

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2208 SCOMM 87: HOUSE SPECIAL COMMITTEE ON FISHERIES, 1993-94

Chapter 5, Economic Impacts in the Aleutians/Bering Sea

Table 5-6

**1992 Purchases of Fish and Shellfish in the Bering Sea/Aleutian Islands
Region by the Shoreside Processing Industry (by quarter, in pounds)**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Red King Crab	0	0	0	3,369,900	3,369,900
Brown/Blue King Crab	1,000,920	1,062,663	1,608,207	1,090,075	4,761,864
Bairdi Tanner Crab	3,240,705	102,277	0	13,100,155	16,443,137
Opilio Tanner Crab	68,656,219	3,477,541	0	0	72,133,760
Dungeness Crab	0	0	0	0	0
Pollock	445,827,616	0	350,293,127	0	796,120,743
Pacific Cod	21,776,929	17,905,475	4,839,317	3,871,454	48,393,175
Sole	0	4,587,773	4,587,773	0	9,175,545
Flounders	0	3,895,528	3,895,528	0	7,791,056
Misc. Groundfish	731,376	731,376	731,376	731,376	2,925,504
Chinook Salmon	0	0	0	0	0
Sockeye Salmon	0	0	0	0	0
Coho Salmon	0	0	0	0	0
Pink Salmon	0	0	0	0	0
Chum Salmon	0	0	0	0	0
Herring Spawn-on-Kelp	0	0	0	0	0
Herring Food & Bait	0	0	0	0	0
Herring Sac Roe	0	0	0	0	0
Misc. Shellfish	0	0	0	0	0
Sablefish	0	585,101	0	0	585,101
Halibut	0	3,725,346	1,919,117	0	5,644,463
Shrimp	0	0	0	0	0
Other Species	0	0	0	0	0
Total	541,233,765	36,073,078	367,874,445	22,162,960	967,344,248

Chapter 6

Impacts in the Kenai/Cook Inlet Region

6.1 Introduction

Tables 6-1 through 6-5 display the annual and quarterly economic impact of the shoreside seafood processing industry in the Kenai/Cook Inlet/Anchorage region during 1992. The total impact was \$418 million, of which \$167 million were direct expenditures. Of this amount, \$127 million was spent on purchases of fish and shellfish, \$32 million was spent on labor, \$4 million was spent on purchases of goods and services, \$4 million was spent on tax related items, and \$47,000 was contributed to charitable causes. Figure 6-1 shows the direct expenditures by quarter, while Figure 6-2 shows the direct expenditures from each category as a percent of the total.

On an annual basis, shoreside seafood processing companies spent \$1.52 in Alaska for every pound of fish and shellfish processed during 1992.

Figure 6-1
Distribution of Direct Expenditures by the Shoreside Processing Industry in the Kenai/Cook Inlet Region during 1992

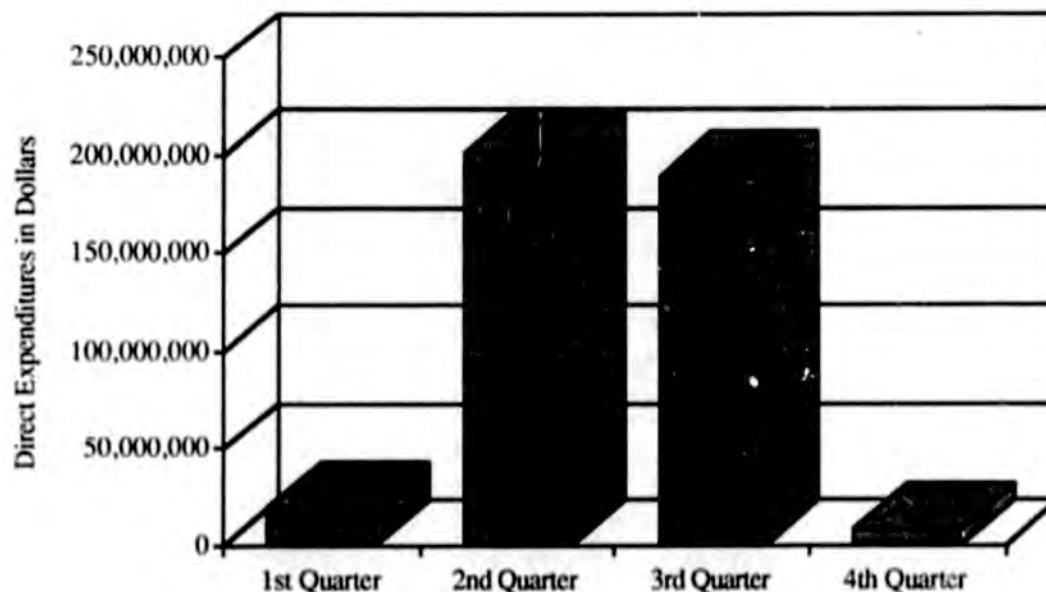
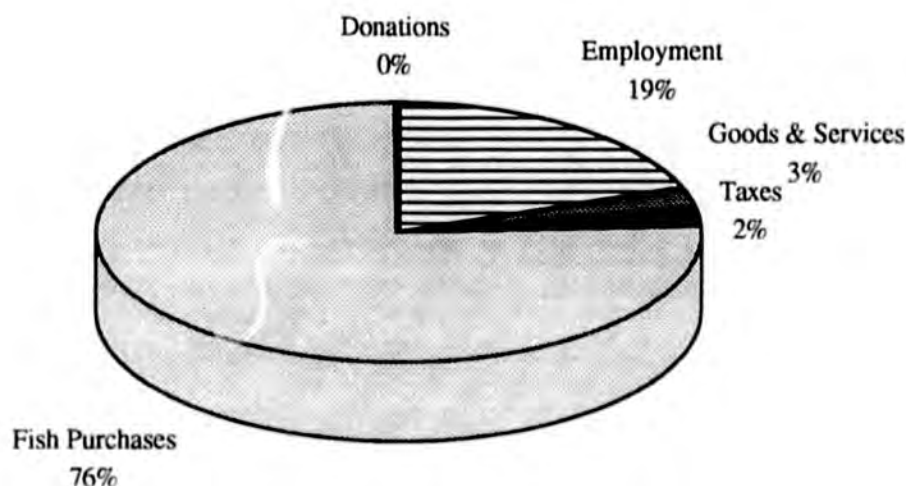


Figure 6-2
Percent Distribution of Expenditures by the Shoreside Processing Industry
in the Kenai/Cook Inlet Region during 1992



6.2 Purchases of Fish and Shellfish

Table 6-6 shows the poundage of fish and shellfish purchased by quarter in the Kenai/Cook Inlet region during 1992; for ex-vessel expenditures by the shoreside processing industry by species and quarter during 1992, see the "Fish Purchases" categories of Tables 6-1 through 6-5 for detailed information. Figures 6-3 and 6-4 display the percentage distribution of fish and shellfish purchased by the shoreside processors during 1992 by major species group in pounds purchased and value respectively.

During 1992, 110 million pounds of fish and shellfish were purchased in the region. The dominant species consisted of sockeye salmon (61 million pounds), followed by halibut (11 million pounds) and Pacific cod (9 million pounds). Coho, pink, and chum salmon each contributed between 2 million and 4 million pounds, sac roe herring contributed 4.6 million pounds, and sablefish added 8.8 million pounds. On a quarterly basis, 11% (12 million pounds) were processed in the first quarter, 51% (55.7 million pounds) were processed in the second quarter, 38% (42 million pounds) were processed in the third quarter, and little production occurred in the fourth quarter.

In terms of ex-vessel values, sockeye generated the greatest overall revenue (\$97 million). This was followed by halibut (\$10 million) and sablefish (\$9 million). Other salmon species contributed \$4.1 million, Pacific cod contributed \$2.5 million, and herring \$1.5 million.

Figure 6-3
Distribution of Fish & Shellfish by Major Species Category Purchased by the
Shoreside Processing Industry in the Kenai/Cook Inlet Region during 1992
(in percent of total pounds)

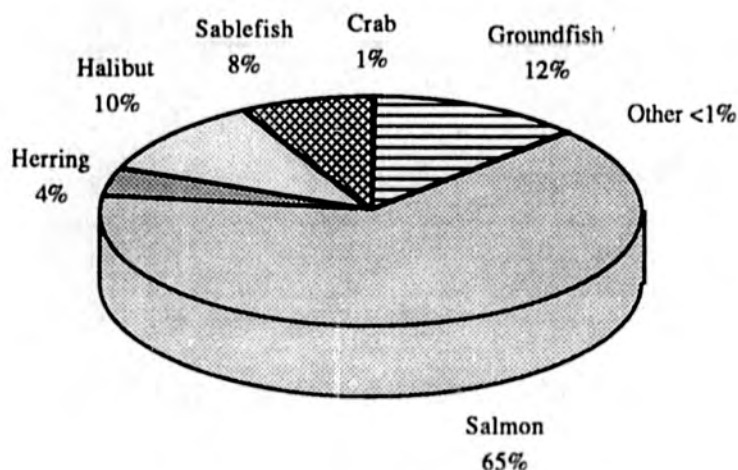
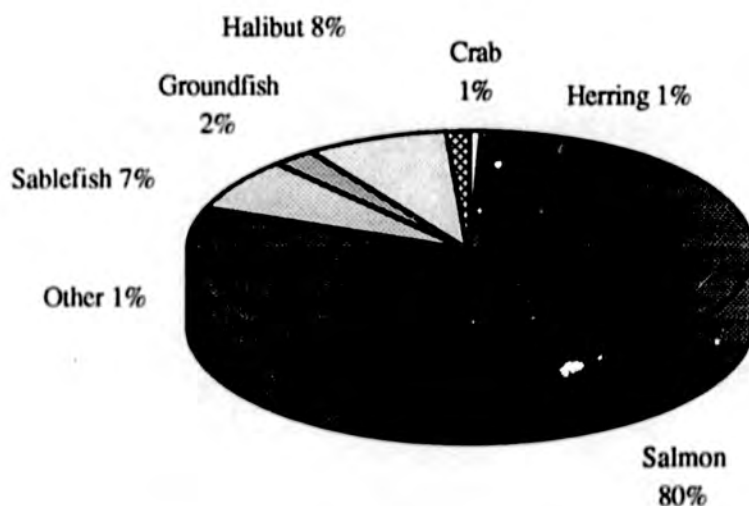


Figure 6-4
Distribution of Fish & Shellfish by Major Species Category Purchased by the
Shoreside Processing Industry in the Kenai/Cook Inlet Region during 1992
(in percent of total value)



6.3 Employment

The average number of individuals employed on a monthly basis during 1992 was 1,209. Employment varied significantly through the year; the lowest quarters were the first and fourth quarters when 516 and 388 individuals respectively were employed on average, while the second and third quarters produced direct employment opportunities for 1,507 and 2,424 individuals respectively. Total wages and benefits paid to employees during the year were \$32 million. Additionally, \$332,000 was spent to transport employees to and from the various work sites within the region.

6.4 Purchases of Goods and Services

A total of \$4.2 million in goods and services were purchased by the shoreside seafood processing companies in the Kenai/Cook Inlet region during 1992. On a quarterly basis, the expenditures consisted of \$703,000 (17%) for the first quarter, \$1.4 million (34%) for the second quarter, \$1.5 million (37%) for the third quarter, and \$565,000 (13%) for the fourth quarter.

By category, the expenditures consisted of \$1.7 million for consumables, \$1.1 million for services, \$1.2 million for electricity, \$200,000 for water, \$19,000 for sewer services, and \$8,400 for other purchases.

6.5 Taxes

Taxes paid on the purchase of fish during 1992 amounted to \$4.1 million. There were no local fish taxes applied to the purchases.

Chapter 6, Economic Impacts in Kenai/Cook Inlet

Table 6-1

Economic Impact of the Shoreside Processing Industry on the Kenai Peninsula during 1992

Employment	Peak Monthly Employment	2,424		
	Avg. number of employees/month	1,209		
	Total Processing Payroll	24,421,640		
	Fringe benefits, workers com., etc. (30% of gross)	7,326,492		
	Airfare	332,410		
	SUB-TOTAL	32,080,541	\$32,080,541	19%
Purchases	Consumables	1,669,570		
	Services	1,122,471		
	Electric	1,219,588		
	Water	204,846		
	Sewer	19,264		
	Other	8,371		
	SUB-TOTAL	4,244,110	\$4,244,110	3%
Taxes	State Raw Fish	4,125,562		
	Local Raw Fish Tax	0		
	Other State Taxes (see Statewide Total)			
	SUB-TOTAL	4,125,562	\$4,125,562	2%
Fish (Ex-Vessel Value of Purchase)				
Crab	Red King	0		
	Brown/Blue King	0		
	Bairdi	932,750		
	Opilio	0		
Grdfish	Dungeness	140,705		
	Pollock	86,235		
	Pacific Cod	2,468,502		
	Soles	5,093		
	Flounders	261,344		
	Misc. Groundfish	243,895		
Salmon	Chinook	584,342		
	Sockeye	97,037,265		
	Coho	1,992,526		
	Pink	640,732		
	Chum	747,605		
Herring	Spawn On Kelp	0		
	Food/Bait	17,589		
	Sac Roe	1,410,028		
Other	Misc. Shellfish	941,483		
	Sablefish	8,928,947		
	Halibut	10,365,979		
	Shrimp	0		
	Other Species	0		
	SUB-TOTAL	126,805,220	\$126,805,220	76%
Donations	Scholarships & Other Donations	5,205		
	"Wynn" Brindle Scholarships	41,429		
	SUB-TOTAL	46,634	\$46,634	0%
TOTAL DIRECT EXPENDITURES			\$167,302,067	100%
AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED			\$1.52	
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$418,255,167	

Table 6-2

Economic Impact of the Shoreside Processing Industry
on the Kenai Peninsula during the First Quarter, 1992

Employment	Avg. number of employees/month	516		Percent of Total
	Total Processing Payroll	2,586,971		
	Fringe benefits, workers com., etc. (30% of gross)	776,091		
	Airfare	29,638		
	SUB-TOTAL	3,392,701	\$3,392,701	43%
Purchases	Consumables	354,211		
	Services	209,447		
	Electric	109,121		
	Water	26,964		
	Sewer	2,424		
	Other	586		
	SUB-TOTAL	702,753	\$702,753	9%
Taxes	State Raw Fish	119,699		
	Local Raw Fish Tax			
	Other State Taxes (see Statewide Total)			
	SUB-TOTAL	119,699	\$119,699	2%
Fish (Ex-Vessel Value of Purchase)				
Crab	Red King (\$0.00/lb.)	0		
	Brown/Blue King (\$0.00/lb.)	0		
	Bairdi (\$2.275/lb.)	932,750		
	Opilio (\$0.00/lb.)	0		
	Dungeness (\$0.869/lb.)	0		
Grdfish	Pollock (\$0.154/lb.)	86,235		
	Pacific Cod (\$0.255/lb.)	2,468,502		
	Solles (\$0.105/lb.)	0		
	Flounders (\$0.105/lb.)	130,672		
	Misc. Groundfish (\$0.299/lb.)	60,974		
Salmon	Chinook (\$1.284/lb.)	0		
	Sockeye (\$1.594/lb.)	0		
	Coho (\$0.651/lb.)	0		
	Pink (\$0.152/lb.)	0		
	Chum (\$0.364/lb.)	0		
Herring	Spawn On Kelp (0.00/lb.)	0		
	Food/Bait (\$0.250/lb.)	0		
	Sac Roe (\$0.309/lb.)	0		
Other	Misc. Shellfish (\$2.484/lb.)	0		
	Sablefish (\$1.008/lb.)	0		
	Halibut (\$0.914/lb.)	0		
	Shrimp (\$0.00/lb.)	0		
	Other Species (\$0.00/lb.)	0		
	SUB-TOTAL	3,679,133	\$3,679,133	47%
Donations	Scholarships & Other Donations	1,301		
	"Wynn" Brindle Scholarships	10,357		
	SUB-TOTAL	11,658	\$11,658	0%
	TOTAL DIRECT EXPENDITURES		\$7,905,944	100%
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$0.65	
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$19,764,859	

Chapter 6, Economic Impacts in Kenai/Cook Inlet

Table 6-3

Economic Impact of the Shoreside Processing Industry on the Kenai Peninsula during the Second Quarter, 1992

Employment	Avg. number of employees/month	1,507		
	Total Processing Payroll	6,552,263		
	Fringe benefits, workers com., etc. (30% of gross)	1,965,679		
	Airfare	193,641		
	SUB-TOTAL	8,711,583	\$8,711,583	11%
Purchases	Consumables	501,376		
	Services	488,472		
	Electric	357,283		
	Water	70,545		
	Sewer	5,474		
	Other	3,097		
	SUB-TOTAL	1,426,248	\$1,426,248	2%
Taxes	State Raw Fish	2,209,324		
	Local Raw Fish Tax			
	Other State Taxes (see Statewide Total)			
	SUB-TOTAL	2,209,324	\$2,209,324	3%
Fish (Ex-Vessel Value of Purchase)				
Crab	Red King (\$0.00/lb.)	0		
	Brown/Blue King (\$0.00/lb.)	0		
Grdfish	Bairdi (\$2.275/lb.)	0		
	Opilio (\$0.00/lb.)	0		
	Dungeness (\$0.869/lb.)	28,141		
	Pollock (\$0.154/lb.)	0		
	Pacific Cod (\$0.255/lb.)	0		
	Soles (\$0.105/lb.)	5,093		
	Flounders (\$0.105/lb.)	130,672		
	Misc. Groundfish (\$0.299/lb.)	60,974		
	Chinook (\$1.284/lb.)	409,039		
	Sockeye (\$1.594/lb.)	48,518,633		
Salmon	Coho (\$0.651/lb.)	797,010		
	Pink (\$0.152/lb.)	64,073		
	Chum (\$0.364/lb.)	224,341		
	Spawn On Kelp (0.00/lb.)	0		
Herring	Food/Bait (\$0.250/lb.)	17,589		
	Sac Roe (\$0.309/lb.)	1,410,028		
Other	Misc. Shellfish (\$2.484/lb.)	470,741		
	Sablefish (\$1.008/lb.)	8,928,947		
	Halibut (\$0.914/lb.)	6,841,546		
	Shrimp (\$0.00/lb.)	0		
	Other Species (\$0.00/lb.)	0		
	SUB-TOTAL	67,906,829	\$67,906,829	85%
Donations	Scholarships & Other Donations	1,301		
	"Wynn" Brindle Scholarships	10,357		
	SUB-TOTAL	11,658	\$11,658	0%
TOTAL DIRECT EXPENDITURES			\$80,265,642	100%
AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED			\$1.44	
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly))			\$200,664,105	

Chapter 6, Economic Impacts in Kenai/Cook Inlet

Table 6-4

Economic Impact of the Shoreside Processing Industry on the Kenai Peninsula during the Third Quarter, 1992

Employment	Avg. number of employees/month	2,424			
	Total Processing Payroll	13,125,597			
	Fringe benefits, workers com., etc. (30% of gross)	3,937,679			
	Airfare	94,794			
	SUB-TOTAL	17,158,071	\$17,158,071	23%	
Purchases	Consumables	518,555			
	Services	351,543			
	Electric	585,123			
	Water	82,807			
	Sewer	9,030			
	Other	2,930			
	SUB-TOTAL	1,549,988	\$1,549,988	2%	
Taxes	State Raw Fish	1,793,639			
	Local Raw Fish Tax				
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	1,793,639	\$1,793,639	2%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$0.00/lb.)	0			
	Brown/Blue King (\$0.00/lb.)	0			
	Bairdi (\$2.275/lb.)	0			
	Opilio (\$0.00/lb.)	0			
Grdfish	Dungeness (\$0.869/lb.)	84,423			
	Pollock (\$0.154/lb.)	0			
	Pacific Cod (\$0.255/lb.)	0			
	Sole (\$0.105/lb.)	0			
	Flounders (\$0.105/lb.)	0			
	Misc. Groundfish (\$0.299/lb.)	60,974			
Salmon	Chinook (\$1.284/lb.)	175,303			
	Sockeye (\$1.594/lb.)	48,518,633			
	Coho (\$0.651/lb.)	1,195,516			
	Pink (\$0.152/lb.)	576,659			
	Chum (\$0.364/lb.)	523,463			
Herring	Spawn On Kelp (0.00/lb.)	0			
	Food/Bait (\$0.250/lb.)	0			
	Sac Roe (\$0.309/lb.)	0			
Other	Misc. Shellfish (\$2.484/lb.)	470,741			
	Sablefish (\$1.008/lb.)	0			
	Halibut (\$0.914/lb.)	3,524,433			
	Shrimp (\$0.00/lb.)	0			
	Other Species (\$0.00/lb.)	0			
	SUB-TOTAL	55,130,144	\$55,130,144	73%	
Donations	Scholarships & Other Donations	1,301			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	11,658	\$11,658	0%	
TOTAL DIRECT EXPENDITURES			\$75,643,501	100%	
AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED			\$1.80		
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly))			\$189,108,752		

