

**SB**

**153**

FAX MESSAGE

FROM: ALASKA SAUSAGE CO., INC  
2914 ARCTIC BOULEVARD  
ANCHORAGE, ALASKA 99503 USA

CONT: Herbert Eckmann

TO: Senator Mike Miller, Chair  
Senate Resource Committee  
Juneau, Alaska

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March 23, 1993

Ref: SB 153

Dear Senator Miller,

I urge the Committee to approve SB 153.

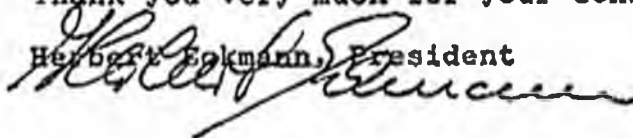
Background: We have been in the fish smoking business for 30 years and we are not doing the best job possible for our customer/fishermen.

We need to be able to exchange the custom caught fish out of a pool of custom fish and return a secondary processed fish to the tourist who then takes it along and consumes it or gives it away as gifts.

We can see many benefits including promoting the "Alaska Made" products, creating demand for mail order sales and using the resource for maximum benefit.

Thank you very much for your consideration.

Herbert Eckmann, President



cc. Senator Fayler



## TELEFAX

Royal Cruise Line  
One Maritime Plaza #1400  
San Francisco, California 94111  
Phone (415) 688-7200  
FAX (415) 688-1368

Fax # 666

To: Ketchikan Legislative Affairs Office 907-225-8546

From: Bruce Good RCL/SFO

PAGE 1 OF 1

Date: March 23, 1993

Subject: Senate Bill 153

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To: Alaska Senate Resource Committee

Dear Sirs:

As a cruise ship operator selling fishing excursions in Ketchikan during the summer tourist season, we urge the passage of this bill in support of the local fishing industry.

In our opinion the bill, if passed, would increase the appeal and sales of sportfishing tours, and also increase the sales of processed fish (being traded by visiting sportfishers) during the tourist season, thus providing a positive effect on both the sport and commercial fishing industry and the fish processing industry in your community.

We thank you for your anticipated support of this important bill when the opportunity arises.

Sincerely,

  
Bruce Good  
Director, Cruise Product

KETCHIKAN SPORTFISHING  
P.O. BOX 3212, KETCHIKAN, AK 99901  
(907) 225-7526, FAX 225-7525, 1-800-488-8254

March 23, 1993

page 1

To Whom it May Concern:

Ketchikan Sportfishing supports Senate Bill No. 153 to permit the exchange of sport caught fish for processed products.

Many people flock to Southeast Alaska each year to sightsee and SPORTFISH. After they arrive they usually get a surprise, the price of touring or living in Alaska. The very high cost of processing sport caught fish is sometimes enough to deter people from fishing. What is the use of going fishing if you cannot afford to keep your fish.

Tourism is one of the top three industries in the State of Alaska. Ketchikan Sportfishings primary business is providing charter fishing and related services to Cruise Ship passengers. It is a well know fact that in Southeast Alaska the Cruise Ship industry brings in the majority of the tourists. There are very few independent travelers in comparison to Cruise travelers. The ability to trade raw fish for processed product would greatly enhance our processing services to the Cruise Ships. It would increase the Cruise passengers opportunity to sample Alaskan Seafood products and promote future sales of fishing charters and fish products possibly increasing revenue to two of the States industries.

Each year Ketchikan Sportfishing accommodates over seven thousand Cruise Ship passengers on fishing charters here in Ketchikan. We estimate that these sport anglers bring in approximately 45,000 to 50,000 pounds of raw fish seasonally. Each year approximately 28,000 pounds of fish is turned in for custom processing locally and shipped to the customer at a later date. In order for the processing facilities to remain viable they must place a minimum poundage on each order. This combined with the high costs of shipping drives the price so high that many of our clients refuse the service and give their fish away.

Processing and shipping a twenty pound order costs over \$100.00. Approximately fifty percent of this cost is for shipping. Allowing people to trade raw fish for processed products will greatly reduce the cost to the tourist as well as our local folks. It would eliminate the need for a minimum amount of pounds per order, it would also eliminate the need to ship non residents their fish at a later date and therefore would reduce the overall cost of processing services.

page 2

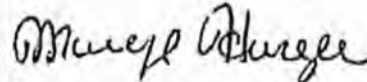
This would increase local processing jobs by decreasing the amount of raw fish being removed from the state and increasing the amount of fish for processing.

The Cruise Ship Industry has had to cope with many problems operating in Alaska. Accommodating their passengers fish is one of the smaller problems that the Cruise Companies face. Allowing a trade program would eliminate present problems with Cruise passengers getting their fish home in proper condition. There would be no more minimums on pounds, high shipping cost, lost products due to shipping problems, and far less upset and angry tourists.

On the following page I have outlined some positive points to Senate Bill No. 153. I cannot think of any negatives concerning this bill.

If you have any questions please feel free to contact me at the above address and phone numbers.

Thank You  
for your consideration



Marge Hanger

Owner

KETCHIKAN SPORTFISHING  
P.O. BOX 3212, KETCHIKAN, AK 99901  
(907) 225-7526, FAX 225-7525, 1-800-488-8254

March 23, 1993

POSITIVE POINTS OF TRADING RAW FISH FOR PROCESSED PRODUCTS:

An improved relationship between Southeast Alaska and the Cruise Industry.

Will make processing of sport and subsistence caught fish affordable to the general public "local & non-resident".

