

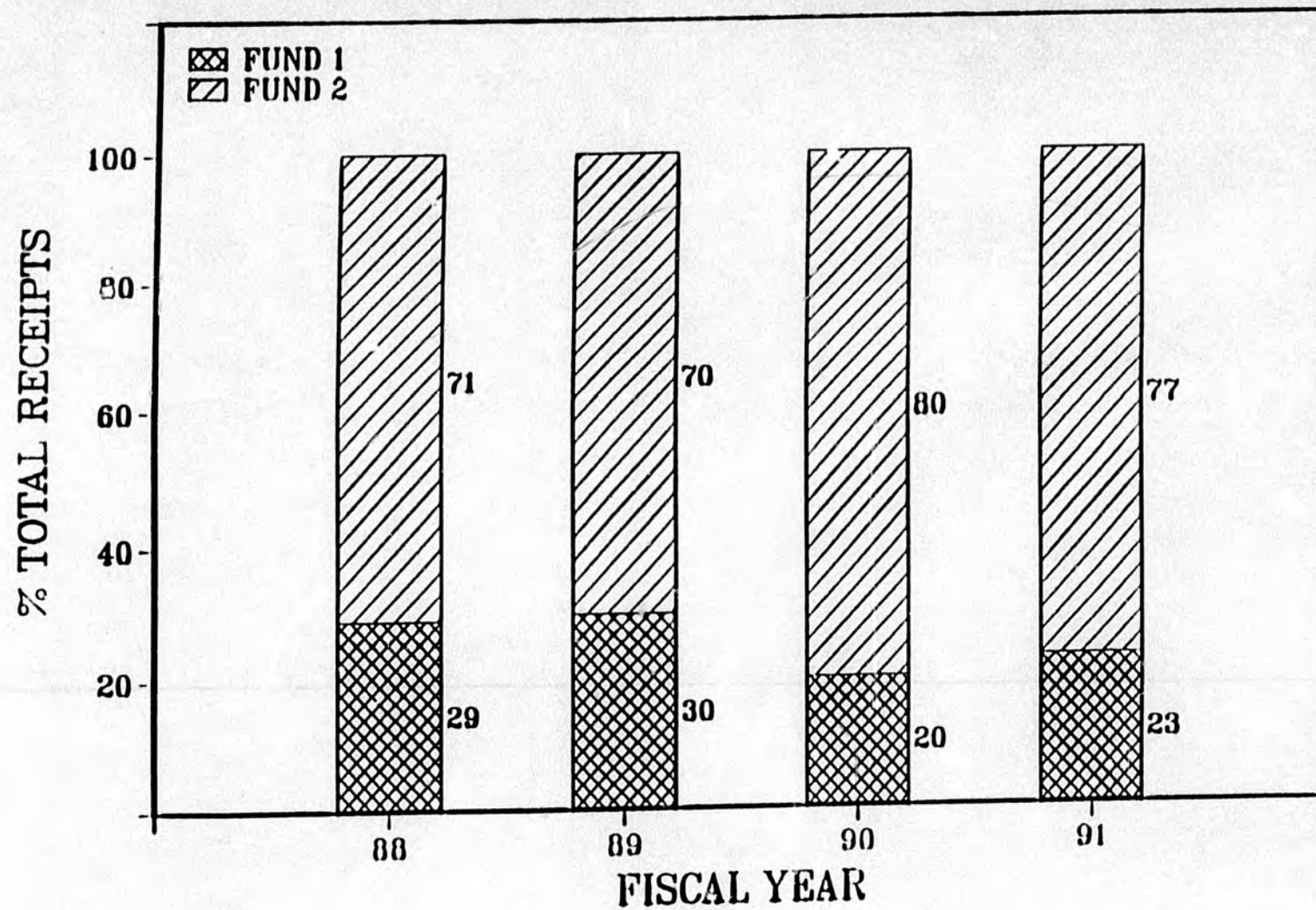
ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 86/2

2300 SCOMM 95: HOUSE SPEC. COMM. ON FISHERIES 1995-1996

GRADUATE STUDENT ACTIVITY

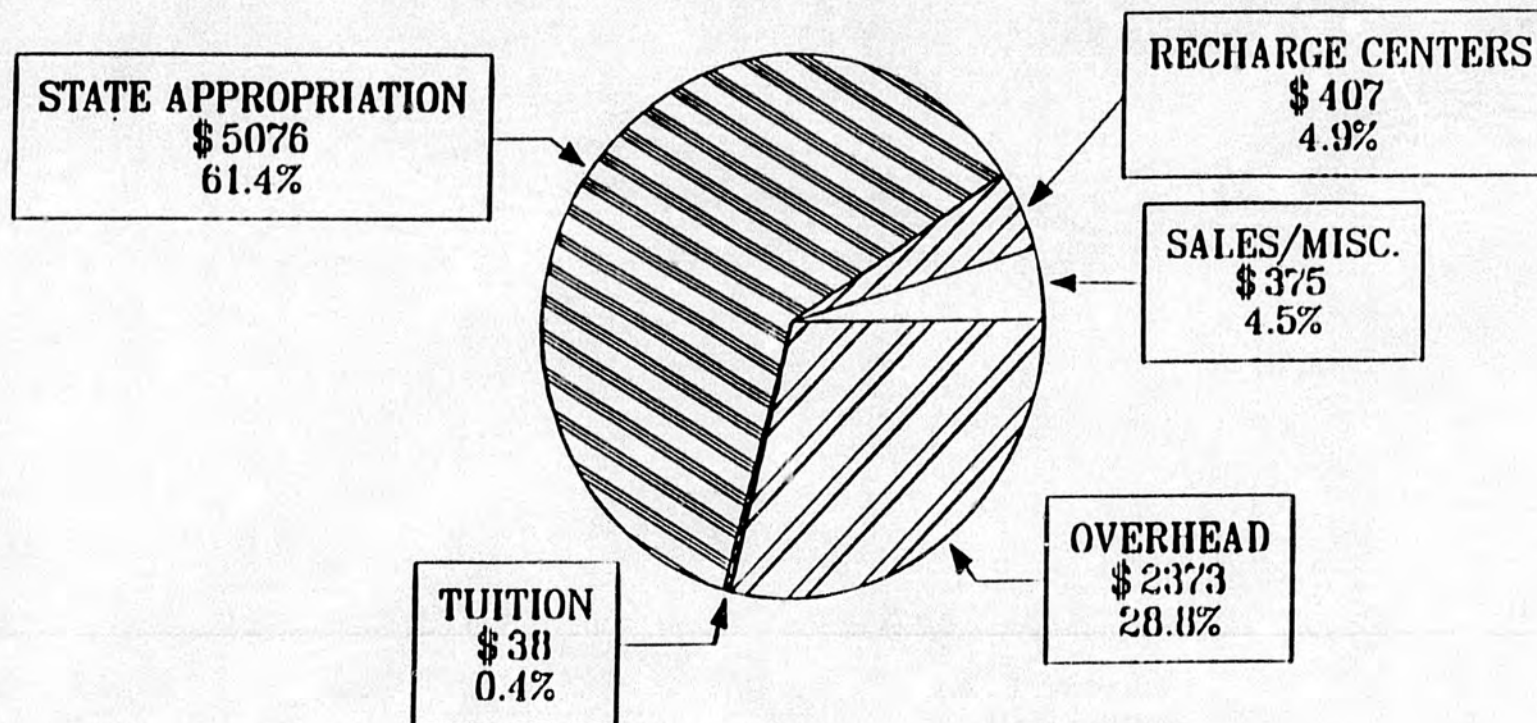
	PROGRAM	UNDERGRADUATE		GRADUATE		TOTAL		GRADUATE STUDENT SUPPORT
		APPLIED	ACCEPTED	APPLIED	ACCEPTED	APPLIED	ACCEPTED	
1991	FISHERIES	23	18	20	7	43	25	
	MARINE BIOLOGY	1	1	12	6	13	7	
	OCEANOGRAPHY	0	0	17	9	17	9	
	TOTAL	24	19	49	22	73	41	\$ 453,678
1990	FISHERIES	9	7	9	4	18	11	
	MARINE BIOLOGY	0	0	14	5	14	5	
	OCEANOGRAPHY	2	2	18	6	20	8	
	TOTAL	11	9	41	15	52	24	\$ 457,694
1989	FISHERIES	14	12	6	1	20	13	
	MARINE BIOLOGY	1	1	12	3	13	4	
	OCEANOGRAPHY	2	2	17	7	19	9	
	TOTAL	17	15	35	11	52	26	\$ 385,816
1988	FISHERIES	7	6	17	9	24	15	
	MARINE BIOLOGY	1	0	15	8	16	8	
	OCEANOGRAPHY	0	0	13	4	13	4	
	TOTAL	8	6	45	21	53	27	
1987	FISHERIES	14	6	14	7	28	13	
	MARINE BIOLOGY	0	0	14	3	14	3	
	OCEANOGRAPHY	0	0	25	8	25	8	
	TOTAL	14	6	53	18	67	24	

SFOS STATE FUND 1
RELATIVE TO TOTAL (FUND 1 + FUND 2)



SOURCE: FAS FINAL REPORTS, M223

SFOS
FUND 1 REVENUE
(In Thousands of Dollars)

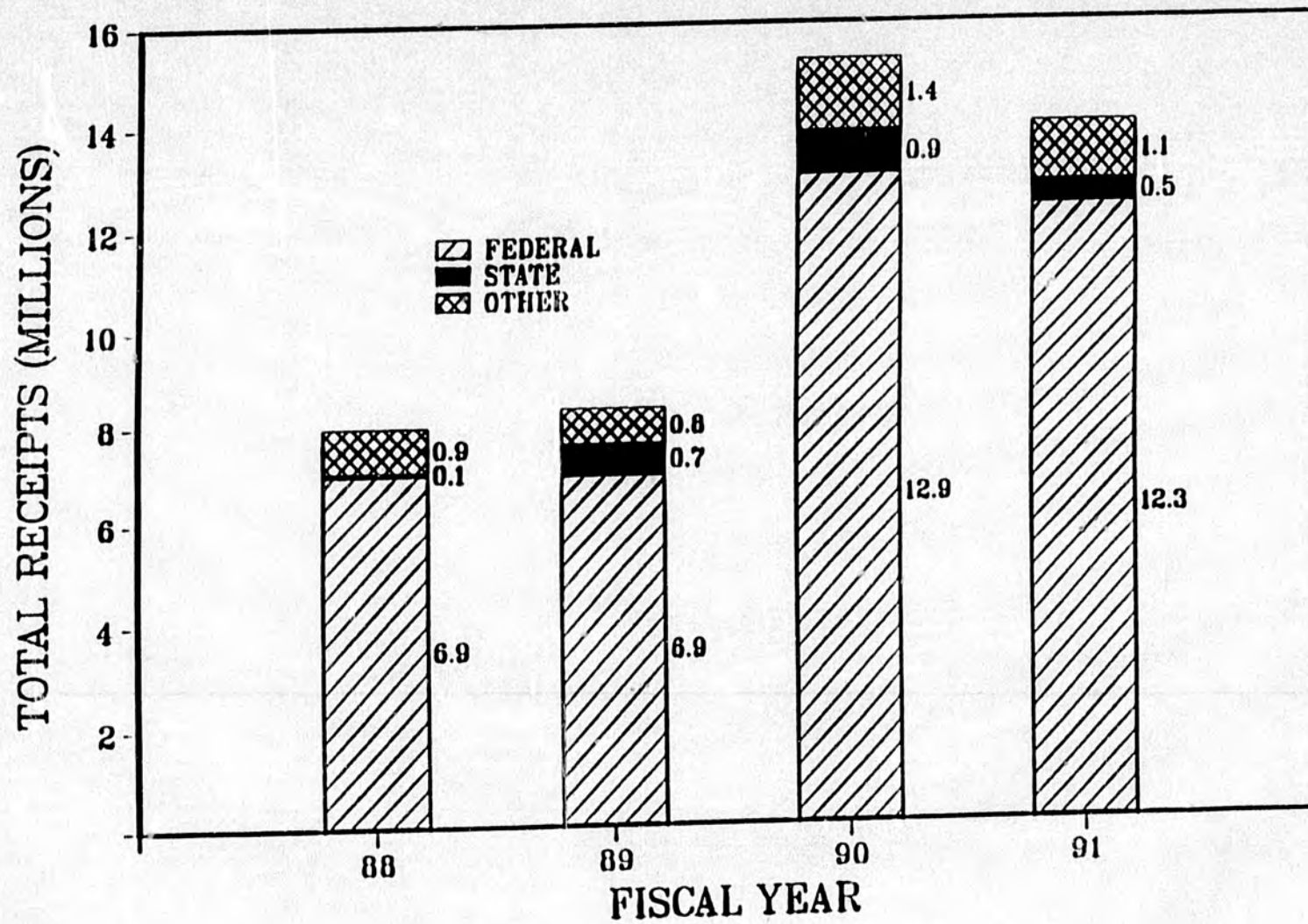


FY91

TOTAL: \$8269

SOURCE: FAS CYCLE 13 M223 REPORTS

SFOS FUND 2 REVENUE



SOURCE: FAS FINAL REPORTS, M223

APPENDIX 3
SFOS LONG RANGE PLAN
DRAFTING COMMITTEE

Maggie Billington

Michael Castellini

Ted Cooney

Douglas Coughenower

Ronald Dearborn

John French

John Goering

Susan Henrichs

Brian Himelbloom

John Kelley, Chair

Ole Mathisen

Sathy Naidu

A. J. Paul

Brian Paust

James Reynolds

David Shaw

William Smoker

Craig S. Wiese

SCOMM

95:14

Alaska State Legislature

REPRESENTATIVE
BEN GRUSSENDORF
1221 HALIBUT POINT ROAD
SITKA, ALASKA 99835
(907) 747-8458

FINANCE COMMITTEE

DISTRICT 2
KUPREANOF
PETERSBURG
SITKA
WRANGELL



WHILE IN JUNEAU
STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 485-3824

House of Representatives

SPONSOR STATEMENT

HOUSE BILL 107

"An Act relating to restrictions attached to certain commercial fisheries limited entry permits."

In 1994 the Commercial Fisheries Entry Commission held meetings, at the request of the Southeast Crab Fleet, to come to agreement on a management plan for Dungeness crab. The meetings were held in Juneau, Ketchikan, Sitka, Petersburg, and Wrangell. This bill allows the Commercial Fisheries Entry Commission to implement the consensus reached at those meetings.

