

**HB**

**73**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 12, 1997

FURTHER REFERRALS:

Date of Committee Action: 1/19/98

The FINANCE Committee considered:

HB 73

HOUSE BILL NO. 73

SALMON MARKETING ASSESSMENT & ASMI

"An Act extending the termination dates of the salmon marketing programs of the Alaska Seafood Marketing Institute and the salmon marketing assessment; and providing for an effective date."

recommends it be replaced with the following committee substitute \_\_\_\_\_  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal note(s) DOR, DCED  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therriault</i>	Therriault			<input checked="" type="checkbox"/>	
<i>Mark Hanley</i>	Hanley	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
<i>Edon Mulder</i>	Mulder			<input checked="" type="checkbox"/>	
<i>Terry Martin</i>	Martin			<input checked="" type="checkbox"/>	
<i>Victor Kohring</i>	Kohring				<input checked="" type="checkbox"/> V.H
<i>John N. L. Davies</i>	DAVIES	<input checked="" type="checkbox"/>			
<i>Don Gussendorf</i>	Gussendorf	<input checked="" type="checkbox"/>			
<i>Frank Davis</i>	Davis	<input checked="" type="checkbox"/>			
<i>Bob Kelly</i>	Kelly	<input checked="" type="checkbox"/>			
<i>Bob Foster</i>	Foster	<input checked="" type="checkbox"/>			

CHAIR'S SIGNATURE

*Gene Therriault* *Mark Hanley*  
 CO-Chair Therriault CO-Chair Hanley

# FISCAL NOTE

**STATE OF ALASKA**  
**1998 LEGISLATIVE SESSION**

**BILL NO.            HB 73**

Revision Date: \_\_\_\_\_ Department: Commerce and Economic Development  
 Title: An Act extending the termination dates of the BRU: Alaska Seafood Marketing Institute  
salmon marketing program of the Alaska Seafood Marketing Institute Component: Alaska Seafood Marketing Institute  
 Sponsor: HUDSON, Grussendorf, Elton  
 Requester: House Finance **COMPONENT SERIAL NO.            393**

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	500.0	500.0	500.0	500.0	500.0	500.0
TRAVEL	100.0	100.0	100.0	100.0	100.0	100.0
CONTRACTUAL	3,518.0	3,518.0	3,918.0	4,118.0	4,118.0	4,118.0
SUPPLIES	75.0	75.0	75.0	75.0	75.0	75.0
EQUIPMENT	7.0	7.0	7.0	7.0	7.0	7.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>4,200.0</b>	<b>4,200.0</b>	<b>4,600.0</b>	<b>4,800.0</b>	<b>4,800.0</b>	<b>4,800.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES</b>						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	4,200.0	4,200.0	4,600.0	4,800.0	4,800.0	4,800.0
1006 GF/MHTIA						
1091 Designated PR						
<b>TOTAL</b>	<b>4,200.0</b>	<b>4,200.0</b>	<b>4,600.0</b>	<b>4,800.0</b>	<b>4,800.0</b>	<b>4,800.0</b>

Estimate of any current year (FY 98) cost: \$ \_\_\_\_\_

**POSITIONS**

FULL-TIME	7	7	7	7	7	7
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)  
 The salmon marketing assessment is levied at 1% of the ex-vessel value on all salmon harvested in Alaska. The assessment generates revenue in a range from a high of \$4.8 million to a low of \$3.5 million. In FY98 the revenues are at a low point due to the decline in harvest and value of the 1997 salmon season. The market value of the salmon harvest is anticipated to gradually increase over the next three years to \$4.8 million. Revenues for the marketing assessment are reflected in the Department of Revenue Fiscal Note.

Prepared by: Cecile M. Rider Phone: 465-5560  
 Division: Alaska Seafood Marketing Institute Date: January 20, 1998  
 Approved by Commissioner: Debby Sedwick Date:             
 Agency: Commerce and Economic Development

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**  
 For further distribution information, call the Governor's Legislative Office

Revision Date: January 16, 1998 Dept. Affected: Revenue  
 Title: Salmon Marketing Assessment & ASMI BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: Rep. Hudson  
 Requestor: (H) FSH COMPONENT SERIAL NO. 713

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES (GF)</b>	<b>3,000.0</b>	<b>3,000.0</b>	<b>3,000.0</b>	<b>3,000.0</b>	<b>3,000.0</b>	<b>375.0</b>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Paul E. Dick  
 Division: Income and Excise Audit  
 Approved by Commissioner: Wilson L. Condon  
 Agency: Revenue

Phone: 465-3691  
 Date: January 16, 1998  
 Date: January 16, 1998

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 For further distribution information call the Governor's Legislative Office

**Alaska Department of Revenue**  
***Income and Excise Audit Division***

HB 73  
Salmon Marketing Assessment & ASMI  
January 16, 1998  
Page 2 of 2

**BILL ANALYSIS**

**Section 1** extends the sunset date for the salmon marketing tax (AS 43.76.110-130) authorized under ch 55, SLA 1993. This bill extends the sunset date from June 30, 1998 to June 30, 2003.

