

SCOMM

102:6

Revision Date: _____ Dept. Affected: Revenue
Title: Salmon Marketing Assessment & ASMI BRU: Revenue Operations
Component: Income and Excise Audit
Sponsor: REP Hudson, Grussendorf
Requestor: (H) FSH COMPONENT SERIAL NO. 113

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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						
CHANGE IN REVENUES (GF)	0.0	4,200.0	4,600.0	4,800.0	4,800.0	4,800.0

FUND SOURCE

(Thousands of Dollars)

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

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

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

Phone: 465-3691
Date: February 4, 1997
Date: February 4, 1997

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

HB 73
Salmon Marketing Assessment & ASMI
February 4, 1997
Page 2 of 2

BILL ANALYSIS

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

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

Section 3 establishes an immediate effective date.

Operating Costs

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

Revenue

This bill would not take effect until FY 1999. The department estimates that salmon marketing tax collections will be \$4.2 million in FY 1999, \$4.6 million in FY 2000 and \$4.8 million in FY 2001 through FY 2003. Tax collections will fluctuate depending on prices paid for salmon and the volumes harvested in a given year.

FISCAL NOTE

STATE OF ALASKA
1997 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:	House Special Committee on Fisheries

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

COMPONENT SERIAL NO. 393

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY01	FY 02	FY 03
PERSONAL SERVICES		500.0	500.0	500.0	500.0	500.0
TRAVEL		100.0	100.0	100.0	100.0	100.0
CONTRACTUAL		3,518.0	3,918.0	4,118.0	4,118.0	4,118.0
SUPPLIES		75.0	75.0	75.0	75.0	75.0
EQUIPMENT		7.0	7.0	7.0	7.0	7.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING		4,200.0	4,600.0	4,800.0	4,800.0	4,800.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
---------------------------	--	--	--	--	--	--

(Thousands of Dollars)

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

Estimate of any current year (FY 97) cost: \$

POSITIONS

FULL-TIME		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 FY97 the revenues are at a low point due to the decline in value of the salmon harvest in the 1996 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 current salmon marketing assessment (AS43.76.110) is repealed effective June 30, 1998. This legislation will extend the assessment.

Prepared by: Dwayne Peoples
Division: Alaska Seafood Marketing Institute
Approved by Commissioner: William L. Hensley 
Agency: Commerce and Economic Development

Phone: 465-5571
Date: February 4, 1997
Date: 2-6-97

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

THE ASMI RETAIL MARKETING PROGRAM:

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

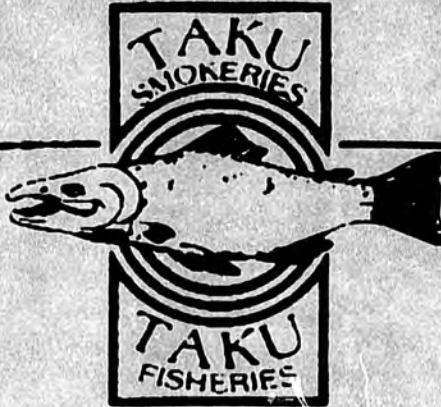


THE ASMI FOODSERVICE PROGRAM:

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

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

February 4, 1997



via fax @ 465-2273

Dear Representative Hudson,

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

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

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

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

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

Respectfully yours,


Sandro Lane, President
Taku Smokeries

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

Alaska State Legislature

REPRESENTATIVE BILL HUDSON

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

COMMITTEES

CO-CHAIR
Resources Committee

MEMBER
Transportation Committee
Labor & Commerce Committee

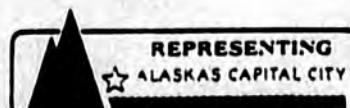
SPONSOR STATEMENT

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

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

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

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



LEGAL SERVICES

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

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

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

MEMORANDUM

January 22, 1997

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

TO: Representative Bill Hudson

FROM: George Utermohle 
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.

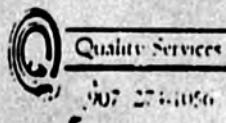
As a preliminary matter, note that a sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

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



Date NOV 23 1996
Ketchikan
Daily News

Client No. 228

Editorial

Encourage innovation

228 SVI

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.

January 27, 1997

JAN 31 1997

Dear Representative Hudson.

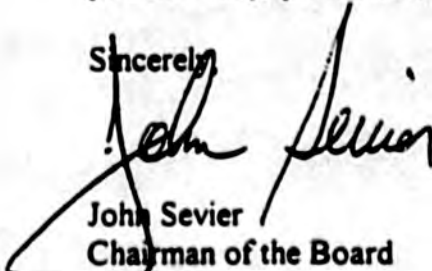
On behalf of the Alaska Seafood Marketing Institute, I extend to you our best wishes for a productive 20th session. We hope you enjoy the Alaska seafood samples enclosed, and that you take a few minutes to read the information provided to you about ASMI and the Alaska seafood industry.

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
1114 West 8th Street, Room 100
Juneau, Alaska 99801-1895
Tel: (907) 465-5560
In Alaska: 1-800-478-2903
Fax: (907) 465-5572





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.



