable business segments to Office Solutions, Building Solutions, Paper Solutions, and Corporate and Other. Previously, we have referred to Boise Cascade Corporation and the office products, building products, paper and paper products, and corporate and other segments.

Consolidation and Use of Estimates. The financial statements include the accounts of the company and all subsidiaries after elimination of intercompany balances and transactions. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from those estimates.

Foreign Currency Translation. Local currencies are considered the functional currencies for most of our operations outside the United States. Assets and liabilities are translated into U.S. dollars at the rate of exchange in effect at the balance sheet date. Revenues and expenses are translated into U.S. dollars at average monthly exchange rates prevailing during the year. Resulting translation adjustments are included in "Accumulated other comprehensive income (loss)." The foreign exchange losses reported in the Statements of Income (Loss) rose primarily from transaction adjustments where the U.S. dollar is the functional currency (see Note 10).

Revenue Recognition. We recognize revenue when title to the goods sold passes to the buyer.

Cash and Cash Equivalents. Cash equivalents consist of short-term investments that have a maturity of three months or less at the date of purchase.

Inventory Valuation. Inventories are valued at the lower of cost or market. Cost is based on the last-in, first-out (LIFO) method of inventory valuation for raw materials and finished goods inventories at most of our domestic wood products and paper manufacturing facilities. Manufactured inventories include costs for materials, labor, and factory overhead. Approximately 30% of our inventories are accounted for under this method. In 2001, inventory quantity reductions caused a liquidation of LIFO inventory values. The effect of this liquidation was to reduce our pretax loss by $9.0 million, or 10 cents per basic and diluted share. For all other inventories, cost is based on the average or first-in, first-out (FIFO) valuation method.

Inventories include the following:

	December 31	
	2001	2000
	(thousands)	
Finished goods and work in process	$ 507,223	$ 583,030
Logs	62,390	87,176
Other raw materials and supplies	135,796	141,888
LIFO reserve	(52,456)	(64,265)
	$ 652,953	$ 747,829

Property. Property and equipment are recorded at cost. Cost includes expenditures for major improvements and replacements and the net amount of interest cost associated with significant capital additions. Capitalized interest was $1.9 million in 2001, $1.5 million in 2000, and $0.2 million in 1999. Gains and losses from sales and retirements are included in income as they occur. Most of our paper and wood products manufacturing facilities determine depreciation by the units-of-production method; other operations use the straight-line method.

Depreciation is computed over the following estimated useful lives:

Buildings and improvements	20 to 40 years
Furniture and fixtures	5 to 10 years
Machinery, equipment, and delivery trucks	4 to 20 years
Leasehold improvements	10 to 40 years

Timber and Timberlands. Timber and timberlands are stated at cost, less the accumulated cost of timber previously harvested. The vast majority of our timberlands are long-rotation, which have growing cycles averaging over 40 years. Capitalized costs for these timberlands include site preparation, seeding, and planting. Other costs, including thinning, fertilization, pest control, herbicide application, leases of timberland, property taxes, and interest costs, are expensed as incurred. At our short-rotation fiber farms, which have growing cycles averaging seven years, costs of planting, thinning, fertilization, pest control, herbicide application, and irrigation are capitalized in accordance with accounting requirements for agricultural products, which this timber more closely resembles. Costs of administration, insurance, property taxes, and interest are expensed. We charge capitalized costs, excluding land, against revenue at the time the timber is harvested, based on annually determined de pletion rates. These charges are included in "Depreciation, amortization, and cost of company timber harvested" in the accompanying Statements of Income (Loss).

For each of our facilities, we identify a geographic area from which we can economically deliver timber to the facility. We determine depletion rates for our timber ownership in each of these geographic areas. Depletion rates are calculated at the end of each year based on the capitalized costs and the estimated volume of timber that is mature enough to be harvested and processed. The estimated available volume is computed by adding an estimate of current-year growth to the prior-year ending balance, less the current-year harvest. We test periodically, and revise when appropriate, the volume and growth estimates, using statistical sampling techniques and data from monitored growth plots. The rate calculated at the end of the year is used to calculate the cost of timber harvested in the subsequent year. We do not change our accounting when the timber reaches maturity or when harvesting begins. Logging roads are amortized over their expected useful lives or as related timber is harvested.

We acquire a portion of our wood requirements from outside sources. Except for deposits required pursuant to wood supply contracts, no amounts are recorded until we become obligated to purchase the timber. At December 31, 2001, based on average prices at the time, the unrecorded amount of those contracts was estimated to be approximately $29 million.

Goodwill and Intangible Assets. Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and intangible assets of businesses acquired. Goodwill is amortized on a straight-line basis over its expected useful life, not to exceed 40 years. Goodwill, net of amortization, totaled $385.2 million and $396.8 million at December 31, 2001 and 2000. Intangible assets represent the values assigned to noncompete agreements, customer lists and relationships, and exclusive distribution rights of businesses acquired. Intangible assets are amortized on a straight-line basis over their expected useful lives, which range from three years to 20 years. Intangible assets, net of amortization, totaled $23.1 million and $6.5 million at December 31, 2001 and 2000. Periodically, we review the recoverability of goodwill and intangible assets. The measurement of possible impairment is based on the ability to recover the balance of the goodwill and intangible assets from expected future operating cash flows on an undiscounted basis. Amortization expense was $12.9 million in 2001, $14.9 million in 2000, and $15.1 million in 1999. See "New Accounting Standards" in Note 1 for changes in accounting for goodwill.

Investments in Equity Affiliates. We use the equity method to account for investments in which we have more than a passive investment but do not control. We periodically review the recoverability of investments in equity affiliates. The measurement of possible impairment is based on the estimated fair value of our investment (see Note 7).

Deferred Software Costs. We defer software costs that benefit future years. These costs are amortized on the straight-line method over the expected life of the software. "Other assets" in the Balance Sheets includes deferred software costs of $67.8 million and $59.7 million at December 31, 2001 and 2000. Amortization of deferred software costs totaled $20.3 million, $15.4 million, and $12.6 million in 2001, 2000, and 1999.

Environmental Remediation and Compliance. Environmental expenditures resulting in additions to property and equipment that increase useful lives are capitalized, while other environmental expenditures are charged to expense. Liabilities are recorded when assessments and/or remedial efforts are probable and the cost can be reasonably estimated. We accrue for landfill closure costs over the periods that benefit from the use of the landfill. These environmental liabilities are not discounted.

Research and Development Costs. Research and development costs are expensed as incurred. During 2001, research and development expenses were $4.8 million, compared with $5.1 million in 2000 and $3.6 million in 1999.

Advertising and Catalog Costs. We expense the cost of advertising, except for catalog costs. The costs of producing and distributing sales catalogs are capitalized and charged to expense in the periods in which the related sales occur. Advertising expense was $45.0 million in 2001, $74.2 million in 2000, and $83.7 million in 1999 and is recorded in "Selling and distribution expenses." Capitalized catalog costs, which are included in "Other current assets," totaled $13.1 million at December 31, 2001, and $12.9 million at December 31, 2000.

New Accounting Standards. In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets. The provisions of Statement No. 141 became effective July 1, 2001. The provisions of Statement No. 142 became effective January 1, 2002.

Statement No. 141 should have little impact on us. We have used the purchase method to account for recent acquisitions, which is continued under the new standard. Statement No. 142 requires us to assess our acquired goodwill for impairment annually. We will complete that initial assessment, in accordance with the provisions of the standard, in 2002. We also stopped amortizing goodwill January 1, 2002. For the year ended December 31, 2001, amortization of goodwill that will no longer be required totaled $10.1 million pretax, or 14 cents per diluted share.