**Section 2** extends the sunset date for duties of the ASMI board related to salmon marketing authorized under ch 55, SLA 1993. This bill extends the sunset date from June 30, 1999 to June 30, 2004.

**Section 3** establishes an immediate effective date.

**Operating Costs**

Department of Revenue does not anticipate that there will be any additional costs associated with extending the sunset date for the salmon marketing tax. The department would continue administering this program with existing staff.

**Revenue**

The department estimates that salmon marketing tax collections will be \$3.0 million for each year during the extension, FY 99 through FY 03. Tax collections will fluctuate depending on prices paid for salmon and the volumes harvested in a given year. We estimate collections of \$375.0 in FY 04 because June 2003 monthly tax returns will be received and processed in July and August 2003. June collections represent about 1/8 of total tax revenues in a fiscal year.

# Alaska State Legislature

REPRESENTATIVE BILL HUDSON

State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-3744  
Fax (907) 465-2273

## COMMITTEES

CO-CHAIR  
Resources Committee

MEMBER  
Transportation Committee  
Labor & Commerce Committee

## SPONSOR STATEMENT

**HB 73, "An Act extending the termination dates of the salmon marketing programs of the Alaska Seafood Marketing Institute and the salmon marketing assessment; and providing for an effective date."**

HB 73, if enacted, would extend the current 1% domestic salmon marketing assessment when the law will sunset on June 30, 1998. Additionally, enactment of HB 73 would authorize Alaska Seafood Marketing Institute (ASMI) to continue to expend those revenues on salmon marketing programs.

In 1981, seafood processors elected to tax themselves in order to form a single marketing voice for Alaska seafood. Each processor who purchases at least \$50,000 of seafood products in Alaska pays a .3% marketing assessment. From 1981-1993 this tax, along with the state's general fund appropriations were the basis for ASMI's domestic market funding. As marketing pressure grew from the heavily subsidized farmed salmon industry, it became apparent that Alaska needed to increase its domestic marketing efforts. In 1993, in order to provide additional funding for this effort, a 1% salmon marketing tax was enacted by the legislature, stipulating that limited entry permit holders shall pay a market tax at the rate of 1% of the value of salmon that is either removed from the state or transferred to a buyer within the state. Current law will be repealed on June 30, 1998 unless legislation is passed to extend the tax.

ASMI's domestic salmon marketing program is paying off in more sales in the Lower 48. Salmon consumption has increased 27% nationwide according to National Marine Fisheries Service. Salmon orders by diners in over 900 restaurants increased almost 60% in 1995 compared to 1994. Additionally, sales in grocery stores increased significantly from 1995 to 1996. At a time when Alaska salmon harvests are at all time highs, and foreign produced salmon are threatening Alaska's traditional markets, it is especially important to increase our markets. Alaska salmon prices are a product of supply, demand and consistency in marketing. HB 73 will enable harvesters to continue underwriting this valuable marketing program.



# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

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

## MEMORANDUM

January 22, 1997

**SUBJECT:** Sectional Summary of HB 73; An Act extending the termination dates of the salmon marketing programs of the Alaska Seafood Marketing Institute and the salmon marketing assessment. (HB 73)

**TO:** Representative Bill Hudson

**FROM:** George Utermohle *GU*  
Legislative Counsel

You have requested a sectional summary of HB 73; An Act extending the termination dates of the salmon marketing programs of the Alaska Seafood Marketing Institute and the salmon marketing assessment.

As a preliminary matter, note that 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 amends sec. 9, ch. 55, SLA 1993 in order to provide that the salmon marketing assessment established by AS 43.76.110 - 43.76.130 is not repealed until June 30, 2003.

Section 2 of the bill amends sec. 10, ch. 55, SLA 1993 in order to provide that the salmon marketing programs of the Alaska Seafood Marketing Institute (ASMI) under AS 16.51.100(7)-(9) are not repealed until June 30, 2004. The salmon marketing assessment provides revenue to offset the cost of the salmon marketing programs of ASMI.

Section 3 of the bill provides that the bill takes effect immediately.

GU:pl  
97-019.plm



The Tax:

- The Salmon Marketing Tax legislation (Chapter 76, Sec. 43.76.110) was enacted July 1, 1993, and requires that salmon permit holders pay a salmon marketing tax at the rate of 1% of the value of salmon that the person removes from the state or transfers to a buyer in the state. The tax will be repealed June 30, 1998 unless it is extended.
- Representative Bill Hudson has introduced House Bill No. 73 that will extend the 1% salmon tax an additional five years until June 30, 2003.