Chapter 6, Economic Impacts in Kenai/Cook Inlet

Table 6-5

Economic Impact of the Shoreside Processing Industry on the Kenai Peninsula during the Fourth Quarter, 1992

Employment	Avg. number of employees/month	388			Percent
	Total Processing Payroll	2,156,808			of Total
	Fringe benefits, workers com., etc. (30% of gross)	647,042			
	Airfare	14,336			
	SUB-TOTAL	2,818,187	\$2,818,187	81%	
Purchases	Consumables	295,428			
	Services	73,009			
	Electric	168,060			
	Water	24,530			
	Sewer	2,335			
	Other	1,758			
	SUB-TOTAL	565,121	\$565,121	16%	
Taxes	State Raw Fish	0			
	Local Raw Fish Tax				
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	0	\$0	0%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$0.00/lb.)	0			
	Brown/Blue King (\$0.00/lb.)	0			
	Bairdi (\$2.275/lb.)	0			
	Opilio (\$0.00/lb.)	0			
Grdfish	Dungeness (\$0.869/lb.)	28,141			
	Pollock (\$0.154/lb.)	0			
	Pacific Cod (\$0.255/lb.)	0			
	Soles (\$0.105/lb.)	0			
	Flounders (\$0.105/lb.)	0			
	Misc. Groundfish (\$0.299/lb.)	60,974			
	Chinook (\$1.284/lb.)	0			
Salmon	Sockeye (\$1.594/lb.)	0			
	Coho (\$0.651/lb.)	0			
	Pink (\$0.152/lb.)	0			
	Chum (\$0.364/lb.)	0			
	Spawn On Kelp (0.00/lb.)	0			
Herring	Food/Bait (\$0.250/lb.)	0			
	Sac Roe (\$0.309/lb.)	0			
	Misc. Shellfish (\$2.484/lb.)	0			
Other	Sablefish (\$1.008/lb.)	0			
	Halibut (\$0.914/lb.)	0			
	Shrimp (\$0.00/lb.)	0			
	Other Species (\$0.00/lb.)	0			
	SUB-TOTAL	89,115	\$89,115	3%	
Donations	Scholarships & Other Donations	1,301			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	11,658	\$11,658	0%	
TOTAL DIRECT EXPENDITURES			\$3,484,081	100%	
AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED			\$14.74		
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly))			\$8,710,202		

Table 6-6

**1992 Purchases of Fish and Shellfish in the Kenai Peninsula
by the Shoreside Processing Industry (by quarter, in pounds)**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Red King Crab	0	0	0	0	0
Brown/Blue King Crab	0	0	0	0	0
Bairdi Tanner Crab	410,000	0	0	0	410,000
Opilio Tanner Crab	0	0	0	0	0
Dungeness Crab	0	32,380	97,139	32,380	161,898
Pollock	559,968	0	0	0	559,968
Pacific Cod	9,680,399	0	0	0	9,680,399
Sole	0	48,501	0	0	48,501
Flounders	1,244,497	1,244,497	0	0	2,488,993
Misc. Groundfish	203,926	203,926	203,926	203,926	815,702
Chinook Salmon	0	318,567	136,529	0	455,095
Sockeye Salmon	0	30,438,289	30,438,289	0	60,876,578
Coho Salmon	0	1,224,286	1,836,430	0	3,060,716
Pink Salmon	0	421,534	3,793,809	0	4,215,343
Chum Salmon	0	616,322	1,438,086	0	2,054,408
Herring Spawn-on-Kelp	0	0	0	0	0
Herring Food & Bait	0	70,357	0	0	70,357
Herring Sac Roe	0	4,563,197	0	0	4,563,197
Misc. Shellfish	0	189,509	189,509	0	379,019
Sablefish	0	8,858,083	0	0	8,858,083
Halibut	0	7,485,280	3,856,054	0	11,341,334
Shrimp	0	0	0	0	0
Other Species	0	0	0	0	0
Total	12,098,789	55,714,728	41,989,768	236,305	110,039,591

Chapter 7

Impacts in the Kodiak Region

7.1 Introduction

Tables 7-1 through 7-5 display the annual and quarterly economic impact of the shoreside seafood processing industry Kodiak during 1992. The total impact was \$424.5 million, of which \$170 million were direct expenditures. Of this amount, \$110 million was spent on purchases of fish and shellfish, \$44.6 million was spent on labor, \$8.8 million was spent on purchases of goods and services, \$6.5 million was spent on tax related items, and \$66,000 was contributed to charitable causes. Figure 7-1 shows the direct expenditures by quarter, while Figure 7-2 shows the direct expenditures from each category as a percent of the total.

On an annual basis, shoreside seafood processing companies spent \$0.55 in Alaska for every pound of fish and shellfish processed during 1992.

Figure 7-1
Distribution of Direct Expenditures by the Shoreside Processing Industry
in Kodiak during 1992

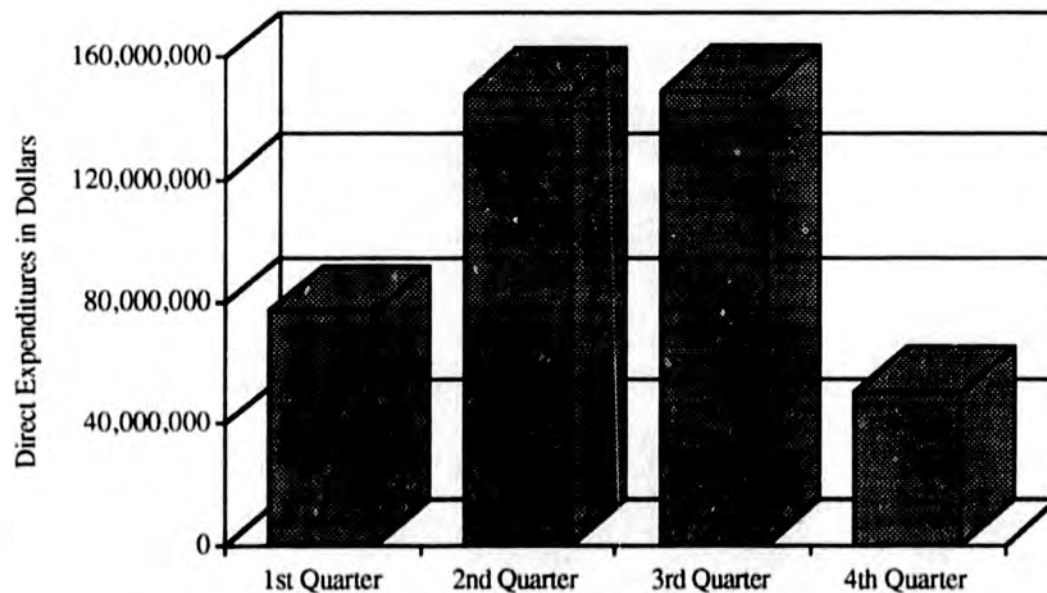
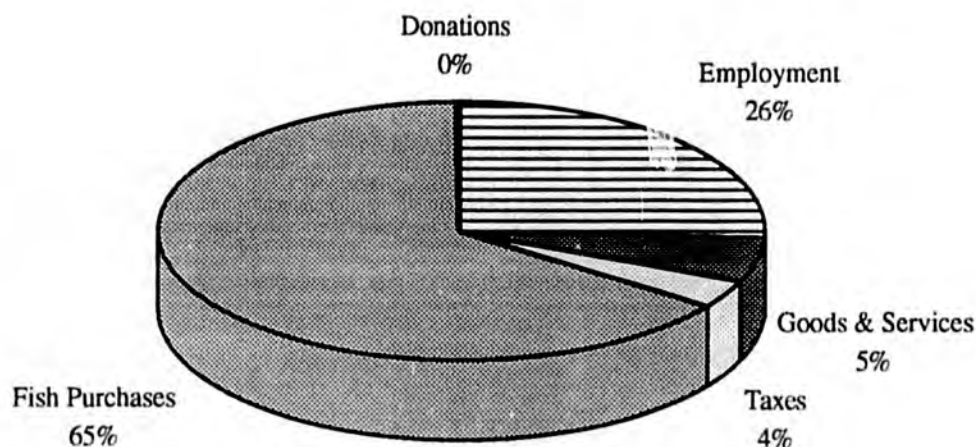


Figure 7-2
Percent Distribution of Expenditures by the Shoreside Processing Industry
in Kodiak during 1992



7.2 Purchases of Fish and Shellfish

Table 7-6 shows the poundage of fish and shellfish purchased by quarter in the Kodiak region during 1992; for ex-vessel expenditures by the shoreside processing industry by species and quarter during 1992, see the "Fish Purchases" categories of Tables 7-1 through 7-5 for detailed information. Figures 7-3 and 7-4 display the percentage distribution of fish and shellfish purchased by the shoreside processors during 1992 by major species group in pounds purchased and value respectively.

During 1992, 308 million pounds of fish and shellfish were purchased in the region. The dominant species consisted of pollock (150 million pounds), followed by Pacific cod (43 million pounds), flounders (32 million pounds), sockeye salmon (24 million pounds), halibut (13 million pounds), and pink salmon (12 million pounds). On a quarterly basis, 25% (78 million pounds) were processed in the first quarter, 28% (86 million pounds) were processed in the second quarter, 33% (101 million pounds) were processed in the third quarter, and 14% (43 million pounds) were processed in the fourth quarter.

In terms of ex-vessel values, sockeye salmon generated the greatest overall revenue (\$35 million). This was followed by pollock (\$23 million). Other significant contributors were halibut (\$12 million), Pacific cod (\$11 million), crab (\$8.5 million), and herring (\$2.1 million).

Figure 7-3

Distribution of Fish & Shellfish by Major Species Category Purchased by the Shoreside Processing Industry in Kodiak during 1992 (in percent of total pounds)

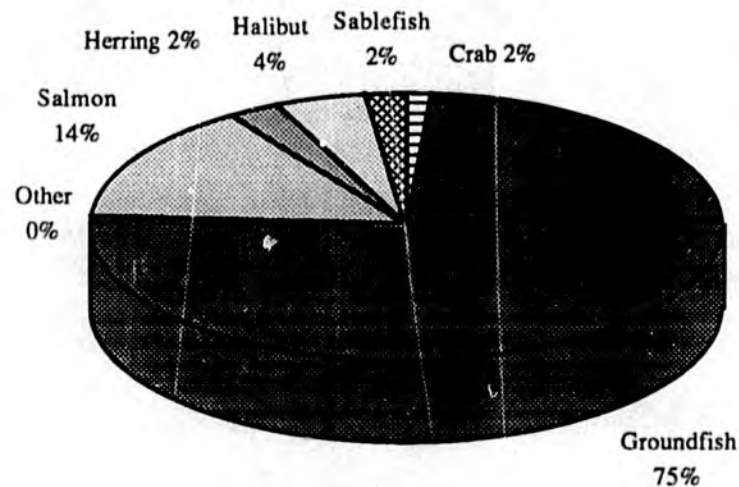
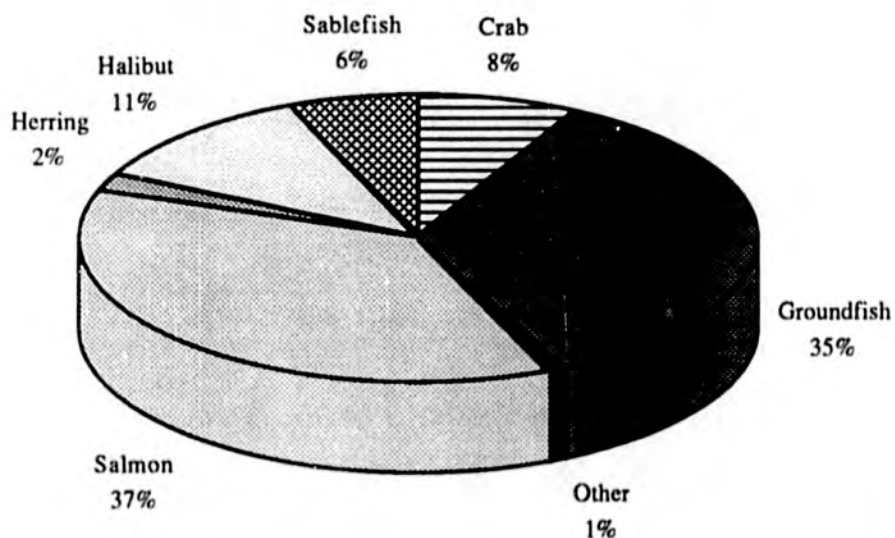


Figure 7-4

Distribution of Fish & Shellfish by Major Species Category Purchased by the Shoreside Processing Industry in Kodiak during 1992 (in percent of total value)



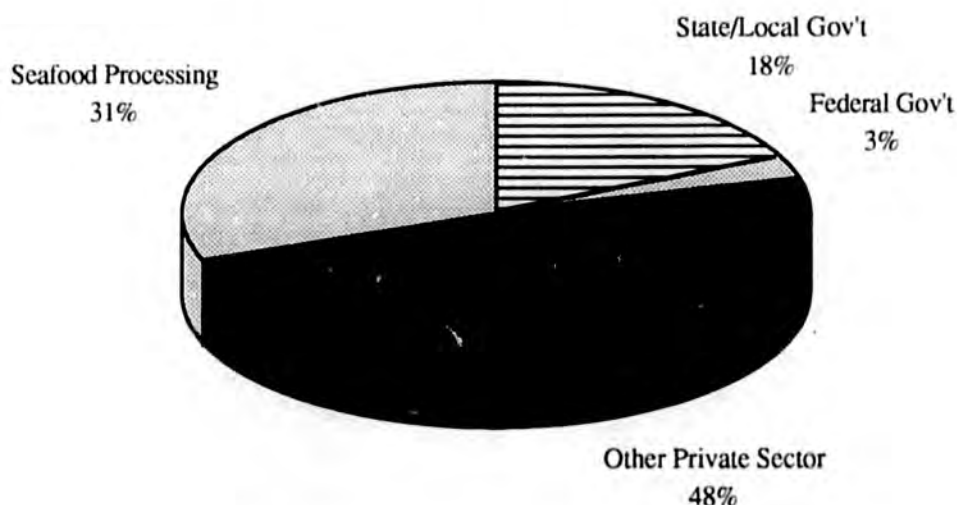
Chapter 7, Economic Impacts in Kodiak

7.3 Employment

The average number of individuals employed on a monthly basis during 1992 was 1,631. Direct employment fluctuates during the year from a quarterly average low of 977 jobs (the fourth quarter) to a high of 2,271 jobs (during the third quarter). Total wages and benefits paid to employees during the year were \$44.3 million. Additionally, \$320,000 was spent to transport employees to and from the various work sites within the region.

Seafood processing dominates employment opportunity in Kodiak. During 1992, for example, 31% of total employment opportunity consisted of seafood processing jobs. Figure 7-5 displays the relative role of seafood processing employment to government and other private sector employment during 1992.

Figure 7-5
Comparison of Government, Seafood Processing,
& Other Private Sector Employment in Kodiak during 1992



7.4 Purchases of Goods and Services

A total of \$8.5 million in goods and services were purchased by the shoreside seafood processing companies in Kodiak during 1992. On a quarterly basis, the expenditures consisted of \$1.5 million (18%) for the first quarter, \$2 million (22%) for the second quarter, \$4.2 million (47%) for the third quarter, and \$1.1 million (13%) for the fourth quarter.

7.5 Taxes

During 1992, the shoreside processing industry paid \$6.5 million in state and local fish taxes; of this amount, \$2.2 million was paid directly to local governments.

Chapter 7, Economic Impacts in Kodiak

Table 7-1

Economic Impact of the Shoreside Processing Industry on Kodiak during 1992

Employment	Peak Monthly Employment	2,271		
	Avg. number of employees/month	1,631		
	Total Processing Payroll	34,056,130		
	Fringe benefits, workers com., etc. (30% of gross)	10,216,839		
	Airfare	320,363		
	SUB-TOTAL	44,593,332	\$44,593,332	26%
Purchases	Consumables	3,463,751		
	Services	1,947,566		
	Electric	2,710,945		
	Water	364,648		
	Sewer	27,560		
	Other	323,078		
	SUB-TOTAL	8,837,548	\$8,837,548	5%
Taxes	State Raw Fish	4,271,501		
	Local Raw Fish Tax	2,196,620		
	Other State Taxes (see Statewide Total)			
	SUB-TOTAL	6,468,120	\$6,468,120	4%
Fish (Ex-Vessel Value of Purchase)				
Crab	Red King	1,468,237		
	Brown/Blue King	0		
	Bairdi	5,460,000		
Grdfish	Opilio	420,837		
	Dungeness	1,266,345		
	Pollock	23,054,087		
	Pacific Cod	10,957,381		
	Soles	315,627		
	Flounders	3,315,487		
	Misc. Groundfish	1,025,677		
Salmon	Chinook	354,426		
	Sockeye	34,784,961		
	Coho	1,290,589		
	Pink	2,195,501		
	Chum	1,872,718		
Herring	Spawn On Kelp	0		
	Foot/Bait	0		
Other	Sa: Roe	2,252,571		
	Misc. Shellfish	686,400		
	Sablefish	6,697,822		
	Halibut	12,278,882		
	Shrimp	10,052		
	Other Species	123,393		
	SUB-TOTAL	109,830,992	\$109,830,992	65%
Donations	Scholarships & Other Donations	25,005		
	"Wynn" Brindle Scholarships	41,429		
	SUB-TOTAL	66,434	\$66,434	0%
TOTAL DIRECT EXPENDITURES			\$169,796,426	100%
AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED			\$0.55	
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$424,491,064	

Chapter 7, Economic Impacts in Kodiak

Table 7-2

Economic Impact of the Shoreside Processing Industry on Kodiak during the First Quarter, 1992

Employment	Avg. number of employees/month	1,558			Percent
	Total Processing Payroll	7,951,104			of Total
	Fringe benefits, workers com., etc. (30% of gross)	2,385,331			
	Airfare	18,029			
	SUB-TOTAL	10,354,465	\$10,354,465	34%	
Purchases	Consumables	563,418			
	Services	101,643			
	Electric	702,323			
	Water	91,184			
	Sewer	5,727			
	Other	91,140			
	SUB-TOTAL	1,555,435	\$1,555,435	5%	
Taxes	State Raw Fish	694,789			
	Local Raw Fish Tax	357,295			
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	1,052,084	\$1,052,084	3%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$5.119/lb.)	0			
	Brown/Blue King (\$0.00/lb.)	0			
	Bairdi (\$2.275/lb.)	2,888,529			
	Opilio (\$0.521/lb.)	187,440			
	Dungeness (\$0.869/lb.)	0			
Grdfish	Pollock (\$0.154/lb.)	6,619,490			
	Pacific Cod (\$0.255/lb.)	7,304,921			
	Solms (\$0.105/lb.)	34,375			
	Flounders (\$0.105/lb.)	361,093			
	Misc. Groundfish (\$0.299/lb.)	256,419			
Salmon	Chinook (\$1.019/lb.)	0			
	Sockeye (\$1.469/lb.)	0			
	Coho (\$0.563/lb.)	0			
	Pink (\$0.177/lb.)	0			
	Chum (\$0.380/lb.)	0			
Herring	Spawn On Kelp (0.00/lb.)	0			
	Food/Bait (\$0.00/lb.)	0			
	Sac Roe (\$0.263/lb.)	0			
Other	Misc. Shellfish (\$1.760/lb.)	171,600			
	Sablefish (\$1.008/lb.)	0			
	Halibut (\$0.913/lb.)	0			
	Shrimp (\$3.585/lb.)	10,052			
	Other Species (\$0.209/lb.)	30,848			
	SUB-TOTAL	17,864,768	\$17,864,768	58%	
Donations	Scholarships & Other Donations	6,251			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	16,608	\$16,608	0%	
TOTAL DIRECT EXPENDITURES			\$30,843,360	100%	
AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED			\$0.39		
TOTAL ECONOMIC IMPACT (\$1.30 generated for every \$1 spent directly)			\$77,188,400		

