

SB

306

Date Referred: April 19, 1994

Date of Committee Action: 4/25/94

The RESOURCES Committee considered: SB 306

SENATE BILL NO. 306 ANTITRUST EXEMPTION FOR FISHERMEN

"An Act relating to an antitrust exemption for persons engaged in the fishing industry."

RECOMMENDATIONS: [] the same title
 be replaced with _____ [] 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) Labor/3-30-94

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Bill Hudson</i> Hudson	<input checked="" type="checkbox"/>	<i>Clayton Mulder</i> Mulder		<input checked="" type="checkbox"/>	
<i>Robert Carney</i> Carney	<input checked="" type="checkbox"/>	<i>Clayton Bunde</i> Bunde		<input checked="" type="checkbox"/>	
<i>Paul Davies</i> Davies	<input checked="" type="checkbox"/>				
<i>W.K. Williams</i> Williams	<input checked="" type="checkbox"/>				
<i>Jeannette Jones</i>	<input checked="" type="checkbox"/>				

W.K. Williams
 CHAIRMAN'S SIGNATURE

SENATOR JIM DUNCAN
ALASKA STATE LEGISLATURE

Alaska State Senate

State Capitol • Room 119 • Juneau, Alaska 99801-1132 • (907) 465-4766 • Fax 465-4748

April 21, 1994

SPONSOR STATEMENT, SB 306

ANTYTRUST EXEMPTION FOR COMMERCIAL FISHERMEN

SENATOR JIM DUNCAN

Senate Bill 306 confers state antitrust immunity on fishermen, allowing them to negotiate raw fish prices with processors in order to improve the market price of Alaska seafood. It also permits fishermen and fish processors to agree to the minimum price for which processors will sell the processed fish.

In recent years, salmon prices have fallen dramatically. Alaska needs to offer greater support to our fishing industry, which is the state's largest private employer.

Fishing affects every segment of our economy, from small coastal villages to the state's general fund. Ex-vessel value of Alaska salmon declined by 67 percent between 1988 and 1993, yet salmon fishermen caught 64 percent more fish. As raw fish prices continue to drop, fishing communities and boroughs suffer from poor local economies, as well as decreased state revenue sharing from fisheries taxes.

British Columbia fishermen have consistently been getting higher salmon prices than Alaska fishermen, in part because of multi-year collective bargaining agreements with processors. SB 306 provides for a similar system, allowing fishermen to form associations to negotiate prices with processors.

The legislation was recommended in the 1993 Alaska attorney general's report on the Bristol Bay sockeye salmon industry. A state antitrust exemption is the first step. Once the legislature has approved a state exemption, the state will request a federal exemption.

Collective bargaining between fishermen and processors will help stabilize commercial fishing prices, bolstering local and state economies. Stable raw fish prices also will promote stable consumer prices for processed seafood products, which means greater sales of Alaska seafood.

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO : SB 306

Revision Date: _____
Title: Antitrust Exemption for Fishermen
Sponsor: Senator Duncan
Requestor: Senate Resources

Department Affected: Labor
BRU: Commissioner's Office
Component: Commissioner's Office
COMPONENT SERIAL NO. 340

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

Prepared by: John Abshire, Deputy Commissioner Phone: 465-2700
 Division: Commissioner's Office Date: 3/24/94
 Approved by Commissioner: Charles W. Mahlen
 Agency: Department of Labor Date: 3/24/94

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FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 2, 1994

SUBJECT: Sectional Summary of SB 306; An Act relating to an antitrust exemption for persons engaged in the fishing industry. (Work Order No. 8-LS1305\E)

TO: Senator Jim Duncan
ATTN: Rosemarie Alexander

FROM: George Utermohle *GU*
Legislative Counsel

You have requested a sectional summary of SB 306; An Act relating to an antitrust exemption for persons engaged in the fishing industry.

A sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill repeals and reenacts AS 45.50.572(c) in order that the antitrust exemption granted to fishermen's cooperatives (associations) under state law is similar to the exemption for fishermen's cooperatives under federal antitrust laws. In addition to retaining the current exemption allowing fishermen to collectively catch, collect, or prepare aquatic products for market, the new version of AS 45.50.-572(c) extends the exemption to include processing, handling, and marketing of aquatic products. The term "association" is defined to have the same meaning as it does under the federal antitrust exemption.