This bill does not alter or limit any powers of the Board of Fisheries. Under section 3 of the bill, the Commercial Fisheries Entry Commission is given the authority, if it chooses to exercise it, to implement the tiered pot system that was determined to be the fairest solution to the limited entry problem.

The pot limit must be based on the past participation in the fishery. It has the benefit of limiting the pressure on the resource. The present maximum limit is 300 pots. Since the 1980's catches averaged 2.5 million pounds. Last year dungeness crab was worth \$4.5 million dollars to fishermen in Yakutat, Kodiak and Southeast Alaska. Without establishing the tiered pot limit for entry permits, the effect of limited entry could actually increase the pressure on this valuable economic resource.

HB 107 will allow the Commercial Fisheries Entry Commission to manage a natural resource and to preserve an economically viable industry. I respectfully request your support.

REPRESENTATIVE GRUSSENDORF
SENATE RESOURCE COMMITTEE
HOUSE FISHERIES COMMITTEE

RE: SENATE BILL 42
HOUSE BILL 107

RECEIVED

FEB 08 1995

Am'd.....

1-8-95

DEAR LEGISLATORS,

I OPPOSE THE TIER SYSTEM FOR DUNGENES CRAB. I FEEL THAT ENFORCEMENT WOULD BE NEXT TO IMPOSSIBLE DUE TO VARIOUS AMOUNTS OF POTS. THE ADFG POT REGISTRATION IS A LOCAL JOKE. I WAS LAUGHED AT BY OTHER CRABBERS WHEN I TOLD THEM I ONLY HAD REGISTERED 60 POTS IN 1988 WHEN I FIRST STARTED. THEY SAID I SHOULD HAVE CLAIMED 300 POTS LIKE EVERYONE ELSE.

I SUPPORT TRADITIONAL LIMITED ENTRY. IF THERE ARE TOO MANY POTS LET THE CFEC / ADFG REDUCE THE LIMIT TO 200 OR EVEN 150 POTS PER BOAT.

THE TIER SYSTEM IS NOT DESIGNED TO SAVE THE FISHERY. IT IS DESIGNED TO SAVE THE INCOME OF THE ELETE "300" POT CLUB. LET EVERYONE CONTRIBUTE IN REDUCING POT EFFORT. PLEASE DON'T LET THE GREED OF A FEW RUIN THIS FISHERY FOR THE SMALL INDEPENDENT FISHERMAN,

THOMAS O. DRENNAN
BOX 823 PETERSBURG, AK 99877

THANK YOU
Thomas O. Drennan

February 7, 1995

House Fisheries Committee
Alan Austerman, Chairman
Carl Moses
Kim Elton
Scott Ogan
Gary Davis

RECEIVED
FEB 07 1995
Ans'd.....

Dear Sirs;

I would like to say a few things about the Southeast Dungeness Crab Fishery and the proposed tiered system.

The "Crab Coalition" was formed several years ago by a few local fishermen who had originally entered the dungeness fishery because there were no other unlimited fisheries for them to get into. They learned very quickly that the dungeness fishery was wide open with very few people knowing how lucrative it was. They have made a lot of money over the last 10 or so years with dungeness and thus have all been able to buy into other fisheries that are limited entry fisheries. They formed the "Coalition" because they simply do not want to share their wealth with their neighbors and friends who got into the fishery a few years after them.

If there is a dungeness crab stock problem then shouldn't ADFG shorten the dungeness season?

If there really are too many pots in the water shouldn't we lower the pot limit for everybody?

I believe the "Crab Coalition" got their heads together and agreed on the tiered system which would "look" as if it is being fair to the other fishermen but which in fact would eliminate many of those others as competition for dungeness crab.

I view dungeness pots and corresponding incomes as follows:

300 pots = A very good income
200 pots = A reasonable living
100 pots = Unable to make expenses

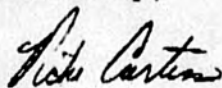
The "Coalition" would like you to believe that fishermen who qualify for 100 pots or less would be able to buy into being able to fish more. I do not believe that anybody fishing a 100 or less pots will be able to make expenses let alone be able to buy into being able to fish more. 100 pots or less would probably

eliminate those fishermen from the fishery. The "Coalition" is not interested in the "stocks", they are simply interested in eliminating their competition. If they are successful at this tiered system it will adversely affect many Southeast commercial fishermen and their families.

Please be very careful when deciding the fate of the Southeast Dungeness Fishery. The "Coalition" has made very, very good money with this fishery and are speaking very loudly to control this fishery for themselves alone. There is no reason that this fishery shouldn't be able to support equal effort from everybody who has been involved. If this means lowering pot limit slightly or shortening the season so be it. If we need limited entry then please consider equal treatment for all those fishermen who invested time and money in the fishery from the moratorium year back.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Vicki Curtiss".

Vicki Curtiss

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 107

- 1 Page 2, lines 22 - 23:
- 2 Delete "The fishing capacity allowed under an entry permit may not be changed after the
- 3 permit is issued."

MEMORANDUM

STATE OF ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

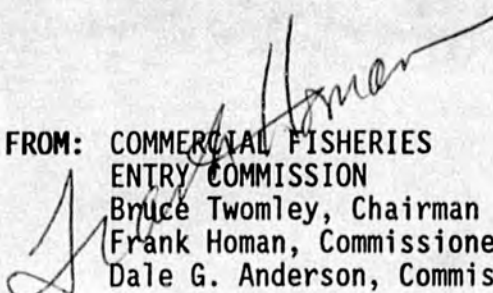
TO: Representative Alan Austerman
Chair
House Special Committee on
Fisheries

DATE: February 3, 1995

FAX NO: 789-6170

TELEPHONE NO: 789-6160

SUBJECT: Position Statement for
HB 107

FROM: COMMERCIAL FISHERIES
ENTRY COMMISSION

Bruce Twomley, Chairman
Frank Homan, Commissioner
Dale G. Anderson, Commissioner

CFEC POSITION STATEMENT

CFEC supports House Bill Number 107. Under Alaska's current limited entry program, CFEC can limit the number of persons (permit holders) in a fishery but does not have the explicit authority to limit the fishing capacity of similarly situated classes of entry permit holders within a fishery. The legislation is forward oriented and only applies to fisheries limited in the future after completion of the public hearing process. It will have no impact on established limited fisheries. This legislation does not alter or limit the powers of the Board of Fisheries to impose additional restrictions of fishing capacity. HB 107 would provide CFEC with improved resource conservation tools.

The impetus for this legislation was generated by the Southeast Alaska Dungeness crab fishers after public hearings and research during the current moratorium. The need for immediate action is in the impending expiration of the CFEC moratorium on new entrants into the fishery. By law (AS 16.43.227), this moratorium will expire on January 2, 1996. A majority of participants at the public hearings favored a limited entry program for this fishery. If CFEC does not move to limit the fishery before January 2, 1996 it will return to open access.

The current limited entry program has proven effective in limiting the growth in fishing capacity and effort when administered in salmon and herring fisheries when utilization is already maximized. However, the existing program thwarts the Commission's efforts to achieve effective resource conservation goals in Alaska's fisheries that employ a broad spectrum of vessel size and quantity of gear. Simply limiting the number of participants will fail to contain growth in fishing capacity and effort.

In such fisheries, smaller more part-time operations would tend to sell out to larger more full-time operations after limited entry. For example, this is true of the Southeast Alaska Dungeness crab fishery where many small boat participants currently fish a small number of pots on a part-time basis. This is also true in many of the state's other crab fisheries and state managed groundfish fisheries. By setting the fishing capacity of entry permits roughly at pre-limitation levels, entry limitation would do a better job of resource conservation by controlling the growth of excessive fishing capacity and effort.

This legislation would also help preserve the diverse nature of the fleet in such fisheries and help ensure that some of the entry permits in limited fisheries will be available and more affordable to smaller part-time and entry level operations.

Many of Alaska's valuable fisheries that coastal communities depend on may soon be facing an influx of new fishermen because of recent limitation programs and closures in other jurisdictions. In some of these fisheries, access restrictions may be needed in the near future to help conserve stocks and preserve the benefits of development for Alaska. This legislation would allow limitation programs better designed to fit the diverse nature of Alaska's fisheries.

SOUTHEAST DUNGENESS CRAB ASSOCIATION
P.O. BOX 262
PETERSBURG, ALASKA 99833
907-772-9248
December 22, 1994

Dear Representative Grussendorf:

It's been almost four years since we passed the moratorium legislation which placed our S.E. Dungeness fishery in it's current moratorium status. This will expire Jan. 2, 1996.

At the request of the S.E. crab fleet the Commercial Fisheries Entry Commission held hearings this fall to try and work out a solution for a more permanent limited access scheme. Four main ideas were discussed: traditional limited entry, IFQ, tiered pot system, and fractional licensing. CFEC is reluctant to impose a traditional limited entry because of a possible increase in effort. (We currently fish a 300 pot limit but average 150 pots, hence the possibility to double the gear in the water.)

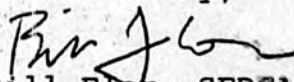
The other three ideas discussed required some type of legislative work. Both IFQ and fractional licensing were seen as too contentious and complicated with little possibility of success.

The tiered pot system was embraced by CFEC and the fleet both for it's fairness and possibility of achievement. Simply stated it places a crabber within a gear strata (i.e. 300/200/100) depending upon past effort. The fairness of this idea lies in that no one is excluded. There are many variations but our hope is that a sufficiently simple bill can be worked out that could achieve passage.

We have contacted CFEC to draft a proposed tiered system bill which we hope you would introduce and support.

Timing is critical. Our moratorium expires after this year and without further protection the S.E. Dungeness fishery will be in serious trouble (Ca., Or., and Wa. limited their dungeness fisheries this year.) We're counting on you to continue your support and looking forward to working with you.

Sincerely,


Bill Flor, SEDCA

c.c. Senator Robin Taylor,
C.F.E.C.

S.E. DUNGENESS CRAB ASSOCIATION
Box 262, Petersburg, Ak. 99833

January 26, 1995

Representative Alan Austerman
Room 434, State Capital
Juneau, Ak. 99801-1182

Dear Rep. Austerman:

I would like to provide a few comments on HB 107 and hopefully win your support on this important legislation.

When the Limited Entry Act was passed in 1974 it was designed for salmon and herring fisheries. These fisheries use one unit of gear (i.e. a seine or a gillnet) and when a particular fishery was limited all the participants were using the same type and amount of gear; neat, simple, and predictable.

Other fisheries often use multiple units of gear (i.e. longline/skates, shrimp/pots, crab/pots) and in these fisheries the Limited Entry Act has posed problems.

In the S.E. dungeness crab fishery growth in the late 1980's created enough concern for the crab resource to prompt the Commercial Fisheries Entry Commission to study limited entry possibilities. The CFEC found that the fleet consisted of a large proportion of part-time fishermen (because of the passive nature of the fishery) who fished considerably less than the 300 pot limit and while qualifying for a limited entry permit would potentially increase the actual gear fishing over pre-limited entry levels. While seeing a real need for participant limitation CFEC could not grant limited entry because of this problem. The Board of Fish also cannot adequately address this situation. The fleet of 325 averages less than 150 pots with approximately 30-40,000 actual pots in the water. Even with a severe cut in pot limits of 50% to 150 pots there is potential to increase effort significantly as well as penalizing those

who do use this fishery as their main source of income. Instead, industry, ADF&G, and the CFEC worked with the 1991 Legislature to pass/create a moratorium for the S.E. dungeness crab fishery in order to study the possibilities of managing this resource.

In the fall of 1994 meetings were held in Juneau, Ketchikan, Sitka, Petersburg, and Wrangell and the overwhelming consensus was to try a tiered approach where fishermen would be given permits tied to gear levels consistent with their past participation. All agreed that this idea was fair because of its inclusive nature and yet provided a solid control for a multi-gear fishery.

This approach can be applied to many fishery resources and gear types as yet uncontrolled but in real need of conservation. The CFEC will be able to design specific limited entry programs that will solve many of the problems of fishery resource conservation as well as provide fair levels of participation.

We urge you to support this amendment and thank you for your time.

Sincerely,

William Flor, SEDCA

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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

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

MEMORANDUM

January 30, 1995

SUBJECT: Sectional Summary of HB 107; An Act relating to restrictions attached to certain commercial fisheries limited entry permits.

TO: Representative Ben Grussendorf

FROM: George Utermohle *GU*
Legislative Counsel

You have requested a sectional summary of HB 107; An Act relating to restrictions attached to certain commercial fisheries limited entry permits.

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

Section 1 of the bill sets out the findings of the Legislature regarding the need to restrict fishing capacity associated with entry permits in certain fisheries.

Section 2 of the bill amends AS 16.43.150(a) to conform with AS 16.43.270(d), as added by sec. 3 of the bill.

Section 3 of the bill adds a new subsection to AS 16.43.270 in order to authorize the Alaska Commercial Fisheries Entry Commission to restrict the fishing capacity that may be employed under certain kinds of entry permits. The commission determines the manner in which fishing capacity is to be limited. The maximum fishing capacity that may be allowed under an entry permit issued under this provision is based on the past fishing practices of the person who initially receives the permit. The restriction on fishing capacity that is attached to the permit may not be exceeded by the permit holder or the permit holder's transferees and cannot be changed. This provision may be applied only to fisheries that are subjected to limited entry after this bill takes effect.

If I may be of further assistance, please advise.

GEM:klb
95-027.klb

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 107

Revision Date: 1/30/95 Dept. Affected: Fish and Game
Title: Relating to limited entry permits BRU: Commercial Fisheries (Limited) Entry Commission
Sponsor: Rep. Grussendorf Component: Limited Entry Program Administration
Requester: Rep. Grussendorf COMPONENT SERIAL NO. 0471

Expenditures/Revenues		(Thousands of Dollars)				
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE		(Thousands of Dollars)				
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Roger Kolden Phone: 789-6160
Agency: Commercial Fisheries (Limited) Entry Commission Date: 1/30/95

Approved by Commissioner: Frank Homan Date: 1/30/95
Agency: Commercial Fisheries (Limited) Entry Commission

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Petition for Limited Entry
for the

Kodiak Area Dungeness Fishery

Management of fisheries on the West Coast of the U.S. including Alaska, is changing drastically. Government intervention by virtue of instituting various forms of limited entry in most if not all fisheries is eminent. Halibut and Black Cod I.F.Q.s will be implemented by 1995 or sooner. The Dungeness crab fishery in Southeast Alaska is closed to new access by Limited Entry. The West Coast, Washington, Oregon and California are currently working on a plan to close their Dungeness fishery to new access with a Limited Entry Plan. Salmon and herring have been closed for a long time. Discussions in the North Pacific Fisheries Management Council now include Limited Entry for Pacific cod (longline, pot and trawl), all other forms and species of trawl, and Bering Sea crab.