In August 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations. This statement addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. Under the new statement, we will record both an initial asset and a liability for estimated costs of legal obligations associated with the retirement of long-lived assets. The initial asset will be depreciated over the expected useful life of the asset. This statement will change our accounting for landfill closure costs. We currently accrue the estimated costs of closure over the expected useful life of the landfill. These costs have not been material in any individual year. We are assessing the impact of this statement on our results of operations and financial position. We will adopt this statement January 1, 2003.

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. This statement addresses financial accounting and reporting for the impairment or disposal of long-lived assets. We adopted this statement January 1, 2002. It should not have a significant impact on our results of operations or financial position.

2. Net Income (Loss) Per Common Share

Net income (loss) per common share was determined by dividing net income (loss), as adjusted, by applicable shares outstanding. For 2001, the computation of diluted net loss per share was antidilutive; therefore, the amounts reported for basic and diluted loss were the same.

	Year Ended December 31		
	2001	2000	1999
	(thousands, except per share amounts)		
Basic			
Net income (loss)	$ (42,501)	$ 178,574	$ 199,753
Preferred dividends (a)	(13,085)	(13,095)	(13,559)
Basic income (loss)	$ (55,586)	$ 165,479	$ 186,194
Average shares used to determine basic income (loss) per common share	57,680	57,288	56,861
Basic income (loss) per common share	$ (.96)	$ 2.89	$ 3.27
Diluted			
Basic income (loss)	$ (55,586)	$ 165,479	$ 186,194

Preferred dividends eliminated	-	13,095	13,559
Supplemental ESOP contribution	-	(11,192)	(11,588)
Diluted income (loss) (b)	$ (55,586)	$ 167,382	$ 188,165
Average shares used to determine basic income (loss) per common share	57,680	57,288	56,861
Stock options and other	-	253	419
Series D Convertible Preferred Stock	-	3,872	4,139
Average shares used to determine diluted income (loss) per common share (b) (c)	57,680	61,413	61,419
Diluted income (loss) per common share	$ (.96)	$ 2.73	$ 3.06

(a) The dividend attributable to our Series D Convertible Preferred Stock held by our ESOP (employee stock ownership plan) is net of a tax benefit.

(b) Adjustments totaling $1,347,000 in 2001, which reduced the basic loss to arrive at diluted loss, were excluded because the calculation of diluted loss per share was antidilutive. Also in 2001, 4,117,000 potentially dilutive common shares were excluded from average shares because they were antidilutive.

(c) Options to purchase 2,917,000, 2,782,000, and 1,495,000 shares of common stock were outstanding during 2001, 2000, and 1999 but were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common shares. Forward contracts to purchase 5,237,000 shares of common stock were outstanding during 2001 but were not included in the computation of diluted earnings per share because the strike price was greater than the market price of the common shares. No similar forward purchase contracts were outstanding in 2000 or 1999.

3. Other (Income) Expense, Net

"Other (income) expense, net" includes nonroutine and miscellaneous income and expense items. In first quarter 2001, our Corporate and Other segment recorded a $10.9 million pretax, noncash charge to accrue for a one-time liability related to postretirement benefits for our Northwest hourly paperworkers. These workers participated in a multiemployer trust that converted to a single employer trust. In October 1999, we sold 56,000 acres of timberland in central Washington.

The components of "Other (income) expense, net" in the Statements of Income (Loss) are as follows:

	Year Ended December 31		
	2001	2000	1999
		(thousands)	
Write-down of equity investment (Note 7)	$ 54,261	$ - -	$ - -
Sale of European operations (Note 14)	(5,000)	(98,618)	-
Restructuring activities (Note 13)	57,929	-	(37,022)
Sale of timberlands	-	-	(46,981)
Sales of receivables (Note 6)	8,372	9,317	5,474
Postretirement benefits	10,871	-	-
Other, net	3,027	5,766	822
	$ 129,460	$ (83,535)	$ (77,707)

4. Income Taxes

The income tax (provision) benefit shown in the Statements of Income (Loss) includes the following:

	Year Ended December 31		
	2001	2000	1999
		(thousands)	
Current income tax (provision) benefit			
Federal	$ (926)	$ (33,382)	$ (15,245)
State	(2,296)	(14,059)	(2,077)
Foreign	(8,586)	(10,422)	(13,477)
	(11,808)	(57,863)	(30,799)
Deferred income tax (provision) benefit			
Federal	12,601	(54,788)	(96,716)
State	4,701	(1,336)	(18,035)
Foreign	-	(2,362)	3,174
	17,302	(58,486)	(111,577)
Total income tax (provision) benefit	$ 5,494	$ (116,349)	$ (142,376)

During 2001, 2000, and 1999, we made cash payments, net of refunds received, of $13.0 million, $48.6 million, and $14.9 million.

A reconciliation of the statutory U.S. federal tax (provision) benefit and our reported tax (provision) benefit is as follows:

	Year Ended December 31		
	2001	2000	1999
		(thousands)	
Statutory tax (provision) benefit	$ 16,664	$ (104,416)	$ (124,579)
State taxes	1,563	(10,007)	(13,073)
Foreign tax provision different from theoretical rate	(2,877)	(9,723)	(4,407)
Charitable contributions	4,725	6,828	-
Nondeductible write-down of assets	(14,871)	-	-
Other, net	290	969	(317)

Other, net	[illegible]	[illegible]	[illegible]
Reported tax (provision) benefit	$ 5,494	$ (116,349)	$ (142,376)

At December 31, 2001, we had $99.4 million of alternative minimum tax credits, which may be carried forward indefinitely.

The components of the net deferred tax liability in the Balance Sheets are as follows:

	December 31			
	2001		2000	
	Assets	Liabilities	Assets	Liabilities
	(thousands)			
Employee benefits	$ 196,533	$ 48,333	$ 115,457	$ 38,644
Property and equipment and timber and timberlands	23,235	520,663	23,269	528,619
Alternative minimum tax	99,438	-	99,507	-
Reserves	16,578	-	11,782	-
Inventories	10,399	-	10,549	12
State income taxes	25,673	47,619	25,672	45,963
Deferred charges	1,613	6,405	5,348	7,641
Differences in bases of investments	3,524	4,977	3,836	6,752
Other	40,316	32,613	27,524	28,035
	$ 417,309	$ 660,610	$ 322,944	$ 655,666

Pretax income (loss) from domestic and foreign sources is as follows:

	Year Ended December 31		
	2001	2000	1999
	(thousands)		
Domestic	$ (59,105)	$ 287,430	$ 336,886
Foreign	11,494	10,901	19,054
Pretax income (loss)	$ (47,611)	$ 298,331	$ 355,940

At December 31, 2001, our foreign subsidiaries had $61.5 million of undistributed earnings that had been indefinitely reinvested. It is not practical to make a determination of the additional U.S. income taxes, if any, that would be due upon remittance of these earnings until the remittance occurs.

5. Leases

Lease obligations for which we assume substantially all property rights and risks of ownership are capitalized. All other leases are treated as operating leases. We did not have any material capital leases during any of the periods presented. Rental expenses for operating leases were $62.2 million in 2001, $62.6 million in 2000, and $61.2 million in 1999. For operating leases with remaining terms of more than one year, the minimum lease payment requirements are $44.7 million for 2002, $34.9 million for 2003, $27.7 million for 2004, $21.6 million for 2005, and $18.7 million for 2006, with total payments thereafter of $236.0 million.

Substantially all lease agreements have fixed payment terms based on the passage of time. Some lease agreements provide us with the option to purchase the leased property. Additionally, some agreements contain renewal options averaging ten years, with fixed payment terms similar to those in the original lease agreements.