Section 2 of the bill adds a new subsection to AS 45.50.572 to grant an exemption from state antitrust laws so that fishermen's cooperatives could enter into agreements with fish processors regarding prices to be paid to fishermen and the minimum price that fish processors will accept for the sale of their processed products.

GU:pl
94-172.plm

MEMORANDUM

State of Alaska

Department of Law

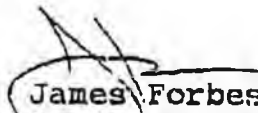
TO: Honorable Jim Duncan
Alaska Senate

DATE: April 13, 1994

FILE NO.: n/a

TEL. NO.: 269-5206

SUBJECT: SB 306

FROM:  James Forbes
Assistant Attorney General
Fair Business Practices Section
Anchorage

SB 306 addresses the question of antitrust immunity for the fishing industry. It would change existing law by clarifying the antitrust immunity of fishers and fisher organizations; and it would provide a measure of immunity under state law for fish processors when they negotiate prices with fishers.

The current statute, AS 45.50.572(c), permits fishers to act collectively for the purpose of catching, collecting, and preparing their product for market. It does not specifically provide that fishers may collectively negotiate prices for their product, although the corresponding federal law does provide an antitrust exemption for that purpose. Section 1 of SB 306 would bring AS 45.50.572(c) into line with the federal law. In doing so, it would clarify the legal status of fishers when they collectively bargain for the sale of their product. This change is a step in the direction of helping the fishers obtain higher prices for seafood products.

Section 2 of the bill would change existing law by allowing fishers to negotiate seafood prices with more than one processor during the same meeting. Currently, a processor may not meet to discuss prices or pricing strategy with another processor (or a processor organization) whether fishers are present at the meeting or not. Section 2 would allow several processors to conduct meetings at the same time to negotiate the price to be paid the fishers, so long as fishers are present during the discussions. The bill does not allow processors to discuss pricing with other processors if fishers are not present. Section 2 would also allow processors to agree, during meetings with fishers, on the price that processors will accept for processed fish from their buyers. Allowing the processors to negotiate collectively to this extent should improve their negotiating strength in the market, which should, in turn, improve the prices they are able to obtain for Alaskan seafood products.

Senator Duncan
Page 2

April 13, 1994

The seafood processors do not currently have antitrust immunity under federal law. Federal antitrust immunity for them could be conferred after passage of SB 306 by either of two means: a grant of immunity by the United States Congress; or the implementation of a system by the Alaska legislature that requires state approval of prices at which processors acquire raw seafood and sell the processed product. My February 15, 1994 memorandum to you describes these possibilities in greater detail.

cc: Elizabeth Shaw
Deborah Behr
Raga Elim

MEMORANDUM

State of Alaska Department of Law

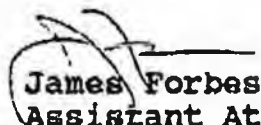
TO: Hon. Jim Duncan
Alaska Senate

DATE: February 15, 1994

FILE NO.: n/a

TEL. NO.: 269-5206

SUBJECT: SB 306: Federal antitrust
immunity

FROM:  James Forbes
Assistant Attorney General
Fair Business Practices Section
Anchorage

Rosemarie Alexander of your staff has asked for legal comment on SB 306 which seeks to confer antitrust immunity on fishers and processors of aquatic products in Alaska so they can collectively negotiate in order to improve the market price of Alaska seafood. Specifically, she has asked for comment on whether the bill confers immunity from federal antitrust law and if not, what amendments could be made to accomplish that purpose. As the bill is currently written, it confers state antitrust immunity, but not federal.

Federal antitrust immunity can, of course, be granted by the U.S. Congress. But where Congress has not granted immunity, the states have certain powers under our system of federalism to regulate commerce without application of federal antitrust law.

Under various rulings of the U.S. Supreme Court, a state legislature has the power to confer federal antitrust immunity where it intentionally determines that competition in an industry should be replaced with regulation, and where it establishes a mechanism for actively supervising the price setting activity. In the seminal case of Parker v. Brown, 317 U.S. 341 (1943), the court recognized that a California program regulating production and marketing of raisins by the state's growers immunized the raisin industry from antitrust liability. The declared purpose of the law was "to conserve the agricultural wealth of the state and to prevent economic waste in the marketing of agricultural products". The program allowed for a committee consisting of growers, packers and handlers to establish output and prices, which were then confirmed (or not) by a commission, which had the power to enforce its pricing decisions.