Less raw fish being removed from the State, therefore retaining more fish in state for processing.

Increased revenue for processing businesses.

Increased local & state job opportunity.

Increased local sales tax revenue:

Because custom processes are shipped they are not taxable in the city of Ketchikan & Borough. The service for traded product would begin and end in the city and would be taxable thereby increasing local sales tax revenue.

Protecting the general public:

We believe that being able to trade products for raw fish would lessen the chance of poisoning due to improper handling of delicate fish and seafood by the general public. All it takes is one small poisoning scare to affect the whole of the Alaskan seafood market.

Improved control of resource:

Would provide more complete information on the fishery resource by retaining records.

NEGATIVES:

None.

E & H SEAFOODS  
BOX 422  
SOLDOTNA, AK 99669  
PHONE 262-8765

MARCH 23, 1993

SENATOR MIKE MILLER  
JUNEAU, AK  
PHONE 465-4907  
FAX 465-3885

SUBJECT: SENATE BILL 153, FISH EXCHANGE

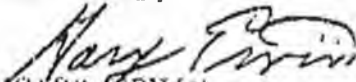
PLEASE BE ADVISED THAT WE STRONGLY SUPPORT SENATE BILL 153 AND  
ASK THAT IT BE PASSED AS SOON AS POSSIBLE.

IT IS IN THE INTEREST OF THE QUALITY ALASKAN RESOURCE THAT WE  
SUPPORT THIS BILL AND KNOW THAT ITS PASSAGE WILL IMPROVE THE  
QUALITY EVEN FURTHER AS IT RELATES TO FISH HANDLING AND  
PROCESSING.

BOTH ALASKAN'S AND TOURISTS WILL BENEFIT FROM THE QUALITY AND  
PRICE VALUE OF FISH HANDLED UNDER THE EXCHANGE METHOD OF  
PROCESSING.

THANK YOU FOR YOUR SUPPORT OF BILL 153 AND PLEASE DO NOT HESITATE  
TO CONTACT US IF WE CAN BE OF FURTHER HELP IN GETTING A YES VOTE.

REGARDS,

  
GARY ERVIN  
OPERATIONS

# Public Opinion Message

Only those single messages delivered by the signing individual to the Legislative Information Office by phone or fax, hand-delivered or written at the Legislative Information Office will be accepted for transmission via electronic mail as a Public Opinion Message. We require the following information to be held confidential: (1) name, address and phone number of sender, (2) who the PGM should be addressed to, (3) the text of the PGM (50 words or less), and (3) when possible, the bill number referenced in the PGM. Your message may be directed to any individual or combination of the following members of the Legislature.

| Delegations              |
|--------------------------|
| Anchorage Delegation (*) |
| Fairbanks Delegation (+) |
| Mat-Su Delegation (^)    |
| Busn Caucus (#)          |

| Senate    |           |
|-----------|-----------|
| Adams*    | Lincoln*  |
| Conley*   | Lita      |
| Duncan*   | Miller*   |
| Ellis*    | Pearce*   |
| Frank*    | Phillips* |
| Halford** | Riegar*   |
| Jacko*    | Salo*     |
| Kelly*    | Sharp*    |
| Kerula**  | Taylor*   |
| Laman*    | Zharoff*  |

| House        |            |           |
|--------------|------------|-----------|
| Barnes*      | Hoffman*   | Ciberg*   |
| Brice*       | Hudson*    | Parnell*  |
| Brown*       | James*     | Phillips* |
| Bunde**      | Kerr*      | Forier*   |
| Carney*      | Larson*    | Sanders*  |
| Davidson*    | Mackler*   | Sison*    |
| Davies*      | MacLennan* | Therault* |
| Davis, S.*   | Mason*     | Tecrey*   |
| Davis, G.    | Manard*    | Ulmer*    |
| Finkelstein* | Moses*     | Vazzy*    |
| Foster*      | Mulder*    | Williams* |
| Green*       | Navarra*   | Willis*   |
| Grossendorf* | Nicolet*   |           |
| Hazley*      | Nordlund*  |           |

| Committees                                    |
|---|
| Indicate H for House or S for Senate.         |
| Community & Regional Affairs                  |
| Finance                                       |
| Health, Education & Social                    |
| Judiciary                                     |
| Labor & Commerce                              |
| <input checked="" type="checkbox"/> Resources |
| Rules   |
| State Affairs                                 |
| Transportation                                |

Mr., Mrs., Ms., Dr., Etc.

|         |                     |       |          |
|---------|---------------------|-------|----------|
| Name    | Stella Callentine   | Phone | 225-1700 |
| Address | 5660 S. Tongass     |       |          |
| City    | Ketchikan, AK 99901 | ZIP   | 99901    |

Subject: Senate Bill 153

|    |    |    |    |
|----|----|----|----|
| 1  | 2  | 3  | 4  |
| 5  | 6  | 7  | 8  |
| 9  | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | 32 |
| 33 | 34 | 35 | 36 |
| 37 | 38 | 39 | 40 |
| 41 | 42 | 43 | 44 |
| 45 | 46 | 47 | 48 |
| 49 | 50 |    |    |

Please vote in favor of Senate Bill 153. I feel it would help both locals and K.P.P. tourists and would keep more jobs in Alaska.

