

Representative POLLOCK. I have no questions. I think it was a very excellent statement and I am looking forward with interest to hearing the rest of the Alaskan witnesses.

Senator MORSE. Congressman Wyatt.

Representative WYATT. Thank you, Mr. Chairman. I would like to ask Mr. Daly just a few questions here.

Is it your statement, Mr. Daly, do I understand, that sawmills in Alaska do not have long-term contracts with the Forest Service?

Mr. DALY. That is correct, sir. We bid on our normal timber sale contract maybe 2 or 3 years.

Representative WYATT. How many sawmills in total are in Alaska, would you say?

Mr. DALY. I couldn't say. There are six operating in the Tongass National Forest Service in southeastern. There are a number of very, very small one- or two-man operations throughout the interior.

Representative WYATT. Your main sawmill industry is in this one area that you have described, is that right?

Mr. DALY. At the present time it is concentrated there, although there have been some moves.

Representative WYATT. Is that where the bulk of your sawmill industry is, is that fair to say?

Mr. DALY. Yes.

Representative WYATT. And none of these mills have 35- or 50-year contracts with the Forest Service?

Mr. DALY. Not the sawmills, no.

Representative WYATT. Well, has the—

Mr. DALY. Pardon me, one exception. It is not a member of our association but Mr. Davidson's mill does have a contract.

Representative WYATT. How long is that? Do you know?

Mr. DALY. Well, it is 1 billion feet of timber, I understand, his ex-mill, I understand. It is, I understand, a billion feet.

Representative WYATT. Has the Forest Service given out contracts to others other than the one you have just mentioned, to anyone else, whether it is a sawmill or not, on a long-term basis?

Mr. DALY. Pulp mills have long term, yes.

Representative WYATT. Do you know how long they are?

Mr. DALY. I believe they are supposed to be 50-year allotments.

Representative WYATT. But the sawmills themselves have no long-term contracts?

Mr. DALY. No.

Representative WYATT. And so that is why you say, you conclude, that if the export of logs in the round were permitted, that you would have the same kind of competition that we have been experiencing in Oregon and Washington?

Mr. DALY. That is correct. There is no private timber either, so we are immediately under the gun for our increase.

Representative WYATT. First, I would say to you that I sympathize with your point of view, and I certainly agree that it is far better to export the manufactured product than the logs in the round, but unfortunately Oregon and Washington aren't in that favorable position.