In the cases that have followed, the court has found that antitrust immunity exists where the legislature determines that competition in an industry is more harmful than beneficial, and where the legislature puts a mechanism in place to monitor and have final authority over the prices and production policies that are set by private industry participants. The usual arrangement features a state board or commission that has power to review and either approve pricing or production policies established by private industry participants, or reject them where the commission finds the policies suggested by those private persons are not in accord with state policy.

February 15, 1994

As a general rule, federal antitrust immunity will exist where the board or commission overseeing the industry: is staffed, funded and operational; has adequate power to monitor compliance with state regulatory policies; has the power to enforce compliance in state courts; and shows a basic level of activity aimed at insuring that the private industry entities carry out the state's policies, and not simply their own policies. See: New England Motor Rate Bureau v. FTC, 908 F. 2d 1064 (1st Cir. 1990).

In the case of carrying out the objectives of SB 306, and providing federal antitrust immunity, the legislature would have to find that competition among Alaska processors is resulting in prices that are so low they are injurious to the Alaskan economy. The legislature would have to find that regulation of prices is necessary to conserve the aquatic wealth of the state. The legislature should then establish a board or commission (or give an existing board or commission new powers) to oversee the setting of minimum prices for Alaskan aquatic products. Industry participants such as fishers and processors could be given permission (as under the current draft of the bill) to meet and agree on minimum resale prices and ex-vessel prices. The board or commission must then review these suggested prices and either approve or reject them. After approval, the board or commission must have the authority to enforce the price structures -- in court, if necessary.

If prices for Alaskan seafood were set in this fashion, the price setting activities of the industry participants would be immune from both state and federal antitrust liability.

This memorandum is intended to address legal issues only. To obtain the administration's policy perspective on SB 306, please contact the Governor's Legislative Liaison or the Commissioner of Commerce.

cc: Deborah Behr, Legislative Attorney, Department of Law
Raga Elim, Governor's Office Legislative Liaison
Paul Fuhs, Commissioner of Commerce

JF/

DIVISION OF LEGAL SERVICES

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FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 14, 1994

SUBJECT: SB 306: Antitrust exemption for fishermen and fish processors
(Work Order No. 8-LS1305\E)

TO: Senator Jim Duncan

FROM: George Utermohle *GU*
Legislative Counsel

You have requested a concise summary of how SB 306 changes state antitrust laws.

Under current law (AS 45.50.572(c)), fishermen are granted an exemption from the state antitrust laws (AS 45.50.562 - 45.50.596) to form groups to collectively engage in catching and collecting of fish and in preparing those fish for market. Section 1 of SB 306 rewrites AS 45.50.572(c) so that it is virtually identical to its federal counterpart (15 U.S.C. 521). By closely following the federal provision, the state antitrust exemption for fishermen is expanded to cover additional activities such as producing, processing, handling, and marketing of fish, so that the state law permits fishermen's groups to engage in the same activities that are permitted under federal law.

Section 2 of SB 306 adds a new exemption from the state antitrust laws to allow fishermen and processors to collectively agree on the price that processors will pay to fishermen for fish or that processors will accept for the sale of processed fish. The exemption does not authorize processors to agree among themselves on the prices that they will pay for raw fish or charge for their processed fish. The exemption only covers combined collective action of fishermen and a processor or a group of processors.

The exemption granted by sec. 2 of the bill applies only to the state antitrust laws. The activities covered by the proposed state exemption would still be subject to federal antitrust laws. Without a corresponding federal exemption, the state exemption is virtually of no effect. The Congress could enact a federal antitrust exemption for those activities protected under sec. 2 of the bill. But, if Congress does not enact the exemption, the state has the option of enacting a regulatory program that would suffice to establish an exemption from the federal antitrust laws through the "state action" exemption. Under the judicially created "state action" doctrine, anticompetitive conduct that is mandated or fostered by the state and that is regulated by the state is exempt from the federal antitrust laws. Parker v. Brown, 317 U.S. 341, 87 L.Ed. 315 (1943).

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

P.O. BOX 110800
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2500
FAX: (907) 465-5442

March 24, 1994

The Honorable Senator Jim Duncan
State Capitol
Juneau, Alaska 99811

Dear Senator Duncan:

I would like to take this opportunity to express my support for the timely passage of SB 306, "An Act relating to an antitrust exemption for persons engaged in the fishing industry."

