

ALASKA LEGISLATURE

1022

HOUSE and SENATE FINANCE COMMITTEE FILES, 1993-1994

9/

Representative Davidson
Page 2

ecosystem, then it is widely felt that the international community, through the U.N. IMO, will warm up to the concept of natural resource damages. If, however, these funds are spent on projects that have little or no use in aiding ecosystem recovery, the international community will probably remain adverse to the concept.

Thus, this is not just a decision for Alaska, or even the United States, but indeed for how humanity intends to redress the environmental damage caused by technological disasters.

I am convinced that this was the genuine intent upon which Governor Hickel sought settlement of the government natural resource damage claims against Exxon. I truly believe that the Governor, the Attorney General, the U.S. Department of Justice, and even Exxon wanted to do something, whatever it might be, to help the severely damaged coastal ecosystem to recover.

As you recall, the \$50 million that the State of Alaska now has before it was collected as a result of federal criminal charges brought against Exxon. The State of Alaska had nothing with which to criminally prosecute the polluter in this case--strange as it may seem.

The State of Alaska, then, should pay very close attention to the expressed intentions of the U.S. Department of Justice in obtaining these restitutionary funds for the State. Court documents show that D.O.J.'s overriding concern in allowing Exxon to plea bargain this case was the urgency of getting some money with which to begin attending to the environmental damages caused by the spill.

Let me call your attention to the recitations by the U.S. Department of Justice asking for approval of the criminal plea agreement in U.S. District Court:

"...The environment, as a victim, must be aided quickly through efforts funded by restitutionary payments."

"...The governments urge that there be restitution now for the areas affected by the oil spill, and it should not await years of legal battles over damages and liabilities. The plea agreement provides an immediate infusion of money needed to continue the work of restoring the Prince William Sound and the Gulf of Alaska, while the consent decree provides money over the long term."

Representative Davidson

Page 3

"...We ask that you approve the plea agreement...that will put an end to the criminal and civil complex litigation and getting the much needed money to the environment now, as opposed to years of litigation..."

"...We believe it's in the public's best interest to settle this case in this matter to get the much needed money into the Prince William Sound and Gulf of Alaska now as opposed to years from now..."

"...Unlike other economic crimes in which this court is well aware we can't simply pay interest twenty years down the road to make up for the losses. In environmental cases, it is crucially important that we address the consequences of the conduct immediately..."

It is obvious that the intent of the plea agreement was in "getting the much needed money to the environment now." This is the template upon which the Alaska Legislature should consider any proposed expenditure to these funds. The Legislature must be aware that the State is being closely scrutinized regarding its actions here. It is, of course, entirely possible that the State could be exposed to legal proceedings if it doesn't follow through with the expressed intent of the plea agreement.

The primary legal considerations in analyzing any appropriation of the State's share of the criminal monies have been expressed by the court as follows:

The monies paid in restitution are to be used by the State of Alaska and the United States of America exclusively for restoration projects, within the State of Alaska, relating to the "Exxon Valdez" oil spill.

The important thing here is that we all keep in mind that this is a separate pot of money, to be used exclusively for environmental restoration purposes related to the Exxon Valdez Oil Spill.

In its deliberations, the Legislature will have to very carefully consider whether all the proposed projects in HB 269/SB 183 strictly fulfill both the legal restrictions the Court has placed on these funds and the Department of Justice's expressed intent for the use of the funds.

I would strongly recommend you seek the counsel of Attorney General Charlie Cole on such matters, as he would be the person having to defend these projects in front of Judge Holland.

Another issue I hear a lot about here in Prince William Sound is that the geographic distribution of funds should be equitable.

Representative Davidson

Page 4

It is well documented that most of the injury occurred in PWS. Local citizens feel strongly that this fact be considered when setting restoration policy.

In addition to these very general comments, there is one project I feel compelled to express some reservations about--the "Alaska Sea Life Center."

First, held up against the legal constraints and expressed intent for using these restitution funds, I must tell you in all candor that I can't see how this project would survive a legal challenge. Beyond that, many people question the financial feasibility and usefulness of such a project.

I'm sure the sentiments of the people of Seward are genuine--to help visitors appreciate the marine environment and help all of us better understand it. However, there seem to be more direct ways of accomplishing these objectives. Instead of bringing the marine environment ashore for people to see and study, wouldn't it seem more appropriate to use funds to get visitors and researchers out into the real marine environment?

Similarly, the usefulness of such a facility as a wildlife rehabilitation center is questionable. My conversations with experts in the field of wildlife rehabilitation lead me to conclude that a stationary, on-shore facility is probably not the best option. If anything is needed, it is a mobile, remote capability. Also, we learned from the Exxon Valdez experience that a facility for bird and mammal rehabilitation can be built in a matter of days. We also learned that such rehabilitation efforts, as emotionally helpful as they seem to be for us, often provide little if any real help to wildlife populations, and can even be detrimental (i.e., the possibility that a herpes-like disease was transmitted from the Valdez otter center to wild populations.) Just today, one marine mammal expert told me that the notion of building an on-shore wildlife rehabilitation center in Alaska "is one of the silliest things I've ever heard."

The other point that should be mentioned here is that marine research in Alaska is much more funds-limited than it is facility-limited. We already have several marine labs scattered around the Alaska coastline that have been closed due to lack of funds.

Having said that, it seems that the first thing that should be done before moving too far on such a project would be to do an in-depth feasibility analysis and market study.

Representative Davidson
Page 5

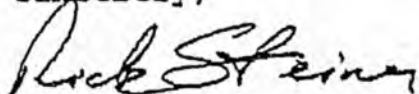
I'll leave it at that for now.

These are indeed difficult decisions, and ones that we will all have to live with for quite sometime.

The people in the oil spill region sincerely appreciate the legislature's careful consideration of these issues.

Thanks again for the opportunity to provide a few general comments. I'd be available at any time to provide a more detailed review if you need.

Sincerely,



Rick Steiner, Associate Professor

jkl

cc: Attorney General Charles Cole

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 269

April 2, 1993

*The Honorable Ramona L. Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182*

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that provides for special appropriations for restoration projects relating to the Exxon Valdez oil spill and for oil spill response projects.

The state and federal governments each received \$50,000,000 in restitution as a result of the plea agreement and judgment entered in the criminal case filed by the United States against the Exxon defendants arising out of the Exxon Valdez oil spill. United States v. Exxon Shipping Company and Exxon Corporation, A90-015 CR. The restitution money paid to the state was placed in a separate fund, established by the Department of Revenue, named the "Exxon Valdez Oil Spill Restoration Fund." Under the terms of that final judgment, the restitution money is required to be used exclusively for "restoration projects, within the State of Alaska, relating to the Exxon Valdez oil spill." Under the judgment, "restoration" is defined as including "restoration, replacement, and enhancement of affected resources; acquisition of equivalent resources and services; and long-term environmental monitoring and research programs directed to the prevention, containment, cleanup, and amelioration of oil spills." This restitution money is in addition to the \$900,000,000 civil settlement entered into between the state, the United States, and Exxon in October 1991, which established a joint trust fund for restoration and provided for certain reimbursements.

Sections 2 - 12 of the bill would appropriate a total of \$50,000,000 plus interest earned on the criminal case restitution payment since it was received by the state.

The Honorable Ramona L. Barnes

April 2, 1993

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HB 269

Section 2 appropriates \$12,500,000 to the Department of Administration for payment as a grant to the City of Seward for the development of the Alaska Sea Life Center. This center would serve as a recreation and marine mammal rehabilitation center and as a center for education and research related to the natural resources injured by the Exxon Valdez oil spill and to the prevention and amelioration of marine oil spills.

