

HB

73

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. _____ HB 73

Revision Date: _____
 Title: An Act extending the termination dates of the
salmon marketing program of the Alaska Seafood Marketing Institute
 Sponsor: HUDSON, Grussendorf, Elton
 Requester: (S) RES

Department: Commerce and Economic Development
 BRU: Alaska Seafood Marketing Institute
 Component: Alaska Seafood Marketing Institute

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	0.0
TRAVEL	72.0	72.0	72.0	72.0	72.0	0.0
CONTRACTUAL	2,401.0	2,401.0	2,401.0	2,401.0	2,401.0	375.0
SUPPLIES	25.0	25.0	25.0	25.0	25.0	0.0
EQUIPMENT	2.0	2.0	2.0	2.0	2.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	375.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	375.0
1006 GF/MHTIA						
1091 Designated PR						
TOTAL	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	375.0

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

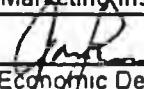
POSITIONS

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.

The salmon marketing assessment (AS43 76 110) is appealed effective June 30, 1998.

Prepared by	Cecile M. Rider	Phone	465-5560
Division:	Alaska Seafood Marketing Institute	Date:	April 23, 1998
Approved by Commissioner:	Debbie Sedwick 	Date:	4/23/98
Agency	Commerce and Economic Development		

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Bristol Bay Driftnetters' Association
PO Box 21951
Juneau, AK 99802

March 25, 1998

Alaska Senator Rick Halford
State Capitol Building
Juneau, AK 99801

Dear Senator Halford,

The Bristol Bay Driftnetters' Association is in support of the continuation of the 1-% ASMI salmon assessment. As an organization we are concerned that the funds that we contribute to ASMI be effectively spent to promote our Sockeye as much as practical. We also think it is not in Alaska's best interest to overly constrain ASMI from using these funds in the foreign market if by doing so they believe we will get the most sales stimulation for our limited funds. ASMI works hard for us and we should allow them to do the best job we are funding them to do.

We recently met with the General Manager of the Association of Chilean Salmon and Trout Farmers. They too have found that promotion is essential in the seafood market place. It might not be a bad idea to do some promotion with them since we are selling a similar product and they have so much money. We believe that it is even worth exploring how we might significantly increase the demand for salmon by working together. In any event BBDA encourages you to continue this important marketing tool. After all we do want to sell our fish and believe promotion is absolutely necessary and ASMI's salmon efforts are vital.

Sincerely,

Dan Barr President

Dan Barr

Scott Stevenson Vice-President

Scott Stevenson

Leroy Cossette Executive Committee Member

Leroy Cossette

Alaska State Legislature

REPRESENTATIVE BILL HUDSON

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

COMMITTEES

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Resources Committee

MEMBER
Transportation Committee
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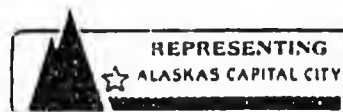
SPONSOR STATEMENT

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
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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

Norwegian Consul says:

"Blame for lack of salmon market share lies with Alaska"

By Margaret Bauman

ANCHORAGE, Alaska—Norway's consul to Alaska, Anton Meyer says the state must put more money where its mouth is to gain a better market share in the salmon industry.

"Alaska does not have many large truly Alaskan economic entities which are willing to invest in Alaskan fishing ventures," Meyer told fishermen and state officials at a salmon forum in Anchorage, Feb. 28.

"The only one who can do it is state government. A reversal of the present situation depends on the level of involvement by the state and ASMI - the Alaska Seafood Marketing Institute."

Meyer said Alaskans have only themselves to blame for "this phobia of socialism, whereby they think that large involvements by the state are bad. This is also the underlying reason for the fact that Alaska is not really in charge of either of its two largest industries, the oil industry and the fishing industry."

The two-day salmon forum, aimed at increasing market share and consumer preference for Alaska wild salmon, attracted a number of people in the fishing industry. Meyer, a 25-year resident of Alaska, had come to listen, but said he decided to speak up after he "got the feeling they were going around in circles."

Meyer drew cheers from the audience

when he suggested that some of the \$23 billion in the Alaska Permanent Fund be put into improving the state's market share in world salmon fisheries.

"One can well understand an Alaskan salmon fisherman in the present situation, who is asking himself "what has this \$23 billion in the bank done for me lately, with not one penny of it invested in Alaska? For Alaska to regain its place of prominence in sale of this pristine natural product an initiative by the state of Alaska of major proportions will be necessary," he said. "It was done in 1970. Alaska can well afford to do it again."

Meyer drew on strong historic bonds between Norway and Alaska, and the diverse tactics used to tackle similar industry problems.

Back in 1970, the salmon industry found itself at a crossroad both in Norway and

Please turn to page 2

Blame lies with Alaska

Continued from page 1

Alaska, he said.

In Alaska the catch declined to 20 million salmon and was rescued by a state initiative of the hatchery and aquaculture program. The state spent \$35 million building hatcheries. By 1995, catches had increased to 145 million fish. "So indeed Alaska has an excellent and proven tool which to a large degree can control catches," he said. "Alaska's ocean ranching program is much admired in Norway. It rescued Alaska's salmon industry in the 1970s and can well be called upon to do so again."

In Norway, which never had a large wild salmon stock, most coastal fisheries had nearly collapsed due to overfishing, mostly by Norwegians themselves, but also by

many other nations who fish their coastal waters, Meyer said. Norway responded in part by reducing the number of fishermen



Anton Meyer

from 30,000 to 15,000, he said. But salmon farming technology developed in the 1980s has resulted in some 800 salmon farms and 300 hatcheries in Norway today, he said. Meyer also said fishermen must do whatever they can to keep up the high quality of their fish. A statewide standard of quality is needed, he said.

The salmon forum met initially in Juneau in January 1997 to develop strategies to increase market value and demand for Alaska salmon. Strategists hope their efforts will move the state's salmon industry from a production driven fish industry to a market driven food industry.

The speakers also included Gunnar Knapp, a University of Alaska economist with the Salmon Market Information Service. Knapp spoke on behalf of Tomohiro Asakawa, a fisheries trade specialist with National Marine Fisheries Service in Tokyo, who was unable to attend.

Knapp said the group should consider changes in the Japanese economy and buyer attitudes in Japan as well.