6. Receivables

We have sold fractional ownership interests in a defined pool of trade accounts receivable. At both December 31, 2001, and December 31, 2000, $200 million of sold accounts receivable were excluded from "Receivables" in the accompanying Balance Sheets, compared with the December 31, 1999, balance of $100 million and the December 31, 1998, balance of $79 million. The increase at December 31, 2000, in sold accounts receivable of $100 million over the amount at December 31, 1999, and the increase of $21 million at December 31, 1999, over the amount at December 31, 1998, provided cash from operations in 2000 and 1999. The portion of fractional ownership interest retained by us is included in accounts receivable in the Balance Sheets. This program consists of a revolving sale of receivables committed to by the purchasers for 364 days and is subject to renewal. Costs related to the program are included in "Other (income) expense, net" in the Statements of In come (Loss). Under the accounts receivable sale agreement, the maximum amount available from time to time is subject to change based on the level of eligible receivables, restrictions on concentrations of receivables, and the historical performance of the receivables we sell.

At December 31, 2000, the receivables balance included a $167.5 million note receivable due and paid on January 3, 2001, from the sale of our European office products operations.

7. Investments in Equity Affiliates

In October 2000, Office Solutions contributed the assets of Boise Marketing Services, Inc. (BMSI), our majority-owned promotional products subsidiary, to IdentityNow. IdentityNow provides corporate branded merchandise, promotional products, and related items for Fortune 1000 companies. This transaction was accounted for as a purchase business combination. IdentityNow issued shares of its voting common stock in exchange for the assets of BMSI. The assets exchanged were nonmonetary. The common stock of neither BMSI nor IdentityNow is traded on a public exchange. Based on the postmerger business plan and cash flow projections, the value of the IdentityNow common stock received was equal to the value of the BMSI assets contributed. Accordingly, no gain or loss was recorded on the transaction. As a result of the merger, we hold approximately a 29% equity position in IdentityNow. We account for our investment under the equity method of accounting. Our investment in this venture was $25.0 million and $92.4 million at December 31, 2001 and 2000. Sales for BMSI totaled $74.0 million prior to the merger in 2000 and $103.4 million in 1999.

In December 2001, we wrote down to its estimated fair value our investment in IdentityNow. We recorded a noncash, pretax charge of $54.3 million. We recorded a $4.6 million tax benefit related to this write-down. In December, we received notice that the consolidated group of which IdentityNow is a member is experiencing liquidity problems that could affect IdentityNow. In addition, the promotional products industry was hard hit in 2001 by the decline in the U.S. economy, as companies reduced their discretionary spending. Also in December, IdentityNow provided us with revised revenue projections showing lower sales for the company than previously estimated. Based on this information, we concluded that a decline in the fair value of our investment in IdentityNow was more than temporary. We wrote down our investment using a discounted cash flow valuation method.

Our other principal investment in affiliates, which we account for under the equity method, is a 47% interest in Voyageur Panel, which owns an oriented strand board plant in Barwick, Ontario, Canada. A Canadian forest products manufacturer and two insurance companies own the other equity interests. Our investment in this venture was $36.1 million and $37.6 million at December 31, 2001 and 2000. During 2001, Voyageur Panel had sales to Boise of $27.5 million, compared with $32.4 million in 2000 and $34.3 million in 1999. We have an agreement with Voyageur Panel under which we operate the plant and market its product. During 2001, Voyageur Panel paid us sales commissions of $1.9 million, compared with $2.6 million in 2000 and $3.0 million in 1999. Management fees paid to us by Voyageur Panel were $1.1 million in 2001, compared with $1.0 million in both 2000 and 1999. The debt of this affiliate, which totaled $15.6 million at December 31, 200 1, and $26.0 million at December 31, 2000, has been issued without recourse to us. The other shareholders have the right to require Voyageur Panel to buy their equity interests at fair market value. We have the right to buy any shares sold back to Voyageur Panel before they are sold to other investors.

8. Debt

At December 31, 2001, we had a revolving credit agreement with 23 major banks that permits us to borrow as much as $600 million at variable interest rates based on the London Interbank Offered Rate (LIBOR). At December 31, 2001, the rate was 2.2%. We have entered into interest rate swaps related to $150 million of these borrowings, which gave us an effective interest rate for the revolving credit agreement of 3.8% at December 31, 2001 (see Note 10). The revolving credit agreement contains financial covenants relating to minimum net worth, minimum interest coverage ratio, and ceiling ratio of debt to capitalization. Under this agreement, the payment of dividends depends on the existence and amount of net worth in excess of the defined minimum. Our net worth at December 31, 2001, exceeded the defined minimum by $117.2 million. Borrowings under this agreement were $250 million at December 31, 2001. When the agreement expires in June 2002, any amount outstan ding will be due and payable. We are currently negotiating a new revolving credit agreement.

At December 31, 2001 and 2000, we had $48.7 million and $52.0 million of short-term borrowings outstanding. The maximum amounts of combined short-term borrowings outstanding during the years ended December 31, 2001 and 2000, were $126.9 million and $173.1 million. The average amounts of short-term borrowings outstanding during the years ended December 31, 2001 and 2000, were $50.9 million and $94.0 million. For 2001 and 2000, the average interest rates for these borrowings were 4.6% and 6.7%.

Long-term debt, almost all of which is unsecured, consists of the following:

	December 31	
	2001 (a)	2000
	(thousands)	
9.85% notes, due in 2002	$ 125,000	$ 125,000
7.05% notes, due in 2005, net of unamortized discount of $158,000	149,842	149,795
9.45% debentures, due in 2009, net of unamortized discount of $176,000	149,824	149,801
7.35% debentures, due in 2016, net of unamortized discount of $75,000	124,925	124,919
Medium-term notes, Series A, with interest rates averaging 7.8% and 8.1%, due in varying amounts annually through 2019	353,005	368,005
Revenue bonds and other indebtedness, with interest rates averaging 5.7% and 6.7% due in varying amounts annually through 2029, net of unamortized discount of $170,000	283,249	269,163
American & Foreign Power Company Inc. 5% debentures, due in 2030, net of unamortized discount of $810,000	18,400	19,407
Revolving credit borrowings, with interest rates averaging 3.8% and 7.0%	250,000	550,000
	1,454,245	1,756,090
Less current portion	391,379	41,314
	1,062,866	1,714,776
Guarantee of 8.4% ESOP debt, due in installments through 2004	80,889	107,911
	$ 1,143,755	$ 1,822,687
	========	========

(a) The amount of net unamortized discount disclosed applies to long-term debt outstanding at December 31, 2001.

At December 31, 2001, we had $405 million of unused shelf capacity registered with the SEC for additional debt securities. In January 2002, we used $150 million of this capacity to sell 7.5% notes due in 2008. We used proceeds from this sale to reduce amounts outstanding under our revolving credit agreement and short-term debt.

In March 2000, we retired $100 million of 9.9% notes. Our $125 million of 9.85% notes mature in June 2002 and are classified in current portion of long-term debt at December 31, 2001.

The scheduled payments of long-term debt are $391.4 million in 2002, $125.6 million in 2003, $80.3 million in 2004, $214.9 million in 2005, and $39.0 million in 2006. Of the total amount in 2002, $250 million represents the amount outstanding at December 31, 2001, under our revolving credit agreement.

Cash payments for interest, net of interest capitalized, were $130.0 million in 2001, $153.0 million in 2000, and $151.3 million in 1999.

We have guaranteed the debt used to fund an employee stock ownership plan (ESOP) that is part of the Savings and Supplemental Retirement Plan for our U.S. salaried employees (see Note 11). We have recorded the debt in our Balance Sheets, along with an offset in the shareholders' equity section that is titled "Deferred ESOP benefit." We have guaranteed tax indemnities on the ESOP debt. The interest rate on the guaranteed debt is subject to adjustment for events described in the loan agreement.