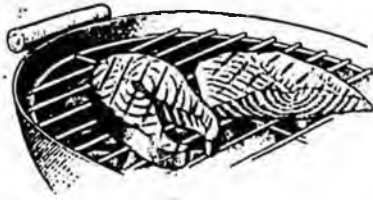
Changes the tax brought to the ASMI organization:

- The number of harvesters on the Board of Directors changed from five to twelve. ASMI's board has 12 processors, 12 harvesters, and one public member.
- A seven member salmon marketing committee (4 harvesters, 3 processors) was established to assist and advise the board in administering the salmon marketing program funded through the tax.
- The Salmon Market Bulletin was established by ASMI and contracted to the University of Alaska to collect, organize, distribute and make available to the public information on salmon prices and market conditions.
- ASMI cooperates with other fishing, seafood and state/federal entities on new value-added salmon products.

The increase in funds for salmon marketing enabled ASMI to:

- Move 10.7 million pounds of Alaska salmon from the summer of 1995 to the fall of 1996 as a result of ASMI store promotions
- Contract with three marketing representatives to cover the midwest, central south and southwest, south and southeast regions of the United States, who:
  - Establish relationships between ASMI/Alaska salmon and the major retail chains
  - "Sell in" ASMI's customized salmon promotions and set up in-store demonstrations
  - Keep Alaska seafood in front of seafood buyers.
  - Provide ASMI's educational literature (recipes, quality guidelines, fact sheets on different species, etc.)
- Increase the sales of canned salmon by 7% through in-store demonstrations and ASMI programs.
- Bring a group of five major seafood purchasers from national grocery store chains to Alaska to see the catching and processing of salmon for themselves.
- Hire ASMI's first Foodservice Program Director in March 1995 to work exclusively with the nation's restaurants, hotels, and non-commercial buyers (company cafeterias, university cafeterias, care centers).
- Through ASMI foodservice promotions, 5 million pounds of Alaska seafood were sold in restaurants and hotels around the country in FY96. Salmon is always the "lead item" in the promotions.
- Train the chefs and product development executives from 24 restaurant chains, 4 major foodservice distributors and the editors from 6 food magazines at ASMI seafood training seminars. Through them, ASMI has been able to influence the seafood purchasing in 11,242 restaurants with sales of over \$16 billion.
- Send 156 fishers from all gear types and regions into grocery stores in cities in the midwest, south, southeast and northeast to do in-store demonstrations of wild Alaska salmon. Over 3 million pounds of seafood were sold in one season, and stores routinely sold out of product whenever the fishers were used.

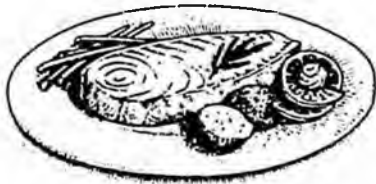
For more information, please call ASMI at 907-465-5560 or 1-800-273-2903.



*ASMI'S U.S. MARKETING PROGRAMS FACT SHEET*  
*Alaska Seafood Marketing Institute*

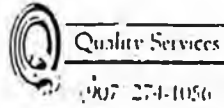
THE ASMI RETAIL MARKETING PROGRAM:

- Increases awareness and trial usage of Alaska seafood products.
- Develops distribution and brand (Alaska) identity programs for Alaska seafood at the wholesale/distributor, retail and consumer levels. "Buy Alaska salmon!"
- Jointly funds newspaper ads for Alaska seafood products with grocery store chains during key sales periods: Fall/National Seafood Month, Spring/Lent, Summer/fresh salmon, and other time periods as the budget allows. Salmon must be the lead item in the ads.
- Through extensive research, identifies key retail and consumer obstacles to the purchase, usage and distribution of Alaska seafood products and develops strategies to successfully overcome these obstacles.



THE ASMI FOODSERVICE PROGRAM:

- Targets growing segments of the foodservice industry with the greatest potential for Alaska seafood usage (commercial chain restaurants, hotel chains, foodservice management firms).
- Increases sales of Alaska seafood throughout the year by obtaining promotions and permanent menu placements in targeted, high-volume foodservice chains. For example, Denny's menus now have the word "Alaska" with its salmon dinners.
- Builds and strengthens the Alaska brand to pre-empt further competition from farm-raised products (i.e., "Wild Alaska Salmon", "Natural Salmon from Alaska", "pristine waters of Alaska").
- Establishes a leadership position for ASMI in the areas of seafood education and promotions with the goal of building brand loyalty within the foodservice marketplace.
- Communicates promotion results to the industry.
- Encourages the use of new value-added salmon products in the nation's foodservice industry.



Date NOV 29 1996

Ketchikan  
Daily News

Client No. 228

## Editorial

# Encourage innovation

228 501

Alaska Seafood Marketing Institute says its salmon promotion is paying off in more sales in the Lower 48.

Salmon consumption has increased 27 percent nationwide, according to National Marine Fisheries Service.

Salmon orders by diners in 900 restaurants and hotels increased almost 60 percent in 1995 compared to 1994.