"The Japanese economy continues to be slow," he said. "Although the Japanese gov-

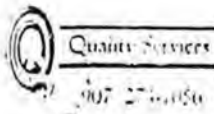
ernment seems reluctant to admit it, many economists report that Japan is in a recession which will continue unless the government takes more drastic action."

Unemployment is up and retail sales have shown consecutive negative growth since April 1997, he said.

Japanese buyer attitudes also have changes, he said.

"They have no immediate need to hold inventory. They can purchase any species in any quantity at any time. They are sensitive to prices and can easily switch from one species to another, depending on prices they wish to pay for quality.

"For instance, a Japanese fast food chain that used to serve Bristol Bay sockeye has now changes to Chilean coho to take advantage of lower prices."



Date NOV 23 1995

Ketchikan
Daily News

Client No. 228

Editorial

Encourage innovation

228 571

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.

Article 2. Salmon Marketing Tax.

Section

- 110. Salmon marketing tax
- 120. Collection of tax
- 130. Definition

Effective date of article. — Section 11, ch. 55, SLA 1993 makes this article effective July 1, 1993.

Delayed repeal of article. — Section 9, ch. 55, SLA 1993 repeals this article effective June 30, 1998.

Sec. 43.76.110. Salmon marketing tax. A person holding a limited entry permit or interim-use permit under AS 16.43 shall pay a salmon marketing tax at the rate of one percent of the value, as defined in AS 43.75.290, of salmon that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon marketing tax at the time the salmon is acquired by the buyer. (§ 7 ch 55 SLA 1993)

Sec. 43.76.120. Collection of tax. (a) A buyer who acquires salmon that is subject to a salmon marketing tax imposed by AS 43.76.110 shall collect the salmon marketing tax at the time of purchase and shall remit the total salmon marketing tax collected during each month to the Department of Revenue by the last day of the next month.

(b) A buyer who collects the salmon marketing tax shall

- (1) maintain records of the value of salmon purchased in the state;
- (2) report to the Department of Revenue by March 1 of each year the total value, as defined in AS 43.75.290, of the salmon that the buyer has acquired during the preceding year.

(c) The owner of salmon removed from the state is liable for payment of a salmon marketing tax imposed by AS 43.76.110 if, at the time the salmon is removed from the state, the tax payable on the salmon has not been collected by a buyer. If the owner of the salmon is liable for payment of the salmon marketing tax under this subsection, the owner shall comply with the requirements under (a) and (b) of this section to remit the tax to the Department of Revenue, to maintain records, and to report to the Department of Revenue.

(d) The salmon marketing tax collected under this section shall be deposited in the general fund. The legislature may appropriate revenue generated by the salmon marketing tax to the Alaska Seafood Marketing Institute for the purpose of supporting the institute's salmon marketing program under AS 16.51.100(7) — (9) and the institute's domestic salmon marketing program. Except as otherwise provided in an appropriation by the legislature, the amount of the allocation made to the institute's salmon marketing program under AS 16.51.100(7) and (8) should not exceed 10 percent of the total amount of salmon marketing tax revenue appropriated for the institute. (§ 7 ch 55 SLA 1993)

Sec. 43.76.130. Definition. In AS 43.76.110 — 43.76.130, "buyer" means a person who acquires possession of salmon from the person who caught the salmon regardless of whether there is an actual sale of the salmon, but does not include a person engaged solely in interstate transportation of goods for hire. (§ 7 ch 55 SLA 1993)

Chapter 77. Fishery Resource Landing Tax.

Section

- 10. Landing tax
- 20. Filing return and payment of tax
- 30. Credit for other taxes paid
- 40. Tax credit for scholarship contributions

Section

- 40. Credit for approved contributions
- 45. Fisheries resource landing tax education credit
- 50. Separate accounting
- 60. Revenue sharing

collected under AS 43.76.110 — 43.76.130; the committee shall consist of seven persons selected by the board, as follows:

(A) four persons shall be engaged in commercial salmon fishing and hold salmon permits under AS 16.43, of whom

(i) one person shall be a member of the board of directors of the institute; and

(ii) three persons shall be Alaska residents from different salmon administrative areas established by the Alaska Commercial Fisheries Entry Commission; and

(B) three persons shall be engaged in processing of salmon, of whom

(i) one person shall be a member of the board of directors of the institute;

(ii) one person shall be a salmon processor who is not on the board of directors of the institute and who has an annual payroll in the state of more than \$2,500,000; and

(iii) one person shall be a salmon processor who is not on the board of directors of the institute and who has an annual payroll in the state of \$50,000 — \$2,500,000. (§ 3 ch 106 SLA 1981; am § 5 ch 57 SLA 1982; am § 6 ch 55 SLA 1993; am § 24 ch 21 SLA 1995)

Delayed repeal of paragraphs (7)-(9). — Under § 10, ch. 55, SLA 1993, effective June 30, 1999, paragraphs (7)-(9) are repealed.

Effect of amendments. — The 1993 amendment, effective September 1, 1993, inserted in paragraph (3)

"domestic and" and added present paragraphs (7)-(9).

The 1995 amendment, effective August 8, 1995, in paragraph (5), deleted "and the legislature" following "to the governor" and added "and notify the legislature that the report is available" at the end.

Sec. 16.51.110. Prohibited promotions. The board may not promote or make a contract that promotes seafood by

- (1) geographic origin other than from the state generally;
- (2) geographic region of the state; or
- (3) specific brand name. (§ 3 ch 106 SLA 1981)

Sec. 16.51.120. Seafood marketing assessment. (a) A seafood marketing assessment shall be levied on the value of seafood products produced in Alaska as provided in (b), (c), (d), or (e) of this section if an election is held under AS 16.51.140 at which the assessment is approved by eligible processors who together produce at least 51 percent of the value of seafood products produced in Alaska in the calendar year.

(b) Each processor shall pay a seafood marketing assessment of .1 percent of the value of seafood products produced in Alaska by the processor.

(c) Each processor shall pay a seafood marketing assessment of .2 percent of the value of seafood products produced in Alaska by the processor.

(d) Each processor shall pay a seafood marketing assessment of .3 percent of the value of seafood products produced in Alaska by the processor.

(e) Each processor shall pay a seafood marketing assessment of .4 percent of the value of seafood products produced in Alaska by the processor.