The balance of the small Dungeness fishery of the Kodiak area will experience a catastrophic increase in fishing pressure from boats from all over the West Coast. This fishery will be destroyed as a viable fishery for all participants if not protected from a massive influx of boats that are displaced from other fisheries. The Kodiak Dungeness fishery may be over capitalized based on the number of boats which would qualify for limited entry permits currently.

Considering the need for a stable, economic dungeness fishery with primarily local Kodiak residents as permit participants, we the following Kodiak Area Dungeness Fishermen request that the Kodiak Dungeness Fishing Area be placed under limited entry by the State of Alaska.

We further request the State to place a moratorium on new boats in the fishery until this situation is resolved.

The precedent for expediting this limited entry permit system request for Kodiak dungeness fisheries can be seen from the Chatham Black Cod limited entry and Southeast Alaska dungeness limited entry.

We propose this fishery's limits be based on the following criteria;

- [1] Retain size, sex and season as the biological criteria for season harvest.
- [2] Limit entry by access, one boat/one permit.
- [3] The base period for consideration to qualify for entry should be only those boats which were registered and delivered crab harvested from the Kodiak harvest area from any years from 1991 through 1993.
- [4] The permit belongs to the boat owner or lease holder of record. Only one permit will be qualified for each boat active for the qualifying period.
- [5] Limit the number of pots per boat to no more than 1000 pots in the water fishing.

We strongly urge the State to consider our petition for immediate action. This method of management appears to be the only way to save the dungeness fishery in Kodiak from economic chaos. Thank you for your concern.

rec'd
DEC
1-6-94
[Signature]

Mark E. Aluert
MARK E. Aluert
P/O BUCCAWEE
Box 1711 Kodiak AK 99615

RECEIVED
FEB 4 1994
COMMERCIAL FISHERIES
ENTRY COMMISSION

Petition for Limited Entry
for the
Kodiak Area Dungeness Fishery

Management of fisheries on the West Coast of the U.S. including Alaska, is changing drastically. Government intervention by virtue of instituting various forms of limited entry in most if not all fisheries is eminent. Halibut and Black Cod I.F.Q.s will be implemented by 1995 or sooner. The Dungeness crab fishery in Southeast Alaska is closed to new access by moratorium. The West Coast, Washington and Oregon are currently working on a plan to close their Dungeness fishery to new access with a Limited Entry Plan. California already has limited entry for dungeness crab. Salmon and herring have been closed for a long time. Discussions in the North Pacific Fisheries Management Council now include Limited Entry for Pacific cod [longline, pot and trawl], all other forms and species of trawl, and Bering Sea crab. Other areas of the State of Alaska are in the process of developing limited entry proposals for dungeness crab.

The balance of the small Dungeness fishery of the Kodiak area will experience a catastrophic increase in fishing pressure from boats from all over the West Coast. This fishery could be destroyed as a viable fishery for all participants if not protected from a massive influx of boats that are displaced from other fisheries. The Kodiak Dungeness fishery may be over capitalized based on the number of boats which would qualify for limited entry permits currently.

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We propose this fishery's limits be based on the following criteria;

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- [4] The permit belongs to the boat owner or lease holder of record. Only one permit will be qualified for each boat active for the qualifying period.
- [5] A pot limit is being requested currently from the State Board of Fish.

We strongly urge the State to consider our petition for immediate action. This method of management appears to be the only way to save the dungeness fishery in Kodiak from economic chaos. Thank you for your concern.

Sincerely,

Robert J. Gustafson
F/U Alaska

Box 4349
Kodiak, Ak 99615
January 28, 1994

Alaska Board of Fisheries
Box 3 - 2000
Juneau, Ak 99802 - 2000

Dear Commissioners:

For years the Kodiak Dungeness fishery has been the perfect fishery with biological protection of the resource managed solely by size, sex and season. With implementation of halibut and black cod I.F.Q.s eminent in 1995, the advent of limited entry in many other dungeness fisheries in Alaska and the West Coast, and Council proposed limited entry in other crab fisheries and bottom fish fisheries; the Kodiak District Dungeness Fishery will experience a catastrophic influx of new fishing effort in this open access fishery.

A petition for limited entry has been endorsed and submitted by many Kodiak area dungeness fishermen. In conjunction with our request for limited entry we request emergency consideration for implementation of pot limits for the Kodiak Dungeness Regulatory District. The enclosed request form for a change in the regulation discusses an 850 pot limit.

To protect the resource of the Kodiak Dungeness Fishery and the economic viability of this fishery we feel both the institution of a pot limit and limited entry by permit be approved. We must look forward to saving the biological resource and economic viability of this fishery before it is destroyed.

Thank you for consideration of this emergency request.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert J. Gustafson", with a stylized flourish at the end.

Robert J. Gustafson
F/V Alaska

ALASKA BOARD OF FISHERIES & ALASKA BOARD OF GAME REGULATION PROPOSAL FORM

Box 3-2000, Juneau, Alaska 99802-2000

BOARD OF FISHERIES REGULATIONS

☒ Fishing Area Stat Area J, Kodiak District
☐ Subsistence ☐ Personal Use
☐ Sport ☒ Commercial

JOINT BOARD REGULATIONS

☐ Advisory Committee ☐ Regional Council ☐ Rural

BOARD OF GAME REGULATIONS

Game Management Unit (GMU) _____

☐ Hunting ☐ Trapping
☐ Subsistence ☐ Other _____
☐ Resident
☐ Nonresident

Please answer all questions to the best of your ability. All the answers will be printed in the proposal packets along with the proposer's name (addresses and phone nos. will not be published). Use separate forms for each proposal.

1. Alaska Administrative Code Number 5 AAC

32.425

Regulation Book Page No.

50

2. What is the problem you would like the Board to address? The dungeness crab resource in the Kodiak Regulatory Area is threatened by unregulated pot access as well as a dynamic increase in boats to the fishery due to displacement from other areas by various limited access schemes.

3. What will happen if this problem is not solved? The dungeness fishery in the Kodiak Regulatory Area will go unchecked to the point of threatening the biological resource as well as the economic viability of the fishery.

4. What solution do you prefer? In other words, if the Board adopted your solution, what would the new regulation say? Under section 5 AAC 32.425. Lawfull gear part A. stays the same.

Part B. would be-- In Statistical Area J, Kodiak District, no more than 850 dungeness crab pots may be used by a vessel to take dungeness crab.

5. Solutions to difficult problems benefit some people and hurt others:

A. Who is likely to benefit if your solution is adopted?

The existing dungeness fleet and the resource as well as ADF&G in the process of managing the fishery.

B. Who is likely to suffer if your solution is adopted?

Those boats wishing to fish more than 850 dungeness pots.

6. List any other solutions you considered and why you rejected them.

An IFQ form of limit was considered but rejected due to the nature of this fishery.

Submitted By: Name Robert J. Gustafson

Individual or Group

Address Box 4349 Kodiak, Ak.

Zip Code 99615

Phone (907) 487-4430

TO Dale Anderson
CFEC.
8800 Glacier Highway #109
Juneau Ak 99801

RECEIVED
APR 13 1994
CFEC

April 9, 1994

Dear Dale,

Here are a few names of Dungeness fishermen who have expressed an interest in seeing the CFEC develop a plan for L.E. in the Kodiak Area Dungeness fishery.

Several other fishermen we know are out of town right now so we were unable to get their signatures. We have several copies of this form floating around and as we get more names we will be forwarding them to you. In the mean time, we thought we'd better get at least these to you as quickly as we could.

I believe Mark Alwert has a sheet with a few names on that he said he would be sending along soon. Thanks for everything. Please keep us posted.

Sincerely,
Andre Nant

phone# (907) 486-4918
FAX# 486-9450

RECEIVED

APR 13 1994

CFEC

The undersigned Kodiak area fishermen would like to encourage the C. F. E. C. to proceed with the development of plans for a limited entry system for the Kodiak area Dungeness fishery, and to make such plans available for public review as soon as possible.

Name	Address	Vessel	Signature
ANDRE NAULT	Box 922 KODIAK	F/V Gold Nugget	Andre Nault
ALLAN GRAUEL	Box 2669 KODIAK	F/V LARIANN	Allan Grauel
SCOTT SWOBODA	P.O. Box 1921	F/V PHOENIX	Scott Swoboda
CHARLES L. THOMPSON	Box 2193 KODIAK	F/V DARK STAR	Charles Thompson
WILLIAM E. HAWERT	Box 1711 KODIAK	F/V BUCCANIER	William E. Hawert
RONALD L. BLONDIN	Box 3703 KODIAK	F/V PRIMO	Ronald L. Blondin
KENNETH W. HALLAND	Box 608 KODIAK	F/V Point Omega	Ken Halland
RANDY BLONDIN	Box 4478 KODIAK	F/V SARAH MARIE	Randy Blondin
Ships Bolton	Box 2852 KODIAK	F/V Dominion	

Alaska State Legislature

REPRESENTATIVE
BEN GRUSSENDORF
1221 HALIBUT POINT ROAD
SITKA, ALASKA 99835
(907) 747-8458

FINANCE COMMITTEE

DISTRICT 2
KUPREANOF
PETERSBURG
SITKA
WRANGELL



WHILE IN JUNEAU
STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-3824

House of Representatives

MEMORANDUM

TO: Representative Alan Austerman
Chairman
House Special Committee on Fisheries

FROM: Representative Ben Grussendorf

DATE: January 31, 1995

RE: HB 107, "An Act relating to restrictions attached to certain commercial fisheries limited entry permits."

I have introduced HB 107 in response to concerns expressed by the Southeast Dungeness Crab Association and other southeast crabbers for the management of the dungeness crab fishery. The current 300 pot limit set by the Board of Fisheries allows any limited entry management of the crab fishery to actually increase the number of pots fished.

I appreciate your consideration in scheduling a hearing for this bill in your committee at your earliest convenience.

Thank you.

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 20, 1995

FURTHER REFERRALS:

Resources

Date of Committee Action: 2/8/95

The HOUSE SPECIAL COMMITTEE ON FISHERIES Committee considered:

HB 107

HOUSE BILL NO. 107

RESTRICTED LIMITED ENTRY PERMITS

"An Act relating to restrictions attached to certain commercial fisheries limited entry permits."

recommends it be replaced

with the following committee substitute

☒ the same title
☐ a new title

☐ additional referral to _____ Committee

☐ attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS:

(Dept/Date)

☐ fiscal note(s) _____

☐ fiscal note(s) _____

~~X~~ zero fiscal note(s) ADFG(C.FEC)

☐ zero fiscal note(s) _____

[illegible]

CHAIR'S SIGNATURE

SCOMM

95:15

W

DEPARTMENT OF FISH AND GAME

POSITION PAPER

Bill No. HB 113

Sponsor: Rep. Williams

Division: Commercial Fisheries Management and Development

Bill Title: Reports by Fishing Vessels That Are Not Registered Under the Laws of the State.

Department Position: Support

Background/Legislative Intent:

Canadian commercial salmon trollers commonly fish close to the international boundary in Dixon Entrance. Frequently, these vessels enter Alaskan waters to anchor for the night. While at anchor, they do occasionally clean and ice fish. Because of the controversy surrounding the Pacific Salmon Treaty, the use of Alaska harbors by Canadian vessels disturbs some Alaskans. There is also the possibility of illegal fishing by the vessels while in Alaskan waters. The intent of the proposed legislation is to have the Board of Fisheries adopt regulations that will allow the state to more closely monitor the activities of Canadian vessels while in Alaskan waters. This will not only prevent illegal fishing, but reassure concerned Alaskans that Canadian vessels are not taking advantage of their access to our waters to engage in illegal fishing.

Analysis of Bill/Program Effects:

The proposed legislation explicitly grants the Board of Fisheries the authority to adopt regulations that will require a foreign fishing vessel to report to the state information on fish they have aboard their vessel when it is in or transuding state waters. The adoption of this legislation and subsequent adoption of regulations requiring the reporting by a foreign fishing vessel should not have a negative impact on the division's programs. The adoption of such regulations may assist in the prevention of illegal fishing by foreign vessels.

Commissioner's Signature



Frank Rue, Acting Interim Commissioner

Date

1-30-95

Legislative Research Agency

Alaska State Legislature



130 Seward Street, Suite 218
Juneau, Alaska 99801-2196

Phone: (907) 465-3991
Fax: (907) 463-3351

February 1, 1995

MEMORANDUM

TO: Representative Bill Williams

FROM: Linda J. Snow *LJ Snow*
Legislative Analyst

RE: **Reporting Requirements of Fishing Vessels Entering U.S. and Canadian Waters**
Research Request 95.083

You asked for information about the Canadian reporting and fee requirements for U.S. fishing vessels that enter Canadian waters. In particular, you asked what, when, to whom, and how U.S. vessels must report. You were also interested in similar information about reporting requirements of Canadian fishing vessels that enter U.S. (Alaska) waters.

Reporting Requirements for U.S. Fishing Vessels Entering Canadian Waters

In general, the Canadian government has no mandatory reporting requirements or fees¹ for foreign fishing vessels transiting Canadian waters unless the vessel operators intend to dock or anchor somewhere along the way. If a foreign vessel intends to dock or anchor in Canadian waters, operators of that vessel must report to Canadian Customs. The exception is that operators of foreign vessels fishing for tuna in Canadian waters must report the vessel name, owner, position, radio call-in sign, and areas to be fished, whether or not they stop in Canadian waters.

According to Roy Zak, senior customs officer with the Canadian Customs office in Prince Rupert, B.C., U.S. vessels that intend to stop at a Canadian port for any reason, or intend to anchor in

¹According to Dave Knapton, enforcement officer for the Conservation and Protection section of the Canadian Department of Fisheries and Oceans, a fee for U.S. fishing vessels transiting Canadian waters was temporarily charged during the summer of 1994. However, that fee was politically motivated in response to the continued dispute over shares of salmon harvest allocated between the U.S. and Canada as defined in a proposed treaty between the two countries, and has since been discontinued.

Representative Williams

February 1, 1995

Page 2

Canadian waters must report to the first Customs clearing station after crossing the border (in a north to south transit, Prince Rupert is the first Customs clearing station). In reporting to Canadian Customs, a vessel operator must present the vessel and crew to the Customs dock immediately upon arrival (Customs personnel is on call 24 hours a day). The information required for a report to Canadian Customs includes documentation information on the vessel, its registry, tonnage, crew, owner, operator, and home port. Canadian Customs checks the citizenship, and sometimes the criminal records, of the crew. Customs also requires a cargo manifest, which will include pounds of fish by species, and in which country they were caught if the vessel is transporting fish.