Section 3 appropriates \$7,000,000 to the Department of Natural Resources (DNR) to purchase certain holdings inside the Kachemak Bay State Park. A total of \$22,000,000 is needed for the purchase under the agreement entered into in March 1993 between the state, the Seldovia Native Association, Cook Inlet Region, Inc., and the Timber Trading Company. The appropriation in sec. 3 of the bill is one of three sources of funds required to finance the purchase. The state and federal trustees have committed to contribute \$7,500,000 from the joint trust fund established by the Exxon Civil Settlement. Another \$7,500,000 is due as a result of the settlement of the oil spill litigation between the state and federal governments and the Alyeska defendants in November 1992. This latter amount is not addressed in this bill.

Section 4 appropriates \$500,000 to DNR to construct a Kachemak Bay State Park visitors center.

Section 5 appropriates \$3,250,000 from the restitution payment to the Department of Fish and Game to develop a shellfish hatchery and technical center. This project will assist in the restoration of shellfish resources and subsistence services affected by the oil spill and will provide technical support to the efforts of many individuals and firms that have been attempting to develop a mariculture industry in the area impacted by the oil spill.

Section 6 appropriates \$4,000,000 to the Department of Fish and Game to construct a water delivery system connecting the Anchorage Municipal Water Utility with the Fort Richardson hatchery. The integration of these facilities will enhance sport fishing services lost or diminished as a result of the Exxon Valdez oil spill.

Section 7 appropriates \$4,750,000, plus interest accrued on the restitution payment, to DNR to construct or acquire recreational amenities such as cabins, trails, mooring buoys, and floating docks.

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April 2, 1993

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HB 269

Section 8 appropriates \$3,000,000 to the Department of Fish and Game to undertake restoration and enhancement projects within the Kenai River watershed to help protect commercial and sport fish species injured by the Exxon Valdez oil spill.

Section 9 appropriates \$2,000,000 to the Department of Commerce and Economic Development for payment as a grant to the Prince William Sound Aquaculture Corporation to upgrade the Main Bay hatchery. Recent damage assessment information suggests that the injury to commercial salmon species in Prince William Sound may be more extensive than originally thought. This project will help to restore or replace commercial and sport fishing resources lost as a result of the Exxon Valdez oil spill.

Section 10 appropriates \$3,000,000 to the University of Alaska, Fairbanks, Fishery Industrial Technology Center for design and construction of an addition to the existing research facility that would facilitate long-term environmental monitoring and restoration work in the area affected by the oil spill.

Section 11 appropriates \$5,000,000 to the Department of Community and Regional Affairs for payment as grants to unincorporated rural communities to assist in restoration, replacement, and enhancement of subsistence resources or services injured or lost as a result of the Exxon Valdez oil spill. This appropriation will allow the state trustees and the local villages and communities to work together to develop local projects designed to deal with specific dislocations and injuries caused by the spill.

Section 12 appropriates \$5,000,000 to the Department of Environmental Conservation to enter into contracts for research programs directed to the prevention, containment, cleanup, or amelioration of oil spills in the state.

The Exxon Civil Settlement also requires reimbursement of certain state damage assessment, response, and litigation costs incurred as a result of the Exxon Valdez oil spill. Section 13 of the bill appropriates, to the Department of Transportation and Public Facilities, \$20,000,000 of the estimated reimbursements due to be paid to the state on September 1, 1993. Of the \$20,000,000 appropriation, \$15,000,000 is for the construction of a road to Whittier and \$5,000,000 is for the design and construction of an

HB 269

The Honorable Ramona L. Barnes

April 2, 1993

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oil spill response assistance ferry. The goal of these projects is to increase the ability to respond to oil spills in Prince William Sound by providing road access to Whittier, a logical staging area in the event of a future spill in Prince William Sound, and by providing a specially fitted vessel for use by the state in response actions. Although there are no legal restrictions on the use of the reimbursements made under the Exxon Civil Settlement, it is the view of this Administration, after consultation with the legislative leadership, that it would be appropriate to invest that money in oil spill preparedness and in enhancing access to Prince William Sound for recreational users of all types.

The purpose of this bill is to fund projects and programs that will assist in the restoration of resources or services lost or injured as a result of the Exxon Valdez oil spill, to support long-term environmental monitoring of such resources, and to enhance access to the recreational resources that remain abundant in the area impacted by the spill. The bill also will support projects and programs that will promote oil spill preparedness and response capability.

I believe that the projects and programs in secs. 2 - 12 of the bill are consistent with the purposes set out in the federal court's restitution order in the Exxon criminal case and that the passage of this bill would be a prudent use of the restitution money. Although the money is the subject of a special restoration charge from the court, that purpose, quite frankly, mirrors the objectives of this Administration and, I believe, of most Alaskans. We have just observed the fourth anniversary of an environmental calamity that has affected all of our lives. I believe that it is time for specific, properly focused restoration work to commence. I urge you to pass this bill this session.

Sincerely,



Walter J. Hickel
Governor

HB

270

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 2, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/12/93

The FINANCE Committee considered:

HB 270

HOUSE BILL NO. 270

EXTEND BOARD OF EXAMINERS IN OPTOMETRY

"An Act extending the termination date of the Board of Examiners in Optometry; and providing for an effective date."

RECOMMENDATIONS:

be replaced with _____ [] the same title
 [] a new title

[] have attached amendments(s)

[] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

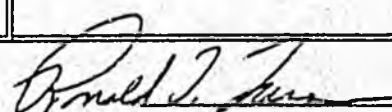
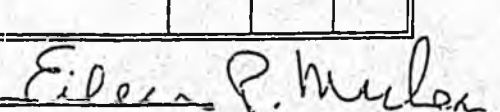
[] fiscal impact _____

[] fiscal note(s) _____

[] zero fiscal note UCED

[] zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>E. P. Maclean</i> Maclean	<input checked="" type="checkbox"/>				
<i>Ronald J. Larson</i> Larson	<input checked="" type="checkbox"/>				
<i>Mark R. Hanley</i> Hanley	<input checked="" type="checkbox"/>				
<i>Terry Martin</i> Martin	<input checked="" type="checkbox"/>				
<i>John R. Brown</i> Brown	<input checked="" type="checkbox"/>				
<i>Richard J. Foster</i> FOSTER	<input checked="" type="checkbox"/>				



 Co-CHAIRMAN'S SIGNATURE
 Larson Maclean

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 270

Revision Date: Dept. Affected: Commerce & Economic Development
 Title: An Act extending the termination date BRU: Occupational Licensing
of the Board of Examiners in Optometry:... Component: Operations
 Sponsor: House Labor & Commerce
 Requester: House Finance COMPONENT SERIAL NO. 1844

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	.0	.0	.0	.0	.0	.0
CAPITAL						
REVENUE FUND SOURCE:	.0	.0	.0	.0	.0	.0

FUNDING:

(Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year (FY 93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)
 The bill extends the termination date of the Board of Examiners in Optometry to June 30, 1996. Funding for the board is included in the FY 94 operating budget; therefore, new funds are not required. Regulations to adjust fees to cover program costs are under review in the Department of Law.
 Average Annual Costs: \$14.0
 Average Annual Revenue: 5.3

Prepared by: Jennifer Strickler, Administrative Officer
 Division: Occupational Licensing

Phone: 465-2144
 Date: 4/9/93

Approved by Commissioner: Paul Fuhs
 Agency: Commerce & Economic Development

Date:

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HB

271

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 2, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/12/93

The FINANCE Committee considered:

HB 271

HOUSE BILL NO. 271

EXTEND BOARD OF PUBLIC ACCOUNTANCY

"An Act extending the termination date of the Board of Public Accountancy; and providing for an effective date."