Table 7-3

Economic Impact of the Shoreside Processing Industry
on Kodiak during the Second Quarter, 1992

Employment	Avg. number of employees/month	1,719			
	Total Processing Payroll	7,502,515			
	Fringe benefits, workers com., etc. (30% of gross)	2,250,755			
	Airfare	142,537			
	SUB-TOTAL	9,895,807	\$9,895,807	17%	
Purchases	Consumables	921,459			
	Services	171,893			
	Electric	703,081			
	Water	86,920			
	Sewer	5,855			
	Other	80,526			
	SUB-TOTAL	1,969,736	\$1,969,736	3%	
Taxes	State Raw Fish	1,734,850			
	Local Raw Fish Tax	892,147			
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	2,626,997	\$2,626,997	4%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$5.119/lb.)	0			
	Brown/Blue King (\$0.00/lb.)	0			
	Bairdi (\$3.275/lb.)	0			
	Opilio (\$0.321/lb.)	123,313			
Grdfish	Dungeness (\$0.169/lb.)	253,269			
	Pollock (\$0.154/lb.)	4,108,848			
	Pacific Cod (\$0.254/lb.)	3,089,057			
	Sable (\$0.105/lb.)	46,875			
Salmon	Flounders (\$0.105/lb.)	492,399			
	Misc. Groundfish (\$0.299/lb.)	236,419			
	Chinook (\$1.019/lb.)	248,098			
	Sockeye (\$1.468/lb.)	17,382,480			
Herring	Coho (\$0.563/lb.)	518,236			
	Pink (\$0.177/lb.)	439,100			
	Chum (\$0.380/lb.)	374,544			
	Spawn On Kelp (0.00/lb.)	0			
Other	Feed/Bait (\$0.00/lb.)	0			
	Sac Roe (\$0.263/lb.)	2,252,571			
	Misc. Shellfish (\$1.750/lb.)	171,800			
	Shellfish (\$1.008/lb.)	6,697,822			
	Hallbut (\$0.813/lb.)	8,104,062			
	Shrimp (\$3.585/lb.)	0			
	Other Species (\$0.208/lb.)	30,848			
	SUB-TOTAL	44,607,343	\$44,607,343	75%	
Donations	Scholarships & Other Donations	6,251			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	16,608	\$16,608	0%	
	TOTAL DIRECT EXPENDITURES		\$59,116,492	100%	
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$0.69		
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$147,791,239		

Table 7-4

Economic Impact of the Shoreside Processing Industry
on Kodiak during the Third Quarter, 1992

Employment	Avg. number of employees/month	2,271			Percent
	Total Processing Payroll	12,498,889			of Total
	Fringe benefits, workers com., etc. (30% of gross)	3,749,667			
	Airfare	131,820			
	SUB-TOTAL	16,380,376	\$16,380,376	27%	
Purchases	Consumables	1,550,082			
	Services	1,559,187			
	Electric	844,426			
	Water	125,839			
	Sewer	9,117			
	Other	90,301			
	SUB-TOTAL	4,178,952	\$4,178,952	7%	
Taxes	State Raw Fish	1,432,639			
	Local Raw Fish Tax	736,735			
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	2,169,373	\$2,169,373	4%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$5.119/lb.)	0			
	Brown/Blue King (\$0.00/lb.)	0			
	Bairdi (\$2.275/lb.)	0			
	Opilio (\$0.521/lb.)	0			
Grdfish	Dungeness (\$0.869/lb.)	759,807			
	Pollock (\$0.154/lb.)	8,217,298			
	Pacific Cod (\$0.255/lb.)	332,042			
	Solcs (\$0.105/lb.)	118,751			
	Flounders (\$0.105/lb.)	1,247,411			
	Misc. Groundfish (\$0.299/lb.)	256,419			
Salmon	Chinook (\$1.019/lb.)	106,328			
	Sockeye (\$1.489/lb.)	17,392,480			
	Coho (\$0.563/lb.)	774,353			
	Pink (\$0.177/lb.)	1,756,401			
	Chum (\$0.380/lb.)	1,498,174			
Herring	Spawn On Kelp (0.00/lb.)	0			
	Food/Bait (\$0.00/lb.)	0			
	Sac Roe (\$0.263/lb.)	0			
Other	Misc. Shellfish (\$1.760/lb.)	171,600			
	Sablefish (\$1.008/lb.)	0			
	Halibut (\$0.913/lb.)	4,174,820			
	Shrimp (\$3.585/lb.)	0			
	Other Species (\$0.209/lb.)	30,848			
	SUB-TOTAL	36,836,732	\$36,836,732	62%	
Donations	Scholarships & Other Donations	8,251			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	16,608	\$16,608	0%	
TOTAL DIRECT EXPENDITURES			\$59,582,042	100%	
AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED			\$0.59		
TOTAL ECONOMIC IMPACT (\$1.30 generated for every \$1 spent directly)			\$148,855,104		

Table 7-5

Economic Impact of the Shoreside Processing Industry
on Kodiak during the Fourth Quarter, 1992

Employment	Avg. number of employees/month	977		Percent of Total
	Total Processing Payroll	6,103,622		
	Fringe benefits, workers com., etc. (30% of gross)	1,831,086		
	Airfare	27,976		
	SUB-TOTAL	7,962,685	\$7,962,685	39%
Purchases	Consumables	428,792		
	Services	114,843		
	Electric	461,115		
	Water	60,704		
	Sewer	6,861		
	Other	61,109		
	SUB-TOTAL	1,133,424	\$1,133,424	6%
Taxes	State Raw Fish	409,223		
	Local Raw Fish Tax	210,443		
	Other State Taxes (see Statewide Total)			
	SUB-TOTAL	619,666	\$619,666	3%
Fish (Ex-Vessel Value of Purchase)				
Crab	Red King (\$5.119/lb.)	1,468,237		
	Brown/Blue King (\$0.00/lb.)	0		
	Bairdi (\$2.275/lb.)	2,571,471		
	Opllo (\$0.521/lb.)	110,084		
	Dungeness (\$0.869/lb.)	253,269		
Grdfish	Pollock (\$0.154/lb.)	4,108,649		
	Pacific Cod (\$0.255/lb.)	221,361		
	Soles (\$0.105/lb.)	115,626		
	Flounders (\$0.105/lb.)	1,214,584		
	Misc. Groundfish (\$0.299/lb.)	256,419		
Salmon	Chinook (\$1.019/lb.)	0		
	Sockeye (\$1.469/lb.)	0		
	Coho (\$0.563/lb.)	0		
	Pink (\$0.177/lb.)	0		
	Chum (\$0.380/lb.)	0		
Herring	Spawn On Kelp (0.00/lb.)	0		
	Food/Bait (\$0.00/lb.)	0		
	Sac Roe (\$0.263/lb.)	0		
Other	Misc. Shellfish (\$1.760/lb.)	171,600		
	Sablefish (\$1.008/lb.)	0		
	Halibut (\$0.913/lb.)	0		
	Shrimp (\$3.585/lb.)	0		
	Other Species (\$0.209/lb.)	30,848		
	SUB-TOTAL	10,522,149	\$10,522,149	52%
Donations	Scholarships & Other Donations	6,251		
	"Wynn" Brindle Scholarships	10,357		
	SUB-TOTAL	16,608	\$16,608	0%
	TOTAL DIRECT EXPENDITURES		\$20,254,532	100%
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$0.47	
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$50,636,330	

Table 7-6

**1992 Purchases of Fish and Shellfish in Kodiak
by the Shoreside Processing Industry (by quarter, in pounds)**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Red King Crab	0	0	0	286,821	286,821
Brown/Blue King Crab	0	0	0	0	0
Bairdi Tanner Crab	1,269,683	0	0	1,130,317	2,400,000
Opilio Tanner Crab	359,856	236,743	0	211,344	807,943
Dungeness Crab	0	291,416	874,247	291,416	1,457,078
Pollock	42,983,703	26,679,540	53,359,080	26,679,540	149,701,864
Pacific Cod	28,646,749	12,153,166	1,302,125	868,083	42,970,123
Sole	327,383	446,432	1,130,960	1,101,198	3,005,972
Flounders	3,438,978	4,689,515	11,880,104	11,567,470	31,576,067
Misc. Groundfish	857,589	857,589	857,589	857,589	3,430,358
Chinook Salmon	0	243,472	104,345	0	347,817
Sockeye Salmon	0	11,839,674	11,839,674	0	23,679,347
Coho Salmon	0	916,937	1,375,405	0	2,292,342
Pink Salmon	0	2,480,792	9,923,169	0	12,403,961
Chum Salmon	0	985,641	3,942,563	0	4,928,204
Herring Spawn-on-Kelp	0	0	0	0	0
Herring Food & Bait	0	0	0	0	0
Herring Sac Roe	0	8,564,910	0	0	8,564,910
Misc. Shellfish	97,500	97,500	97,500	97,500	390,000
Sablefish	0	6,644,664	0	0	6,644,664
Halibut	0	8,876,300	4,572,640	0	13,448,940
Shrimp	2,804	0	0	0	2,804
Other Species	0	0	0	0	0
Total	77,984,245	86,004,291	101,259,401	43,091,278	308,339,215

Chapter 8

Impacts in Prince William Sound

8.1 Introduction

Tables 8-1 through 8-5 display the annual and quarterly economic impact of the shoreside seafood processing industry on Prince William Sound during 1992. The total impact was \$182 million, of which \$73 million were direct expenditures. Of this amount, \$56 million was spent on purchases of fish and shellfish, \$13.6 million was spent on labor, \$1.7 million was spent on purchases of goods and services, \$1.7 million was spent on tax related items, and \$57,500 was contributed to charitable causes. Figure 8-1 shows the direct expenditures by quarter, while Figure 8-2 shows the direct expenditures from each category as a percent of the total.

On an annual basis, shoreside seafood processing companies spent \$0.71 in Alaska for every pound of fish and shellfish processed during 1992.

Figure 8-1
Distribution of Direct Expenditures by the Shoreside Processing Industry
in Prince William Sound during 1992

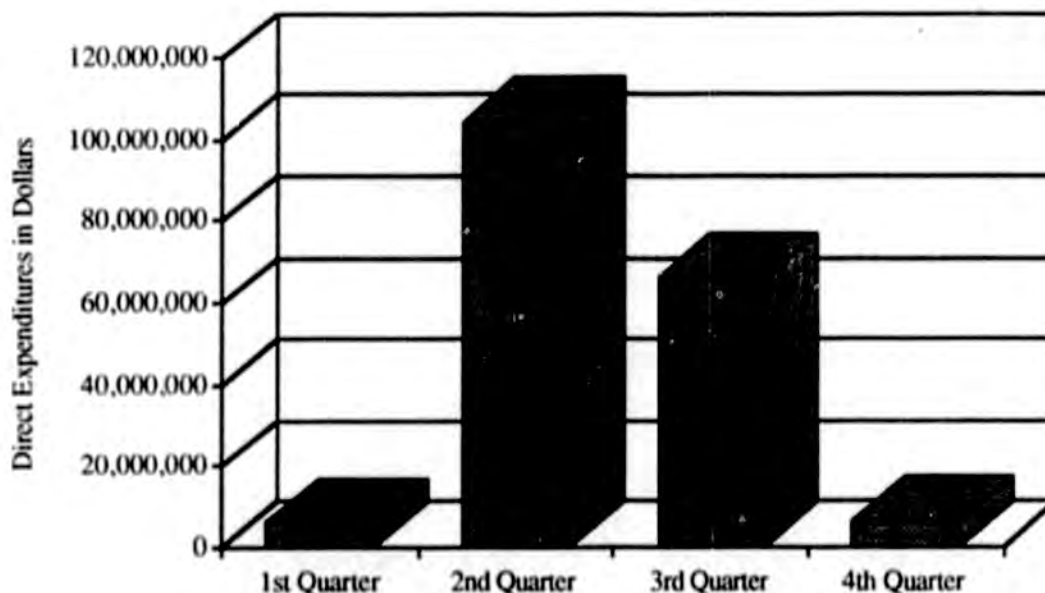
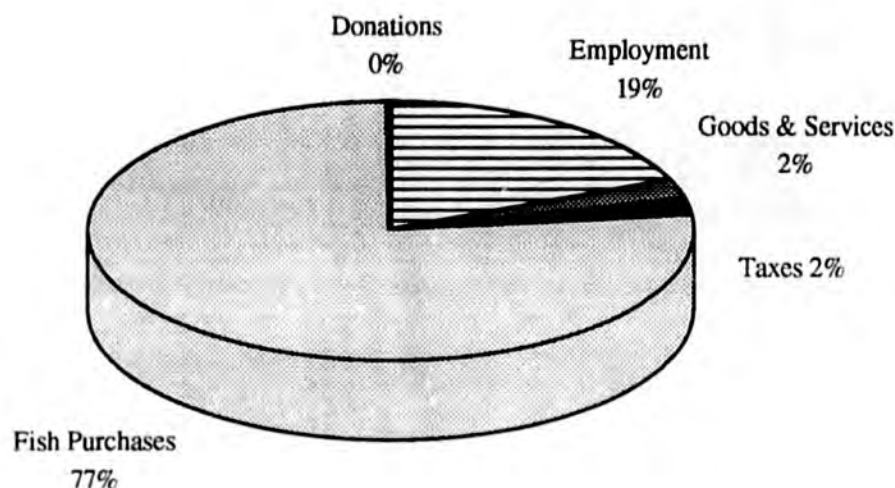


Figure 8-2
Percent Distribution of Expenditures by the Shoreside Processing Industry
in Prince William Sound during 1992



8.2 Purchases of Fish and Shellfish

Table 8-6 shows the poundage of fish and shellfish purchased by quarter in Prince William Sound during 1992; for ex-vessel expenditures by the shoreside processing industry by species and quarter during 1992, see the "Fish Purchases" categories of Tables 8-1 through 8-5 for detailed information. Figures 8-3 and 8-4 display the percentage distribution of fish and shellfish purchased by the shoreside processors during 1992 by major species group in pounds purchased and value respectively.

During 1992, 102 million pounds of fish and shellfish were purchased in the region. The dominant species consisted of sac roe herring (35.6 million pounds), followed by pink salmon (29 million pounds), and sockeye salmon (10.6 million pounds). The harvest were extremely seasonal: there was very little harvest during the first and the fourth quarters, while the second quarter accounted for 61% (62 million pounds) and the third quarter accounted for 36% (37 million pounds).

In terms of ex-vessel values, sockeye salmon generated the greatest overall revenue (\$22.5 million, or 40% of the total). This was followed by sac roe herring (\$7.6 million), pink salmon (\$6 million), and coho salmon (\$5.2 million). The value of all other species was no greater than \$2 million for any one species. Figures 8-5 and 8-6 compare salmon purchases by species in pounds and value as a percent of total salmon purchases.

Chapter 8, Economic Impacts in Prince William Sound

Figure 8-3
Distribution of Fish & Shellfish by Major Species Category Purchased by the
Shoreside Processing Industry in Prince William Sound during 1992
(in percent of total pounds)

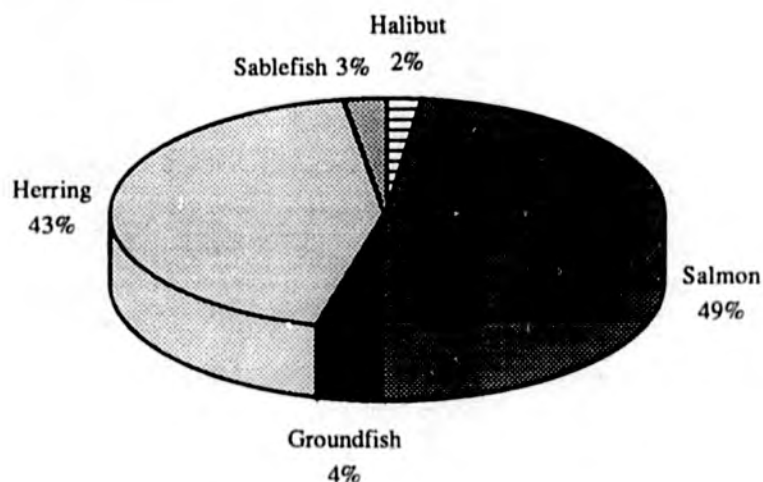
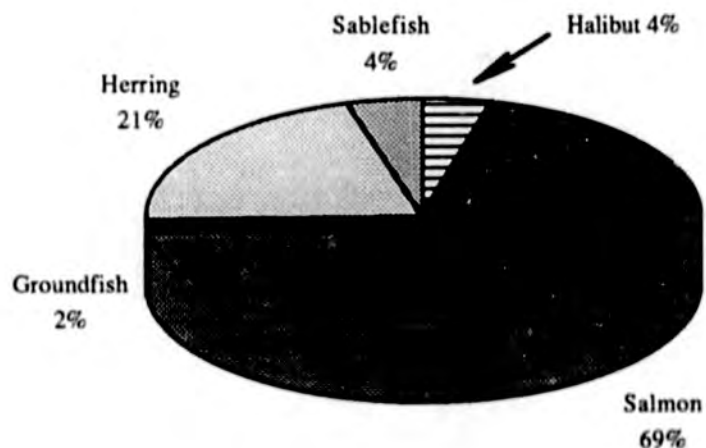


Figure 8-4
Distribution of Fish & Shellfish by Major Species Category Purchased by the
Shoreside Processing Industry in Prince William Sound during 1992
(in percent of total value)



Chapter 8, Economic Impacts in Prince William Sound

Figure 8-5
Distribution of Salmon Purchased by the Shoreside Processing Industry
in Prince William Sound during 1992 (in percent of pounds)

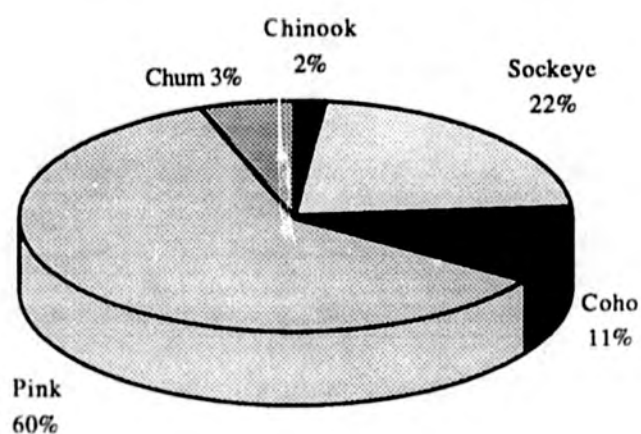
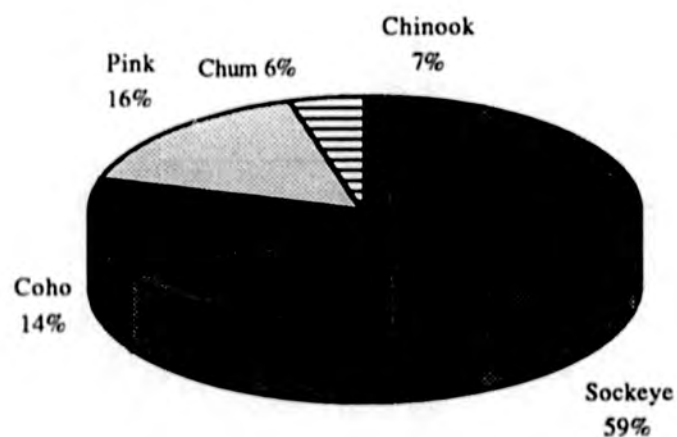


Figure 8-6
Distribution of Salmon Purchased by the Shoreside Processing Industry
in Prince William Sound during 1992 (in percent of value)



8.3 Employment

The average number of individuals employed on a monthly basis during 1992 was 492. As with purchases of fish and shellfish, employment fluctuated sharply through the year; little employment was available during the first and fourth quarters, while the second quarter provided 581 direct jobs and the third quarter provided 916 jobs average per month. Total wages and benefits paid to employees during the year were \$13 million. Additionally, \$271,000 was spent to transport employees to and from the various work sites within the region.