Large vessels that have four or five crew members and can carry a large supply of fuel have no difficulty making the three-day transit of Canadian waters without stopping. However, many small boats must dock or anchor at some time along the way. Vessel operators who feel they can travel further than the first customs port into Canada before they must dock or anchor, and do not report at the **first** customs port, subject themselves to possible fines and vessel seizure.

Mr. Zak stated that it is not common for small U.S. fishing vessels to bring a cargo of fish caught in Alaska all the way through Canadian waters to sell or process in Bellingham or further south. Some vessels will take their catch to Prince Rupert for processing, but the vessels do not come in unannounced. They generally have prearranged agreements with processors in Prince Rupert.

All foreign vessels transiting Canadian waters are urged to voluntarily report to the Canadian Coast Guard for safety's sake, as the trip takes about three days, and the Coast Guard can be aware of the vessel's position should it run into trouble. Also, vessels over 20 meters in length (about 65 feet) are asked to voluntarily take part in the "Vessel Traffic System," an electronic tracking safety system that helps prevent collisions of large vessels. As is the case in U.S. waters, the Coast Guard of the host country makes its radio facilities available free of charge to relay any reports made from a vessel to a government agency.

Reporting Requirements for Canadian Fishing Vessels Entering U.S. (Alaska) Waters

A foreign vessel that enters U.S. (Alaska) waters must report to U.S. Customs as soon as it ceases forward motion (i.e., anchors or docks). If a vessel will be in U.S. waters for less than 24 hours, and does not offload cargo (including fish), send crew ashore to purchase supplies or fuel, or to change crews, the vessel operators are only required to report the name and description of the vessel, where it will be, and the approximate time it intends to leave U.S. waters.² Foreign vessel

²According to Ketchikan Coast Guard Base Executive Officer Daryl Milburne, during Canadian fishing openings in Dixon Entrance, near the border between Alaska and Canada, Canadian fishing vessels too small to anchor in the entrance safely, seek the closest harbor in which to rest after a day of fishing. The closest harbors are across the border in Alaska waters. These boats generally leave early in the morning to continue fishing in Canada.

Representative Williams
February 1, 1995
Page 3

operators generally report to the U.S. Coast Guard, and the Coast Guard relays the information to the nearest U.S. Customs office.

The U.S. Coast Guard informs foreign fishing vessel operators that they cannot fish or process fish except to operate their freezers, and that they may have their riggers down if they need them for stability, but otherwise, all fishing gear must be stowed. Foreign fishing vessels which fall under the jurisdiction of the Magnuson Act cannot offload cargo, and the Coast Guard informs them of this also. They are also told that if their time of departure changes more than one-half hour from the original estimate, they must inform the Coast Guard of the new time and reason for the change.³ The Coast Guard watches foreign fishing vessels harbored in Alaska waters by going into those harbors at odd times of the night to make sure that the vessels are shut down, and that no fishing or processing is occurring. The Coast Guard also follows up reports of foreign vessels fishing in U.S. waters. According to the Coast Guard Base Ketchikan Executive Officer, during peak season for Canadian fisheries openings near the border last year, an average of forty boats a night were spending the night in U.S. harbors, his agency seized only three vessels for fishing north of the AB line.⁴ All Canadian vessels seized for illegal fishing were actively fishing during the day, and not in the harbors at night.

Foreign vessel operators who intend to spend more than 24 hours in U.S. waters, or who intend to send crew ashore, exchange crew, or offload cargo, must make a full report to the nearest U.S. Customs. Generally, vessel operators radio the report to a ships agent who reports to Customs for them. The information required for a full report to Customs includes documentation information on the vessel, its registry, tonnage, crew, owner, operator, and home port. U.S. Customs also requires a cargo manifest, which will include pounds of fish by species, and in which country they were caught if the vessel is a fishing vessel.⁵ Attachment A contains basic reporting forms required for the entry of foreign vessels from the U.S. Customs Services.

If a Canadian vessel enters Alaska waters from a river such as the Stikine or Taku rivers in Southeast Alaska, it is not under the jurisdiction of the Magnuson Act, and may dock to offload cargo. Generally, small Canadian fishing boats transiting rivers into Alaska waters either sell the fish unprocessed to canneries in Juneau or Wrangell, while the larger vessels flash freeze the fish in the round, containerize them, and transport them to markets in Canada. Canadian boats coming down the rivers must report to the nearest U.S. Customs office the quantity of fish on board by

³Personal communication with Ketchikan Coast Guard Base Executive Officer Daryl Milburne, January 27, 1995.

⁴The AB line is the undisputed border between Alaska and Canada waters in Dixon Entrance. There is some disputed area in Dixon Entrance, but it is not illegal to fish in those waters, although the Canadian Coast Guard informs U.S. fishing vessels it is illegal.

⁵Personal communication with Doug Harmon, port director, U.S. Customs office in Ketchikan, January 27, 1995.

Representative Williams

February 1, 1995

Page 4

weight and species.⁶ According to the Steve Baker, the U.S. Customs agent in Wrangell, Canadian vessels fishing in the Stikine River are not likely to fish in the U.S. portion of the river, as the operator of each vessel has established fish camps on the Canadian portions of the river from which they fish. They simply pass through U.S. waters going to and from their home ports and their fish camps.

We hope this information is helpful to you. If you need further assistance, please don't hesitate to call this office.

Attachment

⁶Personal communication with Steve Baker, U.S. Customs agent at Wrangell, January 27, 1995.

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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

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

MEMORANDUM

February 1, 1995

SUBJECT: Authority of the State to Impose Reporting Requirements on Fishing Vessels Not Registered Under the Laws of the State (HB 113)

TO: Representative Bill Williams

FROM: George Utermohle *GU*
Legislative Counsel

This memorandum is in response to the query of Pete Ecklund of your staff as to whether the state may impose reporting requirements on a fishing vessel not registered under the laws of the state (foreign fishing vessels).

HB 113 provides that the Board of Fisheries may adopt regulations requiring foreign fishing vessels present in or transiting the water of the state to report the quantity, species, and origin of fish on board to the Department of Fish and Game. In the context of HB 113, a foreign fishing vessel is any fishing vessel that is not registered under the laws of the state, i.e. fishing vessels from another state or another country. Generally to be registered under the laws of the state, a fishing vessel must have a commercial fishing vessel license issued by the state. The Board of Fisheries is authorized under AS 16.05.475 to adopt a definition of "registered under the laws of the state" for purposes of that statute but has not done so.

The primary constraint on the authority of the state to enact a provision such as that proposed by HB 113 is the interstate and foreign commerce provisions of the United States Constitution (Article 1, sec. 8, cl. 3). The commerce clause gives power to the Congress to regulate foreign and interstate commerce and limits the power of the states to erect barriers against interstate and foreign trade.

The commerce clause is not an absolute barrier to state laws affecting interstate or foreign commerce. The state retains authority under its general police powers to regulate matters of legitimate local concern, even though interstate and foreign commerce may be affected. Maine v. Taylor, 477 U.S. 131, 138, 91 L.Ed.2d 110, 120 (1986). In reviewing a state law affecting commerce, the courts distinguish between state laws that affirmatively discriminate against interstate and foreign commerce and those that place only an incidental burden on commerce.

State laws that fall into the first group, by directly discriminating against commerce or by having an effect that discriminates against commerce, are subjected to demanding scrutiny by the courts. The burden falls on the state to demonstrate that the law serves a legitimate local purpose and that the purpose cannot be served as well by nondiscriminatory means. Maine, 477 U.S. at 138, 91 L.Ed.2d at 121. Laws that fall into the second group violate the commerce clause only if the burden that they impose on commerce are clearly excessive to the putative local benefits.

The first issue to be resolved is whether HB 113 falls into the first group by discriminating against interstate and foreign commerce or the second group by only incidentally affecting commerce. The distinction between the two groups is often a function of whether the purpose or effect of the law is economic protectionism. Pacific Northwest Venison Producers v. Smitch, 20 F.3d 1008 (9th Cir. 1994). If HB 113 is viewed as affirmatively discriminating against interstate and foreign commerce, the state must be able to establish that it is pursuing a legitimate state interest, unrelated to economic protectionism. A law that pursues the goal of economic protectionism is per se invalid under the commerce clause.

The state's interest in protecting fish resources is a recognized justification for state laws affecting interstate and international commerce. Hughes v. Oklahoma, 441 U.S. 322, 60 L.Ed.2d 250 (1979). If the purpose of the HB 113 is to protect state fishery resources by preventing illegal fishing by foreign fishing vessels while they are in state waters, the state would be able to establish that it is pursuing an appropriate goal. However as the purpose of the law become less oriented toward the conservation of state resources and more oriented toward protecting the economic interests of Alaska fishermen, the ability of the state to satisfy the requirements of the commerce clause decreases. The state must also be able to show that it cannot achieve its purpose by a less discriminatory means. If HB 113 is directed at addressing a problem that is posed only by foreign fishing vessels, such as illegal fishing by foreign fishing vessels while they are temporarily in state water, there could not be any less discriminatory means available to the state to achieve its purpose. Also, as long as the reporting requirement is the least burdensome measure available to achieve that goal, then the state law should be able to survive scrutiny under the commerce clause. A simple reporting requirement that could be satisfied by radio or by a phone call is more likely to be consistent with the requirements of the commerce clause, than would a requirement that foreign fishing vessels report to the nearest Fish and Game office and be subjected to a physical inspection by a fish and game officer.

If HB 113 falls into the second group then the state need only show that the local benefit of the law justifies the burden placed on commerce. Under this analysis, the conservation and protection of fishery resources are a legitimate local concern. New York State Trawlers Association v. Jorling, 16 F.3d 1303 (2d Cir. 1994). A simple reporting requirement would probably be a slight burden on foreign vessels and not be clearly excessive in relation to the benefit derived by the state by imposing the requirement.

Representative Bill Williams

February 1, 1995

Page 3

In the abstract, it would seem that the state could easily justify imposing a reporting requirement on foreign fishing vessels in state water and still conform with the requirements of the federal commerce clause. However, the ultimate issue will be whether the actual reporting requirement as adopted by the Board of Fisheries is consistent with the federal commerce clause. In adopting a reporting requirement for foreign fishing vessels, the Board of Fisheries must be very careful as to the purposes for which it is establishing the requirement and as to the degree of burden that is imposed on foreign fishing vessels.

There is no obstacle, that I am aware of, to assertion of state jurisdiction over foreign fishing vessels while they are present in state water. A cursory review of the Magnuson Fishery Conservation and Management Act has not uncovered any provisions that would deprive the state of its authority to regulate activities of foreign fishing vessels in state water.

The laws of the state are equally applicable to nonresidents and aliens who are present in the state. The only possible exception being a treaty that restricts the power of the state to arrest a foreign national, such as treaties relating to diplomatic immunity. There are no treaties that I am aware of that would prevent the state from arresting fishermen who are foreign nationals. The Department of Law has not reported any such problems in exercising criminal jurisdiction over foreign nationals.

If I may be of further assistance, please advise.

GU:lmb

95-109.lmb

**Proposal by the Ketchikan Trollers Committee
to require that all foreign salmon fishing vessels that enter Alaskan waters
be required to report to the Alaska Department of Fish & Game**

The Problem -

Within the last five years there has been a dramatic increase in the number of Canadian salmon trollers fishing in the "disputed waters" at the Alaskan border near Cape Chacon and Cape Muzon and anchoring each night in Alaskan harbors (Nichols Bay and McLeod Bay). A border fishery that once attracted no more than a dozen trollers now has, at times, in excess of 100 vessels targeting Alaskan and Canadian salmon. Many of these vessels are state-of-the-art freezer trollers, with large crews, that are able to fish until their holds are full.

The magnitude and effect of this shift in salmon harvesting from the British Columbia side of Dixon Entrance over towards the Alaskan border is impossible to determine because:

- a. there is absolutely minimal monitoring of their border fishery by the British Columbia enforcement vessels,
- b. the reporting requirements for British Columbia fishermen are extremely lax,
- c. B.C. salmon managers are unable (or unwilling) to provide information in a timely and appropriate manner, and
- d. what data is available does not adequately differentiate the sub-areas in or near Dixon Entrance in which salmon harvesting has occurred.

The lack of appropriate information about this growing border fishery may mask an overharvest of Alaskan stocks and definitely harms Alaska during negotiations of the U.S./Canada Pacific Salmon Treaty.

The Solution -

Most of the Canadian trollers that participate in the border fishery in this "disputed" zone are allowed (for safety considerations) to anchor each night in harbors that are undisputedly in the jurisdiction of the United States and the State of Alaska. It is the recommendation of the Ketchikan Trollers Committee that legislation be enacted to require the operators of all foreign fishing vessels with salmon aboard that enter undisputed Alaskan waters to report the following information to the Alaska Department of Fish & Game:

- a. the quantity of salmon, per species, aboard the vessel, and
- b. the area where these fish have been harvested.

Alaska State Legislature

Committees:

House Resources,
Chairman

Community &
Regional Affairs

Labor & Commerce



Representative William K. Williams

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

In Ketchikan:
352 Front Street
Ketchikan, AK 99901
(907) 247-4672
Fax (907) 225-8546

SPONSOR STATEMENT

HOUSE BILL 113

"An Act relating to reports by fishing vessels that are not registered under the laws of the state."

House Bill 113 will give the Board of Fish the authority to adopt regulations concerning foreign fishing vessels transiting or in state waters. This legislation would allow the Board to require foreign fishing vessels to report to the Department of Fish and Game the quantity, species, and origin of fish on board.

This will assist the Alaska Department of Fish and Game in their effort to collect data on our border fisheries. House Bill 113 could provide Fish and Game with additional in season management data, providing the state with some significant and timely information that was previously unavailable to our fisheries managers. House Bill 113 will also help protect the state's interest by deterring potential illegal fishing in our waters.

Section two of the Bill directs the Board of Fish to consider for adoption, before May of 1996, the provisions of House Bill 113 concerning foreign fishing vessels present in or transiting the waters of Southeast Alaska.

I urge your positive support of this proposed legislation.

JAN 13 1995
January 13, 1995

Senator Robin Taylor
Representative Bill Williams
State Capitol
Juneau, AK 99801

Dear Robin and Bill,

Enclosed is a proposal from the trustees of the Ketchikan Trollers Committee that foreign fishing vessels with salmon aboard which enter Alaskan waters be required to report the quantity and harvest area of these fish to the nearest Alaska Department of Fish & Game personnel or Fish & Wildlife Protection officer.