(f) An election under (a) of this section shall be held if the proposed election for the levying of an assessment under (b), (c), (d), or (e) of this section is approved by a majority of the whole membership of the board at a regularly scheduled meeting.

(g) Notwithstanding (a) — (e) of this section and AS 16.51.150(c), a processor is not subject to, or liable for payment of, an assessment under this section on the value of the seafood products produced in Alaska if the value of seafood products produced in Alaska by the processor is less than \$50,000 in a calendar year. This subsection does not exempt a processor from liability for payment of taxes imposed under AS 43.75 or AS 43.77. (§ 3 ch 106 SLA 1981; am §§ 2 — 7 ch 81 SLA 1996)

Cross references. — For legislative findings, intent, and purpose relating to the 1996 amendments to subsections (a)-(e) and to the enactment of subsection (g) by ch. 81, SLA 1996, see § 1, ch. 81, SLA 1996 in the Temporary and Special Acts.

Effect of amendments. — The 1996 amendment,

effective June 21, 1996, rewrote subsection (a); in subsections (b)-(e), deleted "who purchases at least \$50,000 or more of seafood products in Alaska" following "Each processor" and substituted "value of seafood products produced in Alaska" for "value paid"; and added subsection (g).



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 1-800-278-2903.

February 1, 1998

Representative Bill Hudson
State Capitol - Room 108
Juneau, AK 99801-1182

Re 1% Salmon Tax

Dear Rep. Hudson

My family and I are commercial fishermen in Bristol Bay. We own three limited entry permits for salmon and run a family fishing business. We are writing you in support of legislation to continue the 1% marketing tax on salmon.

My wife and I have worked with marketing salmon in the Lower 48 and have witnessed the increase of sales of salmon in grocery stores because of the efforts of ASMI. We believe that fishermen working with ASMI can make a difference in the amount of wild salmon sold in the Lower 48 grocery chains. ASMI once strongly supported a Fisherman in the Stores Program, whereby, Alaskan fishermen could help promote their products directly to the public. Mary Gore, Sen. Miller's aide was in charge of this program. We believe it was very successful and also developed a strong support among fishermen for the 1% tax.

A change in leadership of ASMI brought with it a change of philosophy concerning the Fisherman in the Stores Program. From a high of 116 fishermen going outside to promote their products the program was cut to almost zero. My family's effort to bring about a change of direction went unheeded by the director. I understand the frustration of Senator Donley and we certainly supported the efforts by some legislators to get a change in the leadership of ASMI.

We now have a very competent and personable new director in Barbara Belknap. We are confident that she will be able to work with the ASMI Board to bring about necessary changes in marketing strategies. But, she needs your and our support to do this, as well as the help of the 1% tax to provide her with a program budget.

With the erosion of the Japanese yen and the increase of farmed salmon effecting our markets, it is now more important than ever for fishermen to support the 1% tax to help promote salmon in the U.S.

We hope that you will be supportive in our efforts with ASMI.

Thank you.

Bill and Diane Kuhlmann
P O Box 770891
Eagle River, Alaska 99577
Tel 907-694-2426
FAX 907-694-2435



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.

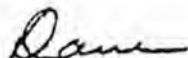
Marketing is mostly a long term effort and results come only as we are consistent and aggressive, industry wide, in presenting our products.

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,


David Wilder

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.

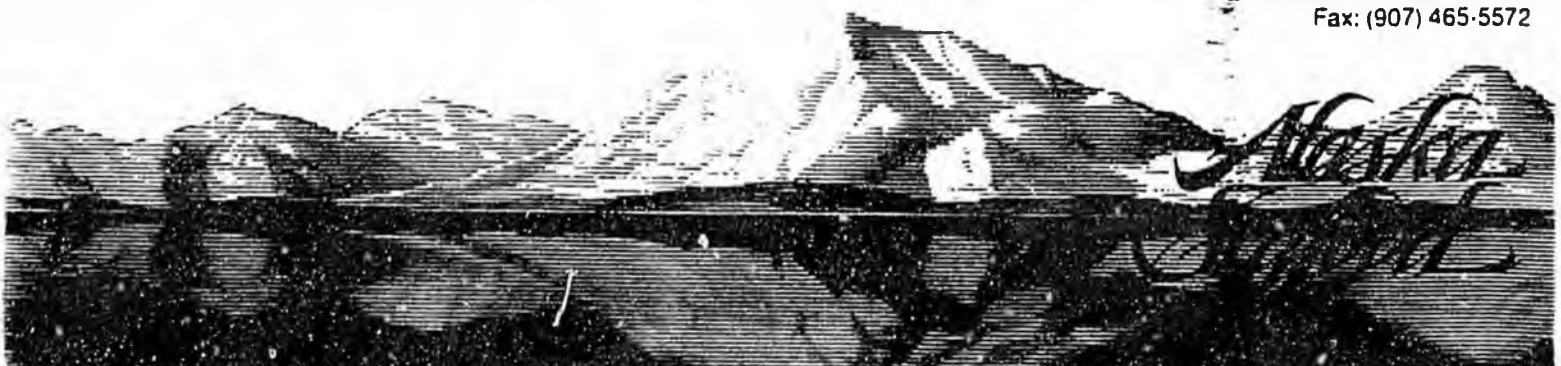
As the newly appointed chairman, I look forward to meeting you. Again, best wishes for a productive session. Please call me or Art Scheunemann, ASMI's Executive Director, if you have any questions about our marketing programs or ASMI itself.

Sincerely,


John Sevier
Chairman of the Board

cc: ASMI Board
Art Scheunemann, Executive Director

Alaska Seafood Marketing Institute
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Juneau, Alaska 99801-1895
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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.

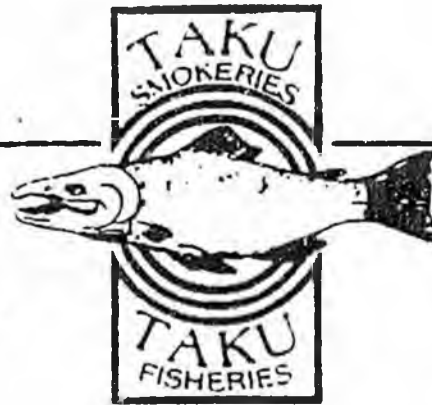
RESOLUTION 96-16 A resolution supporting changes to the Power Cost Equalization Program.