9. Company-Obligated Mandatorily Redeemable Securities of Subsidiary Trust

In December 2001, Boise Cascade Trust I issued 3,450,000 7.5% adjustable conversion-rate equity security units to the public at an aggregate offering price of $172.5 million. Boise Cascade Trust I is a statutory business trust wholly owned by the company. There are two components of each unit. Investors received a preferred security issued by the trust with a liquidation amount of $50, mandatorily redeemable in December 2006. From each unit, investors receive a quarterly distribution at the annual rate of 7.5%. The rate will reprice in September 2004 based on then-market rates of return. Investors also received a contract to purchase common shares of Boise for $50 in December 2004. For each unit, investors will receive between 1.2860 and 1.5689 of our common shares, depending on the average trading price of our common stock at that time. The units trade on the New York Stock Exchange under ticker symbol BEP.

The trust used the proceeds from the offering to purchase debentures issued by Boise. These debentures are 7.5% senior, unsecured obligations that mature in December 2006. They carry the same payment terms as the preferred securities issued by the trust. We irrevocably guarantee the trust's distributions on the preferred securities. Our guarantee is senior and unsecured and is limited to the funds the trust receives from the debentures. We used the proceeds from the sale of the debentures to the trust to reduce amounts outstanding under our revolving credit agreement and short-term debt.

The units are shown on our Balance Sheet as minority interest in the caption "Company-obligated mandatorily redeemable securities of subsidiary trust holding solely debentures of parent." We report distributions on the units, whether paid or accrued, as a charge to "Minority interest, net of income tax" in our consolidated Statements of Income (Loss).

10. Financial Instruments

On January 1, 2001, we adopted SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended. Adoption of this statement had no material impact on our results of operations or financial position.

Changes in interest and currency rates expose the company to financial market risk. Our debt is predominantly fixed-rate. At December 31, 2001, the estimated current market value of the company's debt, based on then-current interest rates for similar obligations with like maturities, was approximately $62 million less than the amount of debt reported in the Balance Sheet. The estimated fair values of our other financial instruments, cash and cash equivalents, receivables, and short-term borrowings are the same as their carrying values. In the opinion of management, we do not have any significant concentration of credit risks. Concentration of credit risks with respect to trade receivables is limited, due to the wide variety of customers and channels to and through which our products are sold, as well as their dispersion across many geographic areas.

We have only limited involvement with derivative financial instruments and do not use them for trading purposes. Financial instruments such as interest rate swaps, rate hedge agreements, forward purchase contracts, and forward exchange contracts are used periodically to manage well-defined risks. Interest rate swaps, rate hedge agreements, and forward purchase contracts are used to hedge underlying debt obligations or anticipated transactions. For qualifying hedges, the interest rate differential is reflected as an adjustment to interest expense over the life of the swap or underlying debt. Gains and losses related to qualifying hedges of foreign currency firm commitments and anticipated transactions are deferred and recognized in income or as adjustments of carrying amounts when the hedged transactions occur. Unrealized gains and losses on all other forward exchange contracts are included in current-period net income.

At December 31, 2001, we had forward exchange contracts that were purchased to mitigate exchange risk related to 187.7 million New Zealand dollar-denominated receivables. Exchange gains and losses on the forward exchange contracts partially offset exchange gains and losses on the receivables. These contracts mature in February 2002 and had a notional amount in New Zealand dollars of 160.0 million, a weighted average contractual exchange rate of 0.4138, and a fair value of $(0.4) million at December 31, 2001, based on the spot rate on that date. Valuation gains and losses on these contracts are recognized in income as they occur.

In February 2001, we entered into two interest rate swaps with notional amounts of $50 million each, maturing in February 2003 and February 2004. Also, in November 2001, we entered into an interest rate swap with a notional amount of $50 million, maturing in November 2004. The swaps hedge the variable cash flow risk from the variable interest payments on $150 million of our current and anticipated future revolving credit agreements. The effective fixed interest rates resulting from the swaps are 5.4%, 5.6%, and 3.5%. The fair value of these swaps, net of taxes, is recorded in "Accumulated other comprehensive income (loss)" and then reclassified to interest expense as interest expense is recognized on the revolving credit agreement. Amounts reclassified in 2001 totaled $1.4 million. Assuming no change in interest rates, $2.9 million would be reclassified in 2002. Ineffectiveness related to these hedges was not significant.

We are exposed to modest credit-related risks in the event of nonperformance by counterparties to these forward exchange contracts and interest rate swaps. However, we do not expect the counterparties, which are all major financial institutions, to fail to meet their obligations.

11. Retirement and Benefit Plans

Most of our employees are covered by noncontributory defined benefit pension plans. The pension benefit for salaried employees is based primarily on the employees' years of service and highest five-year average compensation. The benefit for hourly employees is generally based on a fixed amount per year of service. Our contributions to our pension plans vary from year to year, but we have made at least the minimum contribution required by law in each year. The assets of the pension plans are invested primarily in common stocks, fixed-income securities, and cash equivalents.

We also sponsor contributory savings and supplemental retirement plans for most of our salaried and hourly employees. The program for salaried employees includes an employee stock ownership plan. Under that plan, our Series D ESOP convertible preferred stock (see Note 12) is being allocated to eligible participants through 2004, as principal and interest payments are made on the ESOP debt guaranteed by the company. Total expense for these plans was $27.9 million in 2001, $26.2 million in 2000, and $24.2 million in 1999.

The type of retiree health care benefits and the extent of coverage vary based on employee classification, date of retirement, location, and other factors. All of our postretirement health care plans are unfunded. We explicitly reserve the right to amend or terminate our retiree medical plans at any time, subject only to constraints, if any, imposed by the terms of collective bargaining agreements. Accrual of costs pursuant to accounting standards does not affect, or reflect, our ability to amend or terminate these plans. Amendment or termination may significantly impact the amount of expense incurred.

For measurement purposes, a 6.25% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2001. The initial 1992 trend rate for medical care costs was 8.5%, which was assumed to decrease ratably over the following ten years to 6%. A 1% increase in the trend rate for medical care costs would have increased the December 31, 2001, benefit obligation by $4.0 million and postretirement health care expense for the year ended December 31, 2001, by $0.4 million. A 1% decrease in the trend rate for medical care costs would have decreased the December 31, 2001, benefit obligation by $3.4 million and postretirement health care expense for the year ended December 31, 2001, by $0.3 million.

The following table, which includes only company-sponsored plans, reconciles the beginning and ending balances of our benefit obligation:

	Pension Benefits		Other Benefits	
	2001	2000	2001	2000
	(millions)			
Change in benefit obligation				
Benefit obligation at beginning of year	$ 1,379	$ 1,301	$ 91	$ 74
Service cost	34	31	1	1
Interest cost	97	92	7	6
Amendments	2	25	8	1
Actuarial loss	37	8	2	7
Canadian obligations	-	-	(1)	10
Closures and curtailments	7	1	-	-
Benefits paid	(84)	(79)	(10)	(8)
Benefit obligation at end of year	$ 1,472	$ 1,379	$ 98	$ 91

The following table reconciles the beginning and ending balances of the fair value of plan assets:

	Pension Benefits		Other Benefits	
	2001	2000	2001	2000
	(millions)			
Change in plan assets				
Fair value of plan assets at beginning of year	$ 1,264	$ 1,334	$ - -	$ - -
Actual return on plan assets	(51)	4	-	-
Employer contribution	18	3	-	-
Benefits paid	(82)	(77)	-	-
Fair value of plan assets at end of year	$ 1,149	$ 1,264	$ - -	$ - -

The following table shows the aggregate funded status of our plans, including amounts not recognized and recognized in our Statements of Income (Loss). The funded status changes from year to year based on the investment return from plan assets.