8.4 Purchases of Goods and Services

A total of \$1.7 million in goods and services were purchased by the shoreside seafood processing companies in Prince William Sound during 1992. On a quarterly basis, the expenditures consisted of \$183,000 (11%) for the first quarter, \$484,000 (28%) for the second quarter, \$948,000 (55%) for the third quarter, and \$117,000 (7%) for the fourth quarter.

By category, the expenditures consisted of \$402,000 for consumables, \$225,000 for services, \$939,000 for electricity, \$97,000 for water, \$9,500 for sewer services, and \$59,000 for other purchases.

8.5 Taxes

A total of \$1.66 million in fish taxes were paid by the shoreside processing companies during 1992 from their purchases of fish and shellfish in the Prince William Sound region.

Chapter 8, Economic Impacts in Prince William Sound

Table 8-1

Economic Impact of the Shoreside Processing Industry on Prince William Sound during 1992

Employment	Peak Monthly Employment	916		
	Avg. number of employees/month	492		
	Total Processing Payroll	10,246,262		Percent of Total
	Fringe benefits, workers com., etc. (30% of gross)	3,073,878		
	Airfare	271,453		
	SUB-TOTAL	13,591,594	\$13,591,594	19%
Purchases	Consumables	402,309		
	Services	225,295		
	Electric	939,016		
	Water	97,098		
	Sewer	9,533		
	Other	59,213		
	SUB-TOTAL	1,732,463	\$1,732,463	2%
Taxes	State Raw Fish	1,658,380		
	Local Raw Fish Tax	0		
	Other State Taxes (see Statewide Total)			
	SUB-TOTAL	1,658,380	\$1,658,380	2%
Fish (Ex-Vessel Value of Purchase)				
Crab	Red King	0		
	Brown/Blue King	0		
	Bairdi	0		
	Opilio	0		
	Dungeness	0		
Grdfish	Pollock	6,790		
	Pacific Cod	899,477		
	Soles	926		
	Flounders	31,250		
	Misc. Groundfish	73,168		
Salmon	Chinook	2,812,422		
	Sockeye	22,457,098		
	Coho	5,217,119		
	Pink	6,019,885		
	Chum	1,612,303		
Herring	Spawn On Kelp	3,610,204		
	Food/Bait	655,246		
	Sac Roe	7,621,989		
Other	Misc. Shellfish	0		
	Sablefish	2,395,571		
	Halibut	2,379,075		
	Shrimp	0		
	Other Species	0		
	SUB-TOTAL	55,792,523	\$55,792,523	77%
Donations	Scholarships & Other Donations	16,096		
	"Wynn" Brindle Scholarships	41,429		
	SUB-TOTAL	57,525	\$57,525	0%
	TOTAL DIRECT EXPENDITURES		\$72,832,484	100%
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$0.71	
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$182,081,210	

Chapter 8, Economic Impacts in Prince William Sound

Table 8-2

Economic Impact of the Shoreside Processing Industry on Prince William Sound during the First Quarter, 1992

Employment	Avg. number of employees/month	235			Percent
	Total Processing Payroll	1,201,258			of Total
	Fringe benefits, workers com., etc. (30% of gross)	360,377			
	Airfare	130,897			
	SUB-TOTAL	1,692,532	\$1,692,532	71%	
Purchases	Consumables	38,803			
	Services	14,390			
	Electric	110,964			
	Water	8,160			
	Sewer	1,657			
	Other	8,935			
	SUB-TOTAL	182,909	\$182,909	8%	
Taxes	State Raw Fish	14,114			
	Local Raw Fish Tax				
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	14,114	\$14,114	1%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$0.00/lb.)	0			
	Brown/Blue King (\$0.00/lb.)	0			
	Bairdi (\$0.00/lb.)	0			
	Oplio (\$0.00/lb.)	0			
	Dungeness (\$0.00/lb.)	0			
	Grdfish				
	Pollock (\$0.154/lb.)	6,790			
	Pacific Cod (\$0.255/lb.)	449,738			
	Soles (\$0.105/lb.)	0			
	Flounders (\$0.105/lb.)	0			
Salmon	Misc. Groundfish (\$0.299/lb.)	18,292			
	Chinook (\$2.750/lb.)	0			
	Sockeye (\$2.119/lb.)	0			
	Coho (\$0.972/lb.)	0			
	Pink (\$0.205/lb.)	0			
	Chum (\$0.620/lb.)	0			
	Herring				
	Spawn On Kelp (\$3.650/lb.)	0			
Other	Food/Bait (\$0.084/lb.)	0			
	Sac Roe (\$0.214/lb.)	0			
	Misc. Shellfish \$0.00/lb.)	0			
	Sablefish (\$1.008/lb.)	0			
	Halibut (\$0.941/lb.)	0			
	Shrimp (\$0.00/lb.)	0			
	Other Species (\$0.50/lb.)	0			
	SUB-TOTAL	474,821	\$474,821	20%	
Donations	Scholarships & Other Donations	4,024			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	14,381	\$14,381	1%	
TOTAL DIRECT EXPENDITURES			\$2,378,757	100%	
AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED			\$1.27		
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly))			\$5,946,892		

Chapter 8, Economic Impacts in Prince William Sound

Table 8-3

Economic Impact of the Shoreside Processing Industry on Prince William Sound during the Second Quarter, 1992

Employment	Avg. number of employees/month	581			
	Total Processing Payroll	2,535,263			
	Fringe benefits, workers com., etc. (30% of gross)	760,579			
	Airfare	81,885			
	SUB-TOTAL	3,377,727	\$3,377,727	8%	
Purchases	Consumables	94,534			
	Services	61,919			
	Electric	286,798			
	Water	19,724			
	Sewer	2,020			
	Other	19,131			
	SUB-TOTAL	484,127	\$484,127	1%	
Taxes	State Raw Fish	1,089,288			
	Local Raw Fish Tax				
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	1,089,288	\$1,089,288	3%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$0.00/lb.)	0			
	Brown/Blue King (\$0.00/lb.)	0			
	Bairdi (\$0.00/lb.)	0			
	Opilio (\$0.00/lb.)	0			
Grdfish	Dungeness (\$0.00/lb.)	0			
	Pollock (\$0.154/lb.)	0			
	Pacific Cod (\$0.255/lb.)	44,974			
	Soles (\$0.105/lb.)	926			
	Flounders (\$0.105/lb.)	31,250			
	Misc. Groundfish (\$0.299/lb.)	18,292			
Salmon	Chinook (\$2.750/lb.)	1,124,969			
	Sockeye (\$2.119/lb.)	17,965,679			
	Coho (\$0.972/lb.)	521,712			
	Pink (\$0.205/lb.)	601,988			
	Chum (\$0.620/lb.)	483,691			
Herring	Spawn On Kelp (\$3.650/lb.)	3,610,204			
	Food/Bait (\$0.084/lb.)	655,246			
	Sac Roe (\$0.214/lb.)	7,621,989			
Other	Misc. Shellfish \$0.00/lb.)	0			
	Sablefish (\$1.008/lb.)	2,395,571			
	Halibut (\$0.941/lb.)	1,570,189			
	Shrimp (\$0.00/lb.)	0			
	Other Species (\$0.50/lb.)	0			
	SUB-TOTAL	36,646,680	\$36,646,680	88%	
Donations	Scholarships & Other Donations	4,024			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	14,381	\$14,381	0%	
	TOTAL DIRECT EXPENDITURES		\$41,612,203	100%	
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$0.67		
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly))			\$104,030,508		

Chapter 8, Economic Impacts in Prince William Sound

Table 8-4

Economic Impact of the Shoreside Processing Industry on Prince William Sound during the Third Quarter, 1992

Employment	Avg. number of employees/month	916			
	Total Processing Payroll	5,042,124			
	Fringe benefits, workers com., etc. (30% of gross)	1,512,637			
	Airfare	26,507			
	SUB-TOTAL	6,581,268	\$6,581,268	25%	
Purchases	Consumables	249,668			
	Services	140,846			
	Electric	462,828			
	Water	63,187			
	Sewer	4,198			
	Other	26,991			
	SUB-TOTAL	947,718	\$947,718	4%	
Taxes	State Raw Fish	542,671			
	Local Raw Fish Tax				
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	542,671	\$542,671	2%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$0.00/lb.)	0			
	Brown/Blue King (\$0.00/lb.)	0			
	Bairdi (\$0.00/lb.)	0			
	Opilio (\$0.00/lb.)	0			
	Dungeness (\$0.00/lb.)	0			
Grdfish	Pollock (\$0.154/lb.)	0			
	Pacific Cod (\$0.255/lb.)	8,995			
	Solms (\$0.105/lb.)	0			
	Flounders (\$0.105/lb.)	0			
	Misc. Groundfish (\$0.299/lb.)	18,292			
Salmon	Chinook (\$2.750/lb.)	1,687,453			
	Sockeye (\$2.119/lb.)	4,491,420			
	Coho (\$0.972/lb.)	4,695,407			
	Pink (\$0.205/lb.)	5,417,896			
	Chum (\$0.620/lb.)	1,128,612			
Herring	Spawn On Kelp (\$3.650/lb.)	0			
	Food/Bait (\$0.084/lb.)	0			
	Sac Roe (\$0.214/lb.)	0			
Other	Misc. Shellfish \$0.00/lb.)	0			
	Sablefish (\$1.008/lb.)	0			
	Halibut (\$0.941/lb.)	808,885			
	Shrimp (\$0.00/lb.)	0			
	Other Species (\$0.50/lb.)	0			
	SUB-TOTAL	18,256,961	\$18,256,961	69%	
Donations	Scholarships & Other Donations	4,024			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	14,381	\$14,381	0%	
	TOTAL DIRECT EXPENDITURES		\$26,342,998	100%	
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$0.72		
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly))			\$65,857,495		

Chapter 8, Economic Impacts in Prince William Sound

Table 8-5

Economic Impact of the Shoreside Processing Industry on Prince William Sound during the Fourth Quarter, 1992

Employment	Avg. number of employees/month	235			Percent of Total
	Total Processing Payroll	1,467,617			
	Fringe benefits, workers com., etc. (30% of gross)	440,285			
	Airfare	32,165			
	SUB-TOTAL	1,940,067	\$1,940,067	78%	
Purchases	Consumables	19,303			
	Services	8,140			
	Electric	78,427			
	Water	6,026			
	Sewer	1,657			
	Other	4,155			
	SUB-TOTAL	117,709	\$117,709	5%	
Taxes	State Raw Fish	12,308			
	Local Raw Fish Tax				
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	12,308	\$12,308	0%	
Fish (Ex-Vessel Value of Purchase)					
	Crab				
	Red King (\$0.00/lb.)	0			
	Brown/Blue King (\$0.00/lb.)	0			
	Bairdi (\$0.00/lb.)	0			
	Opilio (\$0.00/lb.)	0			
	Dungeness (\$0.00/lb.)	0			
	Grdfish				
	Pollock (\$0.154/lb.)	0			
	Pacific Cod (\$0.255/lb.)	395,770			
	Soles (\$0.105/lb.)	0			
	Flounders (\$0.105/lb.)	0			
	Misc. Groundfish (\$0.299/lb.)	18,292			
	Salmon				
	Chinook (\$2.750/lb.)	0			
	Sockeye (\$2.119/lb.)	0			
	Coho (\$0.972/lb.)	0			
	Pink (\$0.205/lb.)	0			
	Chum (\$0.620/lb.)	0			
	Herring				
	Spawn On Kelp (\$3.650/lb.)	0			
	Food/Bait (\$0.084/lb.)	0			
	Sac Roe (\$0.214/lb.)	0			
	Other				
	Misc. Shellfish \$0.00/lb.)	0			
	Sablefish (\$1.008/lb.)	0			
	Halibut (\$0.941/lb.)	0			
	Shrimp (\$0.00/lb.)	0			
	Other Species (\$0.50/lb.)	0			
	SUB-TOTAL	414,062	\$414,062	17%	
Donations	Scholarships & Other Donations	4,024			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	14,381	\$14,381	1%	
	TOTAL DIRECT EXPENDITURES		\$2,498,526	100%	
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$1.55		
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$6,248,313		

Table 8-6

1992 Purchases of Fish and Shellfish in Prince William Sound
by the Shoreside Processing Industry (by quarter, in pounds)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Red King Crab	0	0	0	0	0
Brown/Blue King Crab	0	0	0	0	0
Bairdi Tanner Crab	0	0	0	0	0
Opilio Tanner Crab	0	0	0	0	0
Dungeness Crab	0	0	0	0	0
Pollock	44,092	0	0	0	44,092
Pacific Cod	1,763,680	176,368	35,274	1,552,038	3,527,360
Sole	0	8,818	0	0	8,818
Flounders	0	297,621	0	0	297,621
Misc. Groundfish	61,178	61,178	61,178	61,178	244,711
Chinook Salmon	0	409,080	613,619	0	1,022,699
Sockeye Salmon	0	8,478,376	2,119,594	0	10,597,970
Coho Salmon	0	536,741	4,830,665	0	5,367,406
Pink Salmon	0	2,936,529	26,428,762	0	29,365,291
Chum Salmon	0	780,147	1,820,342	0	2,600,489
Herring Spawn-on-Kelp	0	989,097	0	0	989,097
Herring Food & Bait	0	7,800,545	0	0	7,800,545
Herring Sac Roe	0	35,616,769	0	0	35,616,769
Misc. Shellfish	0	0	0	0	0
Sablefish	0	2,376,559	0	0	2,376,559
Halibut	0	1,668,639	859,602	0	2,528,241
Shrimp	0	0	0	0	0
Other Species	0	0	0	0	0
Total	1,868,950	62,136,466	36,769,036	1,613,216	102,387,668

Chapter 9

Impacts in Southeast Alaska

9.1 Introduction

Tables 9-1 through 9-5 display the annual and quarterly economic impact of the shoreside seafood processing industry in Southeast Alaska during 1992. The total impact was \$547 million, of which \$217 million were direct expenditures. Of this amount, \$165 million was spent on purchases of fish and shellfish, \$42.6 million was spent on labor, \$6.3 million was spent on purchases of goods and services, \$5 million was spent on tax related items, and \$65,000 was contributed to charitable causes. Figure 9-1 shows the direct expenditures by quarter, while Figure 9-2 shows the direct expenditures from each category as a percent of the total.

On an annual basis, shoreside seafood processing companies spent \$0.81 in Alaska for every pound of fish and shellfish processed during 1992.

Figure 9-1
Distribution of Direct Expenditures by the Shoreside Processing Industry in Southeast Alaska during 1992

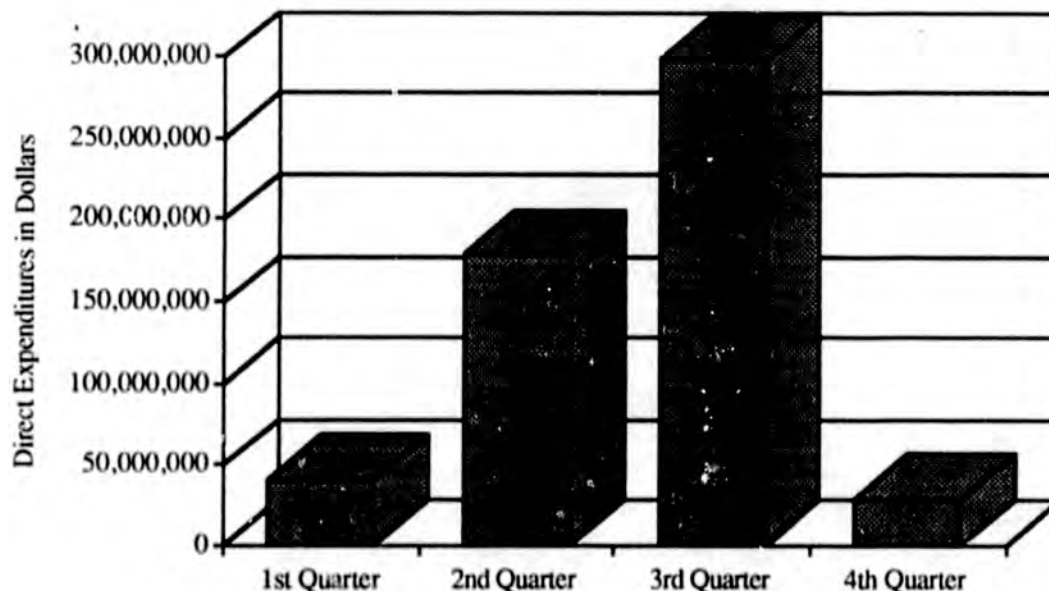
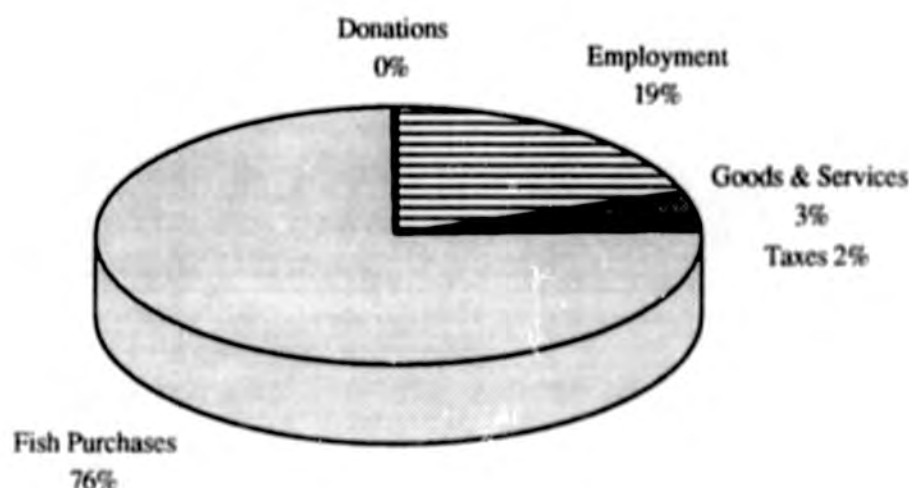


Figure 9-2
Percent Distribution of Expenditures by the Shoreside Processing Industry
in Southeast Alaska during 1992



9.2 Purchases of Fish and Shellfish

Table 9-6 shows the poundage of fish and shellfish purchased by quarter in Southeast Alaska during 1992; for ex-vessel expenditures by the shoreside processing industry by species and quarter during 1992, see the "Fish Purchases" categories of Tables 9-1 through 9-5 for detailed information. Figures 9-3 and 9-4 display the percentage distribution of fish and shellfish purchased by the shoreside processors during 1992 by major species group in pounds purchased and value respectively.

During 1992, 268 million pounds of fish and shellfish were purchased in the region. The dominant species consisted of pink salmon (115 million pounds), followed by chum salmon (39 million pounds), coho salmon (28 million pounds), sockeye salmon (16 million pounds), and sablefish (16 million pounds). Sac roe herring and halibut contributed 13 and 12.8 million pounds respectively. On a quarterly basis, 6% (16.5 million pounds) were processed in the first quarter, 14% (39.3 million pounds) were processed in the second quarter, 58% (225 million pounds) were processed in the third quarter, and 1% (4 million pounds) were processed in the fourth quarter.

In terms of ex-vessel values, coho salmon generated the greatest overall revenue (\$33 million), followed closely by sockeye salmon (\$27.4 million), pink salmon (\$26.5 million), and chum salmon (\$19 million). Sablefish contributed \$16 million and halibut purchases accounted for \$12.6 million. The combined value of all shellfish was \$9.1 million. Herring fisheries generated \$4.3 million.