Support  Oppose  Amend  None

Signature: Stella Callentine

Date: \_\_\_\_\_

01/15/92

To Sen Taylor  
 Date 3/23 Time 4:00

**WHILE YOU WERE OUT**  
 M Dick Hamm  
 of AK Seafood - Marketing  
 Phone \_\_\_\_\_

|                   | Area Code | Number                              | Extension       |
|-------------------|-----------|-------------------------------------|-----------------|
| TELEPHONED        |           | <input checked="" type="checkbox"/> | PLEASE CALL     |
| CALLED TO SEE YOU |           |                                     | WILL CALL AGAIN |
| WANTS TO SEE YOU  |           |                                     | URGENT          |

RETURNED YOUR CALL

Message Supports SBISS.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Operator \_\_\_\_\_



AMPAD  
EFFICIENCY®

23 023

To 3/23 Senator Taylor  
 Date \_\_\_\_\_ Time 4:30

**WHILE YOU WERE OUT**  
 M Jacqueline Forbergman  
 of Alaska Butcher  
 Phone \_\_\_\_\_

|                   | Area Code | Number                              | Extension       |
|-------------------|-----------|-------------------------------------|-----------------|
| TELEPHONED        |           | <input checked="" type="checkbox"/> | PLEASE CALL     |
| CALLED TO SEE YOU |           |                                     | WILL CALL AGAIN |
| WANTS TO SEE YOU  |           |                                     | URGENT          |

RETURNED YOUR CALL

Message Senate Bill 153.  
Want his support.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Operator \_\_\_\_\_



AMPAD  
EFFICIENCY®

23 023



# ALASKA VISITORS ASSOCIATION

3201 C Street, Suite 403 • Anchorage, Alaska 99503

Tel: (907) 561-5733 • Fax: (907) 561-5727

1992-93

Executive Officers

President

Robert Jacobsen

Wings of Alaska

Juneau, Alaska

1st Vice President

Dennis Brandon

Westmark Hotels

Anchorage, Alaska

2nd Vice President

John Binkley

Riverboat Discovery

Fairbanks, Alaska

Vice President/

Government Relations

Bob Engelbrecht

TEMSCO Helicopters

Juneau, Alaska

Secretary

Tom Garrett

Alaska Discovery

Juneau, Alaska

Treasurer

Dean Brown

Princess Tours

Seattle, Washington

Past President

Bob Berto

Southeast Stevedoring

Ketchikan, Alaska

Board of Directors

Linda Anderson

Alaska Campground

Owners Association

Tom Bolger

Alaska Sightseeing/

Cruis West

Tim Cerny

Fountainhead

Development

Robert Dindinger

Alaska Travel Adventures

Tom Dow

NANA Corp.

Bill Elander

Anchorage CVB

Paul Landis

Era Aviation

Len Laurance

Mariner, Inc.

Lynn Leary

Frontier Flying Service

Loren Lounsbury

Alaska Railroad

Linda McLaughlin

Delta Air Lines

Gary Odle

HAL-Westours Inc.

Ray Pedersen

Princess Tours

Brad Phillips

Phillips Cruises & Tours

Stan Stephens

Stan Stephens Charters

Brad Walker

Alaska Airlines

Tim Worthen

Regency Cruises

Karen C. wart

Executive Director

March 24, 1993

Senator Robin Taylor  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Dear Senator:

In 1991, the AVA Board of Directors adopted a resolution in support of the goals and objectives of HB60, and urged passage of this measure. We have attached resolution #91-02.

We have reviewed SB153 and believe it is conceptually similar to HB 60. Please accept this letter as indication of our support for SB153 - "An Act relating to the exchange of certain fish for seafood products, custom processing of certain fish, and use of certain fish for charitable purposes."

This measure will enhance the attraction of visitors to Alaska, will lead to an increase in value added processing and allow us to be more competitive with other sport fishing destinations.

Sincerely,

Robert N. Jacobsen  
President

enclosure: AVA Resolution #91-02



# ALASKA VISITORS ASSOCIATION

501 West Northern Lights, Suite 201 • Anchorage, Alaska 99503

Tel: (907) 276-6663 • Fax: (907) 258-4036

1990-91

Executive Officers

President

Ray Pedersen

Princess Tours

Seattle, Washington

1st Vice-President

Bob Berto

Southeast Stevedoring

Kenichikan, Alaska

2nd Vice-President

Bob Jacobsen

Wings of Alaska

Juneau, Alaska

Vice-President/

Government Relations

Stan Stephens

Stan Stephens Charters

Valdez, AK

Secretary

Dennis Brandon

Westmark Hotels

Anchorage, Alaska

Treasurer

Tim Kirschbaum

Alaska Sightseeing Tours

Anchorage, Alaska

Board of Directors

Larry Anderson

MarkAir

Bill Behnken

Cruise Alaska Tours

Captain Jim Blinckay

Alaska Riverboat

Discovery

Dean Brown

Princess Tours

Tim Cerny

Fountainhead

Development

Bob Dindinger

Alaska Travel Adventures

Cathy Dunbar

Mat-Su CVB

Bill Elander

Anchorage CVB

Bob Engelbrecht

TEMSCO Helicopters

Len Laurance

Mariner, Inc.

Lynn Leary

Frontier Flying Service

John Litten

Silka Tours

Linda McLaughlin

Delta Airlines

Ralph Nestor

Travel Industry

Management, UAF

David Palmer

Alaska Airlines

Brad Phillips

Phillips Cruises & Tours

Terry Underwood

HAL-Westours Inc.

Richard West

Alaska Sightseeing Tours

Tim Worthen

Regency Cruises

Karen Cowart

Executive Director

#91-02

A RESOLUTION

RELATING TO THE EXCHANGE OF RAW SPORT AND PERSONAL  
USE CAUGHT FISH FOR PROCESSED PRODUCTS AS AN  
ALTERNATIVE TO CUSTOM PROCESSING.