	Pension Benefits		Other Benefits	
	2001	2000	2001	2000
	(millions)			
Funded status	$ (323)	$ (115)	$ (98)	$ (91)
Unrecognized actuarial loss	304	89	8	6
Unrecognized transition obligation	-	-	5	9
Unrecognized prior service cost	41	49	(6)	(7)
Net amount recognized	$ 22	$ 23	$ (91)	$ (83)

The following table shows the amounts recognized in our Balance Sheets. Assets are included in "Other assets," and liabilities are included in "Other long-term liabilities."

	Pension Benefits		Other Benefits	
	2001	2000	2001	2000
	(millions)			
Prepaid benefit cost	$ 52	$ 52	$ -	$ -
Accrued benefit liability	(268)	(95)	(91)	(83)
Intangible asset	41	48	-	-
Accumulated other comprehensive income (loss), before tax	197	18	- -	- -
Net amount recognized	$ 22	$ 23	$ (91)	$ (83)

The assumptions used in accounting for our plans are estimates of factors that will determine, among other things, the amount and timing of future benefit payments. The following table presents the assumptions used:

	Pension Benefits			Other Benefits		
	2001	2000	1999	2001	2000	1999
Weighted average assumptions as of December 31						
Discount rate	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Expected return on plan assets	9.75%	9.75%	9.75%	-	-	-
Rate of compensation increase	4.75%	4.75%	4.75%	-	-	-

The components of net periodic benefit cost are as follows:

	Pension Benefits Year Ended December 31			Other Benefits Year Ended December 31		
	2001	2000	1999	2001	2000	1999
	(thousands)			(thousands)		

	(thousands)			(thousands)		
Service cost	$ 33,862	$ 31,304	$ 32,167	$ 1,283	$ 1,290	$ 830
Interest cost	97,343	92,236	87,580	6,758	6,310	5,170
Expected return on plan assets	(127,414)	(125,327)	(119,046)	-	-	-
Recognized actuarial (gain) loss	266	331	816	222	48	(260)
Amortization of prior service costs and other	6,514	5,741	4,327	(1,865)	(1,677)	(2,320)
Company-sponsored plans	10,571	4,285	5,844	6,398	5,971	3,420
Multiemployer pension plans	573	533	549	-	-	-
Net periodic benefit cost	$ 11,144	$ 4,818	$ 6,393	$ 6,398	$ 5,971	$ 3,420

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $1.5 billion, $1.4 billion, and $1.1 billion as of December 31, 2001, and $543 million, $534 million, and $448 million as of December 31, 2000.

12. Shareholders' Equity

Preferred Stock. At December 31, 2001, 4,480,580 shares of 7.375% Series D ESOP convertible preferred stock were outstanding. The stock is shown in the Balance Sheets at its liquidation preference of $45 per share. The stock was sold in 1989 to the trustee of our ESOP for salaried employees and will be allocated to eligible participants through 2004 (see Note 11). Of the total shares outstanding, 3,105,582 shares have been allocated to participants of the plan. Each ESOP preferred share is entitled to one vote, bears an annual cumulative dividend of $3.31875, and is convertible at any time by the trustee to 0.80357 share of common stock. The ESOP preferred shares may not be redeemed for less than the liquidation preference.

Common Stock. We are authorized to issue 200,000,000 shares of common stock, of which 58,061,762 shares were issued and outstanding at December 31, 2001. Of the unissued shares, 18,478,345 shares were reserved for the following:

Conversion or redemption of Series D ESOP preferred stock	3,600,459
Issuance under Key Executive Stock Option Plan	9,009,698
Issuance under Director Stock Compensation Plan	77,297
Issuance under Director Stock Option Plan	187,500
Issuance under Key Executive Deferred Compensation Plan	190,681
Issuance under Adjustable Conversion-Rate Equity Security Units	5,412,710

We have a shareholder rights plan that was adopted in December 1988, amended in September 1990, and renewed in September 1997. The renewed rights plan became effective in December 1998 and expires in December 2008. Details are set forth in the Renewed Rights Agreement filed with the SEC on November 12, 1997.

Accumulated Other Comprehensive Income (Loss). At December 31, 2001, the balance in the Statements of Shareholders' Equity for "Accumulated other comprehensive income (loss)" consisted of a minimum pension liability adjustment of $(120.1) million, a cumulative foreign currency translation adjustment of $(16.8) million, and cash flow hedges of $(2.9) million. These amounts are net of income taxes calculated at a rate of approximately 39%.

Stock Units. We have a deferred compensation program for our executive officers that allows them to defer a portion of their cash compensation. They may choose to allocate their deferrals to a stock unit account. Each stock unit is equal in value to one share of our common stock. We match deferrals used to purchase stock units with a 25% company allocation of stock units. Allocated stock units accumulate imputed dividends in the form of additional stock units equal to dividends on common stock that are charged to compensation expense. We will pay out the value of deferred stock unit accounts in shares of our common stock when an officer retires or terminates employment. At December 31, 2001, 71,134 stock units were allocated to the accounts of these executive officers.

Stock Options. We have three stock option plans: the BCC Key Executive Stock Option Plan (KESOP), the BCC Director Stock Compensation Plan (DSCP), and the BCC Director Stock Option Plan (DSOP). Shareholders have approved all of our stock option plans. Prior to 2000, Boise Cascade Office Products (BCOP) had two stock option plans. The BCOP plans were terminated in conjunction with our purchase of the outstanding minority shares of BCOP in April 2000. We account for these plans under APB Opinion No. 25, Accounting for Stock Issued to Employees. Under this opinion, compensation costs recognized in 2001, 2000, and 1999 were $0.3 million in each year.

If compensation costs for these plans had been determined in accordance with SFAS No. 123, Accounting for Stock-Based Compensation, net income (loss) and net income (loss) per share would have changed to the unaudited pro forma amounts noted below:

	Year Ended December 31		
	2001	2000	1999
	(thousands, except per share amounts)		
Net income (loss)			
As reported	$ (42,501)	$ 178,574	$ 199,753
Pro forma	(54,332)	171,533	192,968
Income (loss) per share - basic			
As reported	$ (.96)	$ 2.89	$ 3.27
Pro forma	(1.17)	2.77	3.15
Income (loss) per share - diluted			
As reported	$ (.96)	$ 2.73	$ 3.06
Pro forma	(1.17)	2.62	2.95

The KESOP provides for the grant of options to purchase shares of our common stock to key employees of the company. The exercise price is equal to the fair market value of our common stock on the date the options are granted. Options expire, at the latest, ten years and one day following the grant date.

The 6,960,092 options outstanding at December 31, 2001, have exercise prices between $18.125 and $43.875 and a weighted average remaining maximum term of 7.15 years.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2001, 2000, and 1999: risk-free interest rates of 5.4%, 6.0%, and 5.8%; expected dividends of 60 cents per share for each year; expected lives of 4.3 years for 2001 and 4.2 years for 2000 and 1999; and expected stock price volatility of 30% for each year.

A summary of the status of the KESOP at December 31, 2001, 2000, and 1999, and the changes during the years then ended is presented in the table below:

	2001		2000		1999	
	Shares	Wtd. Avg. Ex. Price	Shares	Wtd. Avg. Ex. Price	Shares	Wtd. Avg. Ex. Price
Balance at beginning of year	5,843,306	$31.76	4,354,943	$33.56	4,321,756	$32.47
Options granted	1,920,201	35.60	1,746,813	27.21	1,016,200	37.37
Options exercised	(710,625)	26.59	(172,350)	30.49	(836,605)	31.46
Options expired	(92,790)	38.42	(86,100)	33.33	(146,408)	39.69
Balance at end of year	6,960,092	33.26	5,843,306	31.76	4,354,943	33.56
Exercisable at end of year	5,039,891	32.36	4,096,493	33.69	3,338,743	32.40

Weighted average fair value of options granted (Black-Scholes)	$10.21	$7.61	$10.95

The DSOP, available only to nonemployee directors, provides for annual grants of options. The exercise price is equal to the fair market value of our common stock on the date the options are granted.