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.

g:\fallconf.96\resolut.tr



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.

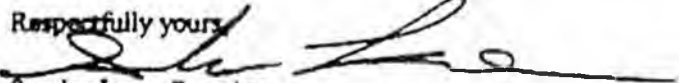
In light of competition from the farmed salmon industry, Alaska's Salmon industry has, at least on the short term, lost much ground. We can accept this and do nothing about it, or, we can get smart and attempt to design marketing programs to help us compete in this rapidly evolving marketplace. This 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 Lano, President
Taku Smokeries

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



Cordova Chamber of Commerce

First Street P.O. Box 99

Cordova, Alaska 99574

(907) 424-7260

*File w/ Bill
H*

MAR 23 1998

March 18, 1998

The Honorable Bill Hudson
Alaska State Legislature
State Capitol Room 108
Juneau, AK 99801-02

Dear Representative Hudson:

The Cordova Chamber of Commerce is expressing its support for the funding of ASMI and extension of the 1% salmon harvest assessment through the attached resolution.

Thank you for your consideration on these issues.

Sincerely,

A handwritten signature in cursive script, appearing to read "Seawan Gehlbach".

Seawan Gehlbach
Executive Director

cc: Senator Lincoln
Representative Kubina
Cordova District Fishermen United
ASMI

**CORDOVA CHAMBER OF COMMERCE
RESOLUTION 98-03**

**A RESOLUTION URGING THE STATE OF ALASKA TO SUPPORT
SEAFOOD MARKETING EFFORTS**

WHEREAS, commercial fishing is a major industry within our region; and

WHEREAS, fisheries prices, specially salmon prices, are depressed causing economic damage to many Alaska residents and communities in traditional markets; and

WHEREAS, the State of Alaska has established vital marketing efforts that are working to reach new worldwide markets and to increase consumption in traditional markets; and

WHEREAS, the world supply of salmon is expanding, resulting in fierce competition for Alaska's wild salmon products,

NOW THEREFORE BE IT RESOLVED that the Cordova Chamber of Commerce of Cordova, Alaska urges the Governor of Alaska and the Alaska state Legislature to support seafood marketing efforts by:

- fully funding the Alaska Seafood Marketing Institute (ASMI);
- supporting the passage of legislation extending the 1% salmon harvester assessment for a salmon marketing programs at the Alaska Seafood Marketing Institute.

Passed and approved by the Cordova Chamber of Commerce this the 17 day of March 1998.

Marina Briggs
Marina Briggs, President

Post-It* Fax Note 7671

Date	3/24/98	P. 01
To	Bill Hudson	From
Co./Dept.		Co.
Phone #		Phone #
Fax #	465-2273	Fax #

File w. Bill H

CITY OF KETCHI

RESOLUTION NO. 98-1903

A RESOLUTION URGING THE STATE OF ALASKA TO SUPPORT SEAFOOD MARKETING EFFORTS

WHEREAS, commercial fishing is a major industry within our region; and,

WHEREAS, fisheries prices, especially salmon prices are depressed causing economic damage to many Alaska residents and communities dependent on the industry; and,

WHEREAS, the State of Alaska has established vital marketing efforts that are working to reach new worldwide markets and to increase consumption in traditional markets; and,

WHEREAS, the world supply of salmon is expanding, resulting in fierce competition for Alaska's wild salmon products,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, as follows:

Section 1: The Council of the City of Ketchikan urges the Governor of Alaska and the Alaska State Legislature support seafood marketing efforts by:

fully funding the Alaska Seafood Marketing Institute (ASMI); and,

supporting the passage of legislation extending the 1% salmon harvester assessment for salmon marketing programs at the Alaska Seafood Marketing Institute.

Section 2: This resolution shall be effective upon passage and approval.

PASSED AND APPROVED this 19th day of March, 1998.

Bob Weinstein

Bob Weinstein, Mayor

ATTEST:

Katherine M. Suiter

Katherine M. Suiter
City Clerk



MAR 09 1998

**KODIAK
CHAMBER
OF COMMERCE**

P.O. Box 1485, Kodiak, Alaska 99615

(907) 486-5557

FAX: (907) 486-7605

Representative Bill Hudson
Alaska State Legislature
Room 108
Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Hudson,

Enclosed please find a resolution in support of continued funding for the Alaska Seafood Marketing Institute (ASMI). This resolution was adopted unanimously by the Board of Directors of the Kodiak Chamber of Commerce. This action was taken at its regularly scheduled meeting of February 23, 1998.

This resolution is in support of the Alaska Seafood Marketing Institute. Resolution 98-02-01 urges full funding for that organization. Additionally, it supports the passage of your legislation extending the one percent salmon harvester assessment for salmon marketing programs conducted by the Alaska Seafood Marketing Institute (ASMI). We believe that passage of House Bill 73 will accomplish these two goals.

The Board of Directors feel strongly about the need to maintain the economic viability of the ASMI. The Institute has many notable accomplishments to its credit over the past fifteen years. It is imperative that we find a mechanism by which to continue funding this organization. The ever faster changing conditions in the fishing industry mandate the need for a marketing organization such as ASMI.

Your assistance and support to assure the continued success of the Alaska Seafood Marketing Institute is sincerely appreciated.

Yours in economic prosperity,

Alan L. Schmitt
President

pc: Senator Jerry Mackie
Rep. Alan Austerman
Barbara Belknap, Executive Director ASMI
John Sevier, Chairman of the Board, ASMI

Dedicated to Kodiak's Future

**KODIAK CHAMBER OF COMMERCE
RESOLUTION 98-02-01**

A resolution urging the State of Alaska to support seafood marketing efforts

WHEREAS, commercial fishing is a major industry within our region; and.

WHEREAS, fisheries prices, especially salmon prices, are depressed causing economic damage to many Alaska residents and communities dependent on the industry; and.

WHEREAS, the State of Alaska has established vital marketing efforts that are working to reach new worldwide markets and to increase consumption in traditional markets; and.