WHEREAS, the number of tourists visiting Alaska to  
enjoy our sport fishery is growing rapidly; and

WHEREAS, the number of non-resident sport fishing  
licenses issued in 1990 increased by 34 percent to  
176,433; and

WHEREAS, a growing percentage of these sport  
fishermen arrive via cruise ships with limited time  
in port; and

WHEREAS, fisherman visiting in this manner have a  
problem dealing with any fish they catch; and

WHEREAS, while some communities have custom  
processing available, the service is often limited  
and time consuming; and

WHEREAS, Representative Robin Taylor has introduced  
HB60 to allow for the exchange of raw sport caught  
fish for processed fish of the same species; and

WHEREAS, this measure will not only enhance the  
attraction of visitors to Alaska, but will also lead  
to an increase in value added processing, bringing  
with it increased employment for Alaska residents;

NOW THEREFORE BE IT RESOLVED that the Alaska  
Visitors Association Board of Directors fully  
supports the goals and objectives of HB60 and urges  
passage of this measure.

Adopted by the Board of Directors on February 7,  
1991.

# Alaska State Legislature



Senate Majority Leader  
Chair, Judiciary Committee  
Vice Chair, Community &  
Regional Affairs

Member, State Affairs Committee  
Committee on Committees  
Western States Legislative Forestry Task Force  
Legislative Council

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3873  
Fax: (907) 465-3922

352 Front Street  
Ketchikan, Alaska 99901  
(907) 225-8008  
Fax: (907) 225-0713

**Senator Robin L. Taylor**

## SPONSOR STATEMENT

### SENATE BILL 153

**March 24, 1993**

**TO: Senate Resources Committee**

**FROM: Senator Robin L. Taylor**

**This legislation provides for the exchange of sport or personal use caught fish for processed fish of the same species and was introduced at the suggestion of commercial processors, native corporations, economic development groups and other interested parties.**

**Current ADEC regulations ( 18 AAC 34.090 ) require the segregation of sport and personal use caught fish from commercial fish; maintenance of records to maintain the identity of all non-commercial fish processed throughout all aspects of processing and ( 18 AAC 34.170 ) the labeling of all non-commercial fish and fishery products with the words "NOT FOR SALE".**

**This legislation would allow for a modification of those regulations, with a positive economic impact in both the processing and tourism industries.**

**This legislation was introduced in 1991 as House Bill 60. It had the approval of ADEC and McKie Campbell testified on behalf of Commissioner Rosier (ADF&G) in support of the concept.**

**The non-resident sport fishery has experienced phenomenal growth. There were 132,008 non-resident sport fishing licenses issued in 1987. In 1992, that number swelled to 208,516. What happens to all that fish? In most cases it gets boxed up and taken home! Most people do not take advantage of custom processing because of 1) the time required, 2) limited capacity of the processors to accept custom work, and 3) the excessively high shipping costs for the finished product.**

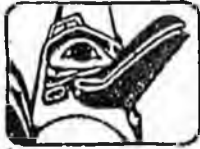
**SB153 SPONSOR STATEMENT**  
**PAGE TWO**

SB 153 would simply allow the sport fisherman to exchange his or her catch for already processed fish of the same species. It has been estimated that the value added processing which could occur in Ketchikan alone would add \$1 million to the local economy. Multiply that with the potential around the state and the benefits of this legislation become clear.

It is only in the initial round of exchange that processors would be allowed to exchange commercially caught fish for sport caught fish. After that, the sport caught fish received in the exchange would be processed and used only for future exchanges. SB 153 contains language assuring the quality of both the exchanged and processed fish.

SB 153 should have no effect on the volume of fish caught. It would provide a mechanism by which those fish currently being shipped out of state could be processed in Alaska with all of the inherent economic benefits.

I ask your support for Senate Bill 153.



KETCHIKAN  
VISITORS BUREAU

### RESOLUTION IN SUPPORT OF SB153

WHEREAS, the number of tourists visiting Alaska to enjoy our sport fishery is growing rapidly; and

WHEREAS, the number of nonresident sport fishing licenses issued in 1990 increased by 34 percent to 176,433; and

WHEREAS, a growing percentage of these sport fishermen arrive via cruise ships with limited time in port; and

WHEREAS, fishermen visiting in this manner have a problem dealing with any fish they catch; and

WHEREAS, while some communities have custom processing available, the service is often limited and time-consuming; and

WHEREAS, Senator Robin Taylor has introduced SB153 to allow for the exchange of raw sport caught fish for processed fish of the same species; and

WHEREAS, this measure will not only enhance the attraction of visitors to Alaska, but will also lead to an increase in value-added processing, bringing with it increased employment for Alaska residents; and

AND WHEREAS, the Ketchikan Visitors Bureau Board of Directors supported a resolution adopting the merits and content of SB153 in February of 1991 when Senator Robin Taylor was a State Representative introducing HB60;

BE IT THEREFORE RESOLVED, that the Ketchikan Visitors Bureau fully supports the goals and objectives of SB153 and urges passage of this measure.

Reconfirmed by the Ketchikan Visitors Bureau on March 23, 1993.