Options expire the earlier of three years after the director ceases to be a director or ten years after the grant date. Total shares subject to options at December 31, 2001, 2000, and 1999, were 133,000, 112,000, and 84,000, with weighted average exercise prices of $33.79, $32.81, and $34.97.

The DSCP permits nonemployee directors to elect to receive grants of options to purchase shares of our common stock in lieu of cash compensation. The difference between the $2.50-per-share exercise price of DSCP options and the market value of the common stock subject to the options is intended to offset the cash compensation that participating directors elect not to receive. Options expire three years after the holder ceases to be a director. Total shares subject to options at December 31, 2001, 2000, and 1999, were 63,326, 51,953, and 45,091.

Under each of the plans, excluding the DSCP, options may not, except under unusual circumstances, be exercised until one year following the grant date. Under the DSCP, options may be exercised six months after the grant date.

13. Restructuring Activities

In February 2001, we announced the permanent closure of our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, due to the significant decline in federal timber offered for sale. We completed these closures in the second quarter, and 373 positions were eliminated. In first quarter 2001, we recorded a pretax charge of $54.0 million related to these closures. Sales for our Idaho operations for the years ended December 31, 2001, 2000, and 1999, were $66.0 million, $115.8 million, and $138.6 million. The operating loss for these operations for the year ended December 31, 2001, was $5.8 million, while operating income for the years ended December 31, 2000 and 1999, was $2.2 million and $15.4 million.

In first quarter 2001, we wrote off our investment in assets in Chile with a pretax charge of $4.9 million. We recorded both of these charges in our Building Solutions segment and in "Other (income) expense, net" in the Statement of Income (Loss) for the year ended December 31, 2001.

Restructuring reserve liability account activity related to these 2001 charges is as follows:

	Asset Write-Downs	Employee-Related Costs	Other Exit Costs	Total
		(thousands)		
2001 expense recorded	$ 21,300	$ 15,000	$ 22,600	$ 58,900
Assets written down	(21,300)	-	-	(21,300)
Pension liabilities recorded	-	(9,600)	-	(9,600)
Charges against the reserve	-	(5,000)	(10,100)	(15,100)
Restructuring reserve at December 31, 2001	$ -	$ 400	$ 12,500	$ 12,900
	=======	=========	=======	=======

Asset write-downs were for plant and equipment at the Idaho facilities and the write-off of our equity investment in and related receivables from a joint venture in Chile. Employee-related costs include pension curtailment costs rising from the shutdowns of the Idaho facilities and severance costs. Other exit costs include tear-down and environmental cleanup costs related to the Idaho facilities and reserves for contractual obligations with no future benefit. These restructuring reserve liabilities are included in "Accrued liabilities, other" in the accompanying Balance Sheet.

In 1998, we recorded restructuring charges totaling $118.9 million related to the closure of four wood products mills and companywide cost-reduction and restructuring initiatives. In 1999, we decided to continue operations at two of the four mills and revised other estimates, resulting in pretax income of $37.8 million. During third quarter 2001, we revised the amount of this restructuring reserve. Our estimated cleanup costs were less than anticipated, so we reversed $1.0 million of charges related to this reserve, which increased pretax income. This restructuring is almost complete, with the exception of a few ongoing severance payments and cleanup costs. As a result of the 1998 restructurings, 615 employees left the company. Remaining reserves included in "Accrued liabilities, other" at December 31, 2001, totaled $1.6 million, compared with $3.9 million at December 31, 2000.

An analysis of total restructuring reserve liability account activity is as follows:

	Year Ended December 31		
	2001	2000	1999
		(thousands)	
Balance at beginning of year	$ 3,900	$ 9,300	$ 46,200
Current-year reserves			
Charges to income	28,000	-	-
Reclass from other accounts	-	-	2,700
Proceeds from sales of assets	-	-	1,700
Charges against reserve	(16,400)	(5,400)	(13,700)
Reserves credited to income	(1,000)	-	(27,600)
Balance at end of year	$ 14,500	$ 3,900	$ 9,300
	========	========	========

14. Office Solutions

In April 2000, we completed a tender offer for the outstanding common stock of Boise Cascade Office Products Corporation (BCOP) owned by shareholders other than Boise. BCOP again became a wholly owned subsidiary of Boise. The purchase price, including transaction costs and payments to shareholders and stock option holders, totaled $216.1 million. It was funded by short-term borrowings and by borrowings under our revolving credit agreement.

In 2001, 2000, and 1999, we made various acquisitions, all of which were accounted for under the purchase method of accounting. Accordingly, the purchase prices were allocated to the assets acquired and liabilities assumed based on their estimated fair values. The initial purchase price allocations may be adjusted within one year of the date of purchase for changes in estimates of the fair value of assets and liabilities. Such adjustments were not, and are not expected to be, significant to our results of operations or financial position. The excess of the purchase prices over the estimated fair values of the tangible and intangible net assets acquired were recorded as goodwill. The results of operations of the acquired businesses are included in our operations following the dates of acquisition.

We acquired one office products business in 2001, two businesses in 2000, and two in 1999. Amounts paid, acquisition liabilities recorded, and debt assumed for these acquisitions are as follows:

	2001	2000	1999
		(thousands)	
Cash paid	$ 4,655	$ 115,666	$ 9,369
Acquisition liabilities recorded	3,000	13,874	7,237
Debt assumed	-	144	-

In September 2000, we sold our European office products operations to Guilbert S.A. of France for $335.3 million. After debt repayments of $17.2 million, we received $158.5 million in 2000 and a final payment, net of forward exchange contracts, of $159.6 million in early January 2001. The sale resulted in a pretax gain for the year ended December 31, 2000, of $98.6 million. In 2001, we reversed $5.0 million of reserves for potential claims rising from the sale. Based on our current evaluation, these reserves were no longer needed. The gain on the sale and reversal of reserves were recorded in "Other (income) expense, net" in the accompanying Statements of Income (Loss) and in the Office Solutions segment. Our sales for these operations for the years ended December 31, 2000 and 1999, totaled $241.8 million and $324.0 million.

In October 2000, we acquired the Blue Star Business Supplies Group of US Office Products (Blue Star), a distributor of office and educational supplies in Australia and New Zealand, for $114.7 million in cash and the recording of $13.2 million in acquisition liabilities. We have closed nine acquired distribution centers and will close nine more in 2002. Approximately 230 employees have been terminated. Another 160 employees will be terminated during 2002. The acquisition liability balance was $5.0 million at December 31, 2001. Blue Star had sales of approximately $300 million for its fiscal year ended April 29, 2000.

On a pro forma basis, if our 2000 acquisitions and divestitures had occurred on January 1, 2000, sales for that year would have decreased about $85 million, while net income and diluted earnings per share would not have materially changed. If our 2000 acquisitions and divestitures and our 1999 acquisitions had occurred on January 1, 1999, sales for 1999 would have decreased about $81 million, but net income would have increased about $6.6 million and basic and diluted earnings per share would have increased about 12 cents and 11 cents. This unaudited pro forma financial information does not necessarily represent what would have occurred if the transactions had taken place on the dates assumed.

As a result of these acquisitions, short-term acquisition liabilities of $7.3 million at December 31, 2001, and $10.7 million at December 31, 2000, were included in "Other accrued liabilities." There were no significant long-term acquisition liabilities at December 31, 2001, or December 31, 2000.