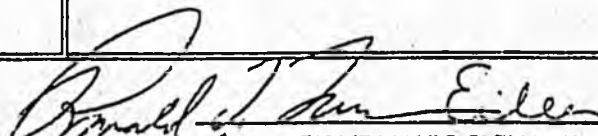
RECOMMENDATIONS: [] the same title
 be replaced with _____ [] a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

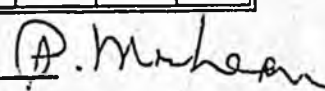
ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____
 fiscal impact _____
 zero fiscal note DCED

APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____
 zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>E. Donald Maclean</i>	✓				
<i>Ronald J. Larson</i>	x				
<i>Mark Hanley</i>	✓				
<i>Terry Martin</i>	✓				
<i>Mark Parnell</i>	x				
<i>Fay Brown</i>	✓				
<i>Richard Foster</i>	x				


 CO- CHAIRMAN'S SIGNATURE
 Larson


 maclean

HFIN

FILE

HB

272

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 2, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/12/93

The FINANCE Committee considered:

HB 272

HOUSE BILL NO. 272

EXTEND BOARD OF CHIROPRACTIC EXAMINERS

"An Act extending the termination date of the Board of Chiropractic Examiners; and providing for an effective date."

RECOMMENDATIONS: [] the same title.
 be replaced with _____ [] a new title

[] have attached amendments(s)

[] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

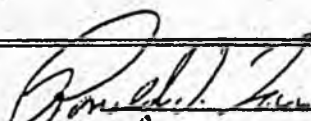
[] fiscal impact _____

[] fiscal note(s) _____

[] zero fiscal note DCED

[] zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. M. Maclean</i>	✓				
<i>Donald J. Larson</i>	X				
<i>Mark A. Hahley</i>	X				
<i>Leann Martin</i>	✓				
<i>Adam R. Jannell</i>	✓				
<i>Jan Brown</i>	✓				
<i>Richard J. Jolley</i>	* FOSTER				


 CO CHAIRMAN'S SIGNATURE
 Larson Maclean

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 272

Revision Date: _____ Dept. Affected: Commerce & Economic Development
 Title: An Act extending the termination date BRU: Occupational Licensing
of the Board of Chiropractic Examiners;.... Component: Operations
 Sponsor: House Labor & Commerce
 Requestor: House Finance COMPONENT SERIAL NO. 1844

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	.0	.0	.0	.0	.0	.0
CAPITAL						
REVENUE FUND SOURCE:	.0	.0	.0	.0	.0	.0

FUNDING:

(Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year (FY 93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

The bill extends the termination date of the Board of Chiropractic Examiners to June 30, 1996. Funding for the board is included in the FY 94 operating budget; therefore, new funds are not required. Regulations to adjust fees to cover program costs are under review in the Department of Law.

Average Annual Costs: \$21.6

Average Annual Revenue: 9.2

Prepared by: Jennifer Strickler, Administrative Officer
 Division: Occupational Licensing

Phone: 465-2144
 Date: 4/9/93

Approved by Commissioner: Paul Fuhs
 Agency: Commerce & Economic Development

Date: _____

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HIB

275

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 7, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/13/93

The FINANCE Committee considered:

HB 275

HOUSE BILL NO. 275

SALMON MARKETING AND ENHANCEMENT TAXES

"An Act relating to salmon marketing, a salmon marketing tax, and the Alaska Seafood Marketing Institute; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 275 (FIN) the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

2 fiscal impact Revenue; DCED

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. Maclean</i> ^{MACLEAN}	<input checked="" type="checkbox"/>				
<i>Ronald J. Larson</i> ^{LARSON}	<input checked="" type="checkbox"/>				
<i>Mark Hanley</i> ^{HANLEY}	<input checked="" type="checkbox"/>				
<i>Terry Martin</i> ^{MARTIN}	<input checked="" type="checkbox"/>				
<i>Jan Grussendorf</i> ^{GRUSSENDORF}	<input checked="" type="checkbox"/>				
<i>Tay Brown</i> ^{BROWN}	<input checked="" type="checkbox"/>	<i>Sean Parnell</i> ^{PARNELL}		<input checked="" type="checkbox"/>	
<i>Richard J. Foster</i> ^{FOSTER}	<input checked="" type="checkbox"/>	<i>Janey Perreault</i> ^{PERREULT}		<input checked="" type="checkbox"/>	

Ronald J. Larson
 CD CHAIRMAN'S SIGNATURE
 LARSON MACLEAN

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 275

3-LS034110

Revision Date: _____
Title: Salmon Marketing and Enhancement Taxes
Sponsor: Representative Hudson
Requestor: House Finance

Dept. Affected: Revenue
BRU: Revenue Operations
Component: Income and Excise Audit

COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	76.7	76.7	76.7	76.7	76.7	0
TRAVEL	15.0	15.0	15.0	15.0	15.0	0
CONTRACTUAL	6.0	6.0	6.0	6.0	6.0	0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	0
EQUIPMENT	10.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	109.7	99.7	99.7	99.7	99.7	0
CAPITAL						

REVENUE FUND SOURCE: General Fund	5,750.0	5,750.0	5,750.0	5,750.0	5,750.0	0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	109.7	99.7	99.7	99.7	99.7	0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	109.7	99.7	99.7	99.7	99.7	0

POSITIONS:

FULL-TIME	2	2	2	2	2	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary)

(See Attached)

Prepared by: Larry E. Meyers, Director
Division: Income and Excise Audit Division
Approved by Commissioner: Darrel J. Rexwinkel
Agency: Commissioner

Phone: 465-2320
Date: April 9, 1993
Date: April 9, 1993

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Analysis

This bill affects the Department of Revenue by adding a new sections to AS 43.76 which provide for a salmon marketing tax. The salmon marketing tax would be imposed on limited entry or interim-use holders at a rate of 1% of the value of the salmon and would be collected by buyers in the state. The buyers would remit the taxes to the Department on a monthly basis. This tax would take effect July 1, 1993 and be automatically repealed after 5 years under section 9 of the bill.

According to the Department of Fish and Game, the total estimated value of salmon harvested in 1992 was \$575 million. Applying the salmon marketing tax to this value, the Department would expect to receive \$5.75 million (\$575 million times 1%).

Operating Costs

The Department expects to receive an average of 6 returns to be filed from 500 buyers (based on the number of licensed fisheries business processors in 1992). As a result, the salmon marketing tax program will generate approximately 3000 additional returns for the Department to data capture and process. Additionally, the Department will conduct audits of buyers' records to insure compliance.

		<u>FY 94*</u>	<u>FY 95-98</u>
Personal Services			
Tax Examiner - Juneau (Range 12A)	\$40.7		
Accounting Clerk II - Juneau (Range 9A)	<u>36.0</u>		
Total Personal Services		\$76.7	\$76.7
Travel			
10 Audit Trips	10.0		
5 Compliance Trips	<u>5.0</u>		
Total Travel		15.0	15.0
Contractual			
Phone/Utilities	3.0		
Printing	2.0		
Mailing	<u>1.0</u>		
Total Contractual		6.0	6.0
Supplies		2.0	2.0
Equipment (FY 94 Only)			
Computer and Modular Furniture		<u>10.0</u>	<u>0.0</u>
Total Operating Costs		<u>\$109.7</u>	<u>\$99.7</u>

FISCAL NOTE

BILL NO. HB 275

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: _____
Title: Salmon Marketing Tax
Sponsor: Rep. Hudson
Requestor: _____

Department Affected: Commerce and Economic Development
BRU: ASMI/Economic Development
Component: _____
COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	46.6	5,650.3	5,650.3	5,650.3	5,650.3	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	46.6	5,650.3	5,650.3	5,650.3	5,650.3	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
-------------------------	--	--	--	--	--	--

FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF	46.6	5,650.3	5,650.3	5,650.3	5,650.3	
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Fred Fisher, Administrative Officer
Division: ASMI

Phone: 465-5571
Date: April 12, 1993

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 4-12-93

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Back-up

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CSHB 275 (FIN)
B-LS0341\U

Revision Date: _____
Title: Salmon Marketing and Enhancement Taxes
Sponsor: Representative Hudson
Requestor: House Finance

Department Affected: Commerce and Economic Development
BRU: Alaska Seafood Marketing Institute
Component: _____
COMPONENT SERIAL NO. 0393

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	5,640.3	5,650.3	5,650.3	5,650.3	5,650.3	5,650.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	5,640.3	5,650.3	5,650.3	5,650.3	5,650.3	5,650.3

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	5,640.3	5,650.3	5,650.3	5,650.3	5,650.3	5,650.3
1006 GF/MHTIA						
OTHER						
TOTAL	5,640.3	5,650.3	5,650.3	5,650.3	5,650.3	5,650.3

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Fred Fisher, Administrative Officer
Division: Alaska Seafood Marketing Institute

Phone: 465-5571
Date: 4/16/93

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 4-20-93

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Alaska Trollers Association

130 Seward St., No. 505
Juneau, Alaska 99801
(907) 586-9400
(907) 586-4473 Fax

April 6, 1993

Senator Drue Pearce
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Senator Pearce:

I appreciated the call from a member of your staff yesterday regarding your bill SB 177, which relates to salmon marketing and enhancement taxes. The Alaska Trollers Association (ATA) does not support this bill, or any other, that seeks to impose an additional tax on our fleet for the purposes of marketing. Further, ATA does not want to see the Alaska Seafood Marketing Institute (ASMI) general fund budget dollars replaced by a marketing assessment on the fleets' landings.