NMFS also says more fish sold in grocery stores from summer of 1995 to this past summer.

That's good news and points to the value of thoughtful promotion of Alaska products.

The newest marketing effort is paid for with a 1 percent tax of fish sold to processors.

We hope ASMI's success discourages lawmakers from cutting the institute's budget. Funding should be continued, perhaps expanded, to encourage ASMI to extend its marketing of other Alaska seafoods. Alaska's high-quality pollock, specialty seafoods and shellfish would satisfy domestic consumers who want healthful eating.

Efforts to make products from fish, such as salmon ham and surimi and fish sticks from pollock, should be encouraged and new products tested.

ASMI's promotion has been innovative, including sending Alaska fishermen to Midwest markets. That look at Alaskans has increased salmon consumption there.

It's especially important to market the bumper crops of salmon Alaska fishermen are harvesting. The abundance makes prices drop, but if more fish is sold, there's still a chance to make profit. The healthy aspects, as well as its superior taste, are natural qualities to market.

Alaska needs to capitalize on its wild salmon population. Other countries are focusing on farmed salmon, good enough in that category, but not as tasty as the wild Alaska stocks.

We are encouraged by ASMI's efforts and think its continued success should be supported.



Representative Bill Hudson  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

February 4, 1997

via fax @ 465-2273

Dear Representative Hudson,

I would like to thank you for introducing HB 73, "An Act extending the termination of the salmon marketing programs of the Alaska Seafood Marketing Institute and the marketing assessment, and providing for an effective date." I strongly support the passage of this Bill. Please feel free to use my letter as public testimony.


In light of competition from the farmed salmon industry, Alaska's Salmon industry has, at least on the short term, lost much ground. We can accept this and do nothing about it, or, we can get smart and attempt to design marketing programs to help us compete in this rapidly evolving marketplace. This second option takes a bit of money as well as a unified and organized effort, like ASMI, to take the lead role.

The ASMI annual budget is over \$10,000,000. Processors make the largest contribution (approximately 3.7M) to this budget with their 03% assessment on the value of all fishery resources purchased. Fishermen contribute slightly less, approximately 3.4M, with their 1% assessment on salmon. The Federal government matches 6 to 1 the \$550,000 appropriated by the State Legislature.

We need ASMI now more than we did 10 years ago when there were very few farmed fish on the market and Alaska's salmon was "king". This is not the case today. We are now entering the "era of ASMI". We have invested in ASMI for over fifteen years, and ASMI, through its successes and failures, has learned a lot about marketing salmon. While global salmon supply has doubled so has salmon consumption and much of this growth in consumption can be directly attributed to ASMI's marketing efforts. It is important now that the State show unity with the industry and continue its support of the ASMI program.

I need not emphasize the importance of this industry on the Alaskan economy. It would be a disaster to allow legislators, who lack in understanding of the huge impacts of this industry, dictate policy which would permanently alter the wild salmon industries' ability to compete. Thank you for your time.

Respectfully yours,

  
Sandro Lane, President  
Taku Smokerie's

550 South Franklin Street  
Juneau, AK 99801  
(907) 463-4617

# SOUTHWEST ALASKA

MUNICIPAL  
CONFERENCE



3300 Arctic Boulevard, Suite 203  
Anchorage, Alaska 99503  
Phone (907) 562-7380  
Fax (907) 562-0438  
Email: swamc@alaska.net

October 2, 1996

Representative Alan Austerman  
Alaska State Legislature  
State Capitol (MS 3100)  
Juneau, AK 99801-1182

Dear Representative Austerman:

The Southwest Alaska Municipal Conference (SWAMC) is a regional membership organization representing over 130 member communities and businesses in Southwest Alaska. We are concerned about many issues, including economic development, fisheries management, tourism, transportation, small business development, education, and provision of adequate services to the communities in our region.

Our mission is to advance the collective interests of Southwest Alaska people, businesses, and communities and help promote economic opportunities to improve the quality of life and influence long-term, responsible development. During our 1996 Fall Meeting in Dillingham the enclosed resolutions concerning key statewide and regional issues were passed.

Here is the list of resolutions and their subject matter, with complete copies enclosed:

**RESOLUTION 96-15** A resolution regarding the use of lands on Adak.

**RESOLUTION 96-16** A resolution supporting changes to the Power Cost Equalization Program.

**RESOLUTION 96-17** A resolution urging the adoption of the "Safe Communities" Program and urging support of revenue sharing programs for municipalities.

**RESOLUTION 96-18** A resolution in support of full funding for the University of Alaska for Fiscal Year 1998.

**RESOLUTION 96-19** A resolution urging full support of the Alaska Marine Highway operation and continues progress toward the construction of the ocean class vessel.

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**RESOLUTION 96-20** A resolution urging full support for the Alaska Regional Development Organization (ARDOR) Program.