The particular problem that we are trying to address is the lack of appropriate harvest information from the booming Canadian salmon troll fishery off Cape Chacon and Cape Muzon at the Alaskan border. Southeast Alaskan fishermen are suffering irreparable harm at the U.S./Canada Pacific Salmon Treaty due to the inability or unwillingness of fishery managers in British Columbia to monitor this growing fishery.

We urge you to introduce joint legislation to address this situation. Please note that we are not asking for the State to interfere inappropriately with the ongoing federal negotiations and actions regarding the "disputed" zone in Dixon Entrance. Our proposal addresses only those foreign fishing vessels which enter waters that undisputedly are under Alaskan jurisdiction.

Thank you for taking the time to consider our proposal. We hope you find that it merits consideration and action.

Sincerely,

/Lonnie

Lonnie Haughton, Secretary/Treasurer
Ketchikan Trollers Committee
PO Box 3006
Ketchikan, AK 99901
(907) 225-1289 & 225-0600 fax

cc: Dave Gaudet, Alaska Department of Fish & Game
Dale Kelley, Alaska Trollers Association
Jim Bacon, Southeast Alaska Seiners
Geoff Bullock, United Southeast Alaska Gillnetters
Representative Jerry Mackie
Mayor Dennis Watson, City of Craig
Gary Freitag, SSRAA



Sponsors

Alaska Crab Coalition
 Alaska Groundfish Data Bank (Kodiak)
 Alaska Longline Fishermen's Association
 Alaska Trollers Association
 Area K Seiners
 City of Unalaska
 Kenai Peninsula Fishermen's Association
 North Pacific Fisheries Association
 Pacific Seafood Processors Association
 Purse Seine Vessel Owners Association
 Seafood Producers Cooperative
 Southeast Alaska Seiners Association
 United Southeast Alaska Gillnetters
 Ward Cove Packing Company

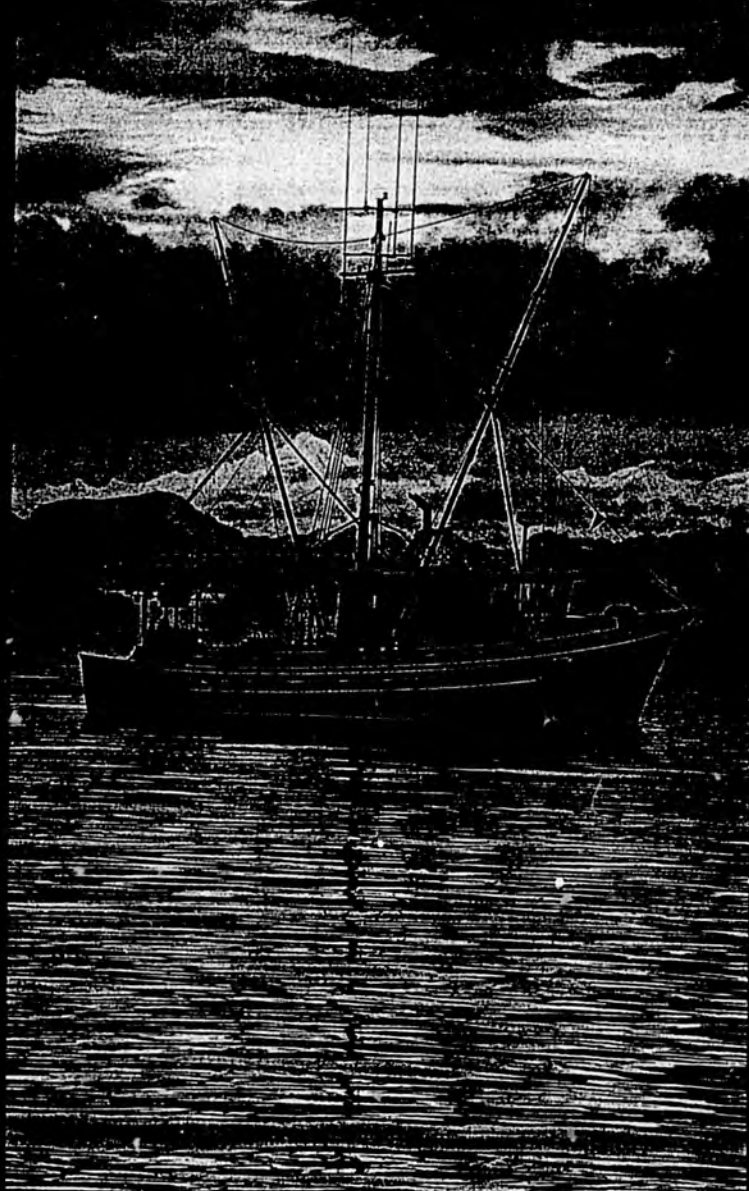
Thank You

Alaska Seafood Marketing Institute
 Alaska Department of Fish & Game

PHOTO CREDITS: Front cover: Francis E. Caldwell;
 Troller and Salmon: Donna Caldwell;
 Crabbers: Tony Lara; Fisherman/merchant:
 Non-Photo; All other photos: ASMI

SOURCES: Alaska Dept. of Fish & Game; National
 Marine Fisheries Service; Commercial Fisheries Entry
 Commission; The Institute of Social & Economic Research;
 UAS; Alaska Centre for International Business, UAS

ALASKA SEAFOOD INSTITUTE



Out of the crystalline waters off Alaska's 34,000 mile coastline comes the world's premier bounty of natural, wild seafood. The United States relies on Alaska's abundance for nearly 60 percent of its seafood production. In 1993, Alaska exported \$1.5 billion in seafood worldwide. From Ketchikan to Nome, Alaska's seafood industry is producing food for the world and providing jobs and opportunities for the people of Alaska.

The seafood industry creates jobs and provides income for Alaska's people. It is a vital part of the state's economy. The industry is responsible for the health and well-being of the people of Alaska. It is a source of pride and a source of income for many Alaskans. The industry is a source of pride and a source of income for many Alaskans. The industry is a source of pride and a source of income for many Alaskans.

Forty-seven percent of Alaska's private employment is related to seafood. The business of seafood is tightly woven into Alaska's social and economic fabric.

Comprised of thousands of small business owners, Alaska's commercial fishing industry fuels the economies of dozens of rural communities. Seafood is also responsible for thousands of jobs in the service and supply sector. Alaska's transportation industry alone handles almost \$2 billion in seafood products each year.

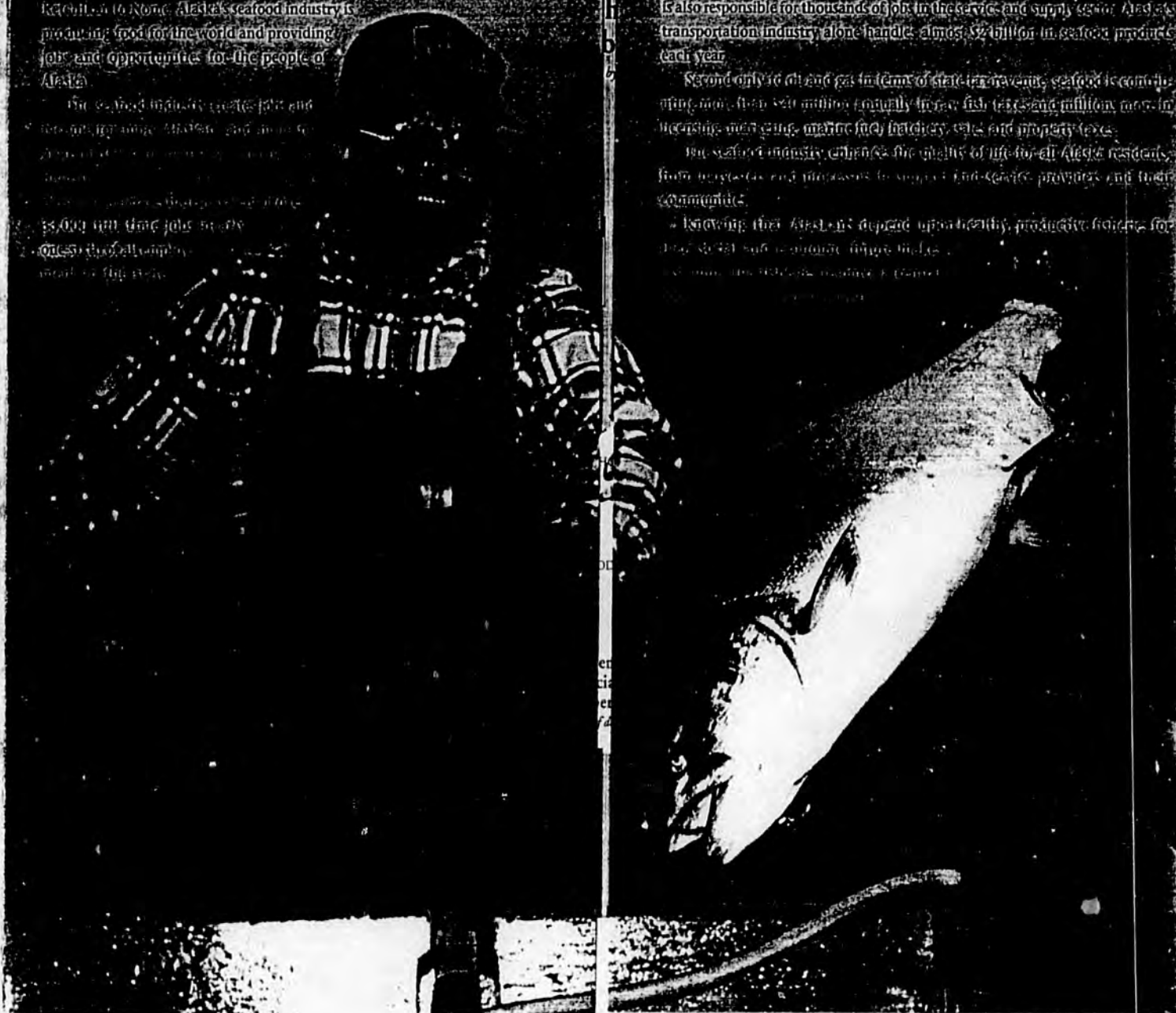
Second only to oil and gas in terms of state tax revenue, seafood is contributing more than \$20 million annually to the fish taxes and millions more in licensing, mooring, marine fuel, hatchery, and property taxes.

The seafood industry enhances the quality of life for all Alaska residents, from the smallest and youngest to support fish-keeping, providers and their communities.

Knowing that Alaska's depend upon healthy, productive fisheries for their livelihood, the state is committed to the future of the industry.

For more information, contact the Alaska Department of Fish and Game.

Alaska Department of Fish and Game





80 percent of the fish and shellfish are held by the state-owned fishing companies, but the local fishermen are still active.



2.6 billion pounds of fish and shellfish were harvested off Alaska in 1994 at a value of \$1 billion.



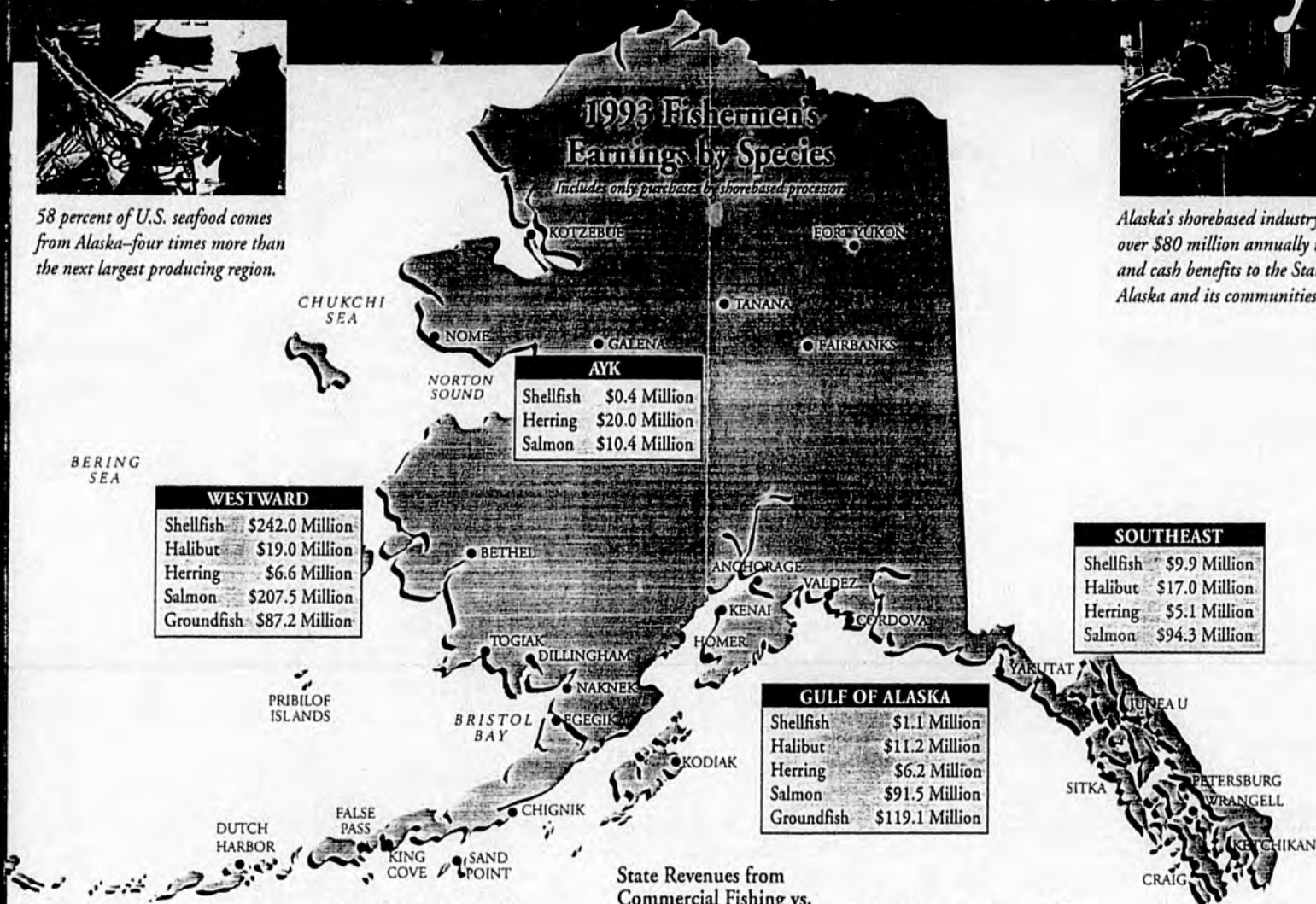
Alaska Seafood Industry



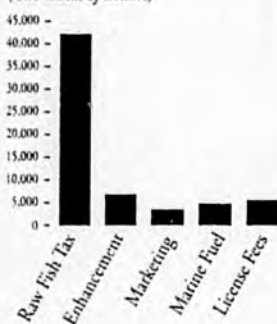
58 percent of U.S. seafood comes from Alaska—four times more than the next largest producing region.