Troll caught fish enjoy a specialty market niche and the marketing of our fish is somewhat different than that of other commercially caught salmon. ATA is sympathetic to the marketing dilemma confronting the net fisheries; however, we firmly believe that any move to assess trollers additional monies for marketing would be unnecessarily burdensome given our fleets' unique situation.

Considerable effort already goes into the marketing of troll caught fish through the Alaska Troll Processors Association, Seafood Producers Cooperative, and independent trollers who supply fresh or frozen product. In recent years, the trollers primary marketing problem has been direct competition for traditional markets with fish farmers who are flooding the market year-round with cheap fish -- not a lack of interest in our product. There is a ready market for troll fish, so long as the price is right.

Finally, our concern for ASMI stems from what we perceive to be an improvement in services to the salmon fleets in recent years. We note that ASMI put \$800,000 into domestic marketing last year, and has seemed decidedly more focused on salmon under the last two administrators. ATA has been directly involved with ASMI's foreign marketing push on troll product, which we believe helped to increase French sales last season. ASMI has provided ATA the opportunity to participate in promoting seafood in Washington, D.C. by facilitating shipments of troll caught salmon to several events, including President Clinton's inaugural luncheon. ASMI has involved other salmon fishermen as well. ASMI has even helped to

SB 177
April 6, 1993
Page 2

get some badly needed press for our industry -- from articles on Glacier Bay and winter trolling to joint promotions of "seafood" with other businesses such as Weight Watchers. Any programs that seek to add funds to ASMI for increased marketing of specific species should be in addition to existing levels of funding, or else, what's the point?

The "user pay" argument is lost on ATA, because we already know that fishermen DO PAY THEIR WAY. On average, Alaska's commercial fisheries return three dollars to every one that the state invests in the ADF&G commercial fisheries budget. We fail to understand why the return on our fisheries is not considered enough to provide ample funding for both marketing and the ADF&G budget.

Thank you for the opportunity to comment on SB 177. If I can be of assistance on this or other related issues, please do not hesitate to call.

Sincerely,

Dale A. Kelley
Dale A. Kelley
Executive Director



Alaska State Legislature

REPRESENTATIVE BILL HUDSON

COMMITTEES

CHAIR
Labor & Commerce
VICE CHAIR
Resources
MEMBER:
Transportation
Regulation Review
Economic Development
Task Force

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

February 1, 1993

To Whom It May Concern:

Last year I introduced legislation (HB 414) that would have imposed a 1% salmon marketing tax on all salmon harvested in Alaska waters.

The proceeds would go into the ASMI budget and be used exclusively to fund a major domestic salmon advertising, marketing and promotional program. Additional fisherpersons would be appointed to the ASMI Board and they would be in charge of this much needed effort.

House Bill 414 died with the end of the 17th Legislature; primarily because of opposition from various fishermen organizations.

I believe that even greater pressure on Alaska's traditional salmon markets, brought on by the explosion in farmed salmon products world wide, and pressure from Russian sources, make some action an even greater imperative now!

I am prepared to reintroduce legislation, essentially the same as HB 414, as amended last session by the House Labor & Commerce committee, if there is a general feeling of its need by the Alaska seafood industry.

A copy of last years HB 414 is enclosed for your review and approval with or without further amendments. Out of respect to your members who will be asked to pay this assessment, I am withholding introduction pending your collective reply.

Please discuss this proposal at your earliest convenience and let us know your thoughts by February 23.

Respectfully,

Bill Hudson

Attachment



Salmon Marketing Tax letter sent 2/1/93 to the following:

Alaska Seafood Marketing institute
Kim Elton
Executive Director

Alaska Crab Coalition
Arni Thompson, Exec. Director

Alaska Independent Fishermen's
Marketing Assoc.]
Mitch Kink

Alaska Longline Fishermen's Assoc.
Linda Behnken

Alaska Trollers Association
Dale Kelley
Juneau

Area K Seiners Association
Kelly Schactler
Kodiak
&
Chip Treinen, Rep.
Anchorage

Bering Sea Fishermen's Association
Henry Mitchell
Anchorage

Bristol Bay Driftnetters Association
Dean Paddock
Juneau

"Concerned Area 'M' Fishermen"
Brad Barr
Puyallup
&
Jamie Ross
Homer

Cordova District Fishermen United
Mary McBurney
Cordova
&
Jerry McCune
Langley, WA

Kenai Peninsula Fishermen's Assoc.
Loren Flagg
Soldotna

&
Brent Johnson
Clam Gultch

North Pacific Fisheries Assoc.

Northern Southeast Regional
Aquaculture Association

Dan Winn
Homer

United Fishermen of Alaska
Juneau Office
Jerry McCune

United Fishermen's Marketing Assoc., Inc.
Jeffrey R. Stephan
Kodiak

Peninsula Marketing Association
Beth Stewart
Juneau

Petersburg Vessel Owners Association
Kris Norosz
Petersburg


Prince William Sound Aquaculture
John McMullen
Cordova

&
Dan Hull
Anchorage

Seafood Producers Cooperative
Rich Davis
Juneau

&
Barry Lester
Bellingham

Southeast Alaska Seiners Association
Kate Troll
Juneau



Southern Southeast Regional
Aquaculture Association

Don Amend

&

Robert Rooney
Wrangell

United Cook Inlet Drift Association

Theo Matthews, Rep.

Kasilof

&

David Horne
Kenai

Western Alaska Cooperative Marketing
Association

Dave Jackson

Dillingham

Pacific Seafood Processors Association

Rick Lauber

Juneau

Alaska Setnetters Association

Cook Inlet Seiners Association

Phil Brudie

Homer

Kodiak Regional Aquaculture Association

Larry Malloy

Kodiak

Kodiak Seiners Association



SEAFOOD PRODUCERS COOPERATIVE

PRODUCERS, PROCESSORS & MARKETERS OF PREMIUM QUALITY SEAFOODS

March 9, 1993

*H.
File
1070 text
UT*

Representative Bill Hudson
State Capitol
Juneau, AK 99801-3744

Dear Bill:

I recently returned from several fishermen's meetings in Southeast Alaska, and was able to discuss your proposed marketing legislation with many of our members.

There was general agreement among the fishermen we talked to, that a domestic salmon marketing program was vital to the Alaska fishing industry. Most were willing to fund such a program through some type of assessment, and felt that the Alaska Seafood Marketing Institute had the ability to direct this type of program successfully.

The main concerns our members had, involved the structure of ASMI, and the other sources of possible funding that might be considered for a domestic salmon marketing program.

Fishermen would like to see the politics taken out of ASMI, and the ASMI Board restructured. They don't necessarily want more fishermen on the Board, but would like to replace the current Board with knowledgeable marketing people.

Most of our members felt that processors, state government, and other businesses, who benefit directly from the Alaska salmon industry, should also pay their fair share of a domestic salmon marketing program.