**RESOLUTION 96-21** A resolution urging legislative action on a solution for Title 47.

**RESOLUTION 96-22** A resolution supporting the State of Alaska state waters cod fishing program.

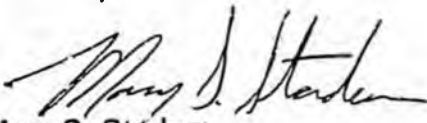
**RESOLUTION 96-23** A resolution requesting the development of a Southwest Alaska Regional Transportation Plan.

**RESOLUTION 96-24** A resolution urging the State of Alaska to develop a State Highway System.

**RESOLUTION 96-25** A resolution urging the State of Alaska to increase salmon marketing efforts.

We encourage you to give these issues serious consideration. The economies and health of rural and urban Alaska are interdependent. A strong, healthy, rural Alaska means a strong, healthy Alaska statewide. Thank you for consideration of our views. Should you have any questions about these resolutions, please contact me at 562-7380. We look forward to working with you in the future.

Sincerely,

  
Mary S. Stadum  
Executive Director

Enclosures

January 27, 1997

JAN 31 1997

Dear Representative Hudson:

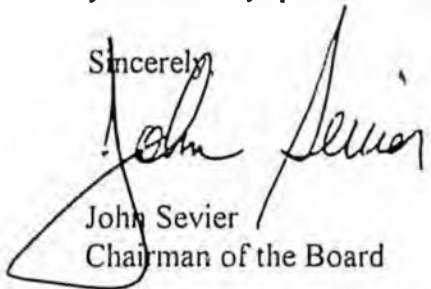
On behalf of the Alaska Seafood Marketing Institute, I extend to you our best wishes for a productive 20th session. We hope you enjoy the Alaska seafood samples enclosed, and that you take a few minutes to read the information provided to you about ASMI and the Alaska seafood industry.

The successful marketing of Alaska seafood in the United States is crucial to the economy of this state. The harvesting and processing of seafood is the number one private employer in Alaska, and contributes approximately \$1.3 billion to the Alaska economy each year. Not only do the state's small coastal communities benefit from seafood harvesting and processing, but it is also a \$100 million industry in Anchorage. In addition to harvesting, processing, transportation and agency support, Anchorage is home to more fishers than any other area in the state.

The seafood industry (harvester and shore-based processor assessments) supports ASMI's marketing in the United States. Last year, the harvesters contributed \$4.8 million and the processors contributed \$3.2 million. ASMI's overseas marketing is funded by a federal grant of \$3.9 million from the federal government. This grant was leveraged by a General Fund cash match from the state. A fact sheet on our export program is enclosed for your information, and we've also included a copy of *MarketLine*, which is our version of ASMI 101. We hope you'll find both helpful in understanding our relationship with the state.

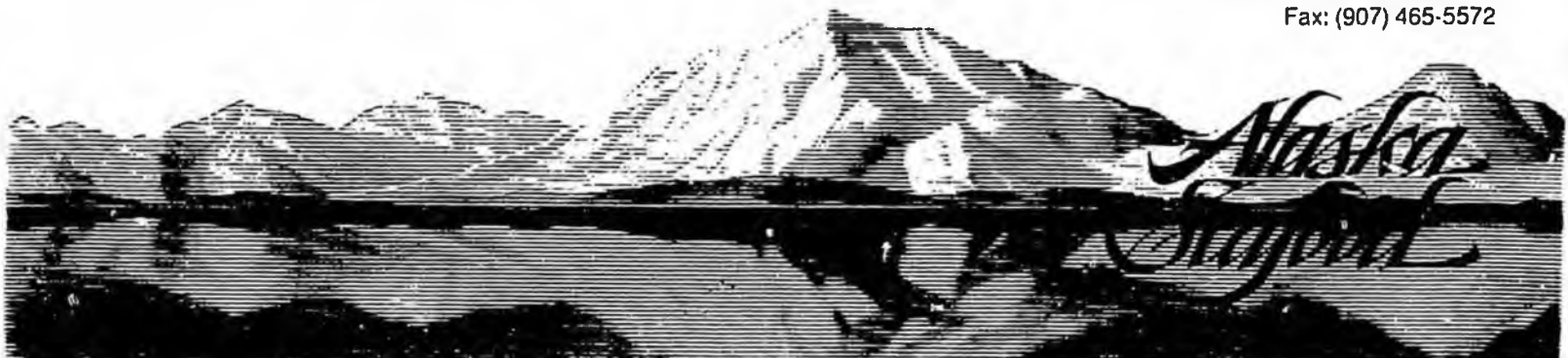
As the newly appointed chairman, I look forward to meeting you. Again, best wishes for a productive session. Please call me or Art Scheunemann, ASMI's Executive Director, if you have any questions about our marketing programs or ASMI itself.

