

SCOMM

#9:143

STATE OF ALASKA THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

August 3, 1977

MEMORANDUM

SUBJECT: Interim Fisheries Investigatory Activities

TO: The Honorable Terry Gardiner

FROM: John Williams
Research Analyst

You have asked us to send you a brief description outlining the efforts presently underway in support of the Interim Natural Resources Committee work plan. Following is a listing of the personnel involved and their work efforts as we understand them.

Frank Glass: Frank has been retained on contract by the Interim Resources Committee to work on their fisheries work plan. Frank has met with us several times, and is working very closely with us as he progresses. He is undertaking two research efforts: (1) An investigation of state programs which are of assistance to the Alaska fishing industry, and (2) An investigation of federal subsidy and loans programs to the fishing industry.

Cathy Hathaway: Cathy is also working with the Interim Resources Committee in support of their bottomfish research. She is specifically compiling information on the infrastructural needs of an expanding bottomfish industry, and is obtaining information on the infrastructure presently existing in several Alaska coastal communities which are propitiously located to serve as on-shore locations for an expanding processing and fishing industry.

ISER: The Interim Resources Committee has drafted a contract with ISER to pay for the consultive services of Dr. George Rogers and Dr. Mike Scott. The contract is designated to supply the Committee with an economic investigation of the State's fisheries taxation policy and reasonable and effective ways in which taxation policy could be used to induce bottomfish development.

Alaska Sea Grant Program: A contract has been drafted by the Legislative Affairs Agency for the Senate Committee on the Alaska Permanent Fund. The contract would pay for the consultive services of Dr. Frank Orth to investigate (1) the potential role of cooperative banks and production credit associations in the development of the fishing industry. This portion includes an analysis of fishing cooperatives presently in existence in Alaska, the national status of cooperative banks and their

August 3, 1977

assistance to their clientele, and a discussion of the charters and structure of these two institutions as they affect their potential usefulness to the Alaska fishing industry. (2) the second part of the contract calls for the consultant to investigate the implications of foreign investment in Alaska fisheries, how it may impact the development of the industry and the earnings of Alaska fishermen, and the implications that foreign investment has to the long-run development of the domestic industry and state policy.

Dick Reynolds: Dick is the fisheries development specialist for the Division of Economic Enterprise. Dick received \$5,000 in his FY 78 budget to investigate the capital needs for the fishing industry to expand into bottomfish. Dick is working closely with the Resources Committee, and will coordinate his efforts with the Committee's activities. He intends to survey the industry and available information to acquire some knowledge regarding the lack of investment capital and its effect on the rate of expansion of the fishing industry into bottomfish utilization.

Legislative Research: We have been asked by the Resources Interim Committee to assist them with their investigations. At present, we are working with Frank Glass to coordinate our activity with their needs. We intend to conduct the following investigations: (1) a survey of the financial institutions which have been identified to us as primary Alaska and Pacific Northwest sources of capital. We will discuss the development of the bottomfish industry with bankers to obtain their perception of the potential problems of incipient development. Our goal is to identify those portions of the fishing sector which cannot reasonably expect to obtain adequate financing from the private sector. (2) We will query the processing sector to obtain some knowledge of their development plans and perceived problems. Insofar as possible, we will attempt to acquire some knowledge of their capital needs and perceived bottlenecks to initial bottomfish utilization. (3) We will investigate programs which have been established in other states and other nations to encourage expansion of their fishing sector into new and underutilized species.

Legislative Legal Services: Jim Baldwin, an attorney with the Legal Division, has undertaken two areas in support of the Interim Resources Committee bottomfish investigation. He is conducting a legal review of HB 539, an act establishing renewable resources development incentives and tax credits and repealing the Ak Industrial Incentive Act and the Ak Industrial Tax Credit Act; and a review of the institutional and legal mechanisms (other than tax incentives and subsidies) available to encourage domestic development (and discourage foreign development) in the bottomfish industry.

In addition to the above listed projects, Representative Clark Gruening has agreed to allow Belden Daniels to use 2 days of his time on retainer to the House Permanent Fund Committee to review the work plan and projects presently ongoing in support of the Resources Committee mission, and in addition has agreed to lend Belden Daniels for an additional two days to review the final product of the Resources Committee and to suggest ways and means of implementing the findings of the Resources Committee staff.

JW:dh

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MEMORANDUM

June 7, 1977

SUBJECT: Permanent Fund
TO: The Honorable Terry Gardiner
FROM: John Williams
Research Analyst 

As per our phone conversation of June 2, this memo will delineate our perception of the tasks you have asked us to perform for the Permanent Fund Committee. Please let us know if this fits with your intent.

1. Research and Development Council: We are to recommend an ad hoc committee of our choosing to assist you in ascertaining the need and structure of a state research and development council. Some questions to be addressed include: how will the council work?; how do large corporations, private industry, and international organizations utilize equivalent entities?; what should an R & D council become (evolve to)?; should it be a policy board, determine funding levels or funding areas?; will it conflict with legislative prerogatives?; how does one avoid the "boys club" syndrome?; what are the present conditions which suggest the need for a change?; how does one implement an R & D council and what will be its mandate?

In addition to the above, you have asked us to contact Jim Rhode to see if there is interest in combining the data repository idea of Representative Cowper with the R & D council effort.

We have at present contacted Mr. David Hickok and Ms. Kay Allread and have received favorable responses from each of them to serve on the steering committee. Although I have other thoughts as to who could best serve on the committee, I have asked each of them to suggest additional members.

2. Juneau Reconnaissance: You have asked us to make contact with all other people and agencies in Juneau who are involved in Permanent Fund interim activities. This includes the Division of Policy Development and Planning, Department of Revenue, Senate Permanent Fund Committee and staff, and others as they develop. In conjunction with this charge, we are to serve as the Juneau coordinator for House Permanent Fund Committee activity in Juneau. In that role, we will be the point of contact in Juneau for members of the House Permanent Fund Committee and will be a source of information and communication coordinators.
3. Circulation List: We are to develop a list of persons who are to be included on a general circulation list for permanent fund information. This circulation list is to include Senate and House Permanent Fund Committee members and staff, DPDP staff involved in permanent fund work, and Department of Revenue permanent fund staff.

We will try to get a mailing address for everyone and have address labels made and circulated to everyone on the mailing list so that each person can perform mass mailings with ease.
4. The fourth task is now moot, but involved determining whether the House Permanent Fund Committee was going to be represented at the community development workshop in Boston. We did determine that Representative Miles was intending to attend.

JW:jm

cc: Hon. Clark Gruening
Mr. Brian Rogers ✓
Mr. Rob Kocsis