Chapter 9, Economic Impacts in Southeast Alaska

Figure 9-3
Distribution of Fish & Shellfish by Major Species Category Purchased by the
Shoreside Processing Industry in Southeast Alaska during 1992
(in percent of total pounds)

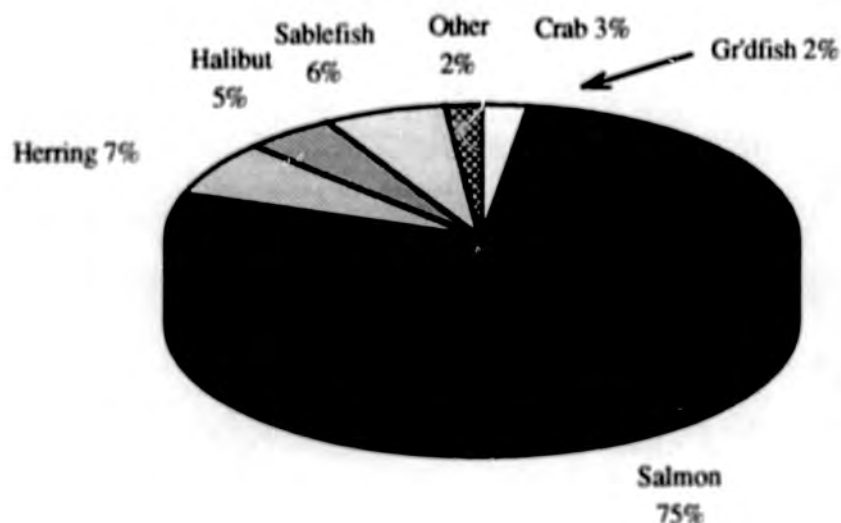


Figure 9-4
Distribution of Fish & Shellfish by Major Species Category Purchased by the
Shoreside Processing Industry in Southeast Alaska during 1992
(in percent of total value)

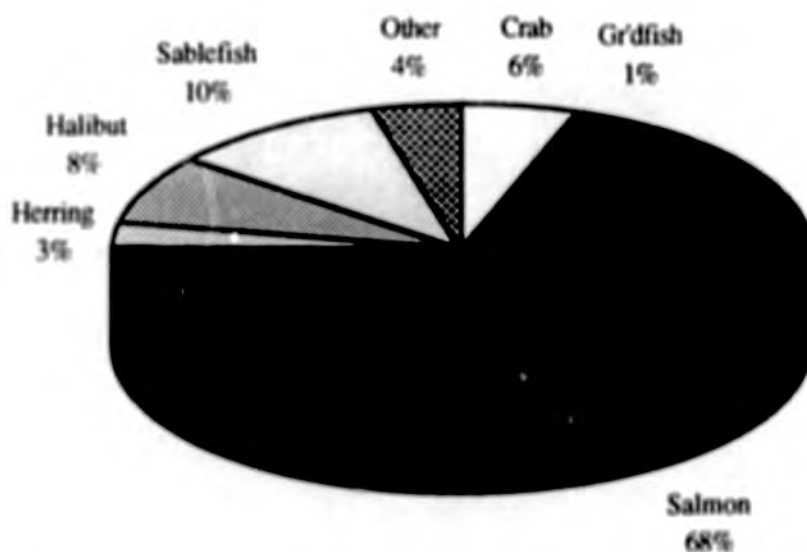


Figure 9-5
Distribution of Salmon Purchased by the Shoreside Processing Industry
in Southeast Alaska during 1992 (in percent of pounds)

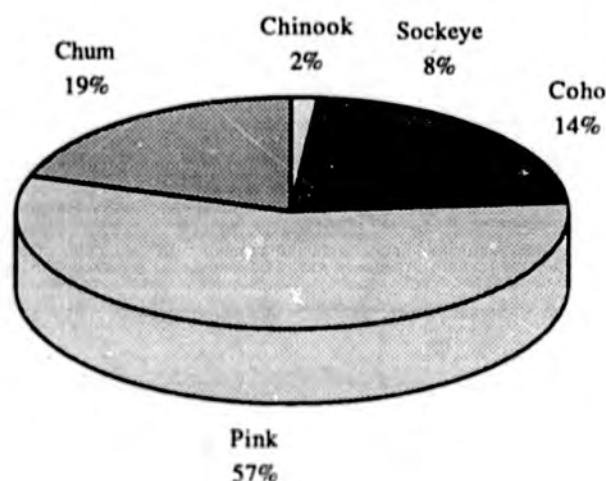
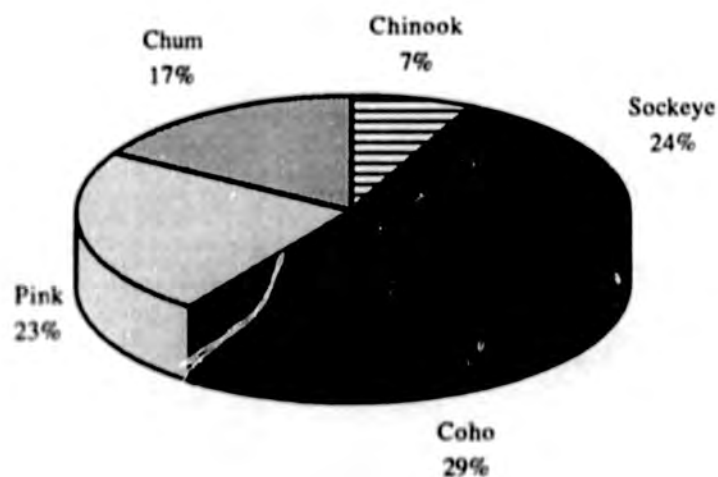


Figure 9-6
Distribution of Salmon Purchased by the Shoreside Processing Industry
in Southeast Alaska during 1992 (in percent of value)



9.3 Employment

The average number of individuals employed on a monthly basis during 1992 was 1,391. Employment fluctuated through the year; the lowest quarters were the first and fourth quarters when 579 and 869 direct employment positions were available. During the second and third quarters, employment opportunity was significantly greater with 1,208 and 2,908 direct jobs available on an average monthly basis. Total wages and benefits paid to employees during the year were \$42 million. Additionally, \$980,000 was spent to transport employees to and from the various work sites within the region.

9.4 Purchases of Goods and Services

A total of \$6.3 million in goods and services were purchased by the shoreside seafood processing companies in Southeast Alaska during 1992. On a quarterly basis, the expenditures consisted of \$398,000 (6%) for the first quarter, \$1.4 million (23%) for the second quarter, \$3.9 million (62%) for the third quarter, and \$534,000 (8%) for the fourth quarter.

By category, the expenditures consisted of \$4 million for consumables, \$1.2 million for services, \$850,000 for electricity, \$161,000 for water, \$97,000 for sewer services, and \$33,000 for other purchases.

9.5 Fish Taxes

A total of \$5 million in raw fish tax was paid by the shoreside processing companies during 1992.

Chapter 9, Economic Impacts in Southeast Alaska

Table 9-1

Economic Impact of the Shoreside Processing Industry on Southeast Alaska during 1992

Employment	Peak Monthly Employment	2,908		
	Avg. number of employees/month	1,391		
	Total Processing Payroll	31,996,061		
	Fringe benefits, workers com., etc. (30% of gross)	9,598,818		
	Airfare	979,087		
	SUB-TOTAL	42,573,966	\$42,573,966	19%
Purchases	Consumables	3,917,591		
	Services	1,167,356		
	Electric	852,424		
	Water	161,211		
	Sewer	96,756		
	Other	33,481		
	SUB-TOTAL	6,298,820	\$6,298,820	3%
Taxes	State Raw Fish	5,044,813		
	Local Raw Fish Tax	0		
	Other State Taxes (see Statewide Total)			
	SUB-TOTAL	5,044,813	\$5,044,813	2%
Fish (Ex-Vessel Value of Purchase)				
Crab	Red King	0		
	Brown/Blue King	880,159		
Grdfish	Bairdi	4,357,772		
	Opilio	0		
	Dungeness	3,934,683		
	Pollock	1,019		
	Pacific Cod	187,001		
	Soles	0		
Salmon	Flounders	308,002		
	Misc. Groundfish	810,786		
	Chinook	8,262,356		
	Sockeye	27,339,967		
	Coho	33,148,215		
	Pink	26,494,458		
Herring	Chum	19,042,749		
	Spawn On Kelp	533,107		
	Food/Bait	643,101		
Other	Sac Roe	3,148,441		
	Misc. Shellfish	4,808,100		
	Sablefish	16,391,219		
	Halibut	12,621,863		
	Shrimp	1,567,367		
	Other Species	159,490		
	SUB-TOTAL	164,639,853	\$164,639,853	75%
Donations	Scholarships & Other Donations	23,795		
	"Wynn" Brindle Scholarships	41,429		
	SUB-TOTAL	65,224	\$65,224	0%
	TOTAL DIRECT EXPENDITURES		\$218,622,676	100%
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$0.81	
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$546,356,690	

Chapter 9, Economic Impacts in Southeast Alaska

Table 9-2

Economic Impact of the Shoreside Processing Industry on Southeast Alaska during the First Quarter, 1992

Employment	Avg. number of employees/month	579			Percent
	Total Processing Payroll	2,515,316			of Total
	Fringe benefits, workers com., etc. (30% of gross)	754,595			
	Airfare	77,940			
	SUB-TOTAL	3,347,851	\$3,347,851	20%	
Purchases	Consumables	169,910			
	Services	92,217			
	Electric	114,731			
	Water	5,378			
	Sewer	13,799			
	Other	1,702			
	SUB-TOTAL	397,736	\$397,736	2%	
Taxes	State Raw Fish	376,550			
	Local Raw Fish Tax				
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	376,550	\$376,550	2%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$0.00/lb.)	0			
	Brown/Blue King (\$3.202/lb.)	296,380			
	Bairdi (\$2.191/lb.)	4,357,772			
Grdfish	Opilio (\$0.00/lb.)	0			
	Dungeness (\$0.881/lb.)	0			
	Pollock (\$0.154/lb.)	1,019			
	Pacific Cod (\$0.255/lb.)	0			
	Solms (\$0.00/lb.)	0			
	Flounders (\$0.105/lb.)	102,667			
	Misc. Groundfish (\$0.299/lb.)	202,696			
Salmon	Chinook (\$2.193/lb.)	1,239,353			
	Sockeye (\$1.692/lb.)	0			
	Coho (\$1.166/lb.)	0			
	Pink (\$0.230/lb.)	0			
	Chum (\$0.482/lb.)	0			
Herring	Spawn On Kelp (\$5.406/lb.)	533,107			
	Food/Bait (\$0.137/lb.)	643,101			
	Sac Roe (\$0.238/lb.)	3,148,441			
Other	Misc. Shellfish (\$2.046/lb.)	1,202,025			
	Sablefish (\$1.008/lb.)	0			
	Halibut (\$0.989/lb.)	0			
	Shrimp (\$0.591/lb.)	522,456			
	Other Species (\$0.990/lb.)	39,872			
	SUB-TOTAL	12,288,890	\$12,288,890	75%	
Donations	Scholarships & Other Donations	5,949			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	16,306	\$16,306	0%	
TOTAL DIRECT EXPENDITURES			\$16,427,333	100%	
AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED			\$0.69		
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$41,068,333		

Chapter 9, Economic Impacts in Southeast Alaska

Table 9-3

Economic Impact of the Shoreside Processing Industry on Southeast Alaska during the Second Quarter, 1992

Employment	Avg. number of employees/month	1,208		Percent of Total
	Total Processing Payroll	5,766,709		
	Fringe benefits, workers com., etc. (30% of gross)	1,730,013		
	Airfare	364,278		
	SUB-TOTAL	7,861,000	\$7,861,000	11%
Purchases	Consumables	908,721		
	Services	324,997		
	Electric	160,924		
	Water	29,345		
	Sewer	20,257		
	Other	5,793		
	SUB-TOTAL	1,450,036	\$1,450,036	2%
Taxes	State Raw Fish	1,843,087		
	Local Raw Fish Tax			
	Other State Taxes (see Statewide Total)			
	SUB-TOTAL	1,843,087	\$1,843,087	3%
Fish (Ex-Vessel Value of Purchase)				
Crab	Red King (\$0.00/lb.)	0		
	Brown/Blue King (\$3.202/lb.)	425,350		
	Bairdi (\$2.191/lb.)	0		
	Opilio (\$0.00/lb.)	0		
	Dungeness (\$0.881/lb.)	786,937		
Grdfish	Pollock (\$0.154/lb.)	0		
	Pacific Cod (\$0.255/lb.)	62,334		
	Soles (\$0.00/lb.)	0		
	Flounders (\$0.105/lb.)	102,667		
	Misc. Groundfish (\$0.299/lb.)	202,696		
Salmon	Chinook (\$2.193/lb.)	2,891,824		
	Sockeye (\$1.692/lb.)	13,669,984		
	Coho (\$1.166/lb.)	6,629,643		
	Pink (\$0.230/lb.)	2,649,446		
	Chum (\$0.482/lb.)	9,521,374		
Herring	Spawn On Kelp (\$5.406/lb.)	0		
	Food/Bait (\$0.137/lb.)	0		
	Sac Roe (\$0.238/lb.)	0		
Other	Misc. Shellfish (\$2.046/lb.)	1,202,025		
	Sablefish (\$1.008/lb.)	13,112,975		
	Halibut (\$0.989/lb.)	8,330,430		
	Shrimp (\$0.591/lb.)	522,456		
	Other Species (\$0.990/lb.)	39,872		
	SUB-TOTAL	60,150,013	\$60,150,013	84%
Donations	Scholarships & Other Donations	5,949		
	"Wynn" Brindle Scholarships	10,357		
	SUB-TOTAL	16,306	\$16,306	0%
	TOTAL DIRECT EXPENDITURES		\$71,320,443	100%
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$0.99	
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$178,301,107	

Chapter 9, Economic Impacts in Southeast Alaska

Table 9-4

Economic Impact of the Shoreside Processing Industry on Southeast Alaska during the Third Quarter, 1992

Employment	Avg. number of employees/month	2,908			
	Total Processing Payroll	18,798,829			
	Fringe benefits, workers com., etc. (30% of gross)	5,639,649			
	Airfare	331,313			
	SUB-TOTAL	24,769,790	\$24,769,790	21%	
Purchases	Consumables	2,764,846			
	Services	580,628			
	Electric	419,518			
	Water	92,554			
	Sewer	35,780			
	Other	23,623			
	SUB-TOTAL	3,916,949	\$3,916,949	3%	
Taxes	State Raw Fish	2,695,557			
	Local Raw Fish Tax				
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	2,695,557	\$2,695,557	2%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$0.00/lb.)	0			
	Brown/Blue King (\$3.202/lb.)	86,579			
	Bairdi (\$2.191/lb.)	0			
	Opilio (\$0.00/lb.)	0			
Grdfish	Dungeness (\$0.881/lb.)	2,360,810			
	Pollock (\$0.154/lb.)	0			
	Pacific Cod (\$0.255/lb.)	62,334			
	Soles (\$0.00/lb.)	0			
	Flounders (\$0.105/lb.)	0			
	Misc. Groundfish (\$0.299/lb.)	202,696			
Salmon	Chinook (\$2.193/lb.)	2,891,824			
	Sockeye (\$1.692/lb.)	13,669,984			
	Coho (\$1.166/lb.)	26,518,572			
	Pink (\$0.230/lb.)	23,845,012			
	Chum (\$0.482/lb.)	9,521,374			
Herring	Spawn On Kelp (\$5.406/lb.)	0			
	Food/Bait (\$0.137/lb.)	0			
	Sac Roe (\$0.238/lb.)	0			
Other	Misc. Shellfish (\$2.046/lb.)	1,202,025			
	Sablefish (\$1.008/lb.)	3,278,244			
	Halibut (\$0.989/lb.)	4,291,434			
	Shrimp (\$0.591/lb.)	0			
	Other Species (\$0.990/lb.)	39,872			
	SUB-TOTAL	87,970,760	\$87,970,760	74%	
Donations	Scholarships & Other Donations	5,949			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	16,306	\$16,306	0%	
	TOTAL DIRECT EXPENDITURES		\$119,369,362	100%	
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$0.71		
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$298,423,405		

Table 9-5

Economic Impact of the Shoreside Processing Industry
on Southeast Alaska during the Fourth Quarter, 1992

Employment	Avg. number of employees/month	869			
	Total Processing Payroll	4,915,207			
	Fringe benefits, workers com., etc. (30% of gross)	1,474,562			
	Airfare	205,556			
	SUB-TOTAL	6,595,325	\$6,595,325	57%	
Purchases	Consumables	144,113			
	Services	169,515			
	Electric	157,251			
	Water	33,934			
	Sewer	26,920			
	Other	2,363			
	SUB-TOTAL	534,098	\$534,098	5%	
Taxes	State Raw Fish	129,619			
	Local Raw Fish Tax				
	Other State Taxes (see Statewide Total)				
	SUB-TOTAL	129,619	\$129,619	1%	
Fish (Ex-Vessel Value of Purchase)					
Crab	Red King (\$0.00/lb.)	0			
	Brown/Blue King (\$3.202/lb.)	71,850			
	Bairdi (\$2.191/lb.)	0			
	Oplio (\$0.00/lb.)	0			
	Dungeness (\$0.881/lb.)	786,937			
Grdfish	Pollock (\$0.154/lb.)	0			
	Pacific Cod (\$0.255/lb.)	62,334			
	Soles (\$0.00/lb.)	0			
	Flounders (\$0.105/lb.)	102,667			
	Misc. Groundfish (\$0.299/lb.)	202,696			
Salmon	Chinook (\$2.193/lb.)	1,239,353			
	Sockeye (\$1.692/lb.)	0			
	Coho (\$1.166/lb.)	0			
	Pink (\$0.230/lb.)	0			
	Chum (\$0.482/lb.)	0			
Herring	Spawn On Kelp (\$5.406/lb.)	0			
	Food/Bait (\$0.137/lb.)	0			
	Sac Roe (\$0.238/lb.)	0			
Other	Misc. Shellfish (\$2.046/lb.)	1,202,025			
	Sablefish (\$1.008/lb.)	0			
	Halibut (\$0.989/lb.)	0			
	Shrimp (\$0.591/lb.)	522,456			
	Other Species (\$0.990/lb.)	39,872			
	SUB-TOTAL	4,230,190	\$4,230,190	37%	
Donations	Scholarships & Other Donations	5,949			
	"Wynn" Brindle Scholarships	10,357			
	SUB-TOTAL	16,306	\$16,306	0%	
	TOTAL DIRECT EXPENDITURES		\$11,505,538	100%	
	AVERAGE DIRECT EXPENDITURE PER POUND PROCESSED		\$2.35		
TOTAL ECONOMIC IMPACT (\$1.50 generated for every \$1 spent directly)			\$28,763,846		

Table 9-6

**1992 Purchases of Fish and Shellfish in Southeast Alaska
by the Shoreside Processing Industry (by quarter, in pounds)**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Red King Crab	0	0	0	0	0
Brown/Blue King Crab	92,561	132,839	27,039	22,439	274,878
Bairdi Tanner Crab	1,988,942	0	0	0	1,988,942
Opilio Tanner Crab	0	0	0	0	0
Dungeness Crab	0	893,231	2,679,693	893,231	4,466,155
Pollock	6,614	0	0	0	6,614
Pacific Cod	0	244,446	244,446	244,446	733,338
Sole	0	0	0	0	0
Flounders	977,784	977,784	0	977,784	2,933,353
Misc. Groundfish	677,915	677,915	677,915	677,915	2,711,658
Chinook Salmon	565,141	1,318,661	1,318,661	565,141	3,767,604
Sockeye Salmon	0	8,079,187	8,079,187	0	16,158,373
Coho Salmon	0	5,685,800	22,743,201	0	28,429,001
Pink Salmon	0	11,519,330	103,673,966	0	115,193,295
Chum Salmon	0	19,753,889	19,753,889	0	39,507,777
Herring Spawn-on-Kelp	98,614	0	0	0	98,614
Herring Food & Bait	4,694,168	0	0	0	4,694,168
Herring Sac Roe	13,228,744	0	0	0	13,228,744
Misc. Shellfish	587,500	587,500	587,500	587,500	2,350,000
Sablefish	0	13,008,904	3,252,226	0	16,261,130
Halibut	0	8,423,084	4,339,164	0	12,762,248
Shrimp	884,020	884,020	0	884,020	2,652,059
Other Species	0	0	0	0	0
Total	23,802,002	72,186,588	167,376,886	4,852,475	268,217,950

SCOMM

87:7

DEPARTMENT OF FISH AND GAME
POSITION PAPER

Bill No: HB 123
Sponsor: Representative Ulmer
Division: Division of Commercial Fisheries
Bill Title: "An act relating to loans for the purchase of individual fishery quota shares."
Department Position: Support

This legislation would extend the state's existing loan program for limited entry permits, vessels, and fishing gear to include loans for the purchase of individual fishery quota shares (IFQs). The harvesting sector of the seafood industry has the highest percentage of resident participation in the industry. Approximately 80% of the permits are owned by Alaskans. The state loan program has been a successful tool contributing to the high percentage of existing permits in the hands of Alaskans.