This proposed legislation would provide Alaskan fishers with the ability to negotiate long term raw fish prices with the processors without incurring liability for antitrust violations. This ability for collective bargaining will provide a stability factor currently lacking in Alaskan commercial fishing prices. Currently, Alaskan fishers and processors cannot publicly discuss prices without violating U. S. antitrust laws. SB 306 provides for a state antitrust exemption.

SB 306 is of vital importance to the current economic outlook of the Alaskan fishing industry. Providing stability to commercial fishing prices will provide a mechanism for stable consumer prices for processed seafood products, thus increasing marketing potential of seafood.

SB 306 as an important step in sustaining a viable economic future for the Alaskan fishing industry.

Sincerely,



Paul Fuhs
Commissioner

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF ECONOMIC DEVELOPMENT

WALTER J. HICKEL, GOVERNOR

P.O. BOX 110804
JUNEAU, ALASKA 99811-0804
PHONE: (907) 465-2017

The Honorable Senator Jim Duncan
State Capitol
Juneau, Ak. 99811

Dear Senator Duncan,

I would like to take opportunity to express my strong support for the passage of SB 306, "An Act relating to an anti-trust exemption for persons engaged in the fishing industry."

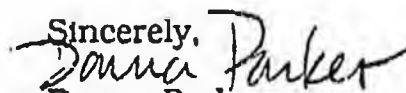
A similar anti-trust exemption exists in Canada where long term price contracts have helped keep pink salmon prices 113% higher than pink prices paid to Alaskan fishermen and sockeye prices 60% higher.

This proposed legislation would help bring stability to the the Alaska fishing industry by allowing fishermen and processors to negotiate long term fish price contracts without incurring liability for anti-trust violations. Currently, Alaska fishermen and processors cannot discuss price issues without violating U.S. anti-trust laws. SB 306 provides for a state anti-trust exemption. While a federal anti-trust exemption is probably necessary, this is an important first step in a direction that will help our salmon industry to recover.

Since 1983, the average ex-vessel value of salmon has declined by 64% despite a 67% increase in production. That means fishermen are working alot harder to make alot less money. Every time the average price of Alaska salmon drops one cent, salmon fishermen lose \$7 million. Every dime lost translates into a loss \$70 million annually to fishermen and \$4.5 million in lost revenues to the state. This effects both our coastal and urban communitities. More than 600 permit holders reside in Anchorage. In 1988, they brought home \$33 million in gross revenues. By 1991, their catch was worth about \$12 million.

The problem is caused by increased world production of salmon which has more than doubled in the past decade. Alaska has increasingly lost marketshare to farmed salmon which is able to deliver to the marketplace a product that offers consistent supply, quality and price.

While we can't address all these issues with a single piece of legislation, SB 306 is an important first step that offers the hope of stable pricing. I urge you to support this legislation.

Sincerely,

Donna Parker
Fisheries Specialist

BILL NO: Senate Bill No. 306

DATE: March 14, 1994

TITLE: Antitrust Exemption for Fishermen

CONTACT: Arbe Williams
465-2700

Senate Bill No. 306 would allow fishers to form associations to negotiate fish prices. AS 16.20.280 provides that the Department of Labor serve as mediator of disputes between fishers and fish processors on the price to be paid for salmon. The department's experience has revealed that the inability of fishers to form such associations, due to current anti-trust laws, to negotiate with processors was a primary factor in the dispute.

This legislation would provide a mechanism to stabilize raw fish prices, thereby protecting Alaskan fishers and processors from the debilitating and extreme fluctuations in fish prices. A stable fishing industry will have a direct and positive effect on the Alaskan economy. It is only reasonable that Alaskan fishers and processors have the legal ability to protect themselves and this important resource from price setting by outside interests..

The Department of Labor supports Senate Bill No. 306.

APPROVED:



Charles W. Mahlen, Commissioner

DATE:

3/14/94

POSITION PAPER/Department of Labor



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 112
Juneau, Alaska 99801
907/586-2820
Fax: 907/463-2545

March 10, 1994

The Honorable Mike Miller, Chair
and Members of the Senate
Resources Committee
The Capitol Building
Juneau, Alaska 99801

Dear Chairman Miller and Committee Members:

UFA supports SB 306 regarding Antitrust Exemption for Commercial Fishermen and we request that a hearing be scheduled in the near future.

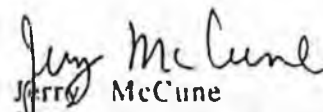
This legislation was first recommended in the 1993 Alaska Attorney General Report on the Bristol Bay salmon fishery.