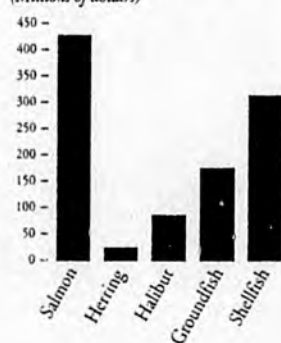
Alaska's shorebased industry pays over \$80 million annually in taxes and cash benefits to the State of Alaska and its communities.



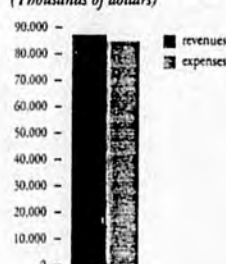
Taxes Paid by Alaska Seafood Industry, FY 93
(Thousands of dollars)



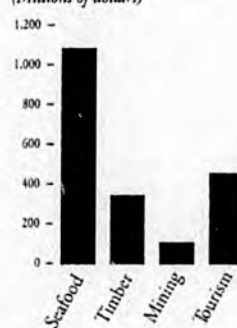
Value by Species, 1994
(Millions of dollars)



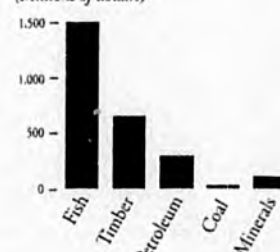
State Revenues from Commercial Fishing vs. State Expenditures, FY 93
(Thousands of dollars)



Gross State Product, 1992
(Millions of dollars)



Alaskan Exports by Industry, 1993
(Millions of dollars)



HOUSE COMMITTEE REPORT

(5)

Date Referred: January 23, 1995

FURTHER REFERRALS:

Resources

Date of Committee Action: _____

The SPECIAL COMMITTEE ON FISHERIES Committee considered:

HB 113

HOUSE BILL NO. 113

REPORTS BY OUT OF STATE FISHING VESSELS

"An Act relating to reports by fishing vessels that are not registered under the laws of the state."

recommends it be replaced ☐ the same title
with the following committee substitute _____ ☐ a new title

☐ additional referral to _____ Committee

☐ attached amendment(s)

ADOPTS: _____ Letter of Intent

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

APPROVES PREVIOUS:

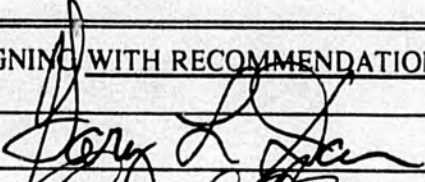
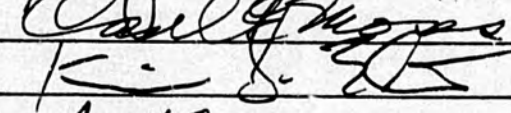
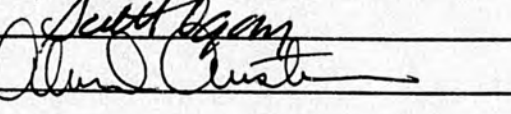
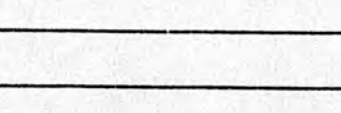
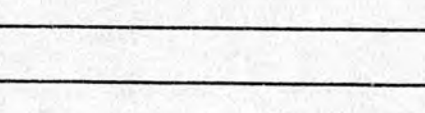
(Dept/Date)

☐ fiscal note(s) _____

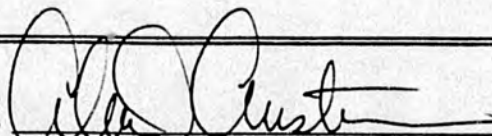
☐ fiscal note(s) _____

☒ zero fiscal note(s) F & G

☐ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
	✓			
	✓			
	✓			
	✓			
			✓	

CHAIR'S SIGNATURE



FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 113

Revision Date:	Dept. Affected: <u>Fish and Game</u>
Title: <u>Reports by Fishing Vessels Not Registered</u>	BRU: <u>Commercial Fisheries Manage. & Dev.</u>
Under the Laws of the State.	Component: <u>Fisheries Management</u>
Sponsor: <u>Rep. Williams</u>	
Requester: <u>House Fisheries</u>	COMPONENT SERIAL NO. <u>1941</u>

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
----------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The proposed legislation should not have any fiscal or programmatic impact on the Commercial Fisheries Management and Development Division.

Prepared by: Bob Clasby
Division: Commercial Fisheries Management and Development
Approved by Commissioner: Frank Nease
Agency: _____

Phone: 465-4210
Date: 1/26/95
Date: 1.30.95

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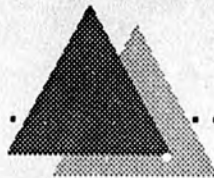
SCOMM

95:16



ASMI FY95 BUDGET

◆ 1% Salmon Harvester Tax	\$4,200,000
◆ .03% Onshore Processor Tax	2,700,000
◆ Federal MPP Funding	5,641,690
◆ Federal MPP Cash Match	1,090,400
◆ Publication	30,000
◆ FY94 Tax Carry Forward	1,500,000
◆ Total ASMI Budget	15,162,090





REPRESENTATIVE ALAN AUSTERMAN Alaska State Legislature

P.O. Box 2368, Kodiak, Alaska 99615 (907) 486-5930 • Session: State Capitol, Juneau, Alaska 99801 465-2487

SPONSOR STATEMENT

HB 116 - "EXEMPTING ASMI FROM THE STATE PROCUREMENT CODE"

February 13, 1995

House Bill 116 would exempt the Alaska Seafood Marketing Institute (ASMI) from the state procurement code under AS 36.30.850(b) for all domestic marketing and board-related activities.

ASMI is a state seafood commodity commission which is solely dependent upon fishing industry assessments for supporting domestic marketing. The 1% marketing tax is levied on all commercial salmon fishers -- so only private industry dollars go towards the domestic marketing efforts addressed in this bill.

The institute has four legislative mandates: 1) to promote all species of Alaska seafood worldwide; 2) to maintain and promote quality awareness from point of harvest to final distribution; 3) to disseminate information on prices paid and market conditions for raw salmon and salmon products; and, 4) to investigate new product forms and future markets for Alaska salmon.

The board is seeking to eliminate the restrictive requirements of the state procurement code in marketing Alaska products in the United States. The procurement requirements restrict the

institute's private sector economy. As an example, ASMI cannot advertise and procure services over \$25,000 in the lower 48 states without an elaborate, time consuming and costly bid process that does not adequately consider unique vendor knowledge and abilities.

The delays, restrictions and selection criteria required by the state procedures cripple ASMI efforts in implementing promotional activities and is a barrier to the board in making direct decisions regarding expenditures of industry funds. ASMI's unique mission requires purchasing non-governmental services such as coupon distribution and redemption, advertising, retail store product demonstration, sales representatives, foodservice catering, product sample distribution, market research, consumer education, product development and industry cooperative promotions.

The state procurement procedures are not designed to address these needs and result in significant inefficiencies. The proposed procurement exemption will allow ASMI to purchase marketing services and supplies that meet industry imperatives.

HOUSE COMMITTEE REPORT

(5)

Date Referred: January 25, 1995

FURTHER REFERRALS: Labor & Commerce
Finance

Date of Committee Action: 2/13/95

The SPECIAL COMMITTEE ON FISHERIES Committee considered:

HB 116

HOUSE BILL NO. 116

EXEMPT ASMI FROM PROCUREMENT CODE

"An Act exempting the Alaska Seafood Marketing Institute from the State Procurement Code."

recommends it be replaced with the following committee substitute _____ [] the same title
[] a new title

[] additional referral to _____ Committee
[] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)

[] fiscal note(s) _____ [] fiscal note(s) _____

[x] zero fiscal note(s) DOA & CED [] zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>			✓	
<i>Carol E. Moses</i>	✓			
<i>Scotty</i>			✓	
<i>[Signature]</i>	✓			
<i>Allen [Signature]</i>			✓	

CHAIR'S SIGNATURE

[Signature]

2/13/95

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 116

Revision Date:

Title: "An act exempting the Alaska Seafood Marketing Institute
 from the State Procurement Code"

Department: Commerce and Economic Development

BRU: Alaska Seafood Marketing Institute

Component: Alaska Seafood Marketing Institute

Sponsor: House Special Committee on Fisheries

Requestor: House Special Committee on Fisheries

COMPONENT SERIAL NO.

#393

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES

PERSONAL SERVICES

TRAVEL

CONTRACTUAL

SUPPLIES

EQUIPMENT

LAND & STRUCTURES

GRANTS, CLAIMS

MISCELLANEOUS

TOTAL OPERATING

FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts

1003 GF Match

1004 General Fund

1005 GF/Program Receipts

1006 GF/MHTIA

Other

TOTAL

0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 95) cost: \$

0.0

POSITIONS

FULL-TIME

PART-TIME

TEMPORARY

0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill does not have a fiscal impact on the Alaska Seafood Marketing Institute.

Prepared by:

Art Scheunemann, Executive Director

Division:

Alaska Seafood Marketing Institute

Phone: 465-5560

Date:

Approved by Commissioner:

Commerce and Economic Development

Date: 2/10/95

Agency:

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Page 1 of 1

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 116

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act exempting the Alaska Seafood Marketing
Institute from the State Procurement Code." BRU: General Services
 Sponsor: House Special Committee on Fisheries Component: Purchasing
 Requestor: _____ COMPONENT SERIAL NO. 60

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	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	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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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/MHTA	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS

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

Estimate of current year (FY95) impact: \$ 0

ANALYSIS: (attach a separate page if necessary.)

None.

Prepared By: Vern Jones, Chief Procurement Officer Phone: 465-2250
 Division: General Services Date: _____
 Approved by Commissioner: Mark Boyer *Mark Boyer* Date: 2/6/95
 Agency: Department of Administration

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STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF ECONOMIC DEVELOPMENT

WALTER J. HICKEL, GOVERNOR

P.O. BOX 110804
JUNEAU, ALASKA 99811-0804
PHONE: (907) 465-2017

Division of Economic Development Department of Commerce and Economic Development

comments in support of HB 116

House Bill 116 will facilitate the ability of the Alaska Seafood Marketing Institute (ASMI) to move in a timely and cost-effective manner in the marketplace. It seeks to exempt ASMI from the state procurement code and provides for the adoption of similar procedures for procurement.

The task assigned to ASMI to market Alaska's seafood products worldwide requires more flexibility than is offered within the state's procurement code. The funding sources for ASMI are a processor's assessment, a tax on salmon limited entry permit holders, and federal Market Promotion Program. HB 116 would assist ASMI in their marketing efforts, serve their constituents better, and benefit the state through better management of their programs and more effective marketing returns.

Section 2 of this bill amends the definition of "agency" in AS 36.30.990 (1) by exempting the Alaska Seafood Marketing Institute. AS 36.30.850(b) states that the Procurement Code applies to expenditures of State money by the State, acting through an agency. Exempting ASMI from the definition of "agency" exempts them from the requirements of the State Procurement Code.

RECEIVED

MAR 14 1995

Ans'd.....

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 116

BY REPRESENTATIVE AUSTERMAN

1 Page 1, after line 3:

2 Insert a new bill section to read:

3 **"* Section 1.** AS 36.30.015 is amended by adding a new subsection to read:

4 (h) The board of directors of the Alaska Seafood Marketing Institute shall
5 adopt procedures to govern the procurement of supplies, services, and professional
6 services. The procedures must be similar to the procedures prescribed in this chapter
7 and in regulations adopted under this chapter."

8 Page 1, line 4:

9 Delete **"* Section 1."**

10 Insert **"* Sec. 2."**



Alaska State Legislature

House of Representatives Special Committee on Fisheries

Analysis of Amendment

to HB 116

Amendment 9-LS0086\C.1 to HB 116 was drafted to add accountability to ASMI's total exemption to the state procurement code. The inclusion of this language will also help ensure consistency, given a variety of procurement situations.

A new section one is inserted instructing the ASMI Board of Directors to adopt substantial procedures governing the procurement of supplies, services, and professional services.

The former section 1 becomes section 2. This section adds ASMI to the list of exempted government entities.

February 1, 1995

The Honorable Alan Austerman
Chairman, House Special Committee on Fisheries
State Capital Room 343
Juneau, AK 99801

Dear Representative Austerman:

I am requesting your assistance in obtaining an exemption from the onerous requirements of the state procurement laws for the Alaska Seafood Marketing Institute. This request is for the purpose of increasing efficiency and reducing the cost of promoting the consumption of our products within the United States.

The seafood industry is Alaska's largest private employer with the equivalent of over 33,000 full time jobs, which represents one-sixth of all employment within the state. Seafood and its related industries represents a multi-billion dollar impact on the Alaska economy and provides more than \$40 million dollars of tax revenue to state and local governments. The health of the industry and its multiple economic benefits to the state are dependent upon the successful marketing of Alaska products throughout the world.

Currently, the industry is experiencing heavy competition from farmed salmon, foreign seafood production and other protein sources. This competition has significantly eroded Alaska's market share and reduced prices for Alaska products directly affecting the incomes of all those dependent upon a healthy industry.

The Alaska Seafood Marketing Institute is the state's seafood commodity commission with offices in Juneau and Seattle, Washington. The institute's domestic marketing activities are solely funded through industry tax assessments from salmon fishermen and Alaska processors. ASMI is governed by a 25 member Board of Directors composed of fishermen and processors who are responsible for managing the finances and marketing services in the best interest of the industry. In meeting these responsibilities, the board has adopted a domestic marketing plan to aggressively promote Alaska products and increase consumption. In pursuing this plan,

RECEIVED

FEB 01 1995

Ans'd.....

Alaska Seafood Marketing Institute
1111 West 8th Street, Room 100
Juneau, Alaska 99801-1895
Tel: (907) 465-5560
In Alaska: 1-800-478-2903
Fax: (907) 465-5572



Representative Austerman

page 2

the board has unanimously decided to seek exemption from the restrictive requirements of the state procurement code. This is necessary in order for the institute to obtain tactical flexibility to effectively compete in a private sector economy.