Sincerely,

  
John Sevier  
Chairman of the Board

cc: ASMI Board  
Art Scheunemann, Executive Director

Alaska Seafood Marketing Institute  
1111 West 8th Street, Room 100  
Juneau, Alaska 99801-1895  
Tel: (907) 465-5560  
In Alaska: 1-800-478-2903  
Fax: (907) 465-5572





January 21, 1997

The Honorable Bill Hudson  
Alaska House of Representatives  
Room 108 State Capitol  
Juneau, Alaska 998011182

JAN 27 1997

Dear Representative Hudson:

Attached are the following resolutions passed for submission to the Alaska State Legislature by the Alaska Municipal League at its recent annual meeting:

- **Resolution 97-01**, Urging the Adoption of the "Safe Communities" Program and Urging Support of Revenue Sharing Programs for Municipalities.
- **Resolution 97-02**, Urging Legislative Action on a Solution for Title 47.
- **Resolution 97-03**, Urging Full Support for the Alaska Regional Development Organization (ARDOR) Program.
- **Resolution 97-04**, Supporting Passage of a Bill Increasing State Taxes on Tobacco products.
- **Resolution 97-06**, In Support of Full Funding for the University of Alaska for Fiscal Year 1998.
- **Resolution 97-07**, Supporting Adequate Funding for Each Extended Campus of the University of Alaska.
- **Resolution 97-08**, Urging the Legislature and Governor to Support a Statutory Change Allowing the Department of Revenue to Collect Alcohol Use Taxes on Behalf of "Damp" Communities.
- **Resolution 97-09**, Supporting the Alaska State Waters Cod Fishing Program.
- **Resolution 97-10**, Urging the State of Alaska to Increase Salmon Marketing Efforts.
- **Resolution 97-11**, Supporting Legislation to provide for the Conveyance of isolated Tracts of State Land to Boroughs and Unified Municipalities.
- **Resolution 97-12**, Urging Governor Knowles and the Legislature of the State of Alaska to Support the Earliest Possible Development of an Economically Viable Alaskan North Slope Gas Export Project.
- **Resolution 97-14**, Requesting the Governor, Legislature, and the Alaska State Department of Natural Resources to Continue Adjudication of Water Rights, Continue as the Custodian of the Program, and to Continue Maintenance of the Historical Water Rights Data Base.
- **Resolution 97-15**, Supporting Changes to the Power Cost Equalization Program.

January 22, 1997

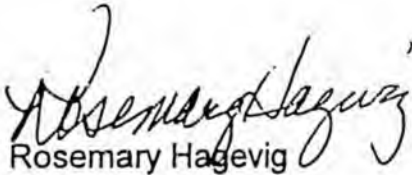
Page two

- **Resolution 97-15**, Supporting Changes to the Power Cost Equalization Program.
- **Resolution 97-17**, Urging Full Support of the Alaska Marine Highway Operation and Continued Progress Toward Construction of the Ocean Class Vessel.
- **Resolution 97-18**, Urging the State of Alaska to Develop a State Highway System.

I hope we can count on your support on these issues; I assure you that members of the Alaska Municipal League are ready to help in any way we can. If you have questions, you may contact me directly at 364-2154 or through the Alaska Municipal League at 586-1325.

Thank you.

Sincerely,

  
Rosemary Hagevig  
President

Enclosure as stated

D:\ct.res.statelegisi



L A K E   A N D   P E N I N S U L A   A I R L I N E S

February 17, 1997

House Special Committee on Fisheries  
ATTN: Sponsor Representative Bill Hudson

Re: House Bill 73 - 1% renewal to 2003

Dear Rep. Hudson:

As a fisherman in Bristol Bay for the last 30 years and with all of our immediate and extended family involved in both the salmon fishery and herring fishery, I (we) have real concern regarding our future.

Like any other industry we must market aggressively if we are to protect the Alaska industry from encroachment by every other protein source, especially farmed salmon.

Marketing is mostly a long term effort and results come only as we are consistent and aggressive, industry wide, in presenting our products.

Over the last three years ASMI has become an exceptional organization in the marketing arena. ASMI has a marketing plan and works the plan very aggressively.

On behalf of the many members of my family who are fishers in Bristol Bay and on behalf of many fishers in the "Lake Country" who may never contact you, I urge you to support H.B. #73. Please allow us as an industry to do what the Legislature must eventually expect of every other industry in the state. Assess ourselves 1% to market and promote the well being of the Alaska Seafood Industry.

Thank you for your consideration of my voice vote.

Sincerely,

A handwritten signature in cursive script that reads "Dawid".

David Wilder

Dear Art,

We sure do appreciate the letter you sent to Rebecca and myself. Even though we didn't get a chance to speak at the board meeting in Girdwood; hopefully, by expressing our views to Barbara and Ron Sparks our message made it to the rest of the board.

