

HB

26



Sea Mart

MARKET CENTER SUPER



Ketchikan/Sitka

Hames Corporation—Box 1960—Sitka, Alaska—99835—(907) 747-6266

March 6, ~~1987~~ 11 1967

Senator Jack Coghill
P.O. Box V
Juneau, Alaska 99811

RE: SB 105 and HB 26

Dear Senator;

I want to thank you for the time allotted me at the hearing before the Senate Resources Committee, March 4, 1987.

My presentation seemed to be a bit different than the others that appeared before your committee that day. My 37 years in the Grocery industry in Alaska, enables me to be convinced that this is a useless, costly, regulation, only to have those costs passed on to our customers. It serves the greater majority of the populace of Alaska no worthwhile benefit. I believe I demonstrated that this regulation would not be with the Food Industry's norm, by having a manufactured or processed date, instead of a pull date, use before date, or just dated. It would be confusing to the customer. It would be short of impossible to keep the products in order at the retail level, let alone the problem it would cause the supplier to satisfy a isolated states regulation.

There is one other thing that I did not bring up in my presentation. I thought it best not to, however Senator Kerttula landed on me with both feet after my presentation, which caused me to change my mind.

I checked with A.P.O.C. to see if there was any reason for Kerttula to introduce such legislation related to campaign contributions. To my surprise I found nineteen (19) names, each giving \$1,000.00 with the same address and some under the name of Dairy West and New Horizons. This was on Kerttula's A.P.O.C. report filed September 6, 1984,

After serving four years as State Finance Chairman for the Republican Party, I know how hard it is to raise \$50.00, let alone the efforts it would take to raise \$19,000.00 from

Senator Jack Coghill

page two

one related industry, for just a candidate's campaign fund in general.

I recall this was a hotly contested race. \$19,000.00 would carry a candidate a great distance under such circumstances.

To quote the record, I will list the names of these contributors:

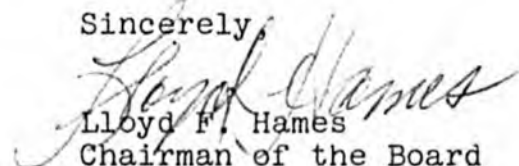
Ronald Ashe
Karen Crawley
Denice Edwards
Donald Edwards
Robert Edwards
Karen Lee

Edith Heim
Lyndon Heim
Terrence Fisher
Jolleen Fisher
Harry Shepherd
John Shepherd

Joanna Severson
Mark White
Cathy Witherspoon
Doug Witherspoon
Robert Wood
Albert Schneider

Senator, I am cognizant that this may be what we call hard ball, but I can see no useful benefit for this type of legislation in HB 26 and SB 105. It can only relate to an industry that the State has no business being involved in financially. I believe in the Free Enterprise System, and fewer regulations. I ask your support in not shackling the milk industry with such useless, burdensome regulation.

Sincerely,



Lloyd F. Hames
Chairman of the Board
Fort West Inc.
Hames Corporation

LFH/bh



SAFEWAY

STORES, INCORPORATED
1121 - 124th Ave., N.E., Bellevue, WA 98005

MAR 11 1987

March 6, 1987

Senator Jack Coghill
State Capitol
Pouch V
Juneau, AK 99811

Dear Senator Coghill,

My deep appreciation for taking the time to listen to our position in regards to House Bill 26. We certainly are hopeful that the information presented to all of you is beneficial. If we can answer any further questions, please don't hesitate to give us a call.

Also, on behalf of John Shepherd, Ed Streuli, and myself we appreciate the time you took prior to the meeting in saying hello, and your assurance that no decision on this bill would be made at this time.

Look forward to answering any questions you might have in regards to House Bill 26, and again, thank you for your time and understanding.

Sincerely,

CHERIE MYERS
Public Affairs Manager
(206) 455-6392

CM/lm

Alaska State Legislature

Senate Resources Committee



Sen. John B. (Jack) Coghill, Chairman
Sen. Paul Fischer, Vice-Chairman
Sen. Lloyd Jones
Sen. Arliss Sturgulewski
Sen. Jim Duncan
Sen. Fred Zhatoff
Sen. Dick Eliason

Box V
Juneau, Alaska 99811
(907) 465-4007

March 4, 1987

MEMORANDUM

To: Members of the Senate Committee on Resources

From: Committee Staff

Re: CSSB 26 (L&C), "Sale of Milk Products"

Rep. Martin has introduced a bill which would ensure that purchasers of milk products know when the product was processed.