WHEREAS, the world supply of salmon is expanding, resulting in fierce competition for Alaska's wild salmon products.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Kodiak Chamber of Commerce urges the Governor of Alaska and the Alaska State Legislature to support seafood marketing efforts by:

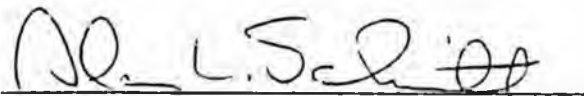
- fully funding the Alaska Seafood Marketing Institute (ASMI);
- supporting the passage of legislation extending the 1% salmon harvester assessment for salmon marketing programs at the Alaska Seafood Marketing Institute.

PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE KODIAK CHAMBER OF COMMERCE ON THIS 23rd DAY OF FEBRUARY 1998.

Signed this 24TH day of February 1998.

Attest:





Alan L. Schmitt, President
Kodiak Chamber of Commerce



Genedine D. Taan, Secretary to the Board
Kodiak Chamber of Commerce

**CORDOVA CHAMBER OF COMMERCE
RESOLUTION 98-03**

**A RESOLUTION URGING THE STATE OF ALASKA TO SUPPORT
SEAFOOD MARKETING EFFORTS**

WHEREAS, commercial fishing is a major industry within our region; and

WHEREAS, fisheries prices, specially salmon prices, are depressed causing economic damage to many Alaska residents and communities in traditional markets; and

WHEREAS, the State of Alaska has established vital marketing efforts that are working to reach new worldwide markets and to increase consumption in traditional markets; and

WHEREAS, the world supply of salmon is expanding, resulting in fierce competition for Alaska's wild salmon products,

NOW THEREFORE BE IT RESOLVED that the Cordova Chamber of Commerce of Cordova, Alaska urges the Governor of Alaska and the Alaska state Legislature to support seafood marketing efforts by:

- fully funding the Alaska Seafood Marketing Institute (ASMI);
- supporting the passage of legislation extending the 1% salmon harvester assessment for a salmon marketing programs at the Alaska Seafood Marketing Institute.

Passed and approved by the Cordova Chamber of Commerce this the ..17.. day of
MARCH 1998.

Marina Briggs
.....
Marina Briggs, President

RESOLUTION

A RESOLUTION URGING THE STATE OF ALASKA TO SUPPORT SEAFOOD MARKETING EFFORTS

WHEREAS, commercial fishing is a major industry within our region; and,

WHEREAS, fisheries prices, especially salmon prices, are depressed causing economic damage to many Alaska residents and communities dependent on the industry; and,

WHEREAS, the State of Alaska has established vital marketing efforts that are working to reach new worldwide markets and to increase consumption in traditional markets; and,

WHEREAS, the world supply of salmon is expanding, resulting in fierce competition for Alaska's wild salmon products.

NOW, THEREFORE BE IT RESOLVED that the Chamber of Commerce urges the Governor of Alaska and the Alaska State Legislature to support seafood marketing efforts by:

- fully funding the Alaska Seafood Marketing Institute (ASMI);
- supporting the passage of legislation extending the 1% salmon harvester assessment for salmon marketing programs at the Alaska Seafood Marketing Institute.

PASSED AND APPROVED BY THE Wrangell Chamber of Commerce THIS 3 DAY OF JANUARY 1998.

[Signature]
Chamber President

[Signature]
Chamber Executive Director

Don McConachre
PRESIDENT



Anchorage • Star of the North
Chamber of Commerce

**Anchorage Chamber of Commerce Resolution 97/98-12
In Support of Marketing Alaska's Salmon**

WHEREAS, commercial fishing is a major industry within Alaska and fisheries prices, especially salmon, are depressed causing economic damage to many Alaska residents and communities dependent on the industry; and

WHEREAS, the State of Alaska has established marketing efforts that are working to reach new worldwide markets and to increase consumption in traditional markets; and

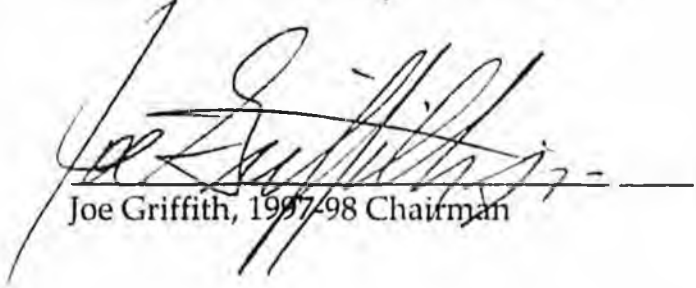
WHEREAS, the world supply of salmon is expanding, resulting in fierce competition against Alaska's wild salmon products; and

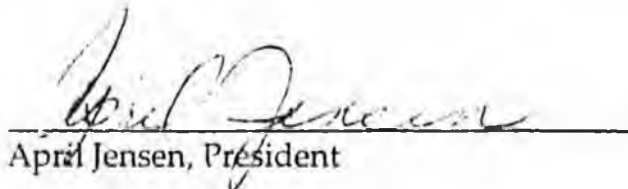
WHEREAS, Alaska's commercial fishing industry previously approved a self-imposed assessment to financially support marketing of Alaska's salmon in the United States and throughout the world; and

WHEREAS, the salmon marketing assessment is set to sunset under state law and House Bill 73 will extend the assessment for five years;

NOW THEREFORE BE IT RESOLVED that the Anchorage Chamber of Commerce Board Directors supports House Bill 73 or another bill that will extend the life of the assessment and that the funds collected from the assessment be spent to market Alaska's salmon.

Approved this 6th day of March 1998.


Joe Griffith, 1997-98 Chairman


April Jensen, President



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

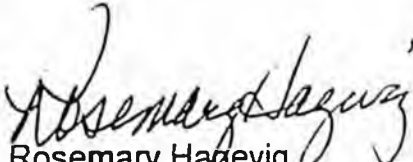
Page two

- **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.statelegisl



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: Chairman Rep. Alan Austerman

Re: House Bill 73 - 1% renewal to 2003

Dear Rep. Austerman:

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,

David Wilder

February 17, 1998

FEB 25 1998

16

Representative Bill Hudson
State Capitol - Room 108
Juneau, AK. 99801-1182

Re: 1% Salmon Tax

Dear Rep. Hudson,

I am a commercial fisherman in Bristol Bay. I am writing you in support of legislation to continue the 1% marketing tax on salmon.