We are very passionate and committed to the state of Alaska, my profession (a 10 yr. commercial fisherman), our salmon and our seafood. We welcome and request the opportunity to speak to anyone who will listen; be it the public, the legislature, or the fishermen. As a fisherman and someone who is on the street in the lower 48, we listen to the public's cares, concerns, and perceptions. We can convey and produce a positive attitude towards wild Alaskan seafood.

ASMI needs to stay alive and the return from the state's funding and the 1% tax on fishermen will come to fruition. Anything short of this is nearsighted and impatient reasoning, which will cost the state and the fishermen money in the end.

Again we at Wild Alaskan Seafood Co. thank you for your help and response to our efforts and desires. One day I hope to sit on that board or possibly as the legislator to fight for what I care very deeply for.

Thank you  
 Michael Sundquist  
 and  
 Rebecca Hill

**Wild Alaskan**  
 SEAFOOD CO.



Taste The Wild...Taste The Difference  
**GUARANTEED**  
 Michael Sundquist

PO Box 1131  
 Girdwood, AK 99587-1131

Bus/Fax 907-783-1380

CECELIA A. ANGASAN  
P.O. BOX 1389  
DILLINGHAM, ALASKA 99576  
PHONE (907) 842-5503  
FAX (907) 842-1538

February 18, 1997

Representative Bill Hudson  
HOUSE OF REPRESENTATIVES  
Juneau, Alaska 99801

Dear Representative Hudson:

My name is Cecelia A. Angasan, ASMI Board Member. I first became involved with ASMI in the '80's as a Canned Salmon Committee Member, and later was appointed to the Board.

I have watched with great anxiety what is happening to the salmon industry and the frustration of getting appropriate funds to market our wild salmon with direct competition of farmed salmon.

I have some great concerns about how our State Government views the salmon industry and why it seems to put it on the back burner of priorities.

I'd like to share an experience I had when I was in Juneau last year for an ASMI meeting. I met a man in the lounge who was with a large oil group coming to Juneau to lobby their cause, and what he said, was "its a piece of cake, you just have to have the right connections politically," I sat there and thought about this for a long time, and asked myself what does ASMI, fishermen, processors and Alaskan workers need to do to wake up the legislature to the fact that we have and are losing ground in getting our salmon to the domestic and foreign markets with little or no money to properly advertise our product effectively?

The 1% that is taken from the fishermen to help advertise our salmon in the domestic market has been a great help, but that is still not enough. The beef, poultry, and other commodities in the U.S. get such a large sum of money to market their product, and the results tell the story.

I would like to ask that you support House Bill 73 for another 5 years. Further I would like to ask you to consider a Bill to have the State of Alaska match the 1% that is currently being taken from Fishermen to help ASMI get the much needed funds for marketing in the foreign and domestic markets.

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Again I would like to ask what you can do to emphasize the need for matching funds from the State to increase the ASMI Budget. What ASMI has accomplished with such a small budget is a miracle, but miracles don't last forever. The State of Alaska really needs to focus its attention on what can be done for the survival of our fisheries.

Thank you for your dedicated hard work that you are doing in Juneau and your support for House Bill No. 73.

Sincerely,



Cecelia A. Angasan  
ASMI Board Member

Representative Hudson  
State Legislator Office  
Juneau, Alaska  
Fax: 4652273

Dear Representative Hudson,

Thank you for submitting House Bill 73, the ASMI 1% renewal to 2003. The renewal this year will save money, time and energy. The salmon industry needs the efforts of ASMI.

I am a 20+ year harvester and have not been making much money lately but feel without ASMI's efforts, it would be even less.

Earlier this month at the Salmon Forum it became very obvious that ASMI is the only body the industry has in common. Every time there was an assignment or a need ASMI was the only entity that people thought of that could accomplish the goals. The industry is going through tough times but without ASMI we would be crippled!

Thank you again for your support.

Kathy Halgren  
Box 784  
Cordova, Alaska 99574-0784

Dillingham

967-Rose Heyano  
PO Box 1409  
Dillingham, Ak. 99576  
967-842-1353  
fax # 907-842-1355

February 9, 1997

Representative Bill Hudson  
Alaska State Legislature  
State Capitol  
Juneau, Ak. 99801-1182

via fax @465-2273

Dear Representative Hudson:

Thank you for introducing HB 73 that would extend the 1% assessment for marketing programs initiated by the Alaska Seafood Marketing Institute. Governor Tony Knowles appointed me to the board of directors of ASMI in October 1996. The two meetings I've attended since appointed has clearly shown me the importance of marketing Alaska salmon. Alaska's wild salmon is facing very stiff competition with farmed salmon in domestic as well as world-wide markets. We must continue our efforts to keep the market share we currently have and strive to increase our salmon markets both domestically and internationally.

I have been a commercial drift fisherperson in Bristol Bay for the past 20 years. We are experiencing declining salmon prices which is directly attributed to the influx of farmed salmon. The days of our wild salmon selling itself is no longer. We must continue to design marketing programs to help us compete in this rapidly evolving market place.