Currently, the date on milk and cottage cheese cartons is there to tell grocers when to take it off the shelf. It does not indicate how long ago the milk has been processed. Consumers are left in the dark on the age and freshness of the milk product.

This bill is supported by DEC and DNR.

Included in your packet are:

Sponsor's memorandum relating to the committee substitute
Sponsor's statement
DEC position paper
Zero fiscal note on the committee substitute
Original fiscal note
DNR position paper

REP. TERRY MARTIN

ELECTIVE DISTRICT 13
MOUNTAIN VIEW
RUSSIAN JACK SPRINGS
NUNAKA VALLEY
ELMENDORF A.F.B.
CREEKSIDE
EAST ANCHORAGE



HOME
3960 REKA DRIVE-B6
ANCHORAGE, AK 99508
PHONE 333-6990

DURING SESSION
P. O. BOX V
STATE CAPITOL BUILDING
JUNEAU, AK 99811
PHONE 465-3783

Alaska House of Representatives

M E M O R A N D U M

To: Senate Resources Committee Members
From: Rep. Martin
Date: March 3, 1987
Re: HB 26 - Sale of certain milk products

I would like to thank you for your consideration of HB 26, and hope you will act favorably on it. Attached to this memorandum are back-up materials for the bill including:

- Sponsor's statement
- DEC position paper and fiscal notes
- DNR position paper

Most of the differences between the original bill and the committee substitute are explained by the DEC position paper in which the department suggested changes to the original bill. However, an additional change made in the L&C substitute, and not covered by the DEC paper, is the removal of the requirement to imprint the date on which the milk product could be expected to go sour. It was this provision that caused DEC to attach its \$9000 fiscal note, and by deleting it, the bill has no fiscal impact. Deleting this requirement should not, however, diminish the intent of the legislation.

Finally, the bill was amended on the House floor to make a necessary technical change in the definitions section. The first CS included a definition for the phrase "date of processing", but did not use the phrase in the substantive portion of the bill. The definition was changed to apply to the word "processed", which is used in the bill.



SPONSOR'S STATEMENT

HB 26

"An Act relating to the sale of certain milk products."

This consumer protection bill has only one section, which would add new language to AS 17.05 (Standards of Sale for Food and Drink, in the Food and Drug Title) which would make it illegal to sell milk and cottage cheese unless its container is clearly marked showing the date the product was processed.

This requirement would not apply to canned milk, cheeses, ice cream or dehydrated milk. The requirement would be enforced by DEC.

This bill came about simply because, as milk products are now marketed, cartons display only the date on which the grocer should remove the container from the dairy case. This can be ambiguous to the buyer, particularly when producers advertise that the product is good for some time after the date stamped. There is a federal requirement that milk producers must encode the container to indicate the date of processing, but since every milk producer uses a different code, they provide no information for consumers.

The change proposed by HB 26 would give the consumer the information necessary to make a more informed purchase, by showing exactly what day the product was put into the container. Knowing as much as possible about the product's freshness at the time a purchase is considered, and being able to estimate how long it will stay fresh, should alleviate complaints among consumers.

SPONSOR'S STATEMENT

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

Telephone: (907) 465-2696

Address:

January 26, 1987
Contact: Douglas Donegan

POSITION PAPER HB 26

Title:

An Act relating to the sale of certain milk products

Effect of the Bill

This bill requires that all milk products sold in Alaska contain a date of "processing" and a date upon which the product becomes "unfit for human consumption."

Department Position

The Department supports the intent of HB 26. The labeling requirements will provide consumers with pertinent information necessary to make informed decisions regarding the relative freshness and shelf-life of their milk product purchases.

If the bill becomes law, DEC would analyze approximately 6 samples per week to confirm by laboratory analysis the accuracy of the "use-before" date. DEC would monitor the accuracy of "processing" date of in-state processors at milk processing facilities. Accuracy of "processing" date for milk products produced outside of Alaska will be confirmed by monitoring shipment dates of incoming milk products and date of "processing" on the containers.

Suggested Revisions

While DEC supports the overall approach, some modification is needed to make it workable. The term "date of processing" needs to be defined. The Department recommends that date of processing be defined as "the earliest date upon which the milk product has been heat treated in any manner such as pasteurization." This definition is suggested because there are several steps in the production of milk products which could be considered "processing" and this definition will eliminate potential ambiguities.

The term "unfit for human consumption" also needs a definition. The Department suggests that this term be defined as "when the milk product exhibits organoleptic or microbiological evidence of spoilage rendering it unacceptable for human consumption as determined by the Department's Environmental Health laboratory."


The definition of "milk product" should also exclude all "cultured" milk products including sour cream and yogurt.