The Board of Directors and 360 members of Seafood Producers Cooperative would definitely support HB 414 if our concerns over the structure of the ASMI Board, and participation by others who benefit from the Alaska salmon industry were addressed.

As always, we appreciate the opportunity to give you our input. Please call us if we can be of further assistance.

Sincerely,

SEAFOOD PRODUCERS COOPERATIVE

Barry S. Lester
General Manager/C.E.O.



Cook Inlet Seiners Association

P.O. Box 4311
Homer, Alaska 99603
235-2656

File
Feb - 10/01/93
H

February 20, 1993

Representative Bill Hudson
State Capitol
Juneau, Alaska 99811-1182

Re: HB 414

Dear Representative Hudson:

The Cook Inlet Seiners Association (CISA) is a non-profit Homer based organization. We represent eighty-five percent of the seine permit holders in Lower Cook Inlet.

CISA is writing to express our comments about HB414--1% additional salmon marketing tax. CISA would like to thank you for your efforts on behalf of Alaska fishermen. Marketing is an area that fishermen must become more actively involved. In order to maintain a vital, expanding fishing industry, CISA believes that fishermen must have a strong voice in the organization(s) that represent their marketing interests. For this reason, at this time we can not support HB 414. HB414 does not give fishermen the level of input required for them to be truly effective and to make a difference with ASMI policy-making and direction. We would reconsider if the Bill was written in such a way as to give this role to the fishermen.

If you care to discuss our ideas and concerns in more detail, we would welcome the opportunity to talk with you. The CISA office phone number is 235-2656.

Sincerely,

Airay Carroll
AIRay Carroll--President, Cook Inlet Seiners Association

AIRay Carroll--President, Cook Inlet Seiners Association

WESTERN ALASKA
COOPERATIVE MARKETING ASSOCIATION

1

BOX 213 . . . DILLINGHAM, ALASKA

February 26, 1993

Representative Bill Hudson
State Capital
Juneau, Alaska 99801-1182

Dear Bill:

First, it was nice seeing you again only to bad it was just a brief meeting. When UFA has it's annual meeting it seems like all anyone gets accomplished is sitting in a meeting. I did receive your February 1st letter with regards to reintroducing "An Act relating to a salmon tax and to the Alaska Seafood Marketing Institute."

I would like to put forth our associations thoughts and comments concerning the idea of a salmon tax and hopefully you will see and understand our reluctance to support a market tax. Please review the following comments and ideas:

Bristol Bay really does not have a market problem. We have a price problem. Directly affected by excess fish on the market.

Why is the Aquaculture Associations allowed to continue to add more pinks to the resources? We would like to see the State create a research and development option for the Aquaculture Associations to move into other species and moratorium on existing loans etc. that these hatcheries have to allow them to move into other species. Bristol Bay will end up paying more than any other fishery to a generic marketing plan to market all of the excess pink salmon. (1¢ of \$1.00 - \$1.25 a pound red vs. 1¢ of \$.05 - \$.20 a pound pink salmon)

There must be some consideration to what the Bristol Bay commercial fishermen pays out in direct harvester taxes already. (Bristol Bay Borough tax, Lake and Peninsula tax, Pilot Point, Togiak and Dillingham above the raw fish tax)

Hopefully, now you can see our associations position on the marketing tax, not that we are negative about it, but we certainly would like to see the state develop an assessment or tax plan that is fair and equitable to all fishermen statewide.

Sincerely,
Harvey Samuelson, President

David M Jackson

PACIFIC SEAFOOD PROCESSORS ASSOCIATION

P.O. BOX 1625 • JUNEAU, ALASKA 99802 • (907) 586-6366

A

February 3, 1993

Hon. Bill Hudson
Alaska House of Representatives
State Capitol
Juneau, Alaska 99801-1182

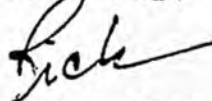
Re: Salmon Marketing Tax Legislation

Dear Bill:

Thank you for asking for comments from the Pacific Seafood Processors Association regarding your proposed legislation (HB414 like).

I leave tomorrow for a meeting of the association and I will bring back the comments. While I had discussions with our members last year I would like to see if the change in conditions have cause a change in attitude.

Sincerely,



Rick Lauber

Southern Southeast Regional Aquaculture Association, Inc.

2721 Tongass Avenue
Ketchikan, Alaska 99901
Phone: (907) 225-9605
Fax: (907) 225-1348

February 22, 1993

Representative Bill Hudson
State Capital
Juneau, Alaska 99801-1182



Dear Representative Hudson:

Sorry for the delay in answering your February 1, 1993 letter regarding HB 414 and the 1% marketing tax. I was out of the state for several weeks and just returned.

I believe most fishermen believe there should be more effort in marketing salmon, but there are many different opinions on how or who should do it. In general, S.E. Alaska fishermen believe that a 1% marketing tax on top of the existing 3% salmon enhancement tax (SET) would be excessive. Some fishermen groups are proposing to cap the tax at 3% and have 1% go to marketing. However, the reduction in the SET would have a severe financial impact on our Association. Our loans are secured by the SET and we do not have the option of increasing cost recovery to cover the lost revenue from the SET.

The SSRAA Board of Directors has not taken a final decision on this issue. If our debt service could be reduced so that there would be no negative financial impact on SSRAA, the SSRAA Board would likely support the concept. I have met with Commissioner Fuhs on this and he is aware of the problem. However, I have not seen any proposals that would resolve the problem.

There are also other issues that concern fishermen. For example, if the marketing tax was given to ASMI, there would be opposition by many fishermen. There would have to be greater fishermen control on how the money was spent. It would also have to be spent in a way that would benefit all salmon. The different salmon species are harvested by one gear type over another. Any attempt to emphasize one species over another would result in gear conflicts.

Despite the problems and issues, there may be a way to address them to everyone's satisfaction. I will let you know if there are any changes in the SSRAA Board views. Also, please keep me informed if you pursue this legislation. Ray Gillespie is assisting us during this legislative session and I am sure you will hear from him.

Sincerely,

Donald F. Amend
General Manager

cc: Ray Gillespie
18/14F



UCIDA

UNITED COOK INLET DRIFT ASSOCIATION

P.O. Box 389 • Kenai, Alaska 99611 - 0389

(907) 283-3600 • FAX (907) 283-3306

February 8, 1993

Representative Bill Hudson
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Hudson,

United Cook Inlet Drift Association (UCIDA) appreciates your attention to the marketing tax issue. We recommend that you NOT introduce legislation to impose a 1% salmon marketing tax at this time.

United Fishermen of Alaska (UFA) will be discussing the merits of a salmon marketing tax at its annual meeting this month. The February 16th- 20th Annual UFA meeting will give member organizations the chance to thoroughly explore salmon marketing options and respond to your proposed legislation.

Again, thank you for considering UCIDA's opinion on this proposed legislation. I will contact you as soon as possible after the UFA meeting to further discuss the issue.

Sincerely,

Theo Matthews
Administrative Assistant

CC Senator Suzanne Little
Senator Judy Salo
Representative Gail Phillips
Representative Mike Navarre

MEMORANDUM

TO: Sen. Drue Pearce

FROM: Kim Elton, ASMI Executive Director

RE: CS for SB177 (4/7/93 version)

DATE: April 8, 1993

SUMMARY

The committee substitute addresses problems identified by some affected fishing groups, DCED and the Alaska Seafood Marketing Institute. This version of the bill eliminates points of contention and better addresses the purposes of the salmon marketing tax and the structural changes needed in the executive branch to accomplish the goals of this bill.

Section 1 expands the ASMI board to 24 members from 18 members.

Section 2 provides that the expanded board will have equal representation (12 and 12) between processors and fishermen. The original SB177 expanded the board to 20 (10 and 10), removed two processors and added five fishermen. The CS is the preferable approach. Having 12 fishermen allows greater diversity of species and regions and having 12 processors allows the same expansion of diversity without necessitating removal of processors.