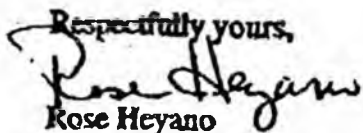
The Alaska Seafood Marketing Institute is the marketing agency that needs to represent fisherpersons in the State of Alaska. ASMI needs fishermen's support as well as the State's. The State of Alaska needs to support the salmon industry by continuing to provide the 20% match that ASMI needs to receive the US Dept. of Agriculture's export grant. Without the 1% fisher assessment and the State of Alaska's match ASMI's marketing efforts would be sharply curtailed.

In the Bristol Bay region most fisherpersons feel that the 1% assessment helps them very little since it can only be used for promoting and increasing domestic markets. Bristol Bay contributes close to 37% of the entire assessment and their product is sold primarily in Japan. Realizing any benefit of the 1% assessment is not forthcoming. If you can add into HB 73 the change in the wording that would allow the 1% assessment to be used nationally as well as internationally many fishermen would support the continuation of it.

Alaska's salmon industry is vital to Alaska's economy. We are the largest employer in the State and provide revenue from the raw fish tax that pays for all aspects of the State government. In order for the salmon industry to continue to play such a vital role in Alaska we must all continue to support and promote the marketing of the product.

In closing I would like to emphasize the importance of supporting the ASMI program, the continuation of a 1% assessment used worldwide; and to encourage the legislatures to provide the match that the ASMI program needs for their export marketing grant. I strongly support the passage of this bill with the above mentioned changes and encourage our State legislator to do the same. Thank you for your time.

Respectfully yours,



Rose Heyano

cc: Representative Ivan M. Ivan  
Representative Jeannette A. James  
Representative Carl E. Moses  
Representative Richard Foster

Leroy L. Cabana  
6100 Andover Cir.  
Anchorage, AK 99516  
Ph 907-345-5827  
fax 907-345-2190

Representative Bill Hudson  
February 13, 1997

Mr Hudson, I recently received a memorandum on HB 73 extending the 1% marketing assessment to June 30, 2003. I would like to thank you for your time and interest in sponsoring HB 73. The salmon industry, indeed all commercial fisheries in Alaska are more dependent now on ASMI's marketing effort than ever before. As a salmon fisherman with 18 years experience as an owner/operator of a seiner, I have witnessed a complete reversal of salmon harvest and marketing opportunities. In the 70's, we had few fish and more markets than we could fill. With farmed salmon production increasing every year and the record harvest of Alaska salmon in recent years, existing markets cannot absorb available production. It is unlikely we as a salmon industry will remain economically viable in the long term if farmed salmon continues to aggressively market and increase production and our reaction is to discontinue ASMI's funding. I know prices are at record lows and a more reasonable reaction would be increasing our marketing assessment, not eliminating our marketing program. I strongly support the marketing assessment and appreciate your time and effort on HB 73.

Sincerely,

Leroy Cabana

February 18, 1997

Representative Bill Hudson  
c/o House Resources Committee  
State Capital, Juneau, Alaska 99801

Dear Representative Hudson,

I would like this letter to show my support to the efforts you and Rep. Grussendorf have made in the introduction of House Bill No. 73. You have a very solid base of sometimes "quiet" support from the commercial fishermen in the Southeast Alaska region. Please, keep up the good work!

I am a life-long resident of Alaska and a full-time commercial fisherman. My family has been in the seafood industry in Alaska for over 65 years and we hope to continue well into the future in this dynamic industry. Many fishermen sometimes wonder as to the best use of the assessments or whether there should be an assessment at all? My experience and judgment clearly indicate that marketing is the key to getting a stable demand for our resource.

I shutter to think of the consequences that would suffocate our already stressed industry if the assessments are not continued into the future and our sole marketing ability is severed. Without trying to dramatize the future without a marketing assessment, I surely feel the salmon industry may collapse from within. Our industry collectively has some substantial obstacles to hurdle, but without the marketing presence of an organization such as ASMI, (in the words of my 8 yr. old) *we are doomed!*

I feel the successes that ASMI has made on behalf of our industry are beyond dispute. It probably is the one entity capable of keeping our processing and harvesting working together toward a market-driven industry which is the only promise that our industry can survive under.

Any way, the vast majority of commercial fishermen in this community definitely realize the importance of marketing and the future positive impact it will have on our livelihoods and the value of our industry to the entire state of Alaska.

Again, thank you for your support of our industry needs.

Regards,



John R. Swanson  
PO Box 1546  
Fetersburg, Alaska 99833  
Ph. & fax #(907) 772-3501

F/V Logan T (Salmon Seine, Halibut, Sablefish, Roe Herring)  
F/V Ruthie (Bristol Bay Salmon)

cc: Co-sponsor Representative Ben Grussendorf fax #907-465-2278  
Senator Robin Taylor, fax #907-465-3922  
Barbara Beiknap, fax #907-465-5572