Don Clothier, Executive Director  
Ketchikan Visitors Bureau

Phone: (907) 225-6106  
131 Front Street, Ketchikan, Alaska 99901

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. CSSB 153 (RES)

Revision Date: 7-Apr-93  
Title: Exchange of certain fish for  
seafood products  
Sponsor: Senator Taylor  
Requestor: Senate Resources

Department Affected: Environmental  
Conservation  
BRU: Environmental Health  
Component: Seafood

COMPONENT SERIAL NO. 648

EXPENDITURES/REVENUES:

(Thousands of Dollars)

| OPERATING              | FY 94      | FY 95      | FY 96      | FY 97      | FY 98      | FY 99      |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| TRAVEL                 | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| CONTRACTUAL            | 5.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| SUPPLIES               | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| EQUIPMENT              | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| LAND&STRUCTURES        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| GRANTS,CLAIMS          | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| MISCELLANEOUS          | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| <b>TOTAL OPERATING</b> | <b>5.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

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| CAPITAL |  |  |  |  |  |  |
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|--------------|--|--|--|--|--|--|
| REVENUE      |  |  |  |  |  |  |
| FUND SOURCE: |  |  |  |  |  |  |

FUNDING:

|                       |            |            |            |            |            |            |
|-----------------------|------------|------------|------------|------------|------------|------------|
| 1002 FEDERAL RECEIPTS | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1003 GF MATCH         | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1004 GF               | 5.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1005 GF/PROGRAM RECPT | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1006 GF/MHTIA         | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| OTHER                 | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| <b>TOTAL</b>          | <b>5.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

POSITIONS:

NONE

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

Estimate of current year (FY93) impact: \$ NONE

ANALYSIS: (Attach a separate page if necessary.)

The bill requires that the Department determine the yield difference between raw and processed fish. There would be a one time contractual requirement to develop these standards.

Prepared by: Kit Ballentine, Acting Director  
Division: Environmental Health

Phone: 465-5280  
Date: 3/24/93

Approved by Commissioner: *James Blair for John Sandoe*  
Agency: Department of Environmental Conservation

Date: 3/24/93

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

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. SB-153

Revision Date: \_\_\_\_\_ Department Affected: Fish and Game

Title: Exchange of Raw Fish for Seafood Product BRU: Sport Fish

Sponsor: Senator Taylor Component: Sport Fisheries

Requestor: Senate Resources COMPONENT SERIAL NO. 464

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 | FY 99 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0     | 0     | 0     | 0     | 0     | 0     |
| TRAVEL            | 0     | 0     | 0     | 0     | 0     | 0     |
| CONTRACTUAL       | 0     | 0     | 0     | 0     | 0     | 0     |
| SUPPLIES          | 0     | 0     | 0     | 0     | 0     | 0     |
| EQUIPMENT         | 0     | 0     | 0     | 0     | 0     | 0     |
| LAND & STRUCTURES | 0     | 0     | 0     | 0     | 0     | 0     |
| GRANTS, CLAIMS    | 0     | 0     | 0     | 0     | 0     | 0     |
| MISCELLANEOUS     | 0     | 0     | 0     | 0     | 0     | 0     |
| TOTAL OPERATING   | 0     | 0     | 0     | 0     | 0     | 0     |

|         |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

|                      |   |   |   |   |   |   |
|----------------------|---|---|---|---|---|---|
| REVENUE FUND SOURCE: | 0 | 0 | 0 | 0 | 0 | 0 |
|----------------------|---|---|---|---|---|---|

FUNDING: (Thousands of Dollars)

|                          |   |   |   |   |   |   |
|--------------------------|---|---|---|---|---|---|
| 1002 Federal Receipts    | 0 | 0 | 0 | 0 | 0 | 0 |
| 1003 GF Match            | 0 | 0 | 0 | 0 | 0 | 0 |
| 1004 GF                  | 0 | 0 | 0 | 0 | 0 | 0 |
| 1005 GF/Program Receipts | 0 | 0 | 0 | 0 | 0 | 0 |
| 1006 GF/MHTIA            | 0 | 0 | 0 | 0 | 0 | 0 |
| Other                    | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL                    | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

|           |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

Estimate of current year (FY 93) impact: \$ 0

AM 'SIS: If the Board of Fisheries takes action to limit the number of fish that individuals can export a system to monitor numbers and species of fish exchanged would be required. Implementing and operating such a system would have some associated costs.

Prepared By: Rocky Holmes *N* Phone: 465-6187

Division: Sport Fish Date: March 23, 1993

Approved by Commissioner: *Carl L. Resien*

Agency: Department of Fish and Game Date: March 23, 1993

2/7/91  
House RES

NUMBER 292

REP. TAYLOR DESCRIBED HB 60 AS PROVIDING FOR A VALUE ADDED PROCESS FOR SPORT CAUGHT FISH, BY EXCHANGING SPORT FISH FOR CAUGHT FISH. STUDIES SHOW THAT IN THE KETCHIKAN AREA ALONE, AS MUCH AS 650,000 POUNDS OF FISH COULD BE PROCESSED WHICH, WITH VALUE ADDED WOULD SIGNIFICANTLY ENHANCE THE LOCAL ECONOMY, WITH POSSIBLY LARGER VOLUMES IN HOMER, KENAI, AND MANY OTHER COMMUNITIES HAVING COMMERCIAL PROCESSORS.

