

HB

73

HOUSE COMMITTEE REPORT

(7)
Date Referred: February 5, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 2-10-91

The STATE AFFAIRS Committee considered:

HB 73

HOUSE BILL NO. 73

APPROP: SALMON FOR OPERATION DESERT STORM

"An Act making a special appropriation to the Department of Military and Veterans' Affairs for the purchase of canned Alaska pink salmon for support of Operation Desert Storm; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CSHB 73 (State Affairs) the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
<i>Mike Miller</i>	<i>Tom Mowen</i>		X	
<i>Bob Gwendys</i>	<i>E. Brubaker</i>		-	
<i>Eugene Klubera</i>				

Eugene Klubera
Chairman's Signature

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 73

Revision Date: _____ Department Affected: Military & Veterans Affairs
 Title: Special appropriation-canned sal- BRU: Alaska National Guard
mon for Desert Storm Component: Office of the Adjutant General
 Sponsor: Rep. Kubina
 Requestor: House DMVA COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 91	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	5,000.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	5,000.0					

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	5,000.0					
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: Appropriation would take effect immediately in FY91

ANALYSIS: (Attach a separate page if necessary.)
 Funds would be spent for the purpose for which appropriated, considering any additional legislative intent made part of the public record. No effect on any fiscal years other than FY91.

Prepared By: Jeff Morrison, Director Phone: 465-4601
 Division: Administrative & Support Services Division Date: February 1, 1991
 Approved by Commissioner: HG John W. Schaeffer by J Morrison
 Agency: Military and Veterans Affairs Date: Feb. 1, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Depositor, OMB, & Impacted Agency(ies).

Alaska is not alone in this effort to show support for our men and women serving in Operat'on Desert Storm. Lieutenant Colonel Jim Fagen of the Defense Personnel Support Center in Philadelphia recently stated that American legislators have been responsible for initiating donations to this end, amounting to over twenty-two million dollars.

Colonel Fagen also indicated that this contribution from the state of Alaska would be a welcome contribution to military procurement in the effort to supply food rations to the troops.

I believe this bill not only will demonstrate the solidarity we as Alaskans have with our men and women of the military involved in the conflict in the Persian Gulf, but set an example for other states to follow.

Salmon orders by military lessen glut

By IMRE NEMETH

TIMES BUSINESS WRITER

Sponsors of a bill in the Alaska Legislature proposing a \$5 million appropriation to buy Desert Storm troops canned salmon for their rations are now saying the move could open up lucrative military contracts for Alaska's embattled salmon processors.

Rep. Gene Kubina, D-Valdez and the bill's prime sponsor, said Alaska has been a big supplier of canned salmon in past military campaigns. He said the industry is facing a glut of enormous proportion and could use the new market to pull itself out of a predicted price slump in the 1991

fishings season.

However, the U.S. Department of Defense is already buying salmon for a test run on the palates of troops stationed in Saudi Arabia.

Still, processors are not convinced the military is a viable option.

Alec Brindle, president of Seattle-based Wards Cove Packing Company Inc., said he is not counting on an appropriation from the Alaska Legislature.

"It would be nice, but I'm not taking any bets on that \$5 million," he said. The processing boss said salmon prices are depressed, adding, "I'm sure

everybody's going to be looking at whatever markets they can find."

Lt. Col. Jim Fagan, director of the Defense Personnel Support Center in Philadelphia, said there is a big difference between a gift of salmon and any purchases by his department. He said his department will accept any gift.

"It's not a carrot by any means," he said of the policy. "We are, however, looking at salmon utilized in (food) rations."

Salmon would be the main course for one in 10 meals served

See Salmon, back page

Salmon

Continued from page C1

to select groups of desert-stationed troops in the coming weeks, Fagan said. He said the major requirement for future orders is the taste test.

"The basic issue is to try and see what the response is," he said. "Asking one of those guys in the field if he likes salmon doesn't help a whole lot. Many of these guys don't even know what a salmon is."

Fagan said the donation would provide part of the sample. His department is currently purchasing 250,000 cans of Alaska salmon every month. He said the initial reason for salmon in the diet is simply for variety in an environment to which it is difficult to ship food.

Kubina said \$5 million would buy 2.16 million 12-ounce cans

"Everything I've got, so far, is positive," the representative said of potential legislative support. He said the gesture is symbolic coming from an oil state but does have economic potential.

Ray Cesarini, president of Sea Hawk Seafoods Inc. of Valdez,

runs one of the few plants cleared for sale to the military. He said Defense Department approval can be attained only by having a special inspection.

"It's not a big deal," he said of the inspection.

Brindle said an added military inspection is a duplication of three other government inspections he already gives the canning process at his many Alaska plants. He said he would like to see one standardized inspection.

Fagan said canned salmon not meeting the rigid requirements of each military agency would not be purchased. This leaves stockpiled Alaska product ineligible, Brindle said.

Barring a summer of bad salmon runs, the Wards Cove executive said at least one group will benefit.

"I'm anticipating it will be a pretty good year for the consumer," he said.