15. Building Solutions Acquisitions

In June 2000, we acquired Alliance Forest Products-Joists, Inc. (AllJoist). Formerly a subsidiary of Alliance Forest Products, Inc., AllJoist operates a wood I-joist manufacturing plant in St. Jacques, New Brunswick, Canada. The purchase price was $14.6 million in cash.

In September 1999, we acquired Furman Lumber, Inc. (Furman), a U.S. building materials distributor headquartered in Billerica, Massachusetts, with 12 locations in the East, Midwest, and South. The purchase price was approximately $92.7 million, including $90.2 million in cash and the assumption of $2.5 million in debt.

These acquisitions were accounted for under the purchase method of accounting. Accordingly, the purchase prices were allocated to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase prices over the estimated fair values of the net assets acquired were recorded as goodwill. The results of operations of the acquired businesses are included in our operations following the dates of acquisition.

On a pro forma basis, if the AllJoist acquisition had occurred on January 1, 2000, sales for the year ended December 31, 2000, would have increased $11 million, while net income and basic and diluted earnings per share would not have materially changed. If the AllJoist and Furman acquisitions had occurred on January 1, 1999, sales for the year ended December 31, 1999, would have increased $526 million, net income would have increased $1.2 million, and basic and diluted earnings per share would have increased 2 cents. This unaudited pro forma financial information does not necessarily represent what would have occurred if the acquisitions had taken place on the dates assumed.

16. Segment Information

We operate our business using four reportable segments: Office Solutions, Building Solutions, Paper Solutions, and Corporate and Other. These segments represent distinct businesses that are managed separately because of the differing products and services. Each of these businesses requires distinct operating and marketing strategies. Management reviews the performance of the company based on these operating segments.

Office Solutions markets and sells office supplies and paper, technology products, and office furniture. All the products sold by this segment are purchased from outside manufacturers or from industry wholesalers, except office papers, which are sourced primarily from our paper operations.

Building Solutions manufactures, markets, and distributes various products that are used for construction. These products include structural panels, engineered wood products, lumber, particleboard, and building supplies. Most of these products are sold to independent wholesalers and dealers and through our own wholesale building materials distribution outlets.

Paper Solutions manufactures, markets, and distributes uncoated free sheet papers, containerboard, corrugated containers, newsprint, and market pulp. These products are sold to distributors and industrial customers, primarily by our own sales personnel and through Office Solutions.

Corporate and Other includes corporate support staff services and related assets and liabilities.

The segments' profits and losses are measured on operating profits before interest expense, income taxes, minority interest, extraordinary items, and cumulative effect of accounting changes. Specified expenses are allocated to the operating segments. For some of these allocated expenses, the related assets and liabilities remain in the Corporate and Other segment.

The segments follow the accounting principles described in the Summary of Significant Accounting Policies (see Note 1). Sales between segments are recorded primarily at market prices.

No single customer accounts for 10% or more of consolidated trade sales. Boise's export sales to foreign unaffiliated customers were $127.8 million in 2001, $175.2 million in 2000, and $145.1 million in 1999.

During 2001, Office Solutions had foreign operations in Canada, Mexico, Australia, and New Zealand. During 2000, Office Solutions had foreign operations in Australia, Belgium, Canada, France, New Zealand, Spain, and the United Kingdom. During 1999, Office Solutions had foreign operations in Australia, Belgium, Canada, France, Spain, and the United Kingdom. The Building Solutions segment has a small wood I-joist plant in Canada that was acquired in June 2000. In late 2001, we started up a eucalyptus veneer and plywood plant in Brazil. We also have a 47% interest in an oriented strand board plant in Canada, which is accounted for under the equity method.

The following table summarizes net sales and long-lived assets by geography:

	Year Ended December 31		
	2001	2000	1999
		(millions)	
Net sales			
United States	$ 6,620.5	$ 6,954.9	$ 6,349.5
Foreign	801.7	851.8	798.8
	$ 7,422.2	$ 7,806.7	$ 7,148.3
Long-lived assets			
United States	$ 3,474.4	$ 3,477.1	$ 3,285.1
Foreign	214.5	212.5	322.2
	$ 3,688.9	$ 3,689.6	$ 3,607.3

Segment sales to external customers by product line are as follows:

	Year Ended December 31		
	2001	2000	1999
		(millions)	
Office Solutions			
Office supplies and paper	$ 2,133.1	$ 2,230.9	$ 2,053.9
Technology products	1,023.4	1,011.6	916.6
Office furniture	377.5	452.3	424.4
	3,534.0	3,694.8	3,394.9
Building Solutions			
Structural panels	725.8	693.2	773.5
Engineered wood products	759.2	316.5	291.3
Lumber	323.6	767.3	721.2
Particleboard	66.9	76.1	71.9
Building supplies and other	485.3	598.0	355.8
	2,360.8	2,451.1	2,213.7
Paper Solutions			
Uncoated free sheet	753.9	796.0	783.4
	427.7	471.2	400.9

Containerboard and corrugated containers			
Newsprint	197.4	202.8	183.3
Market pulp and other	125.7	163.2	139.1
	1,504.7	1,633.2	1,506.7
Corporate and Other	22.7	27.6	33.0
	$ 7,422.2	$ 7,806.7	$ 7,148.3

An analysis of our operations by segment is as follows:

	Sales			Income (Loss) Before Taxes and Minority Interest (a) (b)	Selected Components of Income (Loss)		Capital Expenditures	Assets	Investment in Equity Affiliates
	Trade	Intersegment	Total		Equity in Net Income (Loss) of Affiliates	Depreciation, Amortization, and Cost of Company Timber Harvested			
					(millions)				
Year Ended December 31, 2001									
Office Solutions	$ 3,534.0	$ 2.2	$ 3,536.2	$ 97.4	$ (5.2)	$ 67.2	$ 52.5	$ 1,263.5	$ 25.2
Building Solutions	2,360.8	27.2	2,388.0	(22.3)	(1.7)	46.6	113.5	821.8	36.2
Paper Solutions	1,504.7	437.7	1,942.4	70.7	-	169.3	176.0	2,621.3	-
Corporate and Other	22.7	50.2	72.9	(65.7)	(1.1)	12.9	7.2	287.4	.8
	7,422.2	517.3	7,939.5	80.1	(8.0)	296.0	349.2	4,994.0	62.2
Intersegment eliminations	-	(517.3)	(517.3)	-	-	-	-	(60.0)	-
Interest expense	-	-	-	(127.7)	-	-	-	-	-
	$ 7,422.2	$ -	$ 7,422.2	$ (47.6)	$ (8.0)	$ 296.0	$ 349.2	$ 4,934.0	$ 62.2
Year Ended December 31, 2000									
Office Solutions	$ 3,694.8	$ 2.4	$ 3,697.2	$ 236.6	$ (0.2)	$ 66.5	$ 195.6	$ 1,445.2	$ 92.5
Building Solutions	2,451.1	31.7	2,482.8	52.1	2.5	46.2	78.8	836.6	41.1
Paper Solutions	1,633.2	414.8	2,048.0	202.6	-	172.9	177.5	2,613.3	-
Corporate and Other	27.6	45.8	73.4	(41.8)	(0.2)	12.1	7.0	434.8	1.2
	7,806.7	494.7	8,301.4	449.5	2.1	297.7	458.9	5,329.9	134.8
Intersegment eliminations	-	(494.7)	(494.7)	-	-	-	-	(63.0)	-
Interest expense	-	-	-	(151.2)	-	-	-	-	-
	$ 7,806.7	$ -	$ 7,806.7	$ 298.3	$ 2.1	$ 297.7	$ 458.9	$ 5,266.9	$ 134.8

