which was offered for sale and the preliminary award made and then the prospective purchaser did not see fit to complete the transaction.

Representative POLLOCK. I wanted to inquire a little about that.

Mr. CLIFF. And left this unsold sale.

Representative POLLOCK. As I understand it, there is something like 8.75 million board feet of timber in this Juneau or St. Regis sale.

Mr. CLIFF. It is in that vicinity. I don't remember the exact amount.

Representative POLLOCK. I also understand that—those figures are correct?

Mr. CLIFF. That is correct.

Representative POLLOCK. I understand that this would produce something like 175 million board feet per year on a sustained yield basis, is this a correct figure?

Mr. CLIFF. Yes.

Representative POLLOCK. I am really inquiring as to what the present status of it is, and I would like to relate the history as I understand it for the record.

First, this was sold to Georgia-Pacific and then later to St. Regis, and as I understand it, in both cases it was turned back because there was a requirement tied to it which required the building of a pulp plant, and even though the stumpage fees were low by comparison with Washington and Oregon, it was simply too big a cost venture for them. Is this correct?

Mr. CLIFF. That is substantially correct. Our procedure in these large offerings is to make a preliminary award to the successful bidder first, and then give him time to develop plans and to show ability to finance and to proceed with the sale. It was at the preliminary award stage that the Georgia-Pacific decided not to go forward with the Juneau unit a number of years ago, and it was at this same stage that St. Regis declined to go forward with the next step this past year.

Representative POLLOCK. I believe this stumpage rate was $5.65 per thousand, was it not, which seems like a very low rate. What I am trying to establish is that these companies have found it far too expensive to proceed.

Mr. CLIFF. St. Regis in announcing their decision made a statement to the effect that the timber was satisfactory. There were two factors as I remember that entered into their final decision. One, the outlook for the pulp production had changed—expansion elsewhere in the United States—the pulp market had changed. But the primary thing that they ran up against when they started making plans and firming up estimates for the plant construction, they found that the cost of building the manufacturing facilities in Alaska were far beyond what they had anticipated.

Representative POLLOCK. This is St. Regis and not Georgia-Pacific?

Mr. CLIFF. That is correct.

Representative POLLOCK. Let's proceed with the history here. As I understand it now, once under your regulations when St. Regis turned it down, then Champion as the second bidder had the right to meet the bid price of the first bidder which was St. Regis. The concern I have is the time element. It seems to me that they now have been given two time extensions on whether or not they are going to accept this, and I am wondering: No. 1, why two extensions of time,