I have worked with marketing salmon in the Lower 48 and have witnessed the increase of sales of salmon in grocery stores because of the efforts of ASMI.

ASMI now has a very competent and personable new director in Barbara Belknap! I am confident that she will be able to work with the ASMI Board and bring about some necessary changes in marketing strategies. But, she needs your and our support to do this, as well as the help of the 1% tax to provide her with a program budget.

With the erosion of the Japanese yen and the increase of farmed salmon effecting our markets, it is now more important than ever for fishermen to support the 1% tax to help promote salmon in the domestic market.

I hope that you will be supportive of ASMI and the 1% tax.

Thank you.

Tom Huffer
18207 Sanctuary Drive
Eagle River, Alaska 99577
Tel: 907-694-2326

cc: Sen. Rick Halford
Sen. Randy Phillips
Rep. Fred Dyson
Rep. Vic Kohring
Rep. Pete Kott.

Sponsor: Administrator

CITY AND BOROUGH OF SITKA**RESOLUTION NO. 98-698****A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA, ALASKA URGING THE STATE OF ALASKA TO SUPPORT SEAFOOD MARKETING EFFORTS**

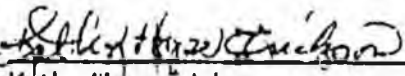
- WHEREAS,** commercial fishing is a major industry within our region; and
- WHEREAS,** fisheries prices - especially salmon prices - are depressed, causing economic damage to many Alaska residents and communities dependent on the industry; and
- WHEREAS,** the State of Alaska has established vital marketing efforts that are working to reach new worldwide markets and to increase consumption in traditional markets; and
- WHEREAS,** the world supply of salmon is expanding, resulting in fierce competition for Alaska's wild salmon products;

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka, Alaska that the City & Borough of Sitka urges the Governor of Alaska and the Alaska State Legislature to support seafood marketing efforts by fully funding the Alaska Seafood Marketing Institute (ASMI);

PASSED AND APPROVED by the Assembly of the City and Borough of Sitka, Alaska on this 24th day of February, 1998.


Stan J. Filler, Mayor

ATTEST:


Kathy Hope Erickson
Municipal Clerk

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 shudder 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 premise 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
Petersburg, Alaska 99833
Ph. & fax #(907) 772-3501

F/V Logan T (Salmon Seine, Halibut, Sablefish, Roc 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 Belknap, fax #907-465-5572

page 2

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 Legislature Office
Juneau, Alaska
Fax: 465-2273

Dear Representative Hudson,

Thank you for sponsoring 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. The raw fish tax to the state and communities is dependent on the value of salmon when it leaves the fishing vessels, the state should do all it can to keep that value up. I know for Cordova raw fish tax is essential for the city to survive. The fish tax revenues have gone down and our sales tax and property tax have increased, and budgets have been cut. It is easy to see how the value of salmon can directly relate to the education our children receive. ASMI's efforts have a definite impact on ex-vessel value. I would rather pay more assessment than to lose the edge ASMI gives. To not be assessed would be much more costly, to the harvesters, to the communities and to the state.

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!

I would like to ask that you also support the \$518,000 that is in the Governor's budget so that ASMI can receive the federal grant money from USDA to maintain their overseas marketing program.

The investment the state makes generates 13 times that dollar value for the marketing budget from federal and foreign contributions. That is a 1,306% return. This does not include the contributions made by the communities and their citizens. When a French group came to Cordova the community had a potluck BBQ to welcome them. The owner of a cafe donated the space. The fishermen pulled game (cherished by the French) out of their freezers and the processors donated fish. A family invited them into their home for a reception (they loved the idea of seeing how we live). The processors gave them tours of their facilities. The harvesters invited them on their boats. One year when a group was there during a fishing opener the fishermen welcomed them on their boats out fishing. The value of the fishery resource to the state and the citizens and the impact of the fisheries with such a snowball effect on coastal communities, I hope the overwhelming value of this program is recognized.

Thank you again for your support.

Kathy Halgren
Box 784
Cordova, Alaska 99574-0784

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 sciner, 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

Rose Heyano
PO Box 1409
Dillingham, Ak. 99576
907-842-1053
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.

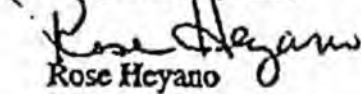
The Alaska Seafood Marketing Institute is the marketing agency that needs to represent fisherpersons in the State of Alaska. ASMI needs fishermen's support as well as the State's. The State of Alaska needs to support the salmon industry by continuing to provide the 20% match that ASMI needs to receive 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 Cad E. Moses
Representative Richard Foster

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 shudder 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 premise 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
Petersburg, 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 Robln Taylor, fax #907-465-3922
Barbara Belknap, fax #907-465-5572

**PETERSBURG CHAMBER OF COMMERCE
RESOLUTION 98-01**

A Resolution of the Petersburg Chamber of Commerce urging the honorable Tony Knowles, Governor of Alaska State and the Alaska State Legislature to support the seafood marketing efforts of our State.

Whereas, commercial fishing is a major industry within our region; and

Whereas, the City of Petersburg's local business and residential community is largely involved in the active production of seafood; and

Whereas, the economic well being of Petersburg is largely dependent upon the stability of prices and the increase of healthy markets for seafood; and

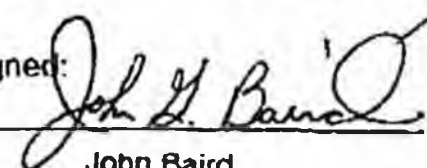
Whereas, the State of Alaska has established vital marketing efforts to increase consumption in traditional domestic markets

THEREFORE BE IT RESOLVED:

The Petersburg Chamber of Commerce requests that Alaska State continue its support of seafood marketing efforts by fully funding the Alaska Seafood Marketing Institute (ASMI)

Further, we request that the Governor urge and support the passage of legislation extending the 1% Salmon Harvester Assessment, for salmon marketing programs at the Alaska Seafood Marketing Institute

Passed and Approved by the Petersburg Chamber of Commerce Board of Directors, this 12th day of FEBRUARY, 1998

Signed: 
John Baird

President, Board of Directors

Attest: 
Gerald A. Plank

Director

February 6, 1998

Representative Bill Hudson
Capitol Building, Room 08
Juneau, AK 99801

Dear Representative Hudson,

I am writing to you as a Juneau seafood processor who depends upon the marketing support of the Alaska Seafood Marketing Institute. I support the passage of House Bill No. 73, extending the 1% salmon marketing assessment that provides the majority of the funding for domestic marketing programs of the Alaska Seafood Marketing Institute.