REP. TAYLOR PRESENTED AN AMENDMENT TO HB 60 AS FOLLOWS: PAGE 4, LINE 20, FOLLOWING "AS 03.05.020." INSERT "THE QUALITY OF SEAFOOD PRODUCTS PROVIDED IN EXCHANGE FOR RAW FISH SHALL BE APPROXIMATELY EQUIVALENT TO THE QUALITY OF SEAFOOD PRODUCTS MANUFACTURED FROM RAW FISH OF THE SAME QUALITY AS THE RAW FISH ACTUALLY PRESENTED FOR EXCHANGE." THIS AMENDMENT IS PRIMARILY TO ENSURE AN INDIVIDUAL BRINGING IN GOOD QUALITY FISH FOR EXCHANGE DOES NOT END UP WITH POOR QUALITY FISH.

REP. TAYLOR ADDED THERE HAS BEEN SIGNIFICANT SUPPORT FOR HB 60.

NUMBER 370

DICK PFIEFER OF E.C. PHILLIPS & SONS, A SEAFOOD PROCESSING FIRM THAT HAS BEEN IN BUSINESS IN KETCHIKAN SINCE 1926, TESTIFIED IN SUPPORT OF HB 60. MR. PFIEFER BELIEVED HB 60 WOULD PROVIDE A VERY VALUABLE SERVICE TO THE LARGE NUMBER OF VISITORS TAKING ADVANTAGE OF THE SPORT FISHERIES EVERY YEAR, AND WOULD ALSO RETAIN MORE OF THE VISITOR DOLLARS IN THE STATE. FROM CONVERSATIONS WITH SEVERAL MAJOR CHARTER OPERATORS, MR. PFIEFER WAS ADVISED THAT THE CURRENT QUANTITY OF CUSTOM PROCESSED FISH WOULD, AT THE VERY MINIMUM, BE TRIPLED BY THE SERVICE. HB 60 WOULD ALSO EXPOSE A LARGE NUMBER OF PEOPLE TO ALASKAN ADDED VALUE FISHERY PRODUCTS, AND PROVIDE REVENUES FOR THE SMALL ADDED VALUE PROCESSING INDUSTRIES THAT ARE BEGINNING TO DEVELOP WITHIN THE STATE. HB 60 WOULD PROVIDE JOBS FOR THE PEOPLE NECESSARY TO DO THAT PROCESSING, AND WOULD PROTECT THE JOBS OF THOSE PEOPLE IN SOUTHCENTRAL ALASKA THAT HAVE BEEN PROCESSING SINCE THE EARLY 1970'S WHO WOULD BE PROHIBITED FROM CONTINUING THIS SERVICE, IF THE LEGISLATION WERE NOT PASSED. FOR ALL THESE REASONS, MR. PFIEFER URGED PASSAGE OF HB 60.

NUMBER 459

REPRESENTATIVE PAT CARNEY QUESTIONED WHETHER MR. PFIEFER HAD READ THE PROPOSED AMENDMENT. MR. PFIEFER REPLIED IN THE AFFIRMATIVE. MR. PFIEFER AGREED THAT IN SIMPLE TERMS, THE PROPOSED AMENDMENT MEANT THE QUALITY OF THE RAW MATERIAL HAD TO BE EQUAL TO THE QUALITY NORMALLY USED TO CREATE THE PRODUCT.

2/7/91  
H. REC

REP. CARNEY WONDERED WHY THE AMENDMENT WAS NECESSARY. MR. PFIEFER DISCERNED SOME CONCERN THAT A PROCESSOR MAY USE A LESSER QUALITY FISH THAN HE WAS RECEIVING TO PRODUCE A PRODUCT.

NUMBER 493

REP. LEMAN INQUIRED WHETHER MR. PFIEFER HAD BEEN PREVIOUSLY ASSOCIATED WITH SEAFOODS OF ALASKA. MR. PFIEFER REPLIED IN THE AFFIRMATIVE. REP. LEMAN DISCLOSED A POSSIBLE CONFLICT OF INTEREST, SINCE HE HAD DONE SOME BUSINESS IN THE PAST WITH SEAFOODS OF ALASKA.

REP. LEMAN QUESTIONED THE MANAGEMENT OF THE INVENTORY. ACCORDING TO HB 60, FISH BEING EXCHANGED COULD BE EITHER FROM COMMERCIAL, SPORT OR PERSONAL USE FISHERIES, AND EXCHANGED FISH COULD NOT BE SOLD. REP. LEMAN WONDERED WHETHER FISH TAKEN FROM COMMERCIAL FISHERIES WERE EXCHANGED OR PURCHASED FISH THAT WOULD NOT LATER BE SOLD IN EXCHANGE. MR. PFIEFER POINTED OUT THE INTENT OF THAT PARTICULAR LANGUAGE WAS THAT AN INITIAL INVENTORY OF GOODS WOULD HAVE TO BE PROVIDED.

NUMBER 546

REP. HUDSON NOTED PUBLIC SAFETY, FISH AND WILDLIFE, AND PROTECTION ENFORCEMENT PERSONNEL ESTIMATE TWO EXTRA ENFORCEMENT PERSONNEL WOULD BE NEEDED, ONE IN SOLDOTNA AND ONE IN KETCHIKAN, FOR AN ADDITIONAL \$26,000.

MR. PFIEFER EXPRESSED SURPRISE AT THE NEED FOR ADDITIONAL ENFORCEMENT PERSONNEL, PARTICULARLY SINCE HB 60 REQUIRED THAT AUDITABLE RECORDS BE MAINTAINED AND INVENTORIES COULD BE ASSESSED TO SHOW EXACTLY WHAT WAS AND WAS NOT OCCURRING IN TERMS OF THE EXCHANGE PROCESS.