The state procurement process is not designed to facilitate market promotion services in the private sector, conduct business in a cost effective manner or readily allow the board to participate in management of its own purchases. As an example, ASMI cannot readily advertise and to procure services valued over \$25,000 outside of Alaska. The current marketing plan is based upon contracting with region based sales representatives who have unique knowledge of local foodservice and retail distribution systems. Under the state procurement system, it is impossible for ASMI to contract directly with such individuals without an elaborate, time consuming and costly bid process that does not adequately consider unique knowledge and abilities.

In addition, the procurement requirements place extensive delays and prohibitions on ASMI's ability to act quickly and take advantage of unique promotional opportunities that often arise informally, and or in association with other marketing activities. As an example, if ASMI purchased a service utilizing a small procurement process (value less than \$25,000) and required an expansion above \$25,000, ASMI would have to resolicit or obtain approval from the Department of Administration. During the time required to adhere to these procedures, the promotion opportunity can often be lost.

The delays, restrictions and selection criteria required by the state procedures cripple ASMI efforts in implementing promotional activities and results in increased costs to the industry. ASMI's unique mission requires purchasing non-governmental associated services which state procedures are not designed to address. Any assistance you can provide in obtaining relief from these requirements is greatly appreciated.

Sincerely

A handwritten signature in cursive script, appearing to read "David Wilder".

David Wilder, Chairman
Board of Directors

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE AUSTERMAN

TO: HB 116

1 Page 1, after line 3:

2 Insert a new bill section to read:

3 **** Section 1.** AS 36.30.015 is amended by adding a new subsection to read:4 (h) The board of directors of the Alaska Seafood Marketing Institute shall adopt
5 procedures to govern the procurement of supplies, services, and professional services.6 The procedures must be ^{Similar} (substantially equivalent) to the procedures prescribed in this
7 chapter and in regulations adopted under this chapter."

8 Page 1, line 4:

9 Delete **** Section 1.**10 Insert **** Sec. 2.***Procedures must assure adequate competition
and oversight.*

YOUR COPY
OF HB 116
AMENDMENT

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE AUSTERMAN

TO: HB 116

1 Page 1, after line 3:

2 Insert a new bill section to read:

3 **** Section 1.** AS 36.30.015 is amended by adding a new subsection to read:

4 (h) The board of directors of the Alaska Seafood Marketing Institute shall
5 adopt procedures to govern the procurement of supplies, services, and professional
6 services. The ~~procedures~~ must be similar to the procedures prescribed in this chapter
7 and in regulations adopted under this chapter."

8 Page 1, line 4:

9 Delete **** Section 1.**"

10 Insert **** Sec. 2.**"

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR SHARP

TO: CSHB 116(L&C)

1 Page 1, line 6, after "professional services":

2 Insert "when the procurement is solicited, administered, and obtained by employees
3 of the institute who are located in the state"

4 Page 1, line 9, through page 2, line 13:

5 Delete all material and insert:

6 **"* Sec. 2.** AS 36.30.850(b) is amended by adding a new paragraph to read:

7 (33) the procurement of supplies, services, and professional services
8 by the Alaska Seafood Marketing Institute when the procurement is solicited,
9 administered, and obtained by employees of the institute who are located in the state."

Alaska Seafood Marketing Institute (ASMI)



~~FINAL~~ Proposed Marketing Plan January 1995 - June 1996

Presented:

October 1, 1994

Prepared By:

ASMI Staff

Bradley/Reid

Donaldson Group

McCann-Erickson

Preface

What follows is a proposed Marketing Plan for the Alaska Seafood Marketing Institute (ASMI), for the 18 month period of January, 1995 - June, 1996. This plan focuses on the retail, foodservice, and consumer markets.

This marketing plan was developed with the collaboration of ASMI staff, Bradley/Reid, the Donaldson Group, and McCann-Erickson.

Information base data was largely gained by research conducted by the Research Department, an independent research consultant, in conjunction with studies commissioned to NPD, CREST, Nielsen's, and industry resource data.

Research data from these resources was used as the foundation for collaboration on direction, planning, and focus for this Marketing Plan.

For the past several years, the Alaska salmon industry has been losing share on a world-wide basis to farm produced salmon from both the Atlantic and Pacific ocean pens. There are many issues that need to be addressed before Alaska will experience any real expansion within the domestic salmon market. The programs and tactics implemented by ASMI in the year approaching could be key in helping to move Alaska Seafood back towards a leadership position.

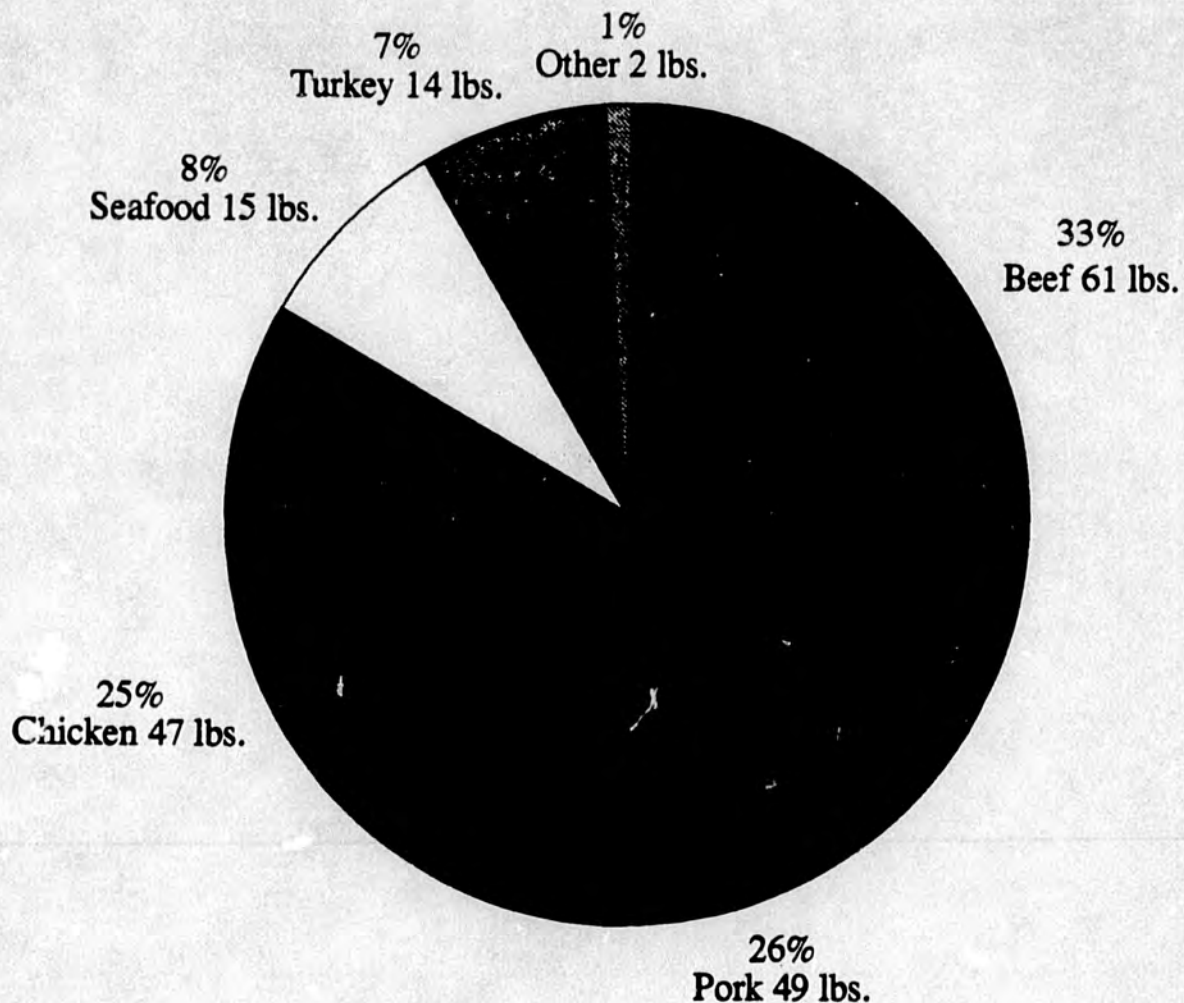
Industry Overview

Several industry conditions are important to understanding ASMI's current marketing position:

- Within the past 10 years, annual farmed salmon production has increased, from 1 percent of the total world production to well over 30 percent.
- The supply of wild Pacific salmon remains abundant, stable, high in quality and value, but domestic markets need to be developed in order for ASMI to maintain share.
- Seafood in general still has great appeal to the health-conscious consumer, and as a result has held steady while consumption of other protein sources like beef, pork, and turkey have declined in recent years.
- Canned salmon has had an old-fashioned, low-cost meal and ingredient perception which negatively affects price value dimensions of the product.
- There is a trade and consumer perception that farm-raised salmon is superior in quality to ocean-caught salmon. This is due to low awareness of the benefits of "the flash freezing" process, and a possible misperception of the term "fresh". The issue is not necessarily farmed vs. "wild", but fresh is what's important to the consumer. Consumers perceive farmed salmon as fresh.
- The trend towards convenience foods and convenience cooking appears to be continuing. The number of restaurant take-away meals is up, along with an increase in microwave usage and a corresponding decrease in stovetop, oven, and grill usage.

SITUATION ANALYSIS

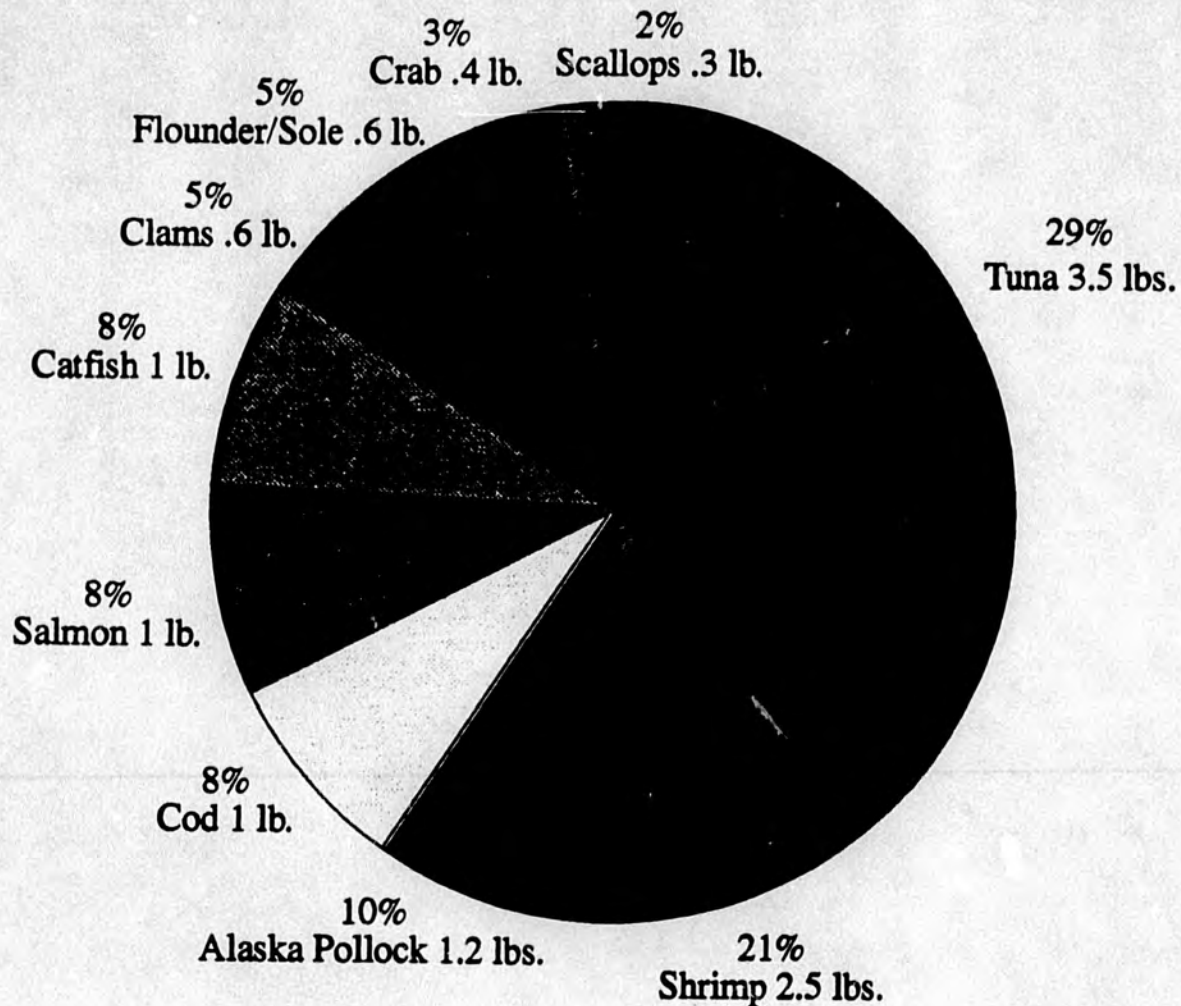
MEAT AND SEAFOOD CONSUMPTION Per Capita 1993



Source: United States Department of Agriculture (USDA)

- In 1993, the average American consumed a total of about 188 pounds of meat and seafood.
- Of this, nearly 15 pounds were fish and shellfish, which equals about 8% of total meat and seafood consumption.
- This compares with an average per capita consumption of 61 pounds of beef, 49 pounds of pork, 47 pounds of chicken, and 14 pounds of turkey.
- Only about one pound each of other protein sources like lamb and veal are consumed yearly.