The Alaska seafood industry is at a crossroads. Expanding supplies and competitive marketing across the globe have caused depressed prices and economic damage to many Alaska residents and communities who depend upon the industry.

It is not an exaggeration to say that the failure to pass this tax will mean the dissolution of the Alaska Seafood Marketing Institute and, with it, the strong marketing presence Alaska has in the marketplace.

The Alaska seafood industry is the number one private employer in Alaska, generating revenues second only to the oil industry. More than 700 processing facilities of all sizes operate in Alaska, employing nearly 70,000 full-time and seasonal workers. Almost 50,000 people harvest fish commercially in Alaska annually.

Thank you for your efforts to protect the voice of the industry in world markets by maintaining our marketing programs for Alaska seafood.

Sincerely,

Eric R. Norman
Gen. Mgr.
Taku Fisheries

ERIC NORMAN



Alaska Fisheries Development Foundation, Inc.

Rep. Bill Hudson
State Capitol Room 108
Juneau, Alaska 99801-1182

February 6, 1998

Dear Rep. Hudson,

The Alaska Seafood Marketing Institute's activities have directly resulted in millions of dollars of sales of Alaska salmon and other seafood that probably would not otherwise have taken place.

ASMI's programs open doors into seafood markets that many individual companies could not gain access to on their own.

For example: ASMI was a key player in gaining a contract with the USDA to purchase \$14 million worth of salmon products including nuggets and pouches for the school lunch program. ASMI single-handedly negotiated deals with several major hotel chains including Hilton, Hyatt and Westin, to serve Alaska seafood in their hotel restaurants throughout the country.

They also have negotiated similar deals with large restaurant chains like Skipper's. This kind of grand-scale market development can only be accomplished by an organization like ASMI that represents the whole industry *and* the interests of the citizens of Alaska, who are owners and stewards of the fish.

ASMI has held training seminars for top executive chefs at the Culinary Institute of America, and for three years has been training the nation's domestic chefs with their "Fishermen in the Stores" program. These efforts have eased Alaska salmon over one major hurdle: lots of people would eat more salmon if they just knew how to cook it.

ASMI's international market development efforts have increased exports to Europe and Asia, and most recently opened doors into markets in Spain, Taiwan and China.

Most importantly, ASMI has established a presence for Alaska seafood in the highly competitive world market. Without ASMI's efforts in this regard, producers of Alaska seafood would find it exceedingly difficult to gain visibility for their own products, and would be competing against each other for space in the world's grocery stores.

I urge you most strongly to fully fund the Alaska Seafood Marketing Institute, and to extend the 1% salmon assessment for salmon marketing. Failure to extend the assessment will only provide a greater opportunity for our competitors to wallop us on the market.

Sincerely yours,

Chris Mitchell
Executive Director

**ALASKA MARINE
TRUCKING**

Alaska Marine Trucking, Inc.
100 West 14th Street
Juneau, Alaska 99801
Phone 907-586-1700
Fax 907-586-2000

February 9, 1998

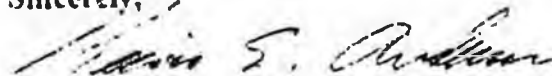
**Representative Bill Hudson
State Capitol Room 108
Juneau, AK, 99801-1182**

Dear Representative Hudson,

I am writing concerning the importance of the contributions given to the Alaskan Seafood Industry by Alaska Seafood Marketing Institute (ASMI). We at Alaska Marine Trucking recognize the value of marketing. We feel the ASMI effort accomplishes goals vital to the development of new seafood commodities, along with continued support of well established seafood standards. As you know the seafood industry in Alaska has seen a great many changes in the effort to remain competitive in a world market that is driven by complex equations. The seafood industry, along with the industries that support them, need the help of ASMI to define the potential direction of consumer need, which in hand allows us the opportunity to focus our energy in the proper direction.

Representative Hudson, please feel free to forward this letter to whomever you feel needs to recognize the importance of ASMI as a vital marketing gauge in one of Alaska's most important economic basis.

Sincerely,



**Kevin Anderson
General Manager
Alaska Marine Trucking**

ALASKA SEAFOOD CO.
5434 Shaune Dr. 8-B Juneau, AK 99801

(907) 780-5111

8 Feb 98

To: Rep.. Bill Hudson
Fm: Dick Hand

Dear Bill:

I am writing this letter in support of ASMI. Currently I am aware that HB 73 is under attack so that ASMI may not get it's 1% funding.

ASMI is many things to many people. In todays market place the price and volume of Alaska fish is under attack as we have not seen before. To stop funding of our single best advocate for the seafood industry would be suicidal.

Thank you for your support and time on this bill.

Best regards



Dick Hand

cc: Barbara Belknap



Petersburg Vessel Owners Association

P.O. Box 232
Petersburg, Alaska 99833
Phone (907) 772-9323 Voice and Fax

January 26, 1998

Representative Bill Hudson
Chair, Committee on Resources
Alaska State Capitol
Juneau, AK 99801-1182

Dear Representative Hudson:

We are writing in support of H.B. 73, an act extending the termination dates of the salmon marketing programs of the Alaska Seafood Marketing Institute and the salmon marketing assessment.

We are supporting reauthorization of the 1% marketing assessment because we recognize ASMI's work as essential to maintaining our share of the domestic salmon market. Over the years, ASMI has developed programs which are having measurable results on the sale of our seafood products. It would be shortsighted of us to believe we could improve upon our current position without a strong marketing effort directed at the seafood consumer. ASMI's programs can only serve to bolster the seafood industry's position in what has become a highly competitive marketplace and we support your efforts to continue these programs.

Thank you for introducing and working on this important piece of legislation.

