

SJR

15

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SJR 15
 (S) Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: none
 Title: Chilean Farmed Salmon BRU: _____
 _____ Component: _____
 Sponsor: Senator Austerman
 Requester: Senate Resources Committee Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: SENATE RESOURCES COMMITTEE Phone: 465-2828

Senator:  Date: 3/15/01

SENATOR JOHN TOIBERSON, CHAIR



Sponsor Statement
Senate Joint Resolution 15
Relating to imports of farmed salmon from Chile

The U.S. Government is in the process of negotiating a free trade agreement with Chile. Meanwhile, exponential increases of Chilean farmed fish are flooding markets and driving the price of salmon down to levels that jeopardize Alaska's industry.

This resolution points out that Chilean fish farms are not competing on an even basis with Alaskan fishermen. Our laws requiring sustained yield and ecosystem management mean higher costs of production and lower volume of harvest than under the Chilean system. These factors make it increasingly difficult for our fleet to compete in the current market situation. This resolution urges the U.S. State Department and U.S. Department of Commerce to impose import restrictions on Chilean farmed salmon for the months during which Alaskan fishermen market fresh wild salmon.

SJR 15 also requests import tariffs on Chilean farmed salmon during winter and spring. During these months, Chilean product is more competitive than Alaskan fresh-frozen salmon. We in Alaska have made a commitment to our wild salmon industry and the communities it has built and continues to sustain. In the long run this commitment will pay off but today we must help our own industry compete in a rapidly changing global market.



SENATOR ALAN AUSTERMAN

Alaska State Legislature

Interim: 112 Mill Bay Road, Kodiak, Alaska 99615 (907) 486-8872 • Session: State Capitol, Juneau, Alaska 99801 (907) 465-2487
senator_alan_austerman@legis.state.ak.us

February 7, 2001

The Honorable Robert Zoellick
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th St. NW
Washington DC 20508

Dear Mr. Zoellick:

As the State Senator from a district closely tied to the commercial fishing industry, I write to you today to illustrate the importance of the U.S. – Chile Free Trade negotiations to my communities. Thirty-five towns and villages in my part of Alaska depend on the health of our salmon industry for their survival. The industry is by far the largest employer in my district and in many other coastal areas of the state. Commercial fishing is the most significant contributor to local government revenues, paying for essential public services. This industry is the cornerstone of our economy and the force that established most of our communities. It is the focus of our way of life.

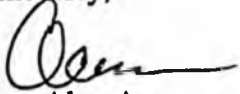
Currently, the Alaska fishing industry does business under strict harvest and quality guidelines in an economy with very high operational costs. Inflated transportation and labor expenses make it difficult for our fishermen to keep their heads above water when prices drop as drastically as they have. Our industry prides itself on producing a sustainable high quality product, but we can only provide fresh salmon during the natural season from June through September. We are being forced from the market by Chilean product that focuses on volume not quality, and which is produced without the expenses of the conservation mandates we follow. The flood of farmed salmon into the American market is drowning our businesses and families, causing great uncertainty and economic stress within our communities.

I respectfully ask you to consider the severe negative impacts Chilean farmed salmon imports are having in Alaska. Our industry is not competing on a level playing field. We need to ask if the well being of our communities is more important than allowing a glut of low-quality, foreign product to continue running our proud industry out of business. Though I am sympathetic to the idea of free trade, I believe the health of our own economy is our highest priority. I hope that in the process of your negotiations you will

work toward an import restriction on Chilean farmed salmon during the four critical months of June through September. Your efforts will greatly help the Alaskan fishing industry to compete in this challenging market, giving Alaskan communities a fighting chance at a prosperous future.

Your efforts are greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Austerman". The signature is fluid and cursive, with a prominent initial "A".

Sen. Alan Austerman

cc: Senator Ted Stevens, Senator Frank Murkowski, Representative Don Young
Alaska State Legislature, United Fishermen of Alaska, United Salmon Assoc.

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

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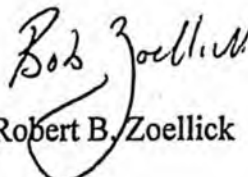
The Honorable Alan Austerman
State Senator
State Capital
Juneau, Alaska 99801

Dear Senator Austerman:

Thank you for your letter regarding the possible effects of the proposed U.S.- Chile Free Trade Agreement on the Alaskan salmon industry. It is always helpful to have a clear picture of possible ramifications of any agreement on the Alaskan Salmon Industry. I appreciate the information you have provided on the harvest and quality guidelines under which Alaskan salmon fishermen operate.

I can assure you that our negotiators will be mindful of the Alaskan seafood industry's special considerations as we seek to achieve a mutually beneficial trade agreement with Chile.

Sincerely,


Robert B. Zoellick

TED STEVENS, ALASKA, CHAIRMAN

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United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

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February 22, 2001

The Honorable Alan Austerman
Alaska State Representative
Alaska State Legislature
Room 434
State Capitol
Juneau, Alaska 99801-1182

Dear Alan:

Thank you for the copy of your letter to the US Trade Representative concerning Chilean farmed salmon.


The wild and organic nature of Alaska salmon (and other fish species caught in our state for that matter) is one of the best things our fishermen have going for them in the face of ever increasing farmed competition. Emphasizing this difference is not always an easy task, but ASMI has been pretty successful considering their budget. The recent Marine Stewardship Council certification was also a welcome development for the Alaska salmon industry.

Events over the last couple of years in British Columbia have highlighted some additional problems with at-sea salmon farming. Rest assured that my office will continue efforts to increase awareness of the wild nature and numerous health benefits of our state's delicious seafood.

Thanks again for sharing your thoughts.

With best wishes,

Cordially,


TED STEVENS

Southeast Alaska Fishermen's Alliance

9369 North Douglas Highway
Juneau, AK 99801



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March 16, 2001

Senate Resources
Senator John Torgerson, Chair
Alaska State Legislature
State Capitol Room 427
Juneau, AK 99801

Fax 465-4779

RE: SJR 15

The Southeast Alaska Fishermen's Alliance (SEAFA) is in support of SJR 15 which supports restrictions on salmon products from Chile.

Increased import tariffs on salmon products from Chile and the imposition of import restrictions on salmon products from Chile during the months of May through October give Alaskan fishermen a fair chance on the fresh market. Without these restrictions the farmed salmon from Chile has slowly been overtaking all of our markets including the domestic fresh sales during the summer fishing season impacting the economics of the individual fishing businesses, the processing businesses and the revenue paid to the State of Alaska for raw fish taxes.

Please consider passing this resolution and speeding it on its way prior to the start of negotiations with Chile. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Hansen".

Kathy Hansen
Executive Director