DEC POSITION PAPER

THIS WAS NEGATED BY L&C COMMITTEE SUBSTITUTE

Fiscal Effect

The Department would monitor milk products to determine compliance with the labeling requirements. This would include evaluating the accuracy of the "unfit for human consumption" date. During routine inspections grocery and dairy inspections, DEC sanitarians would collect milk samples and send them to the Division's environmental health laboratory for analysis. The sample collection and analyses could be performed with existing staff. Consequently, the only additional monies necessary would be for sample containers, sample shipment, gel ice, laboratory supplies and equipment including glassware and media, and a refrigerator with a temperature recording device. The Department anticipates that increased costs would be \$9,500 the first year and \$7,000 per year thereafter.



Dennis D. Kiso
Commissioner

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____
Revision Date: 1/29/87
Title: An Act Relating to the sale of certain MTR products
Sponsor: Terry Martin
Requestor: _____

Bill Version CSHB 26 (L&C)
Publish Date: HOUSE 2/2/87

Agency Affected: DEC
BRU: Environmental Health
Component: Environmental Sanitation
Palmer Lab., Dairy Industry

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS : (Attach a separate page if necessary)

This Bill as revised will have no fiscal impact on the Department of Environmental Conservation

Prepared by: Doug Donegan Phone: 465-2696
Division: Environmental Health Date: 1/28/87

Approved by Commissioner: *Amy D. K. [Signature]* Date: 1/24/87
Agency: Environmental Conservation

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: Labor & Commerce
Publish Date: 1/19/87

Revision Date: _____

Agency Affected: DEC
BRU: Environmental Health

Title: An Act Relating to the sale
of certain milk products

Sponsor: Terry Martin

Components: Environmental Sanitation
Palmer Lab., Dairy Industry

Requestor: John Manley for Terry Martin

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|------------------------|-------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| SUPPLIES | 0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| EQUIPMENT | 0 | 2.5 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | 9.5 | 7.0 | 7.0 | 7.0 | 7.0 |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|------------|------------|------------|------------|------------|
| GENERAL FUND | | 9.5 | 7.0 | 7.0 | 7.0 | 7.0 |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | 9.5 | 7.0 | 7.0 | 7.0 | 7.0 |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|---|
| FULL-TIME | | | | | | - |
| PART-TIME | | | | | | - |
| TEMPORARY | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

Contractual monies will purchase six sample shipments/week to Palmer Laboratory, Supplies will purchase laboratory glassware, media and sample shipping containers and gel ice; Equipment will be a one-time purchase of laboratory refrigerator with external temperature recording device.

Prepared by: Doug Donegan
Division: Environmental Health

Phone: 465-2696
Date: 1/26/87

Approved by Commissioner: _____
Agency: Department of Environmental Conservation

Date: 1/26/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801
PHONE: (907) 465-2400

February 17, 1987

The Honorable Adelheid Herrmann, Co-Chair
The Honorable Sam Cotten, Co-Chair
House Resources Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representatives Herrmann and Cotten:

Subject: The Committee Substitute (Labor and Commerce) for House Bill 26, relating to the sale of milk products.

Position: The Department of Natural Resources supports this bill which would require the date of processing to be displayed on milk products sold in Alaska.

Background: Since 1985, the State of Alaska has owned and operated the Matanuska-Maid Dairy. This bill would require the dairy to display on containers the date that milk and milk products are processed. Currently, the "pull-date" is the only date displayed on milk products sold in the state. This is the date identified by the processor as the last date the milk should be offered for sale.

Consumers would benefit from this bill because it would provide an additional guideline for consumers to use when selecting milk or milk products.

Some consumers prefer buying milk that will last for a long period of time after it is purchased. The "pull-date" is the guideline that is probably most important to this type of consumer.

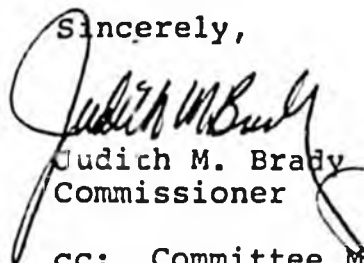
Other consumers use milk products quickly and are more interested in the freshness of the product than in the length of time it will keep. Displaying the milk product's processing date on the container will assist this type of consumer in selecting the freshest product.

House Resources Committee -2-

February 17, 1987

Please let me know if you would like additional information about this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Judith M. Brady". The signature is written in dark ink and is positioned above the typed name.

Judith M. Brady
Commissioner

cc: Committee Members
Sponsor
Governor's Legislative Liaison