Fishermen need to breathe new life in our industry. This bill is one avenue to be able to do so - it gives fishermen the ability to make collective bargaining agreements with processors.

This is only one of the first steps fishermen view as a means to stabilize salmon prices in the State of Alaska.

Again, this is a very important issue to the fishermen of Alaska and we would very much appreciate a hearing to be able to have the opportunity to discuss this important matter with you.

Sincerely,

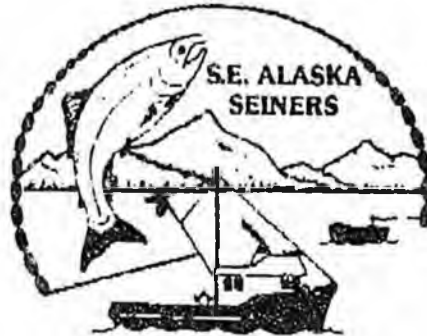

Jerry McCune
UFA President & Lobbyist

✓ cc: Senator Jim Duncan

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Longline Fisherman's Association • Alaska Trollers Association • Area K Seiners Association
Bering Sea Fishermen's Association • Bristol Bay Driftnetters Association • Concerned Area "M" Fishermen
Cook Inlet Aquaculture Association • Cordova District Fishermen United • Kenai Peninsula Fishermen's Association
North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association • Peninsula Marketing Association
Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Seafood Producers Cooperative
Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association

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Juneau Office
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Juneau, AK. 99801
phone: (907) 789-5117
fax: (907) 789-5117

April 15, 1994

Senator Jim Duncan
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Jim,

The Executive Committee of SEAS reviewed your bill, SB 306, and support it as originally written. We recognize that SB 306 is only the first step toward relaxing the anti-trust exemptions in a manner favorable to the fishing industry. But it is a good first step. This bill will remove the state-talking barrier for those fishermen and processors interested in multi-year contract agreements. And as you know, the next step will be to get the federal barrier removed. Passage will help our Congressional delegation to act similarly. We are glad to see that SB 306 is gaining bipartisan support. Hopefully, more support will come as we would like very much to see SB 306 passed this session.

Thank you for introducing this bill.

Sincerely,

A handwritten signature in cursive script that reads "Kathryn Troll".

Kathryn Troll
Executive Director



Bristol Bay Driftnetters' Association, Inc.

P.O. Box 21951

Juneau, AK 99802

Phone: (907) 463-4970 • FAX: (907) 586-1001

April 11, 1994

Senator Jim Duncan
Alaska State Senate
State Capitol, Room 119
Juneau, AK 99801-1182

Dear Senator Duncan:

In behalf of this association and all of the fishermen in Bristol Bay, I want to express my appreciation for your initiative in the sponsoring of SB 306, Antitrust Exemption for Commercial Fishermen.

This is a much-needed piece of legislation, although I feel sure that all of us - fishermen, processors, and just plain interested Alaskans - realize that ultimately there needs to be additional legislative work done to address our marketing problems. As I stated in my testimony before the Senate Judiciary Committee on April 8, we believe that this is an excellent first step.

I was pleased to see the committee move the original bill out of committee today, rather than risk bogging down the process for this session by attempting to work with the much more complicated issues which are intertwined in the proposed Committee Substitute.

I do want to note that I believe that all of us in the fishing industry are highly pleased to find the strong support for our plight which is exhibited in the Committee's willingness to consider the approach contained in the Substitute. It was, however, with a real sigh of relief that we watched the original bill meet committee approval.

I'm not an attorney and have no expertise in corporate or anti-trust law, but as a long-time observer of both fishermen, marketing agreements, and the Alaska Legislature, my gut feeling tells me that the committee's action today is the right way to go for now.

Thanks again.

