

Mr. KRAMER. I cannot quote the contract and procedures exactly as is written—I am quite sure that my friend Mr. Brooks can give you that exact definition.

Representative DELLENBACK. Fine. I will be very pleased to get it.

Mr. BROOKS. I am afraid you flatter me a little bit. We have the first long-term contract with the Forest Service for eight and a quarter billion feet of timber. In that contract it requires the building of a mill, and that logs must be manufactured except for certain logs that may be exported with the permission of the regional forester.

Now, our contract being a 50-year sale is somewhat different as I recall than the timber sale contracts that are being made now. They require primary manufacture of the product without any equivocation.

Representative DELLENBACK. But your contract permits the export of certain gross feet of low quality logs. Is that correct?

Mr. BROOKS. That is not correct.

Representative DELLENBACK. You could take low-quality logs then that come from this Forest Service land and sell those in export?

Mr. BROOKS. We would have to receive an export permit from the Forest Service, but it would not be available to us because there is an available market for those logs in Alaska.

Representative DELLENBACK. Have you sought to do that?

Mr. BROOKS. The only export of logs we have engaged in was the export of cedar, and that was exported under permit.

Representative DELLENBACK. Then such logs as you have sold in export have been of a certain species rather than locality?

Mr. BROOKS. That is true, yes.

Representative DELLENBACK. Basically the Alaska forest is not a Douglas-fir forest. It is a whitewood forest, isn't it?

Mr. BROOKS. There is no Douglas-fir in Alaska.

Representative DELLENBACK. So then you are dealing with spruce and cedar. This type of wood rather than fir?

Mr. BROOKS. The major species in operable areas is 70 percent hemlock, 25 percent spruce and 5 percent cedar.

Representative DELLENBACK. You have then sold in export some cedar?

Mr. BROOKS. That is correct.

Representative DELLENBACK. But this has required getting a permit from the regional forester before doing this?

Mr. BROOKS. Our only direct export of cedar was all to the State of Washington. This was done some time ago—we presently sell our cedar to Wrangell Lumber Co., and they then export it. I believe it goes to Japan, but it also goes under a forest service permit.

Representative DELLENBACK. Primarily processed first?

Mr. BROOKS. It goes in the form of logs. There is no mill to manufacture cedar.

Representative DELLENBACK. Is there any restriction under your contract with the Forest Service that would prohibit you from taking any of your hemlock and selling it to somebody else who could then in turn resell into export?

Mr. BROOKS. There is nothing that I recall in the contract that specifically allows that. My impression is that if we sold logs to a second or third party, they would still require an export permit.