	Sales			Income (Loss) Before Taxes and Minority Interest (a) (b)	Selected Components of Income (Loss)		Capital Expenditures	Assets	Investment in Equity Affiliates
	Trade	Intersegment	Total		Equity in Net Income (Loss) of Affiliates	Depreciation, Amortization, and Cost of Company Timber Harvested			
					(millions)				
Year Ended December 31, 1999									
Office Solutions	$ 3,394.9	$ 2.0	$ 3,396.9	$ 154.6	$ -	$ 60.7	$ 64.3	$ 1,536.3	$ .1
Building Solutions	2,213.7	33.5	2,247.2	273.8	6.1	46.1	150.1	874.1	37.3
Paper Solutions	1,506.7	380.1	1,886.8	117.7	-	174.8	116.2	2,590.5	-
Corporate and Other	33.0	51.6	84.6	(45.4)	-	7.4	6.2	215.6	-
	7,148.3	467.2	7,615.5	500.7	6.1	289.0	336.8	5,216.5	37.4
Intersegment eliminations	-	(467.2)	(467.2)	-	-	-	-	(78.1)	-
Interest expense	-	-	-	(144.7)	-	-	-	-	-
	$ 7,148.3	$ -	$ 7,148.3	$ 356.0	$ 6.1	$ 289.0	$ 336.8	$ 5,138.4	$ 37.4

(a) Interest income has been allocated to our segments in the amounts of $1.8 million for 2001, $5.9 million for 2000, and $2.3 million for 1999.

(b) See Note 3, Note 7, Note 13, and Note 14 for an explanation of nonroutine items affecting our segments.

17. Legal Proceedings, Commitments and Contingencies

We have been notified that we are a "potentially responsible party" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or similar federal and state laws with respect to 20 active sites where hazardous substances or other contaminants are located. In most cases, we are one of many potentially responsible parties, and our alleged contribution to these sites is relatively minor. For sites where a range of potential liability can be determined, we have established appropriate reserves. We believe we have minimal or no responsibility with regard to several other sites. We cannot predict with certainty the total response and remedial costs, our share of the total costs, the extent to which contributions will be available from other parties, or the amount of time necessary to complete the cleanups. Based on our investigations, our experience with respect to cleanup of hazardous substances, the fact that expenditures will, in many cases, be incurred over extended periods of time, and the number of solvent potentially responsible parties, we do not currently believe that the known actual and potential response costs will, in the aggregate, materially affect our financial condition or results of operations.

In March 2000, EPA Regions VI and X issued Boise a combined Notice of Violation (NOV) alleging violations of air emission permits and the New Source Review/Prevention of Significant Deterioration program. In March 2001, the EPA issued a second NOV, supplementing the original notice. The NOV alleges violations at seven of our plywood plants and one particleboard plant for the period 1979 through 1998. No civil or criminal actions have been filed with regard to these allegations. The NOV, however, sets forth EPA's authority to seek, among other things, penalties of up to $27,500 per day for each violation. We believe federal statutes of limitation would limit any penalties assessed to a five-year period. We are negotiating with the EPA to resolve these allegations. We have had several meetings and exchanged correspondence regarding a resolution of the issues raised by the NOV. Settlements by other companies in the wood products industry that have received similar NOVs have involved the payment of pe nalties and agreements to install emission control equipment and undertake supplemental environmental projects. The effect of this NOV on our financial position or results of operations is unknown at this time.

We are involved in other litigation and administrative proceedings primarily rising in the normal course of our business. In the opinion of management, our recovery, if any, or our liability, if any, under other pending litigation or administrative proceedings would not materially affect our financial position or results of operations.

Over the past several years, the amount of timber available for commercial harvest in the United States has declined significantly due to environmental litigation and changes in government policy. As a result, we cannot accurately predict future log supply. Additional curtailments or closures of our wood products manufacturing facilities are possible.

18. Quarterly Results of Operations (unaudited)

	2001				2000			
	Fourth (a)	Third	Second	First (b)	Fourth	Third (c)	Second	First
	(millions, except per-share and stock price information)							
Net sales	$ 1,756.7	$ 1,874.4	$ 1,889.8	$ 1,901.3	$ 1,864.8	$ 1,971.1	$ 1,974.9	$ 1,995.9
Income (loss) from operations	(14)	51	66	(22)	62	184	90	108
Net income (loss)	(42)	15	20	(36)	23	85	31	40
Net income (loss) per share								
Basic	(.78)	.21	.29	(.68)	.35	1.42	.49	.63
Diluted	(.78)	.20	.28	(.68)	.34	1.33	.46	.60
Common stock dividends paid per share	.15	.15	.15	.15	.15	.15	.15	.15
Common stock prices (d)								
High	34.69	37.85	38.00	35.38	34.94	31.75	37.56	43.94
Low	27.82	26.99	29.60	29.31	21.75	24.56	25.00	26.31

(a) Includes a pretax charge of $54.3 million for the write-down to fair value of an equity method investment (see Note 7). Also includes $5.0 million pretax income for the reversal of unneeded reserves for potential claims related to the sale in 2000 of our European office products operations (see Note 14).

(b) Includes a pretax charge of $54.0 million for closures of our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, and a $4.9 million charge for the write-off of our assets in Chile (see Note 13). Also includes a pretax charge of $10.9 million to accrue for a one-time liability related to postretirement benefits for our Northwest hourly paperworkers (see Note 3).

(c) Includes a pretax gain of $97.8 million on the sale of our European operations. An additional $0.8 million was recognized in fourth quarter (see Note 14).

(d) Our common stock (symbol BCC) is traded on the New York Stock Exchange.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Boise Cascade Corporation:

We have audited the accompanying balance sheets of Boise Cascade Corporation (a Delaware corporation) and subsidiaries as of December 31, 2001 and 2000, and the related statements of income (loss), cash flows, and shareholders' equity for the years ended December 31, 2001, 2000, and 1999. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boise Cascade Corporation and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Boise, Idaho
January 29, 2002

REPORT OF MANAGEMENT

The management of Boise is primarily responsible for the information and representations contained in this annual report. The financial statements and related notes were prepared in conformity with accounting principles generally accepted in the United States, appropriate in the circumstances. In preparing the financial statements, management has, when necessary, made judgments and estimates based on currently available information.

Management maintains a comprehensive system of internal controls based on written policies and procedures and the careful selection and training of employees. The system is designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that transactions are executed in accordance with management's authorization. The concept of reasonable assurance is based on recognition that the cost of a particular accounting control should not exceed the benefit expected to be derived.

Our Internal Audit staff monitors our financial reporting system and the related internal accounting controls, which are also selectively tested by Arthur Andersen LLP, Boise Cascade's independent public accountants, for purposes of planning and performing their audit of our financial statements.

The Audit Committee of the board of directors, which is composed solely of nonemployee directors, meets periodically with management, representatives of our Internal Audit Department, and representatives of Arthur Andersen LLP to ensure that each group is carrying out its responsibilities. The Internal Audit staff and the independent public accountants have access to the Audit Committee, without the presence of management, to discuss the results of their audits, any recommendations concerning the system of internal accounting controls, and the quality of financial reporting.

Subsidiaries of the registrant are as follows:

	State or Other Jurisdiction of Incorporation or Organization
BCOP Nevada Company	Nevada
Boise Cascade Office Products Corporation	Delaware
Boise Cascade Trust I	Delaware
Boise Marketing Services Inc.	Delaware
Boise Southern Company	Louisiana
Grand & Toy Limited	Ontario, Canada
Loving Creek Funding Corporation	Delaware
New Zealand Office Products Limited	New Zealand
Picabo Holdings, Inc.	Delaware
The Reliable Corporation	Delaware

Note: The names of various consolidated wholly owned subsidiaries have been omitted. None of the omitted subsidiaries, considered either alone or together with the other omitted subsidiaries, constitutes a significant subsidiary.