REP. HUDSON ASKED IF AN ADDITIONAL FINISHED PROCESS TAX COULD BE INSTITUTED TO PAY FOR THE ADDITIONAL PERSONNEL. MR. PFIEFER STATED THAT ANY ADDITIONAL TAX WOULD BE TRANSFERRED ON TO THE CONSUMER, AND HE WAS NOT NECESSARILY CONVINCED OF THE NEED FOR THE ADDITIONAL ENFORCEMENT.

REP. HUDSON EXPRESSED HIS UNCERTAINTY AS TO WHETHER THE ADDITIONAL ENFORCEMENT PERSONNEL IS REALLY NEEDED.

NUMBER 567

REP. TAYLOR POINTED OUT DEC AND ADF&G HAD BOTH SUBMITTED ZERO FISCAL NOTES. REP. TAYLOR ASSERTED HE WAS TOTALLY UNAWARE OF THE FISCAL NOTE CONTAINING THE NEED FOR TWO PROTECTION OFFICERS, SINCE THAT NOTE HAD BEEN SUBMITTED TO THE COMMITTEE DURING THE MEETING. REP. TAYLOR RECOMMENDED THE COMMITTEE DISREGARD THE FISCAL NOTE AND SUGGESTED THAT IF AND WHEN HB 60 PASSED OUT OF THE COMMITTEE IT DID NOT CONTAIN A FISCAL NOTE.

2/7/91  
H. RES

ON THE TAX ASPECT, REP. TAYLOR COMMENTED THAT IF THE VALUE ADDED PROCESS WERE TO BE TAXED, THEN MAYBE THE ENTIRE FISHING INDUSTRY OUGHT TO BE TAXED IN SUCH A WAY THAT IT PAY FOR ALL THE COSTS OF FISH AND GAME ENFORCEMENT.

TAPE HRES 91-6, SIDE B  
NUMBER 000

CHAIRMAN DAVIDSON BELIEVED IT WAS PRESENTLY AGAINST THE LAW FOR COMMERCIAL CANNERIES TO PROCESS SPORTS FISH. MR. PFIEFER STATED THAT WAS NOT THE CASE WITH CUSTOM PROCESSING.

CHAIRMAN DAVIDSON WONDERED HOW HB 60 WOULD ENSURE LARGE ORGANIZATIONS DO NOT TAKE ADVANTAGE OF THE LEGISLATION. MR. PFIEFER AGREED THERE WERE SEVERAL ISSUES THAT COULD BE OF CONCERN, E.G., THE RECOVERY USED FOR THE EXCHANGE HAS TO BE CONSISTENT WITH THE AVERAGE RECOVERY BEING OBTAINED. IF A CUSTOMER IS SHORTED, AN INVENTORY OF MATERIALS COULD BE BUILT UP THAT COULD BE DIVERTED, AND THAT IS WHY IT IS NECESSARY TO HAVE PROCESSING RECORDS. MR. PFIEFER ADDED AN UNSCRUPULOUS PERSON COULD FIND A WAY TO BEAT THE SYSTEM, BUT THAT IS THE WAY IT WAS IN ANY BUSINESS.

NUMBER 078

REP. HUDSON PERCEIVED THE PROPOSED AMENDMENT IMPROVED AND DISCOURAGED THE OPPORTUNITY FOR PROCESSORS TO SET ASIDE THE GOOD QUALITY FISH AND PEDDLE THE POOR QUALITY FISH.

NUMBER 092

KEN DOLE, MANAGING PARTNER OF WATERFALL RESORT, TESTIFIED IN SUPPORT OF HB 60. MR. DOLE PERCEIVED HB 60 WOULD SUBSTANTIALLY BENEFIT THE GUESTS OF WATERFALL RESORT, AND WOULD ALSO DRAMATICALLY INCREASE THE AMOUNT OF CUSTOM PROCESSING. CONSEQUENTLY, THOSE JOBS AND DOLLARS THAT WOULD STAY IN THE STATE WOULD BE MEANINGFUL.

2/7/91  
H RE'

MR. DOLE ADDED HE WAS ALSO CHAIRMAN OF THE KETCHIKAN VISITORS' BUREAU, AND THE EXECUTIVE COMMITTEE OF THE VISITORS' BUREAU HAS VOTED IN FAVOR OF SUPPORTING HB 60. ADDITIONALLY, THE BOARD OF THE ALASKA VISITORS' ASSOCIATION UNANIMOUSLY PASSED A RESOLUTION IN SUPPORT OF HB 60.

CHAIRMAN DAVIDSON INQUIRED INTO THE POUNDAGE FROM WATERFALL RESORT IF HB 60 WERE TO PASS. IT WAS MR. DOLE'S ESTIMATION THAT IN THE LAST TWO YEARS WATERFALL RESORT HAS AVERAGED APPROXIMATELY 6,200 POUNDS OF CUSTOM PROCESSED FISH, AND PERCEIVED THEIR OPERATION INCREASING TEN-FOLD WITH THE PASSAGE OF HB 60.

NUMBER 126

CHAIRMAN DAVIDSON ANNOUNCED HB 60 WOULD BE HELD IN COMMITTEE FOR FURTHER CONSIDERATION. HE THEN INFORMED THE COMMITTEE OF INCLUSION OF THREE TRANSITIONAL REPORTS FROM THE DEPARTMENTS OVER WHICH THE RESOURCES COMMITTEE HAD JURISDICTION, IN THEIR PACKETS.

House Resources 2/19/91

THE COMMITTEE NEXT ADDRESSED HB 60, SPONSORED BY REP. TAYLOR. CHAIRMAN DAVIDSON NOTED THERE WAS A COMMITTEE SUBSTITUTE TO HB 60.