The new IFQ program will be administered by the federal government. Regulations governing the new program were recently adopted by the U.S. Secretary of Commerce. There is a great deal of concern on the part of Alaskans that these IFQs will be bought up by non-Alaskan interests, thus reducing the opportunities for Alaskans to harvest these resources occurring off the state's coastline.

While this program is authorized in Title 16, the fish and game statutes, the program is administered by the Department of Commerce and Economic Development.

There is no fiscal impact on the Department of Fish and Game from this legislation.

Commissioner's Signature

Bon Ammiraglio
jr

Date: 7/12/93

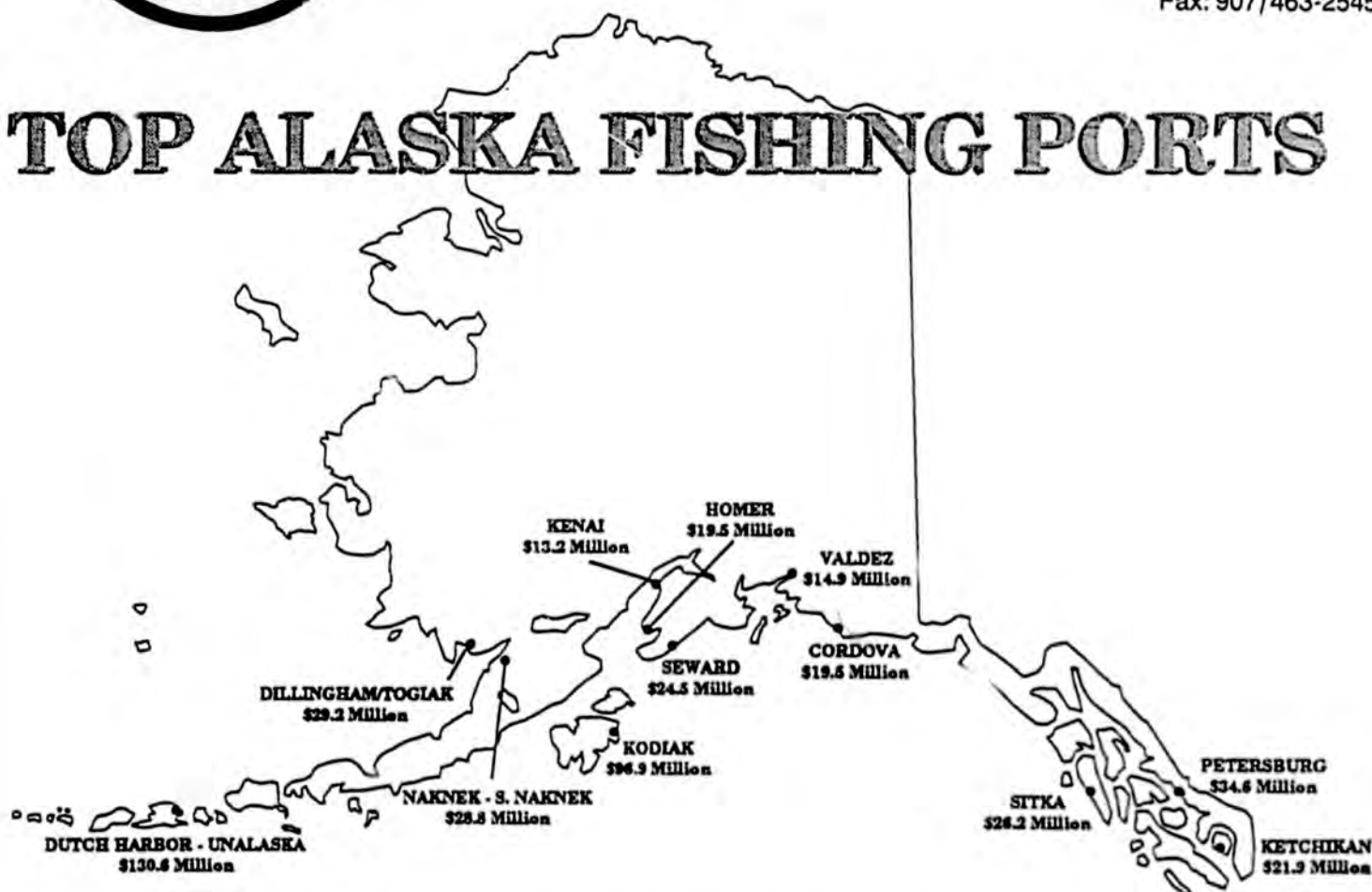


UNITED FISHERMEN OF ALASKA

February 1993

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

TOP ALASKA FISHING PORTS



In 1991, seven Alaska communities stormed the elusive "top twenty" list of premier U.S. seafood ports. The value of seafood landings in most of these Alaska fishing towns ranked well ahead of Boston, MA; Seattle; San Francisco; Key West, FL; Astoria, OR; Cameron, LA; Montauk, NY; and many others. These, and many other communities, are the building blocks for an industry that has Alaska's largest payroll.

THE ALASKA SEAFOOD INDUSTRY, AN ECONOMIC SUMMARY

by

Arni Thomson, Alaska Crab Coalition
UFA Board of Directors

PRODUCTION AND VALUE OF ALASKAN SEAFOOD: If Alaska were a separate nation, it would rank among the world's top 10 in total fish production. The 1990 Alaska harvest was an all-time record for any state in the nation, when 5.4 billion pounds of seafood was landed.

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Independent Fishermen's Marketing Association • 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
Southern Southeast Regional Aquaculture Association • United Cook Inlet Drift Association • Western Alaska Cooperative Marketing Association

UNITED FISHERMEN OF ALASKA

"The Alaska Seafood Industry, An Economic Study"

February 1993

Page Two

Throughout the 1980's, Alaska contributed about 50% of the total U.S. harvests and 40% of the total ex-vessel value of seafood.

In 1991, the catch off the coast of Alaska totalled over 5.2 billion pounds of seafood, a 500% increase from 1980. The 1991 harvest was close to half the national harvest and over four times greater than the amount landed by fishermen in Louisiana, the second ranking state. Alaska's catch was down about 12% from the year before, but still above the most recent five year average.

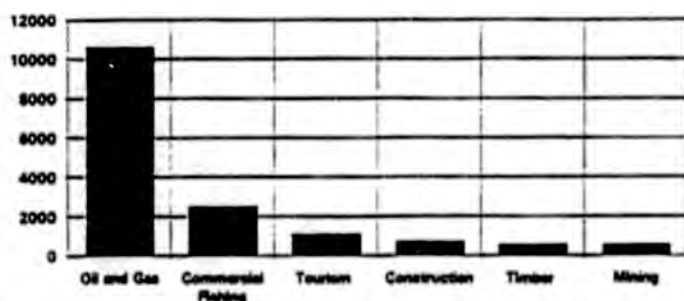
The ex-vessel value (price paid to the fisherman) of Alaska's commercial fisheries has grown from an estimated \$665 million in 1980, to \$1.5 billion in 1990. The first wholesale value (price paid to processors) was estimated at \$2.5 billion in 1990. The 1991 ex-vessel value was roughly \$1.3 billion, about 16% less than the 1990 value and slightly less than the five-year average. The first wholesale value was roughly \$2.5 billion.

In a state with little or no manufacturing-based economy, the seafood industry is the largest private, basic industry employer, providing more than 77,000 seasonal jobs which equal 33,000 year-round direct and indirect jobs. It employs 23% of the state's work force and provides 24% of the state's basic industry payroll. Total investment is estimated at \$4 billion, and the payroll is the largest in the state among private industries: approximately \$600 million.

Seven Alaska communities were among the top 20 ports, in seafood value, in the United States in 1991. In one region of the state, the seafood industry accounts for almost 90% of the private sector income, and many of the state's coastal communities are almost entirely dependent on commercial fisheries for cash income.

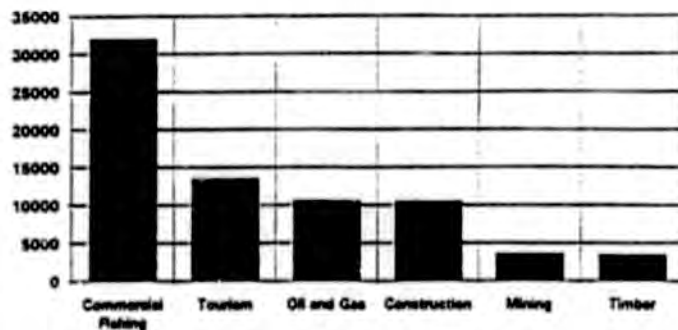
Dutch Harbor-Unalaska ranked number one in the nation for seafood landings in 1991, with total landings in excess of 731.9 million pounds. Seafood landed at Dutch Harbor-Unalaska was worth about \$130.6 million to commercial fishermen, second only to the value of seafood landed in New Bedford, Massachusetts.

State of Alaska FY91 Gross Value of Sales by Industry (\$ millions)



Note: \$670 million of tourism total is for transportation to and from Alaska

Alaska Fulltime Equivalent Jobs by Industry



EXPORTS OF ALASKAN SEAFOOD: Alaska ranks first among all states in the union in the export of seafood. The huge increase in direct seafood exports from Alaska skyrocketed from two million pounds worth \$330 million in 1980 to two billion pounds worth \$1.4 billion in 1990 and has helped offset a growing national deficit.

UNITED FISHERMEN OF ALASKA

"The Alaska Seafood Industry, An Economic Study"

February 1993

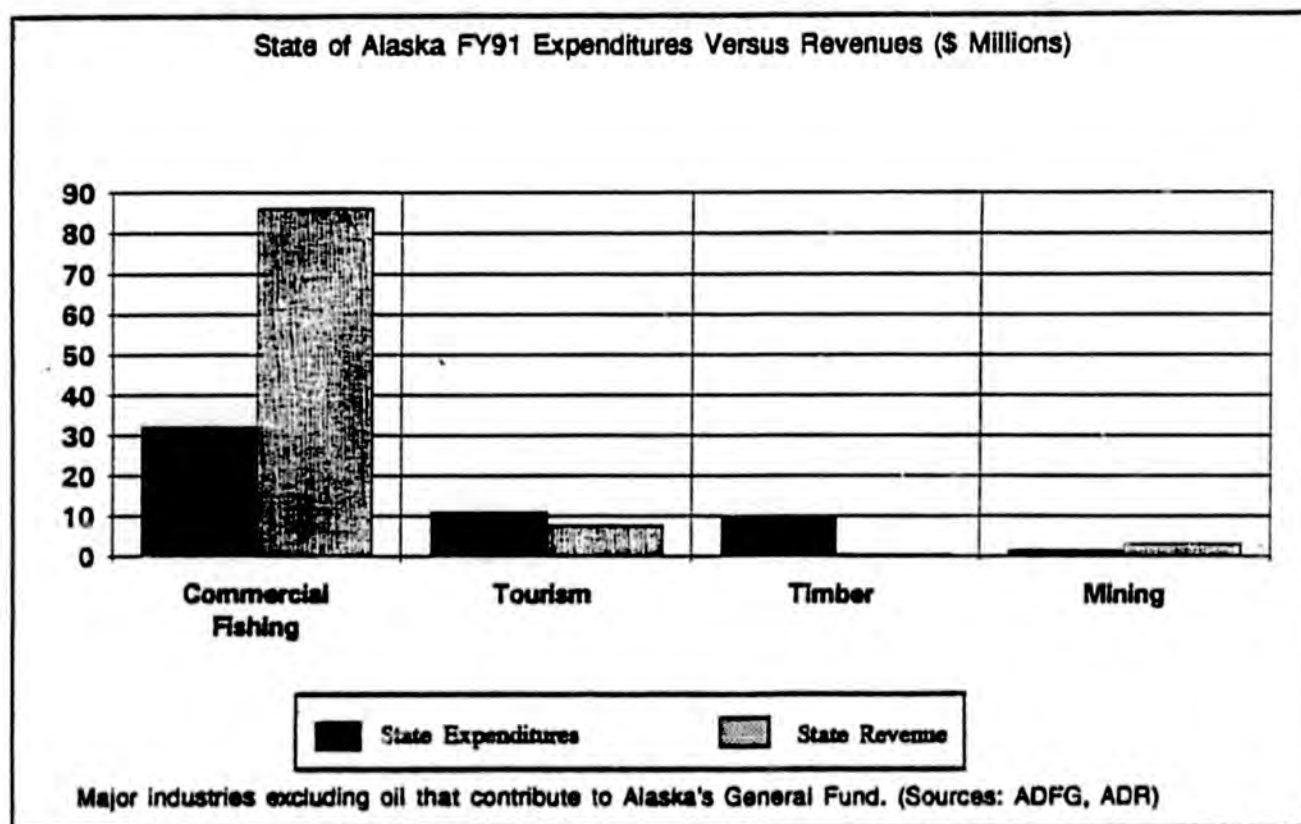
Page Two

Salmon dominated the export statistics both in weight and value for most of the 1980's, peaking at about 180 million pounds valued at \$423 million in 1989. Herring has been the second most important Alaska seafood export but, as of 1989, groundfish exports exceeded herring exports both by weight and value.

Salmon remained the most valuable export in 1990, followed by shellfish. However, ground-fish led in weight exported. In 1990, an estimated 176 million pounds of salmon products valued at \$412 million were exported directly from Alaska, and 86 million pounds of shellfish (mostly Bering Sea tanner and king crab) valued at \$280 million. By comparison, about 255 million pounds of groundfish valued at \$210 million were exported.

SEAFOOD INDUSTRY CONTRIBUTIONS VERSUS STATE FUNDING: The seafood industry has always been important to the state's economy, but by the end of the 1980's, the seafood industry had more than doubled its contribution to the state. Paying almost \$90 million in raw fish taxes, licenses, salmon enhancement taxes, and marketing assessments in 1991, the seafood industry is second only to the oil industry in its contributions to state government. Undoubtedly, fisheries is one of Alaska's most valuable renewable resources.

On the other side of the balance sheet, how much is the state reinvesting in terms of fisheries management, research, and market development? In FY91, the state spent approximately \$30 million on fisheries management and \$2.5 million on seafood marketing.



The ratio of industry contributions to state spending is about 2:1. Contrary to what some critics say, the industry is more than paying its way in terms of management and marketing expenditures. In fact, it's time for the state to consider increasing its investments in fisheries to help insure long-term harvests, employment opportunities, and revenues.

(References: "Executive Summary Alaska Seafood Industry," June 1992, Institute of Social and Economic Research, University of Alaska Anchorage; Division of Economic Development, Alaska Department of Commerce and Economic Development; Alaska Seafood Marketing Institute; Alaska Department of Fish and Game; Alaska Department of Revenue; and, "Fish and the Law" by Bruce Weyhrauch, Alaska Commercial Fisherman, March 1991.)

MAR 13 1993

Rey Gail Phillips
Hi, These comments
apply also to HB123
Hope you can get
some changes. Paul

Paul K. Seaton
58360 Bruce Drive
Homer, Alaska 99603
Ph. & Fax (907) 235-6342

Molly
Fisheries

Thank you for considering my testimony during your hearing. It appears that the committee is forging ahead to pass it out. Please consider the following during your meetings before the next hearing.

1 A finding in the front of this bill stating State opposition to the imposition of the IFQ plan would help alleviate that concern of ours. Can it be done in such a way that the Governor cannot line item veto that portion alone to leave the bill as supporting IFQs? He did veto the no expenditure for IFQ intent placed in last years CFEC budget, and the CFEC then spent \$82,321 for IFQ implementation analysis for the NPFMC.

2 If all agree that the intent is to aid the small Alaskan fisherman, how about putting in an eligibility qualification that no one can get a IFQ loan if they received more than 10,000 combined pounds of IFQ initial allocation. This would help eliminate the concern that most loans will be used by the richest fishermen to contract the fleet at the expense of the small quota holder or person trying to enter the fishery. The vessel owners who receive over 10,000 lbs have already gotten a windfall worth \$100,000. and should be able to finance their own purchase.

3 You should figure out who will be left holding the bag on the State financed IFQs if the are revoked. See IFQ plan language of 10/23/92 page 5. Section 14.4.7.1.7 GENERAL PROVISIONS (3) " QS are a harvest privilege, and good indefinitely. However, they constitute a use privilege which may be modified or revoked by the Council and the Secretary at any time without compensation.

Thank you for considering these points.

Paul K. Seaton

- (a) be prohibited from purchasing, leasing, holding or otherwise controlling additional quota shares until that person's quota share falls below the limits set forth in (6) above, at which time each such person shall be subject to the limitations of paragraph (6) above; and
- (b) be prohibited from selling, trading, leasing or otherwise transferring any interest, in whole or in part, of an initial assignment of quota share to any other person in excess of the limitations set forth in (6) above.
- (6) For sablefish, no more than 1% of the combined Gulf of Alaska and Bering Sea/Aleutian Island quota may be taken on any one vessel.
- (9) Persons must control IPQs for the amount to be caught before a trip begins, with the exception that limited overages will be allowed as specified in an overage program approved by NMFS and the IPHC.

Section 14.4.7.1.6 ANNUAL ALLOCATION OF QST/Q

Individual fishing quotas are determined for each calendar year for each person by applying the ratio of a person's QS to the QS pool for an area to the area's fixed gear Total Allowable Catch for each management area, after adjusting for the Community Development Quota (CDQ) program. In mathematical terms, $IPQs = (QS / QS \text{ pool}) \times \text{fixed gear TAC}$.

Section 14.4.7.1.7 GENERAL PROVISIONS

(1) For IPQs concerning harvest:

- (a) The sale of catcher vessel caught sablefish or halibut to others does not constitute a legally registered buyer is illegal, except that direct sale to dockside customers is allowed provided the fisher is a registered buyer and proper documentation of such sales is provided to NMFS.
- (b) Frozen product may only be off-loaded at sites designated by NMFS for monitoring purposes.
- (c) QS owners wishing to transport their catch outside of the jurisdiction of the Council must first check in their catch at a NMFS specified site and have the load sealed.
- (d) Persons holding IPQs and wishing to fish must check in with NMFS or their agents prior to entering any relevant management area, additionally any person transporting IPQ caught fish between relevant management areas must first contact NMFS or their agents.
- (2) Quota shares and IPQs arising from these quota shares may not be applied to harvest of sablefish.

(3) QS are a harvest privilege, and good indefinitely. However, they constitute a use privilege which may be modified or revoked by the Council and the Secretary at any time without compensation.

(4) Discarding of sablefish is prohibited by persons holding sablefish IPQs and those fishing under the Community Development Quota (CDQ) program.