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

THE ASMI RETAIL MARKETING PROGRAM:

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- Develops distribution and brand (Alaska) identity programs for Alaska seafood at the wholesale/distributor, retail and consumer levels. "Buy Alaska salmon!"
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- Builds and strengthens the Alaska brand to pre-empt further competition from farm-raised products (i.e., "Wild Alaska Salmon", "Natural Salmon from Alaska", "pristine waters of Alaska").
- Establishes a leadership position for ASMI in the areas of seafood education and promotions with the goal of building brand loyalty within the foodservice marketplace.
- Communicates promotion results to the industry.
- Encourages the use of new value-added salmon products in the nation's foodservice industry.

SOUTHWEST ALASKA

MUNICIPAL CONFERENCE



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

October 2, 1996

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

Dear Representative Austerman:

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

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

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

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

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

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

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

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

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

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

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

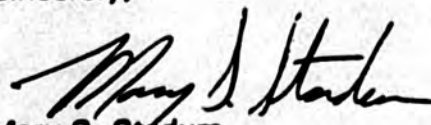
RESOLUTION 96-23 A resolution requesting the development of a Southwest Alaska Regional Transportation Plan.

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

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

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

Sincerely,



Mary S. Stadum
Executive Director

Enclosures



ALASKA SALMON/SEAFOOD INDUSTRY FACT SHEET

compiled by the Alaska Seafood Marketing Institute from information supplied by the Department of Commerce, Labor and Fish & Game

In Alaska...

- ***169 million wild salmon were caught in 1996 with a dollar value of \$366 million.***
- ***Each year, nearly 6 billion pounds of seafood are harvested in Alaska waters.***
- ***The seafood industry is the number one private employer, with nearly 40,000 full time and seasonal employees.***
- ***Revenues generated for the state are second only to the oil industry.***
- ***More than 700 processing facilities of all sizes operate in Alaska.***
- ***Of the more than 11,687 salmon permits registered for 1997, 9,049 are held by Alaskans.***
- ***Commercial fishing is the major source of cash in many of Alaska's coastal communities.***

In Alaska's largest city, Anchorage...

- ***Anchorage is home to more permit holders than any other community in the state, and an estimated 1,600 crewmembers.***
- ***Nearly 200 Anchorage residents are employed in fishing-related issues, with an estimated annual payroll of \$12 million.***
- ***The seafood industry is a \$100 million industry in Anchorage.***
- ***There are 22 processing companies licensed to operate in the Anchorage bowl.***

In the nation and around the world...

- ***Alaska is the number one seafood producing state in the United States.***
- ***The total value of 1995 Alaska seafood exports was over \$1.3 billion.***
- ***Alaska produces 90% of the wild salmon in the United States, and is the #1 producer of wild salmon in the world.***
- ***Exports of canned salmon to ASMI's target countries totaled \$682.5 million.***
- ***If Alaska was a country, it would rank among the top ten seafood producers in the world, ahead of Canada, Norway, Iceland and other fishing nations.***

Representative Austerman
State Legislature Office
Juneau, Alaska
Fax: 465-4956

Dear Representative Austerman,

I hope you will support 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 loose 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

Rose Heyano
PO Box 1409
Dillingham, Ak. 99576
907-842-1053
fax # 907-842-1355

February 9, 1997

Post-It® Fax Note	7671	Date	2/17/97	# of pages	2
To	Rep. Ousterman	From	DLG LIO		
Co./Dept.		Co.			
Phone #	465-2487	Phone #			
Fax #	465-4956	Fax #	842-5105		

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.

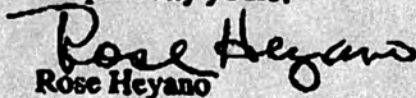
The Alaska Seafood Marketing Institute is the marketing agency that needs to represent fisherpersons in the State of Alaska. ASMI needs fishermen's support as well as the State's. The State of Alaska needs to support the salmon industry by continuing to provide the 20% match that ASMI needs to receive 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: Fisheries Committee Members



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.

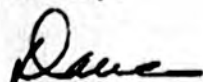
Marketing is mostly a long term effort and results come only as we are consistent and aggressive, industry wide, in presenting our products

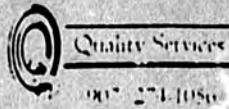
Over the last three years ASMI has become an exceptional organization in the marketing arena. ASMI has a marketing plan and works the plan very aggressively.

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



Date NOV 29 1996

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.

SOUTHWEST ALASKA

MUNICIPAL CONFERENCE



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

October 2, 1996

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

Dear Representative Austerman:

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

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

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

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

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

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

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

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

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

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

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

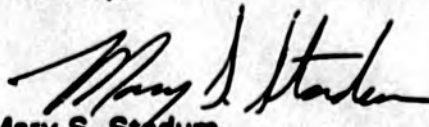
RESOLUTION 96-23 A resolution requesting the development of a Southwest Alaska Regional Transportation Plan.

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

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

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

Sincerely,



Mary S. Stedum
Executive Director

Enclosures



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

Robert Quaccia
885 Oak St.
Ashland, OR 97520
February 6, 1997

Representative Alan Austerman
State Capitol
Juneau, AK 99801-1182

Dear Representative Austerman,

I am a commercial salmon permit holder in the Kodiak area and I would like to notify you of my support of H.B. 73, which will renew the one percent assessment.

I have followed ASMI's work and have participated in one of their "Fisherman in the stores" programs. I feel ASMI's work is very beneficial and especially necessary for our product to compete on world market.

Thank you for your effort in this regard,

Sincerely,

Robert J. Quaccia

Robert J. Quaccia