This section also redefines large and small processors to better reflect the 1990s rather than the early 1980s. The old definition of a large processor (a processor with an annual in-state payroll of more than \$1 million) was established in 1981 and the new threshold for a large processor of \$2.5 million is more reasonable.

Section 3 mandates a quorum of 14 to reflect the expansion of the board in Section 2.

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



Section 4 establishes that the board may establish an executive committee and provides for parity between processors and fishermen on ASMI advisory committees.

Section 5 adds language clarifying the importance of domestic markets, establishes an ASMI mandate that salmon market data be collected and distributed to fishermen, provides that a salmon commodity marketing study occurs, and creates a salmon marketing advisory committee.

ASMI recommends that this section be amended to provide that the market data be distributed to the public. As a public agency that is appropriate. ASMI will make the information available to permit holders.

We also note that the salmon marketing advisory committee created in this section seems to be a drafting holdover from an earlier version of the bill that is not appropriate to the latest version and does not reflect the intent of the United Fishermen of Alaska's request for a salmon committee within ASMI that advises the marketing committee and ASMI board on domestic salmon marketing programs.

Section 6 provides for the salmon marketing tax, the methods of collection and the methods of disbursement.

Section 7 provides for the transition from an 18-member board to a 24-member board. Six fishermen are appointed immediately and the seventh fisherman replaces the public member when that term expires.

Section 8 sunsets the salmon marketing tax June 30, 1999.

Section 9 sunsets the marketing information component, the commodity future component and the DCED fishermen advisory committee on June 30, 2000.

Section 10 provides for an effective date of July 1, 1993.



UNITED FISHERMEN OF ALASKA

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

April 6, 1993

The Honorable Tim Kelly, Chair
and Members of the Senate Labor
and Commerce Committee
Alaska State Senate
The Capitol Building
Juneau, Alaska 99801-1182

Dear Senator Kelly:

United Fishermen of Alaska supports an expanded and improved salmon marketing effort; and, specifically, to the domestic market. The conceptual plan we developed differs from what is before you in Senate Bill 177.

The UFA Marketing Committee designed a conceptual model for legislation that would make modifications to the Alaska Seafood Marketing Institute, provide an assessment mechanism for salmon harvesters, and create a Marketing Information Service accountable to fishermen.

UFA supports expanding the ASMI board to 24 members with twelve processors and twelve fishermen. The processor seats would be defined by 8 large (having an annual payroll in the state of \$2,500,000 and above); and 4 small processors (having an annual payroll in the state of \$50,000 - \$2,500,000). Appointments would remain with the governor.

Under the newly expanded ASMI board a new salmon committee would be created. It would be comprised of 7 members. Four would be salmon fishermen, 3 would be salmon processors. This committee would administer the expanded domestic salmon marketing effort and would have the funds assessed from salmon limited entry and interim-use permit holders available for this effort as well as any other available general fund money. The committee would not have powers separate from ASMI, but would be working in concert with some expanded authorities.

The Marketing Information Service would be funded by a portion of the salmon harvester's assessment and its chief responsibilities would be to gather, compile and disseminate market price information on raw salmon and salmon products to all salmon limited entry and interim-use permit holders, nonprofit salmon enhancement organizations and processors.

MEMBER ORGANIZATIONS

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

The Honorable Tim Kelly, Chair
and Members of the Senate Labor
and Commerce Committee

April 6, 1993

Page 70

The funding mechanism would be an assessment on salmon limited entry and interim-use permit holders. The cleanest and most effective way for this to occur would be like the mechanism used for the salmon enhancement tax. The amount equal to the collected assessment is deposited in the general fund, then appropriated from the general fund to the Department of Commerce to provide financing for domestic salmon marketing through the Alaska Seafood Marketing Institute and for the funding of the Marketing Information Service.

Following are our suggestions for changes, deletions and additions:

CHANGES AND DELETIONS

- Section 1. Eliminate
- Section 2. Line 20, pg. 2; [20] change to 24
- Section 3. Line 25, pg. 2; [ten] change to 12
Line 27, pg. 2; [three] change to four
Line 28, pg. 2; [ten] change to twelve
- Section 4. Line 1, pg. 3; [twelve] change to fourteen
- Section 5. Lines 1-4, pg. 4; Eliminate
- Section 6. Lines 28-29, pg. 4; Eliminate: [the board may not override an action of the committee except by a vote of a three-quarters of the board.]
- Section 11. Line 1, pg. 7; change the effective date to July 1, 1993.

ADD

1. Language to provide for salmon harvester's assessment to be collected under AS 43.76.110-130 and deposited in the general fund under the appropriate statute and then appropriated from general fund to the Department of Commerce and Economic Development for payment to provide financing for domestic salmon marketing and for the Marketing Information Service through the appropriate statute.
2. Add language to divide the harvester's assessment for a split of 90% to go to the domestic salmon marketing committee and up to 10% to go for the Marketing Information Service.

The Honorable Tim Kelly, Chair
and Members of the Senate Labor
and Commerce Committee
April 6, 1993
Page Three

3. Add language to create a new committee under the ASMI board to provide the market price information. It could be called the Market Information Service and its responsibilities should include gathering, compiling and distributing timely market price information to all salmon limited entry and interim-use permit holders, nonprofit enhancement salmon enhancement organizations, and to processors.

Thank you for the opportunity to work with the Senate Labor and Commerce Committee.

Sincerely,



Cheryl Sutton
Marketing Committee Chair
United Fishermen of Alaska

HB

275

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/26/93

FURTHER:

DATE TURNED INTO OFFICE: 5-4-93

The Finance Committee considered CS FOR HOUSE BILL NO. 275(FIN) am

"An Act relating to the Alaska Seafood Marketing Institute and a salmon marketing tax; and providing for an effective date."

and recommends:

- replace with S CS CS HB 275 (FINANCE)
- or adopt previous _____ CS _____ (_____)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
DC & ED	4/20/93		\$5,640.3
Revenue	4/19/93		\$109.7

Rev. \$5,750.

Appropriation No Fiscal Note

DO PASS:

OTHER RECOMMENDATIONS:

Best Chair No Rec
George Jackson did not pass
Tim Kelly - Do Not Pass unless amende.
Steve Rieck - No Rec
~~_____ NO Rec~~
2. Tracieance - 10/5/93

1. Mark Do Pass
 Co-Chair: Signature/Recommendation

2. Tracieance - 10/5/93
 Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

J. 2 CORRECTED
Bill Version: CSHB 275 (FIN)
(H) Publish Date: 4/27/93

Revision Date: _____
Title: Salmon Marketing and Enhancement Taxes
Sponsor: Representative Hudson
Requestor: House Finance

Department Affected: Commerce and Economic Development
BRU: Alaska Seafood Marketing Institute
Component: _____
COMPONENT SERIAL NO. 0393

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	5,640.3	5,650.3	5,650.3	5,650.3	5,650.3	5,650.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	5,640.3	5,650.3	5,650.3	5,650.3	5,650.3	5,650.3

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	5,640.3	5,650.3	5,650.3	5,650.3	5,650.3	5,650.3
1006 GF/MHTIA						
OTHER						
TOTAL	5,640.3	5,650.3	5,650.3	5,650.3	5,650.3	5,650.3

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Fred Fisher, Administrative Officer
Division: Alaska Seafood Marketing Institute

Phone: 465-5571
Date: 4/16/93

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 4-20-93

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FISCAL NOTE

No. 1
 Bill Version: CSHB 275 (FIN)
 (H) Publish Date: 4/14/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date:	Dept. Affected: Revenue
Title: <u>Salmon Marketing and Enhancement Taxes</u>	BRU: <u>Revenue Operations</u>
Sponsor: <u>Representative Hudson</u>	Component: <u>Income and Excise Audit</u>
Requestor: <u>House Finance</u>	COMPONENT SERIAL NO. <u>113</u>