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MAR 16 1993

- 1 department under this subparagraph; and
- 2 (iii) qualify as a transferee for individual fishery
- 3 quota shares under applicable law;
- 4 (2) designate agents and delegate its powers to them as necessary;
- 5 (3) adopt regulations necessary to carry out the provisions of
- 6 AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for
- 7 services provided;
- 8 (4) establish amortization plans for repayment of loans, which may
- 9 include extensions for poor fishing seasons or for adverse market conditions for
- 10 Alaskan products;
- 11 (5) enter into agreements with private lending institutions, other state
- 12 agencies, or agencies of the federal government, to carry out the purposes of
- 13 AS 16.10.300 - 16.10.370;
- 14 (6) enter into agreements with other agencies or organizations to create
- 15 an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of
- 16 the state;
- 17 (7) allow an assumption of a loan if
- 18 (A) the applicant has been a state resident for a continuous
- 19 period of two years immediately preceding the date of the request for an
- 20 assumption; and
- 21 (B) approval of the assumption would be consistent with the
- 22 purposes of AS 16.10.300; an applicant for a loan assumption may not be
- 23 disqualified because the applicant does not meet the loan eligibility
- 24 requirements of (1) of this subsection;
- 25 (8) prequalify loan applicants for a limited entry permit loan or an
- 26 individual fishery quota shares loan and charge a fee not to exceed \$200 for
- 27 prequalification;
- 28 (9) charge and collect the fees established under this subsection.
- 29 * Sec. 2. AS 16.10.320(d) is amended to read:
- 30 (d) The total of balances outstanding on loans made to a borrower under
- 31 AS 16.10.310(a)(1)(A) may not exceed \$300,000. The total of balances outstanding

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1 on loans made to a borrower under AS 16.10.310(a)(1)(B) may not exceed \$100,000.

2 The total balances outstanding on loans made to a borrower under

3 AS 16.10.310(a)(1)(C) may not exceed \$300,000. The total balances outstanding

4 on loans made to a borrower under AS 16.10.310(a)(1)(D) may not exceed either

5 \$300,000 or the amount received by the borrower as loans for the purchase of

6 individual fishery quota shares from a recipient of a community development

7 quota.

8 * Sec. 3. AS 16.10.320(i) is amended to read:

9 (i) If a loan is made to a borrower under AS 16.10.310(a)(1)(A), a subsequent
10 loan may not be made to the borrower under AS 16.10.310(a)(1)(B). If a loan is made
11 to a borrower under AS 16.10.310(a)(1)(B), a subsequent loan may be made to the
12 borrower under AS 16.10.310(a)(1)(A) if the total of the balance outstanding on loans
13 received by the borrower under AS 16.10.310(a)(1)(A) and (B) [AS 16.10.310] does
14 not exceed \$300,000.

15 * Sec. 4. AS 16.10.325 is amended to read:

16 Sec. 16.10.325. GUARANTORS. A person may act as guarantor if the
17 borrower has insufficient collateral to secure a loan for the purposes described in
18 AS 16.10.310(a)(1)(B) - (D) [AS 16.10.310(a)(1)(B)]. The loan agreement shall
19 specifically describe the property of the guarantor to be used as collateral by the
20 borrower and shall be signed by the guarantor and the borrower. The department shall
21 provide the guarantor with a copy of all notices sent to the borrower by the
22 department. If the loan is for the purchase of an entry permit or individual fishery
23 quota shares, the guaranty by the guarantor may not constitute a lien, mortgage, or
24 encumbrance on or pledge of the entry permit or individual fishery quota shares.

25 * Sec. 5. AS 16.10.338 is amended by adding a new subsection to read:

26 (c) If a limited entry permit is pledged for security for a loan made under
27 AS 16.10.310(a)(1)(C) or (D) for the purchase of individual fishery quota shares and
28 the borrower thereafter fails to make a payment or defaults, the commissioner shall,
29 in addition to the notice provided under AS 16.10.335(a), notify the borrower that
30 subject to the commissioner's acceptance the borrower may sell the individual fishery

SB 132

-4-

SB0132a

New Text Underlined (DELETED TEXT BRACKETED)

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P.5/5

1 balance due on the loan to avoid the immediate loss of the limited entry permit that
2 has been pledged for security for the loan.

3 * Sec. 6. AS 16.10.360 is amended by adding new paragraphs to read:

4 (5) "individual fishery quota share" means a transferrable license,
5 permit, or right issued by the federal government that conveys a right to engage in a
6 fishery in or off the state and to take a specified portion of the annual harvest quota
7 for that fishery;

8 (6) "recipient of a community development quota" means a community,
9 local fishermen's organization, or local economic development organization that has
10 received a community development quota allocation to take a fishery resource in or
11 off the state from the United States Secretary of Commerce.

JERE T. MURRAY, Ph.D.
P.O. Box 237, Seldovia, Alaska 99663-0237
(907) 234-7646 (Voice or FAX)
March 16, 1993.

Alaska Legislature
Senate Resources Committee✓
Chairman Senator Mike Miller
Vice-Chairman Senator Loren Leman
Members: Senators Steve Frank, Drue Pearce, Albert Adams, Dave
Donley, Fred Zharoff

Senator George Jacko✓

Via FAX Only: 465-3883, 465-2997

Re: SB 132 "An Act relating to loans for the purchase of individual
fishery quota shares."

Dear Mr. Chairman, Members of the Committee and Author of the Bill:

As I stated in previous testimony, I remain of the mind that a change
in the fisheries loan program to accommodate IFQs is a bad idea at
this time. However I'd like to provide suggestions for SB 132.

Generally, I prefer SB 132 to the counterpart House version, HB 123.
In particular, the absence of the constraint of HB 123 at page 2,
lines 20 - 22, which would require participation in the fishery for
which the IFQ shares are issued is a desirable difference. I do not
support that provision of HB 123 as I feel it would not encourage the
diversification necessary to ensure future survival in Alaskan
fisheries. It would lock out many Alaskan fishermen who have
long-term fishing participation in these IFQ fisheries but who "fell
through the cracks" of the IFQ plan. Finally, it would magnify the
unjust rewards already reaped, as the result of catch histories
grossly inflated by illegal activities, by some recipients of NPFMC
plan IFQ quota shares.

If the goal of the loan program is to attempt to ameliorate some
adverse effects of the plan on coastal Alaskan communities, limit
these loans to only those INDIVIDUALS WHO DO NOT RECEIVE INITIAL
ALLOCATION OF QS UNDER THE NPFMC PLAN or to these and to RECIPIENTS
OF INITIAL ALLOCATIONS LESS THAN SOME LIMIT - SAY 10,000 LBS OF QS.

The loan limit SHOULD NOT BE RAISED ABOVE \$300,000 so as to prevent
exacerbation of the effects of "consolidation" of the fleet to a
small number of boats which is one goal of the NPFMC Plan, but which
many Alaskans have commented against.

I agree that it is desirable to include specific loans to CDO
participants. However, the section on loan limitation on this type
of loan might read more clearly if the word "either" at the end of

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line 4, page 4 and the period at the end of line 7, page 4 were deleted and line 7, page 4 was finished with ", whichever is smaller." Additionally, loans to participants in CDQ programs should be additionally restricted, by law, to those individuals WHO ALSO ARE RESIDENTS OF THE CDQ COMMUNITY. The problem addressed is the possibility that these loans might be used to "hire" someone from some other area to harvest these quotas and thereby circumvent the purpose of CDQs which should be to get people previously not involved in these fisheries actively involved.

The inclusion of a statement of non-support for the NPFMC's IFQ Plan and a proviso that the amendments only become effective should the IFQ Plan actually be promulgated and survive court challenges is desirable, but I do not feel this should replace a Resolution of the Legislature against IFQs.

Further, the inclusion of



JERE T. MURRAY
P.O. Box 237, Seldovia, Alaska 99663
(907) 234-7646 (Voice or FAX)



Date:

To: Juneau L.I.O.

From: Jere Murray

Number of Pages (including this page): 3

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Rep. Wm. Williams, Chair, House Resources
Rep. Bill Hudson, Chair, House L & C.
~~Rep. [unclear], Chair, House Spec. Fisheries~~
Eileen MacLean, Co Chair, H. Finance.*

Rep. ~~Wm. ...~~

Rep. Fran Ulmer.

Thanks -

We anxiously await a listing of fax #
for Legislators and committees.

Jere Murray

Post-it brand

Fax Transmittal Memo 7672

To *Rep. Carl Moses*
 Company *House Committee on Fisheries*
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MAR 01 1993

Rep. Carl Moses, Chairman
 House Special Committee on Fisheries

Dear Sir and Committee;

I applaud the goal of HB123 - that is keeping as much ownership of the fishery resources in Alaska as possible. HOWEVER, the practical effect will be to put most Alaskan fishermen near insolvency. All IFQ history around the world indicates that for probably 8 to 10 years the quota share prices will be extremely volatile. The prices of shares are generally 3 to 8 times the ex-vessel price of the fish. As of March, 1, 1993 Canadian shares go for \$9 to \$10 per share pound. Even for fish at \$2.00 per pound, that represents the full 5 year value of the fish without paying for bait, fuel, or crew. If one considers 50% is left after direct expenses, that means the share price represents the full net income for 10 years. That does not pay for any interest on a loan to buy such IFQ pounds. If you had a 10% loan, this roughly translates to requiring every penny the fish are worth for 20 years without taking out anything to live on, or to replace boat and gear, or pay the loan principal. Since fish cycle up and down and share quotas represent a percent of the harvestable fish, the slightest downturn - bankruptcy.

I hope you will realize that the Canadian price above is without a liberal loan policy which will escalate the price. Also the Canadian shares are not combinable - a boat that fishes halibut cannot buy the shares of another boat that fishes halibut. Stackable quota such as we will have will increase the value. That is because the people that are given quota can distribute the cost - eg; say I get 30,000 lbs free, I can buy another 10,000 lbs for \$10 and effectively have only paid \$2.50 per pound for the total.

To gauge the economic effect of non-producing capitalization (permits or shares) of fishing operations one can look at the permit/vessel state loan program. In Jan. of 1993 the default rate is 17.2%. In Jan. of 1992 the default rate was 27.2%. Even at 10% rate - one loan out of ten each year - with most of the loans for 10 to 15 years, you can see that numerically every loan would be in default during its life. Of course, some loans are never in trouble because those people were financially secure, didn't rely upon fishing for their source of income or have other resources to pay off the loans. — This means the deckhands, most in rural towns and villages, etc., are not the ones who can effectively benefit from a loan program to 'get started' by highly leveraging themselves financially with non-productive capitalization —

I'm sure you also know that possibly 40% of the permit loans are vulnerable to collection by the IRS. Nobody is supporting non-payment of taxes, but this is a good indication that many people were so highly leveraged by permit purchase that they couldn't financially make the business work with any money left for the necessities - such as paying their taxes.

The following pages detail a further problem with IFQs, the Alaska Constitution! The NPFMC has initiated an exact repeat of the subsistence management problem with its passage of this system. Since IFQs CANNOT BE USED WITHIN STATE WATERS, a loan program to purchase them is questionable.

I will include with this a letter from the AG's office supporting that position.

Thank You. By far the best thing for Alaskan fishermen and women would be the rejection of the IFQ plan. That can still be done by the Federal Administration before approval of the final rule (plan). We NEED the legislature to pass the joint resolution against IFQs from last year that was blocked by one man.

Please call if you wish additional information.

Paul K. Seaton 3/1/93
 Paul K. Seaton
 58360 Bruce Drive
 Homer, Alaska, 99603
 Ph & Fax (907) 235-6342

DID YOU KNOW?

ALASKANS WILL NOT BE ABLE TO HARVEST ANY INDIVIDUAL FISHING QUOTA (IFQ) HALIBUT OR SABLEFISH IN SOUTHEASTERN ALASKA, PRINCE WILLIAM SOUND, COOK INLET, OR WITHIN THREE MILES OF ANY ALASKA COAST.!!! Our State Constitution specifically prevents creation or authorization of use of these special harvest privileges within all state waters. (see attached)

IFQs WILL PLACE THE STATE IN EXACTLY THE SAME SITUATION FOR COMMERCIAL FISHERIES AS WE HAVE WITH SUBSISTENCE. A FEDERAL REGULATION THAT IS IN CONFLICT WITH OUR CONSTITUTION. Federal preference management is on federal lands (waters) and that management regime is excluded from state lands (waters).

THE ONLY WAY TO ALLOW IFQ FISH TO BE CAUGHT IN STATE WATERS IS TO AMEND THE ALASKA CONSTITUTION.

THERE HAS NOT BEEN POPULAR SUPPORT TO CHANGE THE CONSTITUTION TO RETAIN GAME MANAGEMENT ON ALL FEDERAL LANDS FOR ALL CITIZENS. ONE CANNOT EXPECT SUCH SUPPORT FOR IFQs WHEN THE BENEFICIARIES WOULD BE SEEN AS A FEW PRIVILEGED VESSEL OWNERS. We must remember that a goal of the IFQ plan is to eliminate about 80% of the current fishermen.

A STATE LOAN PROGRAM WOULD REALLY ONLY BENEFIT THE VESSEL OWNERS WHO RECEIVE A LARGE GIFT OF ORIGINAL SHARES. The cost of shares will only make economic sense if one has received many free original quota shares over which to distribute the investment.

HOW CAN WE CONSIDER AMENDING A STATE LOAN PROGRAM TO PROMOTE LOANS FOR AN ACTIVITY WHICH IS UNCONSTITUTIONAL IN STATE WATERS ?

PLEASE SUPPORT YOUR CONSTITUENTS BY SPONSORING A JOINT LEGISLATIVE RESOLUTION OPPOSING IFQS. HJR 61 AND SJR 38 FROM LAST YEAR IS SUPPORTED BY NEARLY EVERY COMMUNITY ON THE GULF OF ALASKA.

THERE IS STILL TIME TO KILL THIS PLAN AT THE FEDERAL LEVEL, AND A JOINT RESOLUTION FROM THE LEGISLATURE WILL GO A LONG WAY.

Enclosures include details of State Vs. Federal law and the Regional cost to Alaska's economy of ITQs.

Re: State waters vs. federal fishery policy - federal law will conflict with Alaska constitutional. Problem identical to subsistence, ie federally issued IFQs cannot be legally used in State waters.

The North Pacific Fisheries management Council has proposed an Individual Fishing Quota (IFQ) Plan. A clear explanation of IFQs begins the Nov. 1991 Commission of Inquiry into Licensing and Related Policies of the Canadian Dept. of Fisheries and Oceans.

* Individual quotas, resource allocations, enterprise allocations or individual entitlements - all meaning the same thing - give to an individual the right to harvest a definite quantity of fish, expressed either as a fixed amount or as a percentage of the total allowable catch. Privatization of the resource in this manner removes the right of public access to a common property, converting common property to private property."

The Individual Fishing Quota (IFQ) concept has been under discussion for a long time. I assume that its familiarity and association with limited entry plans is the reason that many people have come to regard it as a form of limited entry. The plan that was adopted by the NPFMC is not limited entry. This plan relies solely on some people's desire to accumulate quota shares and other peoples economic hardship to spur them to sell. A presumption that the current holders will be willing to pay more than non-participating fishermen is the projected mechanism that will shrink the fleet. Under the structure of the Plan it is possible for a fisherman with 40,000 Quota Shares to sell 5000 shares each to eight fishermen from other sections of the nation as long as each new fisherman has 5 months fishing experience. The point being made is that the IFQ Plan does not limit entry into the fisheries.

The IFQ Plan is a "Privatization" plan, which transfers either ownership or exclusive harvest rights of the fishery resource to individuals.

Article VIII Section 15 of the Alaska State Constitution reads as follows in its entirety:

"No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the State. This section does not restrict the power of the State to limit entry into any fishery for the purposes of resource conservation, to prevent economic distress among fishermen and those dependent upon them for a livelihood and to promote efficient development of aquaculture in the State."

The constitutional amendment of 1972 which allows State limited entry was passed under full discussion and intent of the public to allow a limited access to a public resource; not a transfer of ownership of the resource to a selected group of individuals.

I have talked with Commissioner Rich Listowski of the Commercial Fisheries Entry Commission and with the caveat that it was not a court

ruling nor a legal opinion, he stated that we are probably right that the IFQ system is unconstitutional in State waters.

The Alaska Attorney General's Office on Jan 15 responded to Senator Paul Fisher's inquiry on this point that: "Alaskan waters (waters within three miles of our coastline) are governed by the Alaska constitution which generally prohibits exclusive access and exclusive property rights to fishery resources....(the U.S. Constitution does not have these restrictions) ...If an IFQ proposal is made which would violate the "open access" clause of the state constitution, we will recommend against its adoption."

Almost impossible logistics would be involved if the IFQ system could not be applied to Alaska State waters and a dual management system was necessary. Initial assignments of Quota Share based on past production history would be uncalculatable since fish ticket records do not distinguish what poundage was caught in federal or State waters.

Everyone should realize that small boat fishermen will have to leave Alaskan bays, sounds, inlets, inside passage, and essentially all protected waters of the state to go three miles of the outer coast before harvesting any IFQ halibut or blackcod. This will force Alaska's small boat fleet to sell out or place themselves in life threatening jeopardy to harvest IFQs. A loan program therefore has restricted practical application in many sections of the state.

The greatest efforts should be made by all Alaskans to avoid any repeat of the disastrous and divisive subsistence management system. That situation has been caused by a federal law about fish and game resources which would violate the State constitution if applied on State lands and waters. It now seems obvious that the NPFMC has initiated an exact repeat of the subsistence management problem with its passage of the IFQ system.

Our officials can not just ignore the State Constitution without sending the fisheries into chaos and court. Approval of the IFQ plan would substantially alter the FEDERAL /STATE relationship. We have about 2 months in which to convince the Office of Management and Budget to reject the IFQ plan. Joint action by the House and Senate approving the joint resolution against IFQs from last year may turn the tide with the New Administration. We ask that you approve those resolutions ASAP.

Thank You and please call if you wish additional information.



Paul K. Seaton
58360 Bruce Drive
Homer, Alaska, 99603
Ph & Fax (907) 235-6342

CAPITALIZATION

About one (1) billion dollars worth of nonproductive capital will be required by the Individual Fishing Quota halibut and sablefish plan.

The proponents of IFQs have cited overcapitalization of the fleet as a major reason for this IFQ Plan. However, the 4,000 independent halibut fishing vessels have each been making money. National Marine Fisheries Service (NMFS) uses a definition of overcapitalization which has no basis in the real world of small business. They take the total value of the vessels used and compare it to the yearly value of the harvest. They ignore the fact that most vessels are not exclusively single specie harvesters. Since fish stocks rise and fall, fishermen know they must be diversified to stay out of bankruptcy. The reality is that the fisheries with high default rates are those that are "limited entry", where high capitalization costs are incurred in the value of the permit or shares. Under the IFQ program each individual operation will be highly leveraged because the value of the shares will exceed the value of vessel and operation - a nonproductive capitalization cost. Thus, almost every individual IFQ vessel will be overcapitalized and vulnerable to fish and price cycles.

NMFS discounts the effect of this cost by saying that they are creating the billion dollars of capital by giving, free of charge, the shares to the industry. However, they also estimate that 80% of the shares may transfer within the first year. Thus after one year the industry will have had to generate an influx of \$800,000,000 in investment capital to purchase the shares. The real effect is creating almost a billion dollars of profit to individuals that sell quota shares and saddling the fisheries with another billion dollars of overcapitalization.

It is obvious that the IFQ plans will have a significant adverse impact on investment and the investment health of the industry.



Paul K. Seaton
58360 Bruce Drive
Homer, Alaska 99603
Ph. & Fax (907) 235-6342

FROM : K-N-S MARINE

PHONE NO. : 907 235 6342

P06

JAN 22 1992 15:51 PF

P.2/2

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

January 15, 1992

Senator Paul Fischer
P.O. Box V
Juneau, Alaska 99811

Dear Senator Fischer:

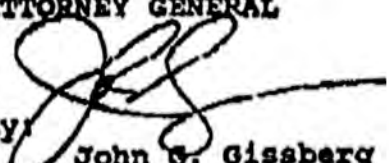
On behalf of Attorney General Cole, I am writing to respond to your letter of December 31, 1991 (which included a copy of one of your constituent's letters dated December 23, 1991) concerning the IFQ (Individual Fishing Quota, also known as "ITQ" or Individual Transferrable Quota) system being considered by the North Pacific Fishery Management Council.

The Attorney General's Office has examined, and will continue to examine, IFQ proposals that would apply to fisheries in state waters, that is, to waters within three miles of our coastline. Alaskan waters are governed by the Alaska Constitution which generally prohibits exclusive access and exclusive property rights to fishery resources. See Alaska Constitution, Articles VIII, Sections 3, 15, and 17 (the U.S. Constitution does not have these restrictions). Whether or not a proposal will be constitutional would depend on its specific attributes. However, if an IFQ proposal is made which would violate the "open access" clauses of the state constitution, we will recommend against its adoption.