Sincerely,



Liz Cabrera
Director

JAN 28 1998

cc: Senator Robin Taylor
Representative Ben Grussendorf
ASMI
UFA

Author: GregoryMcIntosh@compuserve.com (Greg McIntosh) at CC2MHS1
 Date: 2/9/98 5:34 PM
 Priority: Normal
 TO: vina jennings at DCED ASMI
 Subject: Copy of: Attached Letter

----- Message Contents -----

----- Forwarded Message -----

From: Greg McIntosh, 74603,1714
 TO: Barbara Belknap, INTERNET:alaska_seafood@commerce.state.ak.us
 Barbara Belknap, INTERNET:Barbara_Belknap@commerce.state.ak.us
 DATE: 2/9/98 9:30 AM
 RE: Copy of: Attached Letter

Barb-

Can you use this? Still on the road. Greg

February 9, 1998

McIntosh Marine, Inc.
 Post Office Box 6404
 Halibut Cove, AK 99603
 February 6, 1998

The Honorable Bill Hudson
 State Capitol
 Room 108
 Juneau, AK 99801

Dear Mr. Hudson:

I understand the House and the Senate may soon be discussing the merits of the 1% tax, used to fund the Alaska Seafood Marketing Institute (ASMI). I encourage you and your colleagues to act responsibly and fund ASMI in order that it may continue to contribute to and enhance the State's economic base. Let me be a bit more specific.

As one of the founders of Arctic Alaska Seafoods, Inc., developers of the award winning (1997 Symphony of Salmon, Governor's Export Award, 1997), "Pinks in a Pouch" value-added salmon products, I can assure you the product would not be experiencing the success it presently enjoys were it not for ASMI's marketing efforts. This breakthrough process, that provides jobs by allowing canneries to continue production throughout the winter, was introduced into the Federal School Lunch Program, in part by the efforts of Claudia Hogue and her ASMI colleagues. As you know, full employment at Alaska's canneries means economic stability in coastal communities. Economic stability means work for fishermen; work for fishermen means timely payment of loans; timely payment of loans means more efficient banking. ASMI's makes sense. Allowing ASMI to founder, by not continuing or increasing its funding, would not be good business.

Those of us who have spent time and money in an effort to bring Alaska's fishery resources up to full utilization appreciate and rely upon ASMI's marketing abilities. We encourage the House and Senate to act responsibly and continue to provide mechanisms that will ensure ASMI's continued success. A guarantee of funding will allow ASMI staff to market Alaska's fine seafood products, rather than market itself to the Legislature for funding.

Sincerely,

Greg McIntosh

Gregory S. McIntosh
 President
 McIntosh Marine, Inc.

NORTH ALASKA FISHERIES, Inc.
P.O. Box 92737 Anchorage Alaska 99509
907-561-2671 907-561-2748 Fax
1304 Laona Dr. Anchorage

Barbara Belknap
Executive Director
Alaska Seafood Marketing Institute
Juneau, Alaska 99801

Barbara:

As the only processor from the AYK area on the board of ASMI, I believe I should tell you about my experiences concerning the marketing of AYK salmon. As you may not be aware, my company participates in all four fishing districts in the AYK and is the only processor who does. That includes the Kuskokwim, Yukon, Norton Sound, and Kotzebue Sound. I am fairly certain that we are the largest buyer of AYK salmon. Naturally, we also have the market share needed to support these fisheries.

It was not until the past couple of seasons and right around the time when the large hatchery chum landings started to affect the western Alaska markets that I began to realize the impact ASMI has on the marketing of salmon, especially in the domestic U.S. markets. No doubt the abundance of hatchery chums greatly affected traditional fresh and frozen markets for AYK fish. It certainly weeded out several producers from western Alaska, and made the remaining processors work a lot harder at marketing those fish. At the same time, I feel that ASMI put a tremendous effort into retail sales promotions in the lower 48 in order to create additional outlets for Alaskan fresh salmon.

Based on my experience, things would be considerably worse in western Alaska, if it wasn't for ASMI and the effort put forward by the Retail Program Manager. AYK fish fit very nicely into the majority of the promotional campaigns launched and supported by ASMI. I sincerely feel that if it wasn't for the staff at ASMI, it is quite possible there would virtually be little if any market for AYK production.

An example of this situation can clearly be demonstrated by what happened in Norton Sound last season. Basically the fishermen there had no market for their chum salmon. Because of an ASMI sponsored program with a retail chain in Denver, it gave us and in turn, the fishermen a market for that fish. Otherwise, those local fishermen would have been left with nothing. That salmon from Norton Sound had a market solely because of ASMI. Period

page 2.

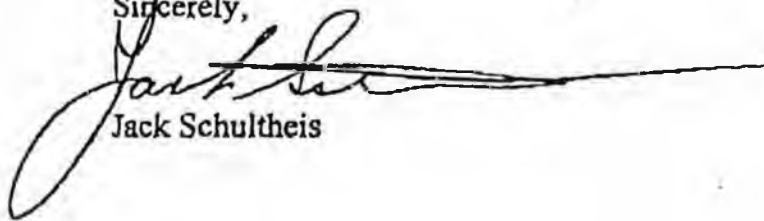
A similar situation occurred with the Kotzebue salmon fishery in July and August. Again, because of ASMI work, we were able to find a market for Kotzebue production. We provided the Kotzebue fleet a market, only because ASMI was running promos at that time. Otherwise, we would of never been able to support that fishery.

I believe that the majority of salmon from western Alaska is sold strictly because of ASMI marketing strength. Out of our own production from AYK, at least 70% goes into domestic retail sales promoted by the Institute. It is doubtful that we would be able to operate or even want to operate in these areas if it wasn't for the support given by ASMI. In my professional opinion, and I have been involved in the AYK fisheries since 1973, I sincerely feel that most fishing districts would be without markets if it was not for ASMI.

Although I am a member of the AYK Chum Marketing Council, and have been since its' inception, the truth of the matter is that the Alaska Seafood Marketing Institute has done far more to promote and market fish out of western Alaska than any other entity that has came and went. There has been millions of dollars poured into western Alaska fisheries through state and federal grant programs in the name of marketing. I know of one that went through several hundred thousand dollars of federal money and not a pound of salmon was ever marketed. ASMI has been able to provide the true expertise and talent required to promote salmon without name branding it or regionalizing fish.

There are many fishery problems in western Alaska, but ASMI is not one of them. Actually it is the only positive thing that I have seen happen in a long, long time out there.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Schultheis", with a long horizontal flourish extending to the right.

Jack Schultheis