CHAIRMAN DAVIDSON STATED HIS INTENT TO APPOINT A SUBCOMMITTEE TO CLARIFY SOME OF THE ISSUES RELATING TO HB 60. HE THEN APPOINTED REP. HUDSON TO CHAIR THE SUBCOMMITTEE WITH REPS. FINKELSTEIN AND LEMAN AS MEMBERS.

NUMBER 416

REP. TAYLOR RESERVED HIS COMMENTS FOR THE NEXT HEARING ON HB 60 SINCE A SUBCOMMITTEE HAD BEEN APPOINTED.

NUMBER 456

DICK PFIEFFER TESTIFIED VIA TELECONFERENCE FROM ANCHORAGE ECHOING REP. TAYLOR'S COMMENTS. MR. PFIEFFER SUPPORTED HB 60.

NUMBER 487

KIT BALLANTINE OF THE DIVISION OF ENVIRONMENTAL HEALTH AT THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION (DEC), TESTIFIED IN SUPPORT OF THE CONCEPT OF HB 60. DEC HAS THREE SPECIFIC CONCERNS WITH HB 60. DEC RECOMMENDS AMENDING SUBSECTION (11) ON PAGE 2 BY INSERTING "THERMALLY PROCESSED, VACUUMED PACKAGED, SMOKE, CURED, OR PICKLED" BEFORE "SEAFOOD PRODUCTS". DEC IS ALSO CONCERNED THAT HB 60 DOES NOT SPECIFICALLY ADDRESS BYVALVE, MOLLUSK AND SHELLFISH. DEC ALSO RECOMMENDS ADDING TO PAGE 6, LINE 5, AFTER "SHELLFISH," THE WORDS "EXCEPT BYVALVE, MOLLUSK AND SHELLFISH." IT IS THE OPINION OF DEC THAT THERE WOULD BE MINIMAL EFFORT TO INTEGRATE ACTIVITIES REQUIRED UNDER HB 60 INTO THEIR PRESENT INSPECTION ACTIVITIES. THEREFORE, DEC WOULD BE PRESENTING A ZERO FISCAL NOTE, ACCORDING TO MS. BALLANTINE.

NUMBER 574

CHAIRMAN DAVIDSON INQUIRED WHETHER DEC HAD DISCUSSED OVERSIGHT TO ENSURE FAIR EXCHANGE. ACCORDING TO MS. BALLANTINE, DEC HAS PROPOSED DOING AN INDUSTRY SURVEY TO ESTABLISH OVERSIGHT STANDARDS.

NUMBER 603

LT. VALENTINE OF DPS HAD NO PREPARED COMMENTS ON HB 60 BUT WAS AVAILABLE TO ANSWER QUESTIONS. IT WAS LT. VALENTINE'S OPINION THAT HB 60 IMPROVES THE STATE'S ABILITY FOR OVERSIGHT OVER SEAFOOD EXCHANGES.

NUMBER 630

2/19

→ MCKII CAMPBELL TESTIFIED, ON BEHALF OF COMMISSIONER ROSIER OF THE DEPARTMENT OF FISH AND GAME (ADF&G), IN SUPPORT OF THE CONCEPT OF HB 60. MR. CAMPBELL SUGGESTED AN AMENDMENT TO PAGE 4, LINE 39, INSERTING ", THE DATE OF THE TRANSACTION," AFTER "OR EXCHANGE."

ACCORDING TO MR. CAMPBELL, ADF&G HAD PREVIOUSLY SUBMITTED A ZERO FISCAL NOTE AND THAT WOULD REMAIN UNCHANGED.

NUMBER 682

REP. LEMAN SUGGESTED INSERTING THE PROPOSED AMENDMENT AFTER THE WORD "INCLUDING" ON LINE 29. CHAIRMAN DAVIDSON REQUESTED REP. LEMAN ADDRESS THAT ISSUE WITH THE NEWLY APPOINTED SUBCOMMITTEE.

NUMBER 700

REPRESENTATIVE TOM HOYER MOVED TO ADOPT CS HB 60. HEARING NO OBJECTIONS, CHAIRMAN DAVIDSON ADOPTED CS HB 60.

NUMBER 719

CHAIRMAN DAVIDSON VOICED HIS CONCERN OF ENSURING THAT LARGE QUANTITIES OF SPORT CAUGHT FISH DO NOT END UP IN A COMMERCIAL OR QUASI COMMERCIAL TYPE OF ESTABLISHMENT.

TAPE HRES 91-12, SIDE A  
NUMBER 000

MR. UTERMOHLE, ADDRESSING THE CHAIR'S CONCERN, STATED THAT WOULD BE A MATTER OF ENFORCEMENT. ON THE OTHER HAND, SUBSECTION (J) OF CS HB 60 ADDRESSES THE QUESTION OF HOW MUCH FISH AN ASSOCIATION MAY DONATE TO CHARITABLE PURPOSES, WHICH PUTS A LIMIT ON THE AMOUNT OF EXCHANGED FISH THAT CAN BE DEVOTED TO THIS PURPOSE BEFORE OVERSIGHT BY ADF&G WOULD BE REQUIRED. MR. UTERMOHLE ADDED THESE ISSUES NEEDED FURTHER INVESTIGATION.

NUMBER 025

HEARING NO FURTHER TESTIMONY, CHAIRMAN DAVIDSON ADJOURNED THE MEETING AT 4:57 P.M.