Thank you for bringing your and your constituent's concerns to our attention. Enclosed for your information is a copy of a News Release concerning IFQs that was released yesterday by the Governor.

SINCERELY,

CHARLES E. COLE
ATTORNEY GENERAL

By: 
John G. Gissberg
Assistant Attorney General

JGG:hk:ba

13-056H

Printed on recycled paper by C.D.

FISCAL NOTE

CSHB 123(FSH)

BILL NO. _____

STATE OF ALASKA
1993 LEGISLATIVE SESSIONRevision Date: March 4, 1993Title: Loans for IFQsSponsor: Representative Fran Ulmer, et al.Requestor: Special Committee of FisheriesDepartment Affected: Commerce and Economic DevelopmentBRU: Investments

Component: _____

COMPONENT SERIAL NO. 0384

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	48.2	144.5	144.5	144.5	144.5	144.5
TRAVEL	2.0	6.0	6.0	6.0	6.0	6.0
CONTRACTUAL	11.3	33.9	33.9	33.9	33.9	33.9
SUPPLIES	1.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	13.5	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	76.5	185.9	185.9	185.9	185.9	185.9

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
-------------------------	---	---	---	---	---	---

FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER C/F LOAN 1036	76.5	185.9	185.9	185.9	185.9	185.9
TOTAL	76.5	185.9	185.9	185.9	185.9	185.9

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared by: Martin J. Richard
Division: InvestmentsPhone: 465-2510
Date: March 4, 1993Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic DevelopmentDate: 3-4-93PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

CSHB 123(FSH)
BILL NO. _____

ANALYSIS: (continued)

This fiscal note assumes that the IFQ program will go into effect on March 1, 1994 as estimated by the United States Department of Commerce. The operating expenses for FY 94 have been adjusted accordingly.

PERSONAL SERVICES

The passage of CSHB 123(FSH) will require the addition of two Loan Examiner II positions and a Loan Closer I position. The loan examiners will process loan requests generated as a result of this legislation. They will also handle inquiries, outreach, loan extensions and other collection activity associated with these loans. The loan closer will develop the documentation used to complete loans processed by the loan examiners and will obtain signatures, record collateral documents and disburse loan proceeds.

TRAVEL

It is estimated that loan examiners will make an average of six outreach trips to rural Alaska each year, at an average cost of \$1.0 per trip. In FY 94 a total of two trips are anticipated.

CONTRACTUAL

The office space rental for three additional employees is estimated at \$8.9 per year. In addition, the Department anticipates spending an additional \$25.0 per year on outside contractors to help in its outreach efforts in rural communities throughout the State.

SUPPLIES

The Department estimates \$1.5 per year to cover costs of miscellaneous office supplies and printing of application packages and brochures.

EQUIPMENT

The Department estimates a one-time cost of \$13.5 to cover the costs of office furniture and computer equipment for three new employees.

Position Title Loan Closer I			No. of Positions 1	Range / Step 10A	Barg. Unit GGU
Time Status Full-Time	Staff Months 4 months		Location Juneau	Election District	
TYPE OF EXPENDITURE		AMOUNT	Justification This position is necessary to develop the documentation used to complete loans processed by the loan examiners. This position will also obtain signatures, record collateral documents, and disburse loan proceeds.		
Salary		8.4			
Benefits		3.4			
Premium Pay					
Other					
Total Personal Services		11.8			
Travel					
Contractual		1.9			
Commodities		.2			
Equipment		4.5			
Other					
Total Cost		18.4			
FUNDING SOURCE FOR TOTAL COST					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
I-A Receipts	1007				
CIP Receipts	1061				
Other	C/F Loan 1036				

Request For New Position

AGENCY Commerce and Economic Development

BRU Investments

COMPONENT _____

FY 94

Page 1 of 1
Revised Date: March 4, 1993

Position Title Loan Examiner II			No. of Positions 1	Range / Step 17A	Barg. Unit GGU
Time Status Full-Time	Staff Months 4 months		Location Anchorage	Election District	
TYPE OF EXPENDITURE		AMOUNT	Justification This position is necessary to process loan requests generated as a result of the passage of this legislation. This position will also handle inquiries, outreach, loan extensions, and other collection activity associated with these loans.		
Salary		13.1			
Benefits		5.1			
Premium Pay					
Other					
Total Personal Services		18.2			
Travel		1.0			
Contractual		4.1			
Commodities		.2			
Equipment		4.5			
Other					
Total Cost		28.0			
FUNDING SOURCE FOR TOTAL COST					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
I-A Receipts	1007				
CIP Receipts	1061				
Other	C/F Loan 1036				

Request For New Position

AGENCY Commerce and Economic Development
 BBU Investments
 COMPONENT _____

FY 94

Page 1 of 1
 Revised Date March 4, 1993

Position Title Loan Examiner II			No. of Positions 1	Range / Step 17A	Barg. Unit GGU
Time Status Full-Time	Staff Months 4 months		Location Juneau	Election District	
TYPE OF EXPENDITURE		AMOUNT	Justification This position is necessary to process loan requests generated as a result of the passage of this legislation. This position will also handle inquiries, outreach, loan extensions, and other collection activity associated with these loans.		
Salary		13.1			
Benefits		5.1			
Premium Pay					
Other					
Total Personal Services		18.2			
Travel		1.0			
Contractual		2.9			
Commodities		.2			
Equipment		4.5			
Other					
Total Cost		26.8			
FUNDING SOURCE FOR TOTAL COST					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
I-A Receipts	1007				
CEP Receipts	1061				
Other	C/F Loan 1036				

Request For New Position

AGENCY Commerce and Economic Development

BRU Investments

COMPONENT _____

FY 94

Page 1 of 1
Revised Date: March 4, 1993

JERE T. MURRAY, Ph.D.
P.O. Box 237, Seldovia, Alaska 99668-0237
(907) 234-7646 (Voice or FAX)
March 02, 1993.

Alaska Legislature
House of Representatives
Special Committee on Fisheries
Representative Carl Moses, Chairman
Representatives Harley Olberg, Gail Phillips, Cliff Davidson,
and Irene Nicholla, Members

Via FAX Only: 465-3445

Dear Mr. Chairman and Members of the Committee:

Thank you for this opportunity to comment on HB123, "An Act relating to loans for the purchase of individual fishery quota shares."

Please consider all the following facts. Last session the Alaska House of Representatives unanimously rejected the IFQ plan by passing HJR61. A companion measure in the Senate had similar wide support but was kept from the floor by the actions of a single Senator who is no longer in office. Our Congressional delegation members each have serious concerns about this plan and are maneuvering against it in Washington. The Commerce Department has not yet published this plan as a "Final Rule" and it may still be rejected by the Office of the President and or the Congress where opposition is growing daily. Even if the plan passes these hurdles and survives legal challenges sure to be mounted, it will not be implemented until after one or more additional sessions of the Alaska Legislature.

Then, surely, the best one can say for HB123 is that it is very premature and sends the wrong message concerning the thoughts of the legislature on this plan (assuming last session's sentiments remain).

I know you will receive considerable testimony on the economic aspects of these proposed loans and I will not attempt to duplicate those here. Let me only pass on to you the comment one of the staunchest proponents of IFQs made to me when I brought up the subject of a loan program such as that envisioned by HB123 during the December 1991 meeting of the North Pacific Fisheries Management Council in Anchorage. Mr. Clem Tillon, whom I'm sure you all know, said "I wouldn't want to loan them money they won't be able to repay!" There it is - "right from the horses mouth."

At this time the best thing the Alaska State Legislature can do for Alaska in connection with IFQs is to reaffirm the position of last session's House and pass a resolution similar to HJR61 which includes the additional resolve of the Senate companion, SJR38, "FURTHER RESOLVED that the Alaska State Legislature opposes the use of state agency resources, state operated facilities, state funds, or other forms of cooperation to implement an Individual Fishery Quota management system" and send copies of the resolution to the appropriate federal officials in the executive and legislative branches as soon as possible.

There will be plenty of time to attempt to ameliorate the many adverse effects the IFQ plan will have on Alaskan citizens and communities if and when it is implemented. Passage of HB123 at this time can do no good and may do harm in the battle against this devastating plan. First things first, please.

Sincerely,

Jere T. Murray

HOUSE FISHERIES COMMITTEE
MARCH 3, 1993

Good morning. I'd like to call this meeting of the House Special Committee on Fisheries to order. It's Wednesday, March 3, the time is _____. Present today are (list legislators)....

Today we are taking up **HB 140** - the king salmon tag fee, and **HB 123**, setting up an IFQ loan program. We are on teleconference today, so please be sure to use your teleconference mikes, and identify yourself for those listening.

We will start with **HB 140, relating to the king salmon tag fee**. At our first hearing on this bill, there was some confusion about the fiscal note for these proposed changes, and also about some suggested changes by the Department of Fish and Game. The bill's sponsor, Representative Hudson (or his aid Royce Weller) is here to describe the proposed amendments. Representative Hudson, please identify yourself for the record.

Are there any questions of Representative Hudson?

Would anyone else in the audience or on the teleconference network like to testify?

Is there any discussion from committee members?

What is the pleasure of the committee?

Need individual motions to adopt the proposed amendments.

Is there a motion to move out HB 140 as amended from the Fisheries Committee with individual recommendations? Any objections? So moved.

HB 123

— Homer -

bird endorsed this plan

Po ?

— premature -

not sure what final plan looks like

— program that is unconstituted

— amt of capitalization -

9-10 a share purchased.

\$1 is worth of shares.

massive sums of money.

Marco Haggerty - Homer -

against bill

not enough money - intentions are good.

only people who would benefit - are those who get initial IFQs.

violates spirit of program.

only help big guys, small ones default.

~~Stu Nelson~~ Homer

Chris Mas, Homer -

support -

logical extension.

Anne Borland, Homer

- against
someone who doesn't initially get IPOs will be able
to get this.
state shouldn't lend money for fishing that
won't be in state waters.

Bill Sullivan, Homer

against - creemena
didn't get any initial share.
stock property.

Dan Falrey, Sitka

All Inland Fish Assoc support
keep prices under control.

1) startup funds

\$5m may not be sufficient.

high turnover rate in just few years.

2) develop 2nd loan program

communities, native villages, others

to make them members IPO members.

similar to CDP.

low-interest loans to them.

need make price for them.

Eric Jordan, Sitka -

support

problems - 1) not enough total money.

2) constitutionality need state law -

Mat

Pat Donohue - Sitka -

lobbies against IFQs.

support concept, but not enough money.

what are your goals of program -

what percentage of fishery -

longevity to protect small fishermen

Kodjak -

Under Kozak - Kodjak Longline Vessel Owners
support.

industry implementation group.

help mid size vessels who get stuck.

1 concern w/ current draft -

no alt funding source. - foreign interests, sharks

~~only state CFAB~~

change to: alt financing thru
recognized lending co

Petersburg

Chris Norasz
support.

Bill Hall, Anchorage - CFAB.

CFAB is a co-op. are interested in looking at it.
some concerns @ administration of IFQs.

we will take a look at it. our atty is looking
at our statutes. no objection to letter of intent.

price per share is -

^{is}
DFU

- premature - timing is unclear, but fear to wait for program to be in position first.

community loan program - more complicated, need some work.

→ other recognized commercial lending institutions.

proposed CS - clarifies that intent is to make it for mid + small size.

→

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Koduk - - - ?

oppose

not enough studies on what price per share is -
take capital gains into account?

Eric Forrer - ^{June} 62-63 -

Cordova - Mary MacBeine ^{spec dis.} - CDFH

support

logical next step

~~4~~

Ulmer - ^{some say} premature - timing is unclear, but fear
to wait for program to be in position first.

community loan program - more complicated, need some
work.

→ other recognized commercial lending institutions.

proposed CS - clarifies that intent is to make
it for mid + small size.

→

Greg Winogan -
revised CS -
support

some discussion on eligibility & amt -

— primary goal is to support an eligible fishing.

— debt service -

A+B loans - look at debt service of each project -
low default rate -

Rick Lamber - PSPA

if state going to put money forward
have product stay in AK -

migration of quota shares.

more quota shares you have - go south w/ product.

Ulmer - enforcement log landings at 16 ports,
others at random.

any product going outside AK, must first be
checked thru a primary AK port

Cliff - landing tax.

10866

Anch.
Kodiak
Cordova
Sitka -

~~4648~~
4648

Army - 3882

GCZ.
these are

700-
222-1000

Arctic Alaska

5
8

ance Nelson!

sent with -


Bill Hall -
CFAB.
Anch.
276-2009

4648

CDF4 - many
made being
424-3449

forfeiture,
800-
478-7612

Cordova phone #
Anchorage - Section

Petersburg also

3 northern ponds



50
Trollers
billnetters.

Wong Fri. -
problem comment
1-2 min.

364-2609
Douglas Indus. Assn.
Henry Peters,
Gen.

8-LS0544\K

Utermohle

3/1/93

CS FOR HOUSE BILL NO. 123()

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES ULMER, Grussendorf, Navarre, Sitton, Mackie, Davies, Davidson,
Brown

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to loans for the purchase of quota shares for fisheries in or
2 off Alaska."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. PURPOSE AND LEGISLATIVE INTENT. It is the purpose of this Act to
5 provide an opportunity for resident fishermen to participate in the sablefish and halibut
6 fisheries and other fisheries in and off Alaska by authorizing loans for the purchase of quota
7 shares for those fisheries. It is the intent of the legislature that the authority granted by this
8 Act be implemented without adversely affecting the availability of funds in the commercial
9 fishing revolving loan fund for loans to purchase entry permits and to purchase, repair, restore,
10 or upgrade vessels and gear.

11 * Sec. 2. AS 16.10.310(a) is amended to read:

12 (a) The department may

13 (1) make loans [TO]

14 (A) to individual commercial fishermen who have been state

1 residents for a continuous period of two years immediately preceding the date
2 of application for a loan under AS 16.10.300 - 16.10.370 and have had a
3 crewmember or commercial fishing license under AS 16.05.480 or a permit
4 under AS 16.43 for the year immediately preceding the date of application and
5 any other two of the past five years, and who actively participated in the
6 fishery during those periods, for the purchase of entry permits;

7 (B) to an individual for the repair, restoration, or upgrading of
8 existing vessels and gear, for the purchase of entry permits and gear, and for
9 the construction and purchase of vessels, if the individual has been a state
10 resident for a continuous period of two years immediately preceding the date
11 of application for a loan under AS 16.10.300 - 16.10.370, and either

12 (i) because of lack of training or lack of employment
13 opportunities in the area of residence does not have occupational
14 opportunities available other than commercial fishing; or

15 (ii) is economically dependent on commercial fishing for
16 a livelihood and for whom commercial fishing has been a traditional
17 way of life in Alaska;

18 (C) for the purchase of quota shares for fisheries in or off
19 the state by individual commercial fishermen who

20 (i) have been state residents for a continuous period
21 of two years immediately preceding the date of application for a
22 loan under AS 16.10.300 - 16.10.370;

23 (ii) for any two of the past five years, possessed a
24 crewmember or commercial fishing license under AS 16.05.480 or
25 a permit under AS 16.43 and actively participated in a fishery for
26 which the license or permit was issued;

27 (iii) qualify as a transferee for quota shares under
28 applicable law; and

29 (iv) are not eligible for an alternative source of
30 financing to purchase quota shares;

31 (2) designate agents and delegate its powers to them as necessary;

(3) adopt regulations necessary to carry out the provisions of AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for services provided;

(4) establish amortization plans for repayment of loans, which may include extensions for poor fishing seasons or for adverse market conditions for Alaskan products;

(5) enter into agreements with private lending institutions, other state agencies, or agencies of the federal government, to carry out the purposes of AS 16.10.300 - 16.10.370;

(6) enter into agreements with other agencies or organizations to create an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of the state;

(7) allow an assumption of a loan if

(A) the applicant has been a state resident for a continuous period of two years immediately preceding the date of the request for an assumption; and

(B) approval of the assumption would be consistent with the purposes of AS 16.10.300; an applicant for a loan assumption may not be disqualified because the applicant does not meet the loan eligibility requirements of (1) of this subsection;

(8) prequalify loan applicants for a limited entry permit loan or a quota shares loan and charge a fee not to exceed \$200 for prequalification;

(9) charge and collect the fees established under this subsection.

* Sec. 3. AS 16.10.320(d) is amended to read:

(d) The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(A) may not exceed \$300,000. The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(B) may not exceed \$100,000. The total balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(C) may not exceed \$300,000.

* Sec. 4. AS 16.10.320(i) is amended to read:

(i) If a loan is made to a borrower under AS 16.10.310(a)(1)(A), a subsequent

loan may not be made to the borrower under AS 16.10.310(a)(1)(B). If a loan is made to a borrower under AS 16.10.310(a)(1)(B), a subsequent loan may be made to the borrower under AS 16.10.310(a)(1)(A) if the total of the balance outstanding on loans received by the borrower under AS 16.10.310(a)(1)(A) and (B) [AS 16.10.310] does not exceed \$300,000.

* Sec. 5. AS 16.10.325 is amended to read:

Sec. 16.10.325. GUARANTORS. A person may act as guarantor if the borrower has insufficient collateral to secure a loan for the purposes described in AS 16.10.310(a)(1)(B) or (C). The loan agreement shall specifically describe the property of the guarantor to be used as collateral by the borrower and shall be signed by the guarantor and the borrower. The department shall provide the guarantor with a copy of all notices sent to the borrower by the department. If the loan is for the purchase of an entry permit or quota shares, the guaranty by the guarantor may not constitute a lien, mortgage, or encumbrance on or pledge of the entry permit or quota shares.

* Sec. 6. AS 16.10.338 is amended by adding a new subsection to read:

(c) If a limited entry permit is pledged for security for a loan made under AS 16.10.310(a)(1)(C) for the purchase of quota shares and the borrower thereafter fails to make a payment or defaults, the commissioner shall, in addition to the notice provided under AS 16.10.335(a), notify the borrower that subject to the commissioner's acceptance the borrower may sell the quota shares, apply the sales proceeds to the debt, and renegotiate payment of the balance due on the loan to avoid the immediate loss of the limited entry permit that has been pledged for security for the loan.

* Sec. 7. AS 16.10.360 is amended by adding a new paragraph to read:

(5) "quota share" means a transferrable license, permit, or right issued by the federal government that conveys a right to engage in a fishery in or off Alaska and to take a specified portion of the annual harvest quota for that fishery.

March 2, 1993

CS HB 123, "An Act relating to loans for the purchase of quota shares for fisheries in or off Alaska."

The proposed committee substitute for HB 123 reflects the following changes from the original bill:

- Title. The title change clarifies that technically the loans authorized in this bill are for the purchase of quota shares, not Individual Fishing Quota (IFQs.) The clarification is made throughout the bill.

- Section 1. Purpose and Intent. A purpose and intent statement was added to emphasize that the loans authorized in this bill are intended to benefit Alaskans who participate IFQ system fisheries and to clarify that there is no intent to diminish the amount of funds currently available for loans under AS 16.10.310(a)(1)(A) or (B) for entry permits, vessels and gear.

- Page 2. subsection (C)(ii). The previous sections (ii) and (iii) were combined to simplify two eligibility criteria. That is, in two of the last five years an applicant must have possessed either a crewmember or commercial fishing license or permit and, must have participated in a fishery for which the license or permit was issued.

The original bill was more narrow. It said that the crewmember or commercial license or permit must have been possessed for the year preceding the date of application as well as for two of the past five years. The original bill then required that the applicant must have participated in the fishery during three of the last five years.

- Page 2. subsection (C)(iv). This is an addition to the bill which limits the loans to those individuals who are not eligible for alternate financing, as is currently the case for loans authorized under subsection (B) for vessels and gear.

This section will ensure that the loan program will benefit those Alaskans most in need of assistance in accessing capital.

- Letter of Intent. The letter of intent accompanies the bill to emphasize that the committee intends for the Commercial Fisheries and Agricultural Bank to make financing available for the purchase of quota shares.

As stated above, the loans that the Commercial Fishing Loan Fund is authorized to make under HB 123 are limited to those who can not obtain loans elsewhere.