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be satisfied that U.S. managers of the fisheries of the North Pacific have taken adequate steps over the past year to protect halibut as bycatch in other fisheries.

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In 1990, because of halibut bycatch problems, the Canadians balked at establishing quotas for the halibut fisheries, and finally the U.S. managed our fish following the regulations of 1989, the Canadians theirs.

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are being used to harvest salmon within a gillnet fishing area.

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Four proposals would ban the use of spotter planes for salmon in Prince William Sound.

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Proposals 237 through 242 all have to do with harvesting the enhanced salmon at various Prince William Sound hatcheries, addressing what the proposers call inequities in the present harvests.

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Proposal 237 would limit people from operating more than one set gill net in the Main Bay salmon hatchery fishery. Under

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Proposal 238, the Esther special harvest area would be closed to seining beginning

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August 25, with the exception of the sanctuary area, which would close to seining after September 3. Under Proposal 239, in the Coghill district, the east side of Wells Arm, from Coghill River to the upper boundary of the Esther harvest area shall open to seining on July 15.

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Under Proposal 240, a provision would be added to the Esther Island Hatchery Management Plan providing that drift gillnet gear and purse seine gear may be

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operated only on alternating days during periods establish by emergency order on and after July 20.

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To assure maximum flexibility in adopting its own program of allocating fish it manages, Prince William Sound Aquaculture Corporation proposes in Proposal 241 that rather than imposing regulations affecting distribution of enhanced fish, the board give PWSAC a chance to fulfill its own directive: "to ethically and professionally maximize salmon stocks in Area E for the long-term well being of all user groups."

Proposal 242 advocates allocation of fish from state owned or financed salmon enhancement programs on the basis of recent, pre-enhanced historical utilization of salmon resources.

Following the meeting in Cordova,

Legislator proposes purchase of canned salmon for troops

by BOB TKACZ

You've heard of red, pink and silver salmon. How about red, white and blue?

U.S. troops stationed in Saudi Arabia could be dining on Alaskan pink salmon, and fishermen and processors here would get a helpful life out of their canned lumpy glut, if a bill proposed by Rep. Gene Kubina (D-Valdez) is approved.

Kubina's idea, introduced Jan. 24 as House Bill 73, is to buy \$5 million worth of canned pink salmon and donate it to the Defense Department to feed service men and women in Operation Desert Storm.

"I've been trying to think of some way the state could make a statement with the troops in the Persian Gulf, and we found out, actually, from a fisherman in Cordova, how the military used to buy, during World War II, a lot of fish," Kubina explained.

"It just sort of clicked that here's a situation where we certainly have an excess of Alaska salmon."

On top of existing stocks of canned pink from past seasons sitting in processors' warehouses, the Alaska Department of fish and Game is projecting a record pink salmon run approaching 100 million fish this summer.

An estimated 44 million of those fish will return to Prince William Sound if the department's guesstimates are correct, and fishermen there are already being told that processors will not be buying much pink salmon this year and that prices could be as low as 20 cents per pound.

The potential for financial disaster in the face of plenty is so bad that the Prince William Sound Aquaculture Corporation and Cordova District Fishermen United, in December asked Gov. Walter J. Hickel to initiate the investigation which could allow foreign processors to operate in Alaskan waters this summer.

Kubina concedes that his bill would help his constituents out of a jam, but says it could help expand Alaskan salmon sales as well.

He also suggested, in a House floor speech, that the state may owe the country something in light of the financial benefit the Iraq War as brought it.

"It is common knowledge that as one of the primary oil producing states in the union, the current global status has been fiscally a positive one for us, boosting revenues for the projected year by possibly as much as a billion dollars," he told his colleagues.

"Does this windfall call for us to make a tangible gesture?" he asked.

His proposal is making progress on both the legislative and military fronts.

HB 73 has been assigned to the House Military and Veterans Affairs, Finance, and State Affairs, and committees, the latter of which Kubina chairs.

"I have been told I'll get a very speedy hearing out of [Military and Veterans Affairs]. I'll give it an immediate bearing in my committee," he pledged. "The big issue will be Finance."

However, since the bills' introduction, House Finance cochairman Mike Navarre (D-Kenai), Finance committee-woman Kay Brown (D-Anchorage), and Rules chairman Johnny Ellis have all enlisted as cosponsors.

Kubina also says he's gotten a thumbs up from the Defense Department.

"We called the military to see if they would use Alaska salmon, and they said they would," he explained.

Besides the \$5 million, one other glitch remains to be ironed out.

Pentagon procurement regulations require all foodstuffs used by the military to be examined by federal inspectors, but most Alaskan processors operate under a state inspection system without federal involvement.

Kubina says the rule applies to all food purchases for the military but may not apply to donated items.

He plans to amend the bill to allow purchases from several processors, but will make sure the fish come from Alaskan rather than Outside canneries.

"Whatever it takes we're going to do the best we can to see that it's from Alaskan salmon and benefits Alaskan processors," Kubina said.

"We don't want to miss the point that we're doing it for (service men and women) too, so that when they get those boxes of salmon, they'll see the Alaska name on it."