Sincerely,

Bristol Bay Driftnetter's Association, Inc.
Dean Paddock, Executive Director



Cordova District Fishermen United

P.O. Box 93
Cordova, Alaska 9957
(907) 424-3447 FAX (907) 424-3443

March 28, 1994

Senator Jim Duncan
Alaska State Legislature
State Capital
Juneau, AK 99801-1182

Dear Senator Duncan:

On behalf of Cordova District Fishermen United (CDFU), I am pleased to write in support of Senate Bill 306—*An Act relating to an antitrust exemption for persons engaged in the fishing industry*. CDFU supports SB306 for three primary reasons:

- **SB306 serves to clarify ambiguities in existing law.**
Under current law, it is clear that fishermen may harvest, process and handle their catch or prepared product collectively but it is unclear whether they may collectively see the fruit of their labors through to the marketplace. The current law is interpreted by some to mean that after collectively catching or processing their fish, each individual fishermen has to separate his portion of the catch or product from that of other fishermen and then attempt to sell his portion individually. CDFU supports SB306 because it expressly allows fishermen to collectively sell their catch or their prepared product.
- **SB306 removes inconsistencies between state and federal laws.**
The federal exemption covers harvesting, processing, handling and marketing and is, thus, inconsistent with existing state law. This inconsistency creates an atmosphere wherein a group of fishermen may acquire an exemption from the state government and be in violation of federal law—and vice versa. Section 1 of SB306 rewrites existing law to make the state exemption virtually identical to its federal counterpart. CDFU believes this is an important improvement over existing state law.
- **SB306 levels the playing field for fishermen.**
Section 2 of SB306 places fishermen in a better position to obtain the best price for their fish by allowing them to collectively agree on the price that processors will pay to fishermen for raw fish and that processors will accept for the sale of processed fish. This will have the effect of leveling the playing field so that fishermen are in a better position to obtain the best price for their fish by allowing them to deal with processors in order to put up a united front against the major corporations that dominate the world markets for processed fish.

The nearly 250 commercial fishermen who comprise CDFU stand together with United Fishermen of Alaska and other fishing groups in support of SB306. If you have any questions or require additional information, please do not hesitate to contact me at the number above. Thank you for your consideration.

Sincerely,
CORDOVA DISTRICT FISHERMEN UNITED

Dorne Hawxhurst, Executive Director

cc: Senator Georgianna Lincoln
Representative Harley Olberg



Edward E. Crane
President

2550 Denali Street, Suite 1201
Anchorage, Alaska 99503
(907) 276-2007

March 22, 1994

Via FAX 465-4748

Senator Jim Duncan
Alaska State Senate
State Capitol, Room 119
Juneau, Alaska 99801-1182

Dear Senator Duncan,

I note that Senate Bill 306 is scheduled for hearing in the Senate Resources Committee on Friday, March 25. A schedule conflict precludes my attendance at that hearing. However, SB306 serves a relevant and highly significant purpose, in my view, and I respectfully offer the following comments for distribution as you may see fit.

I have been directly or indirectly involved with individual producers of food and fiber, and with both formal and informal associations of such producers, for nearly 30 years. That includes almost continuous and intense involvement with producers and marketers of agricultural commodities of all kinds from 1965 through 1981.

As contrasted with manufacturers, an individual producer of food and fiber commodities is greatly disadvantaged by his or her isolated status within what may be a huge conformation of economic forces. The producer is further made vulnerable by the limited-life nature of most commodities and by the pressure to capture whatever value may exist on a timely basis.

There has probably been no more positive statutory force affecting commodities producers than the limited antitrust exemptions in Federal, and most state, statutes. While a superficial glance may suggest they are merely the



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HOUSE RESOURCES COMMITTEE

DATE: 4-25-94

PLACE: Capitol, Room 124

SUBJECT OF MEETING:
SB 306 - Anti-Trust Exemption for Fishermen
SB 314 - Material Sites for Timber Operations
SB 310

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Kate Troll	SFAS	9026 Ken Run			786-5117	(Y) N	SB 306
John Abshire	Dep. Coman - DOH	P.O. Box 21449 Juneau 99802- Juneau 1149			465-277	(Y) N	SB 306 if necessary
Ron Woffel	KFIP	JUNEAU			789-7114	(Y) N	310
Jerry McCune	UFA	JUNEAU			586-2020	(Y) N	SB 306
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	



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HOUSE RESOURCES COMMITTEE

DATE: 4-25-94

PLACE: Capitol, Room 124

SUBJECT OF MEETING:
SB 306 - Anti-Trust Exemption for Fishermen
SB 314 - Mineral Sites for Timber Operations
SB 310

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Kate Troll	SFAS	9226 Long Run			786-5117	(Y) N	SB 306
John Abshire	Dep. Coman. DOH	P.O. Box 21449 Juneau 99802-1149			465-277	(Y) N	SB 306 if necessary
Ron Wolf	KFIP	JUNEAU			789-7164	(Y) N	310
Jerry McCune	UFA	JUNEAU			586-2820	(Y) N	SB 306
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	