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	76.7	76.7	76.7	76.7	76.7	0
TRAVEL	15.0	15.0	15.0	15.0	15.0	0
CONTRACTUAL	6.0	6.0	6.0	5.0	6.0	0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	0
EQUIPMENT	10.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	109.7	99.7	99.7	99.7	99.7	0

CAPITAL						
REVENUE FUND SOURCE: General Fund	5,750.0	5,750.0	5,750.0	5,750.0	5,750.0	0

FUNDING: (Thousands of Dollars)

1000 Federal Receipts						
1000 GF Match						
1004 GF	109.7	99.7	99.7	99.7	99.7	0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	109.7	99.7	99.7	99.7	99.7	0

POSITIONS:

FULL-TIME	2	2	2	2	2	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary)

(See Attached)

Prepared by: <u>Larry E. Meyers, Director</u>	Phone: <u>465-2320</u>
Division: <u>Income and Excise Audit Division</u>	Date: <u>April 9, 1993</u>
Approved by Commissioner: <u>Darrel J. Rexwinkel</u>	Date: <u>April 9, 1993</u>
Agency: <u>Commissioner</u>	

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Analysis

This bill affects the Department of Revenue by adding a new sections to AS 43.76 which provide for a salmon marketing tax. The salmon marketing tax would be imposed on limited entry or interim-use holders at a rate of 1% of the value of the salmon and would be collected by buyers in the state. The buyers would remit the taxes to the Department on a monthly basis. This tax would take effect July 1, 1993 and be automatically repealed after 5 years under section 9 of the bill.

According to the Department of Fish and Game, the total estimated value of salmon harvested in 1992 was \$575 million. Applying the salmon marketing tax to this value, the Department would expect to receive \$5.75 million (\$575 million times 1%).

Operating Costs

The Department expects to receive an average of 6 returns to be filed from 500 buyers (based on the number of licensed fisheries business processors in 1992). As a result, the salmon marketing tax program will generate approximately 3000 additional returns for the Department to data capture and process. Additionally, the Department will conduct audits of buyers' records to insure compliance.

		<u>FY 94*</u>	<u>FY 95-98</u>
Personal Services			
Tax Examiner - Juneau (Range 12A)	\$40.7		
Accounting Clerk II - Juneau (Range 9A)	<u>36.0</u>		
Total Personal Services		\$76.7	\$76.7
Travel			
10 Audit Trips	10.0		
5 Compliance Trips	<u>5.0</u>		
Total Travel		15.0	15.0
Contractual			
Phone/Utilities	3.0		
Printing	2.0		
Mailing	<u>1.0</u>		
Total Contractual		6.0	6.0
Supplies		2.0	2.0
Equipment (FY 94 Only)			
Computer and Modular Furniture		<u>10.0</u>	<u>0.0</u>
Total Operating Costs		<u>\$109.7</u>	<u>\$99.7</u>

SENATE FINANCE
COMMITTEE
Amendment Number: ①
Bill Number: 216275
Sponsor: _____ Date: 5/2/93
Logged In By:

Amendment
CSHB 275(FIN) am

Page 3 Line 4

Delete "establish an executive board to assist the board in efficiently exercising the board's powers and duties under this chapter; the executive board shall consist of seven members selected from and by the board and shall include at least three members who are engaged in commercial fishing;"

Page 3 Line 8

Delete "(14)"

Insert "(13)"

Page 4 Line 9

Delete "."

Insert ";

(9) establish a salmon marketing committee to assist and advise the board in administering the domestic salmon marketing program that is funded through the tax collected under AS 43.76; 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 - \$2,500,00."

Page 5, Line 6

Delete "and (8)"

Insert "-(5)"

A M E N D M E N T

SENATE FINANCE
COMMITTEE

Amendment Number: 1 **REVISED**

Bill Number: HB 275

Sponsor: _____ Date: 5/2/93

Logged In By: [Signature]

OFFERED IN THE SENATE

TO: CSHB 275(FIN) am

Page 3, lines 4 - 8:

Delete "establish an executive board to assist the board in efficiently exercising the board's powers and duties under this chapter; the executive board shall consist of seven members selected from and by the board and shall include at least three members who are engaged in commercial fishing;

(14)"

Page 4, line 9, after "products":

Insert ":

(9) establish a salmon marketing committee to assist and advise the board in administering the domestic salmon marketing program that is funded through the tax 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"

Page 5, line 6:

Delete "AS 16.51.100(7) and (8)"

Insert "AS 16.51.100(7) - (9)"

Page 5, line 29:

Delete "and 16.51.100(8)"

Insert ", 16.51.100(8), and 16.51.100(9)"

5-4-93
Kelly OBT

Passed
43

adopted
Called in 5/4/93

AMENDMENT No. 3

OFFERED BEFORE SENATE FINANCE

BY SENATOR JACKO

TO: CSHB 275(Fin)am

Page 2, line 2:

Following "governor." add a new sentence to read:

A majority of the board members engaged in commercial fishing must be engaged in commercial fishing in the Bristol Bay, Alaska Peninsula, Bering Sea, or Yukon-Kuskokwim Region.

Post-It™ brand fax transmittal memo 7671 # of pages ▶ 3

To	Gail	From	Marie
Co.	Legis Finance	Co.	Senate Finance
Dept.		Phone #	465-4935
Fax #	465-2029	Fax #	465-2187

5-4-93

8-LS0341X.4
Utermohle
4/29/93

FAILS 6-1
Jacko supported

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR JACKO

TO: CSHB 275(rIN) am

SENATE FINANCE
COMMITTEE

Amendment Number: #2
Bill Number: CSHB 275
Sponsor: Jacko Date: 5/4/93
Logged In By: [Signature]

Page 1, line 10, through page 2, line 2:

Delete all material

Insert a new hill section to read:

"* Sec. 2. AS 16.51.020(b) is amended to read:

(b) Eleven [TWELVE] members of the board shall be seafood processors: seven [EIGHT] of the seafood processors must have an annual payroll in the state of more than \$2,500,000 [\$1,000,000 OR MORE]; four of the seafood processors must have an annual payroll in the state of \$50,000 - \$2,500,000. Thirteen [\$1,000,000. FIVE] members of the board must be engaged in commercial fishing in the Bristol Bay, Alaska Peninsula, Bering Sea, or Yukon-Kuskokwim region. One member of the board shall be a lay person selected by the governor."

Page 5, line 23, after "fishing":

Insert "in the Bristol Bay, Alaska Peninsula, Bering Sea, or Yukon-Kuskokwim region"

Page 5, following line 27:

Insert a new subsection to read:

"(c) Notwithstanding AS 16.51.020(b), as amended by sec. 2 of this Act, the governor shall appoint a person engaged in commercial fishing in the Bristol Bay, Alaska Peninsula, Bering Sea, or Yukon-Kuskokwim region to the first membership on the board of directors of the Alaska Seafood Marketing Institute that is vacated by a seafood processor member who has an annual payroll in the state of more than \$2,500,000. If a person is appointed under this subsection to fill a vacancy arising other than by the expiration of a term of office, the person shall be appointed to

complete the remainder of the unexpired term."

Back-up

HB 275

**UCIDA**

UNITED COOK INLET DRIFT ASSOCIATION
P.O. Box 389 • Kenai, Alaska 99611 - 0389
(907) 283-3600 - FAX (907) 283-3306

April 29, 1993

SENT BY TELEFAX

Senators Drue Pearce and George Jacko
Co-Chairs, Senate Finance Committee
State Capitol
Juneau, AK 99801-1182

Dear Senators Pearce and Jacko,

United Cook Inlet Drift Association (UCIDA) represents the 585 salmon drift permit holders in Upper Cook Inlet. Some 300 permit holders are current members of our association. UCIDA is also active at the state and federal levels as a member of the Executive Committee of United Fishermen of Alaska (UFA).

I understand that HB252 and ~~CS for~~ HB275 have been scheduled for consideration by the Senate Finance Committee. I would like to make the following comments on these two bills.

HB252 - Refinancing of State Commercial Fishery Loans

This bill is strongly supported by UCIDA. It appears that the Cook Inlet salmon fishery will be minimal this year and that the drift fishery may be severely curtailed in 1994 and 1995 due to a collapse of the Kenai River sockeye run.

The ability to refinance loans at lower interest rates and therefore have lower annual payments will greatly assist our members with loans to "weather the storm".

CS for HB275- Salmon Marketing and Salmon Marketing Tax-ASMI

UCIDA has taken a great deal of time and gone to considerable expense to inform and survey the drift fleet on this matter. We are sure that you are also aware that discussing a new tax on your own industry is a delicate matter at any time. It is made even more difficult at a time when the ADF&G budget is once again being reduced.

UCIDA opposes CS for HB275. The full UCIDA board reviewed and discussed the Senate companion legislation CS for SB177 (Work Draft, 4/13/93). The vote for a motion to support the Senate version failed 4-4-1 (abstain).

HB275 as passed by the House, however, differs in two significant ways from the Senate language reviewed by the UCIDA Board. First, Sec.4(13) contains a provision for an executive board which is opposed by fishing groups. Second, HB275 does not contain a provision for a domestic salmon marketing committee to administer the domestic salmon marketing programs funded by the marketing tax.

UCIDA Board discussion and the results of the UCIDA survey made it very clear that there would be **NO support from ANY fishermen for a new tax unless fishermen could control the use of those funds.** Section 5(9) of CSSB177 (Work Draft, 4/13/93) provided for such oversight, HB275 does not.

There would be more support for the Senate version IF it were amended to provide that funds received from the sale of sockeye salmon were used to market sockeye salmon domestically. We have heard many arguments that the marketing of any salmon domestically will help all salmon sales in the long term. This may or may not be true. However, the result of our survey and discussions make it very clear that sockeye salmon fishermen who might support a tax and who will pay approximately 1/2 of any tax do not want those funds to be used to market pink salmon.

We hope you will consider UCIDA's comments and request copies of this letter be distributed to all Senate Finance Committee members.

Sincerely,



Theo Matthews
Administrative Assistant

CC Senator Little
Representative Davis
Representative Phillips
Western Alaska Cooperative Marketing Assoc.

Senator Salo
Representative Navarre
UFA

NorQuest Seafoods, Inc.

4225 - 23rd Avenue W.
Seattle, WA 98199
(206) 281-7022

12/1 v

Cy: Donna Parker
HB 275

Fax: Operations
(206) 285-8159

Fax: Sales
(206) 282-4109

April 21, 1993

Commissioner Paul Fuhs
Alaska Department of Commerce
and Economic Development
State Office Building
Juneau, Alaska

Dear Commissioner Fuhs;

Alaska's seafood industry is pivoting between success or further collapse. Which way we go depends in no small amount on how well we market our products.

The State of Alaska has done a truly remarkable job revitalizing salmon productivity. We need to finish the total job and protect the public investment in growing the fish. We need to focus on the next stage of the project - marketing the products we have so successfully produced.

As of 2/28/93, Sockeye Salmon inventories in U.S. public cold storages amounted to 7,900,000 lbs. At the same time in 1992 the U. S. Sockeye inventory level was 797,000 lbs. Clearly, we have the product available to sell domestically. But the market - which has shifted strongly to the convenience and consistency of farmed salmon - is largely unaware of the stockpiles of high quality Alaska Sockeye. With it's limited funds, ASMI has run some small but highly successful regional promotions resulting in significant sockeye sales. Processors have tried to reduce our reliance on Japanese markets by keeping inventories in the U.S. but without the proven assistance of a stronger generic marketing effort, we fear that we will not progress fast enough to forestall further collapse.

In short, we strongly encourage you in your efforts to secure passage and the Governor's approval of legislation to enhance Alaska's ability to market our seafood. Doing so, may pivot us away from collapse and toward the revitalization needed by all segments of our once great industry.

Sincerely,



Bob Waldrop
V.P. Norquest Seafoods, Inc.

Ketchikan, AK; Petersburg, AK; Cordova, AK
M/V: Prililof, Aleutian Falcon, Lafayette, Sea Legend, Crusader

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 2
Bill Version: CSHB 275 (FTN)
(H) Publish Date: 4/14/93

Revision Date: _____
Title: Salmon Marketing Tax
Sponsor: Rep. Hudson
Requestor: _____

Department Affected: Commerce and Economic Development
BRU: ASMI/Economic Development
Component: _____
COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	46.6	5,650.3	5,650.3	5,650.3	5,650.3	-0-
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	46.6	5,650.3	5,650.3	5,650.3	5,650.3	-0-

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF	46.6	5,650.3	5,650.3	5,650.3	5,650.3	
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Fred Fisher, Administrative Officer
Division: ASMI

Phone: 465-5571
Date: April 12, 1993

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 4-12-93

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НВВ

291

HFIN

FILE

FISCAL NOTE

No. 2
 Bill Version: CSHB 291 (HES)
 (H) Publish Date: 3/21/94

STATE OF ALASKA
 1994 LEGISLATIVE SESSION

Revision Date: March 15, 1994
 Title: "An Act establishing a consumer protection
 intern program at the University of Alaska."
 Sponsor: Representative Sanders
 Requestor: Representative Sanders

Department Affected: Department of Law
 BRU: Legal Services
 Component: Fair Business Practices
 COMPONENT SERIAL NO. 1823

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

Estimate of current year (FY94) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)
 Please see the attached analysis.

Prepared by: Richard I. Peques, Director
 Division: Administrative Services Division
 Approved by Commissioner: R. I. Peques FOR / Bruce M. Botelho, Attorney General
 Agency: Department of Law

Phone: 465-3672
 Date: March 15, 1994
 Date: March 15, 1994

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 291

ANALYSIS CONTINUATION:

This bill establishes a consumer protection intern program within the University of Alaska that provides university credit for work performed for the fair business practices section of the Department of Law. The bill requires that the program include one person selected by the University of Alaska Anchorage, one person selected by the University of Alaska Fairbanks and one person selected by the University of Alaska Southeast. The bill also provides that a person who is accepted into the consumer protection intern program may not participate for more than one semester and shall receive a stipend of \$1,000 from the University of Alaska.

The Department of Law's fair business practices section consists of one attorney, two paraprofessionals, and one legal secretary in Anchorage and one paraprofessional in Fairbanks. One of the two paraprofessionals in Anchorage and the paraprofessional in Fairbanks handle consumer protection matters, and the other paraprofessional in Anchorage handles antitrust investigations. The Anchorage attorney supervises all of the activities of the section and provides for enforcement of both the state's consumer protection and antitrust laws. The section has not had any onsite presence in Southeast Alaska since 1987.

Because of the small size of the section, and due to the section's large and varied responsibilities, the use of interns is somewhat problematic. Without any meaningful presence in Southeast Alaska, it would not be possible to train and supervise an intern in that region. It would be somewhat difficult to provide training and regular supervision in Fairbanks with just a single employee in that location. Providing training and supervision of an intern in Anchorage would not be easy, but benefits could result particularly in the legal research area. We also note that the one semester limit provided in the bill should probably be changed to two semesters, because it would probably take up to one semester to properly train an intern.

FISCAL NOTE

No. 1
 Bill Version: CSHB 291(HES)
 (H) Publish Date: 3/21/94

STATE OF ALASKA
 1994 LEGISLATIVE SESSION

Revision Date: 3/18/94
 Title: Consumer protection internship program

Department Affected: University of Alaska
 BRU: University of Alaska, Anchorage
 Component: Anchorage Campus

Sponsor: Sanford
 Requestor: H HESS

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
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						
---------	--	--	--	--	--	--

REVENUE FD SOURCE						
-------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTIA						
OTHER						
TOTAL FUNDING	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Wendy Matheny, Budget Analyst
 Division: Statewide Budget Office

Phone: 463-3086
 Date: _____

Approved by: Alison Elgee, Director
 Agency: Statewide Budget Office

Date: 3/18/94

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