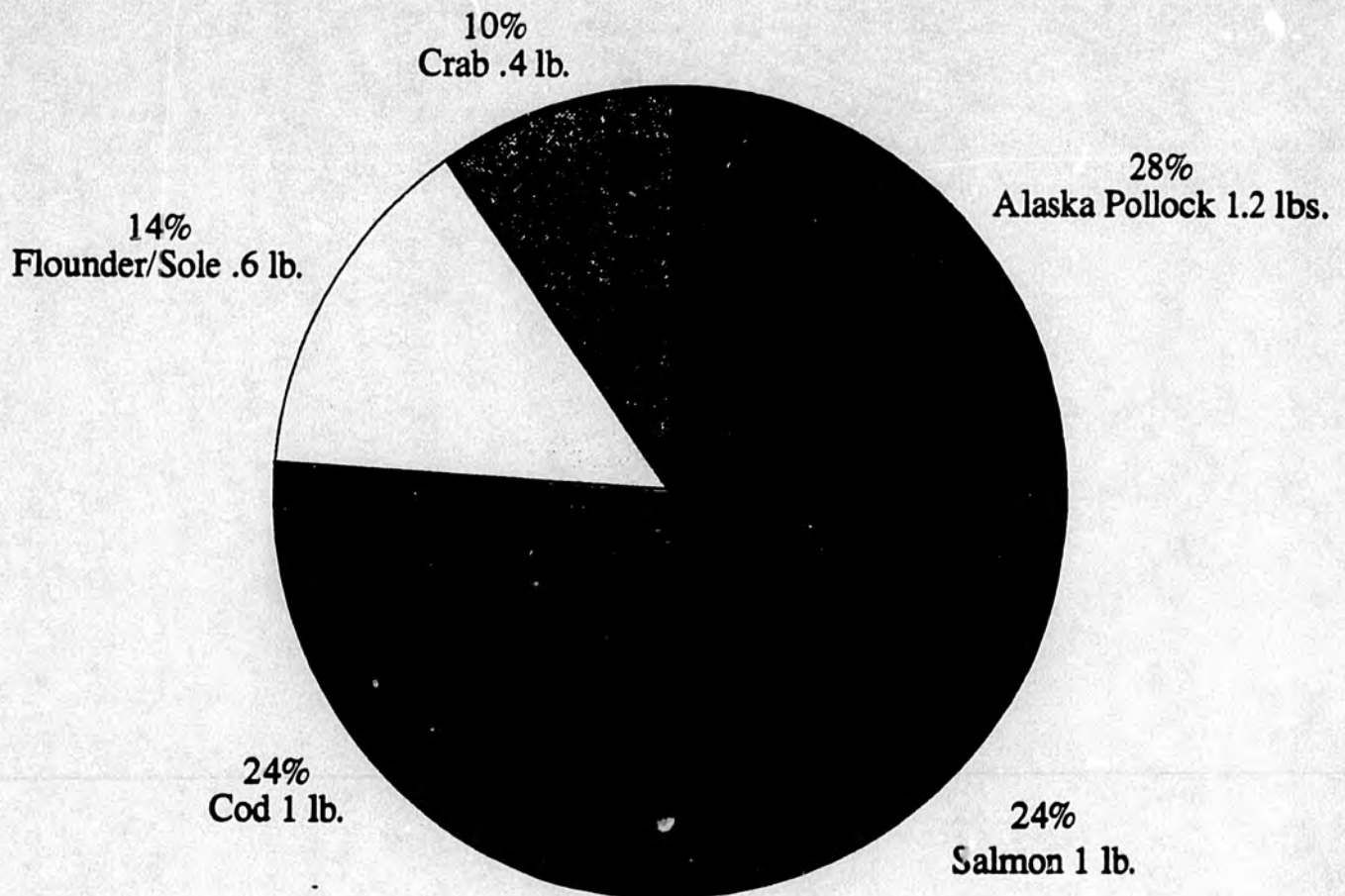
TOP TEN SEAFOOD ITEMS CONSUMED Per Capita 1993



Source: National Fisheries Institute

- Tuna continues to lead the seafood market in per capita consumption, maintaining a strong 30% share of the total seafood consumed.
- As the number two seafood item, shrimp commands close to a 21% share of the seafood market.
- Although halibut is a popular Alaska product, it is not one of the top ten seafood items consumed.

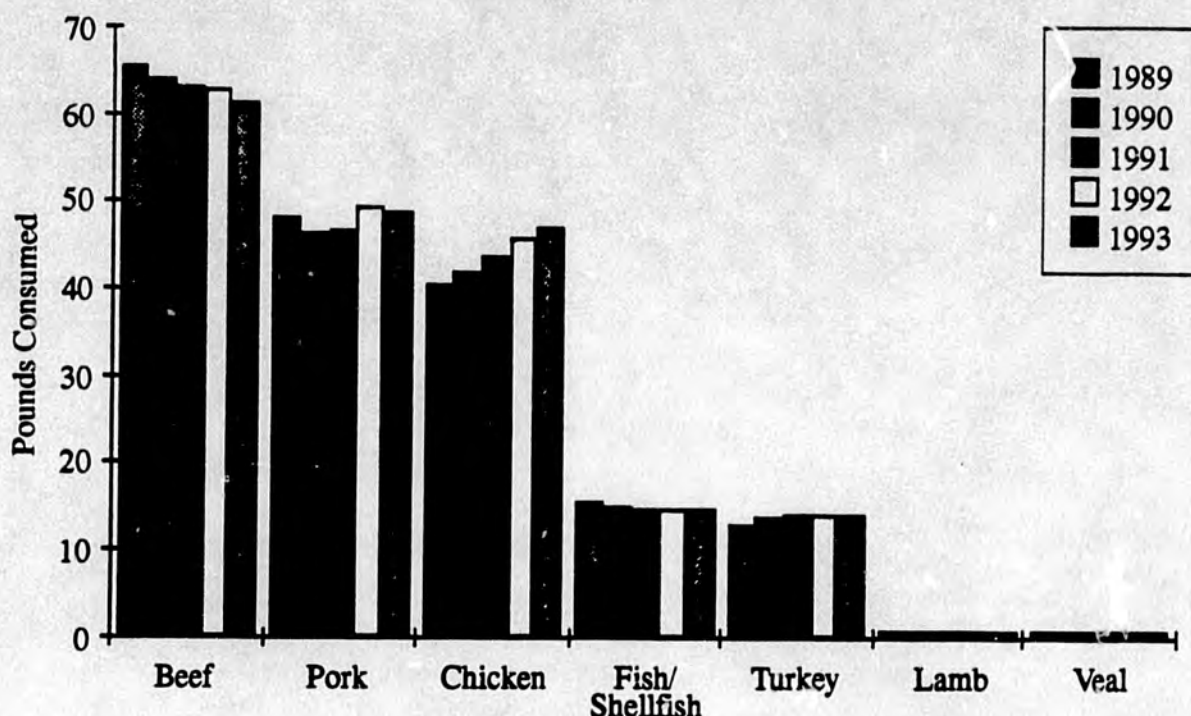
**CONSUMPTION OF SEAFOOD SPECIES THAT
ALASKA COMPETES IN
Per Capita 1993**



Source: National Fisheries Institute

- In 1993, total per capita seafood consumption equaled 14.9 pounds of which 4.2 pounds were species marketed by Alaska Seafood.
- This means that Alaska Seafood directly competes in close to 30% of the total seafood market.
- With total meat and seafood consumption of 188 pounds, there is a tremendous opportunity for Alaska Seafood to increase per capita consumption.

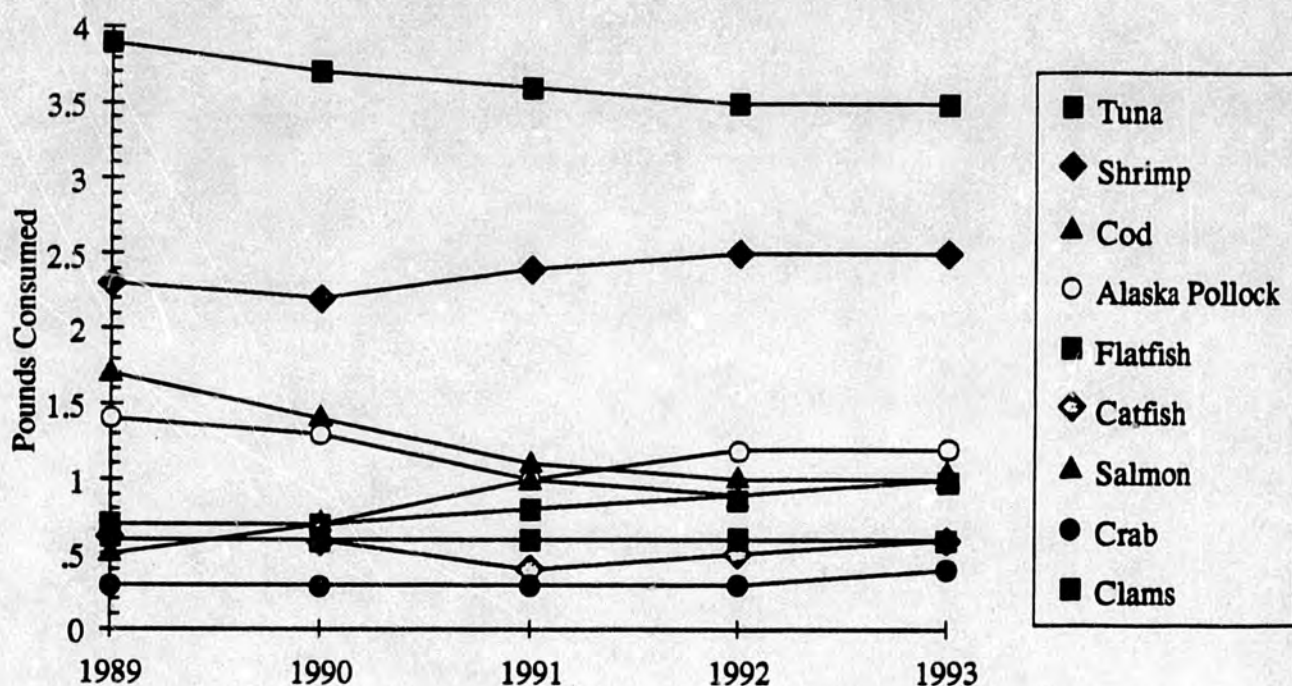
MEAT AND SEAFOOD CONSUMPTION 5 Year History



Source: United States Department of Agriculture (USDA)

- Although beef still accounts for nearly 32% of the average American's total meat consumption, this figure has continued to decline since 1976 when beef accounted for close to 50% of total meat consumption.
- This decline is due to a trend toward healthier eating, coupled with rising beef prices in recent years.
- In contrast, the popularity of chicken as a healthy alternative to red meat continues to increase, being the only protein source showing a significant gain in consumption this past year.
- Chicken's popularity can also be attributed in part to its low price relative to other protein sources.
- The decline of beef consumption and growth of poultry shows a tremendous opportunity for Alaska seafood to lead the growth of seafood usage expansion.
- Although down slightly since its peak in 1987, seafood consumption has remained relatively steady in recent years, driven by consumers' continued interest in healthy alternatives to red meat.
- The increase in average seafood consumption since 1970 occurred despite the fact that seafood prices outpaced those of other protein sources.

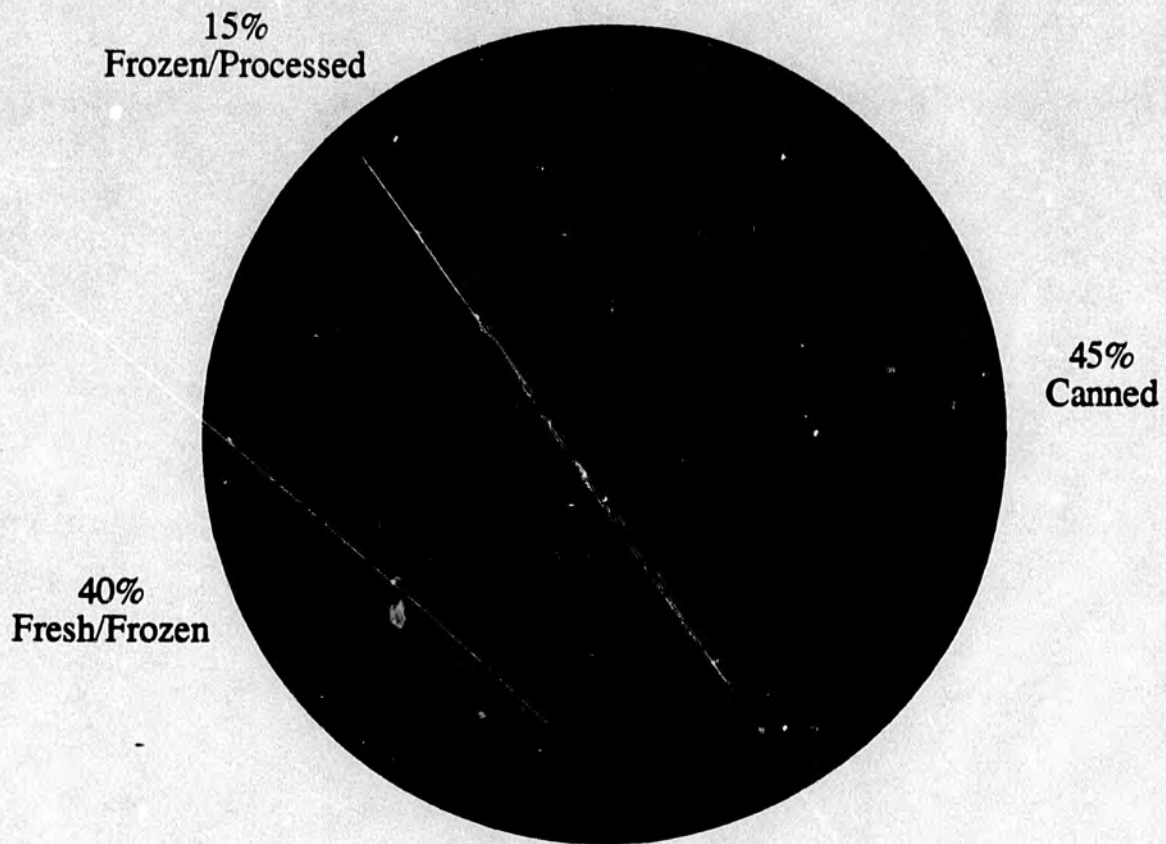
SEAFOOD SPECIES CONSUMPTION Five Year Per Capita Trends



Source: National Fisheries Institute

- The popularity of tuna and shrimp has remained high in the past five years, being the number one and number two seafood items consumed respectively.
- Salmon has shown the most impressive gains in popularity over the last five years, jumping from number eight five years ago to the fifth most popular seafood type in 1993. (In terms of per capita consumption it increased from .6 lbs. to over one pound in 1993.)
- Salmon's continued rise in popularity can be attributed to increased awareness of it's benefits, better availability, and better awareness of cooking/preparation methods.
- Likewise, crab has experienced an increase in popularity over the last five years, showing an impressive increase in consumption since 1989.
- Alaska pollock, which experienced a significant decrease in consumption during 1990 and 1991, has also shown impressive gains in the last 2 years.
- Tuna remains the major competition for canned salmon, due to its widespread acceptance and high usage across all demographic markets.
- Although currently the leader, we have seen a decrease in tuna consumption in the past five years.

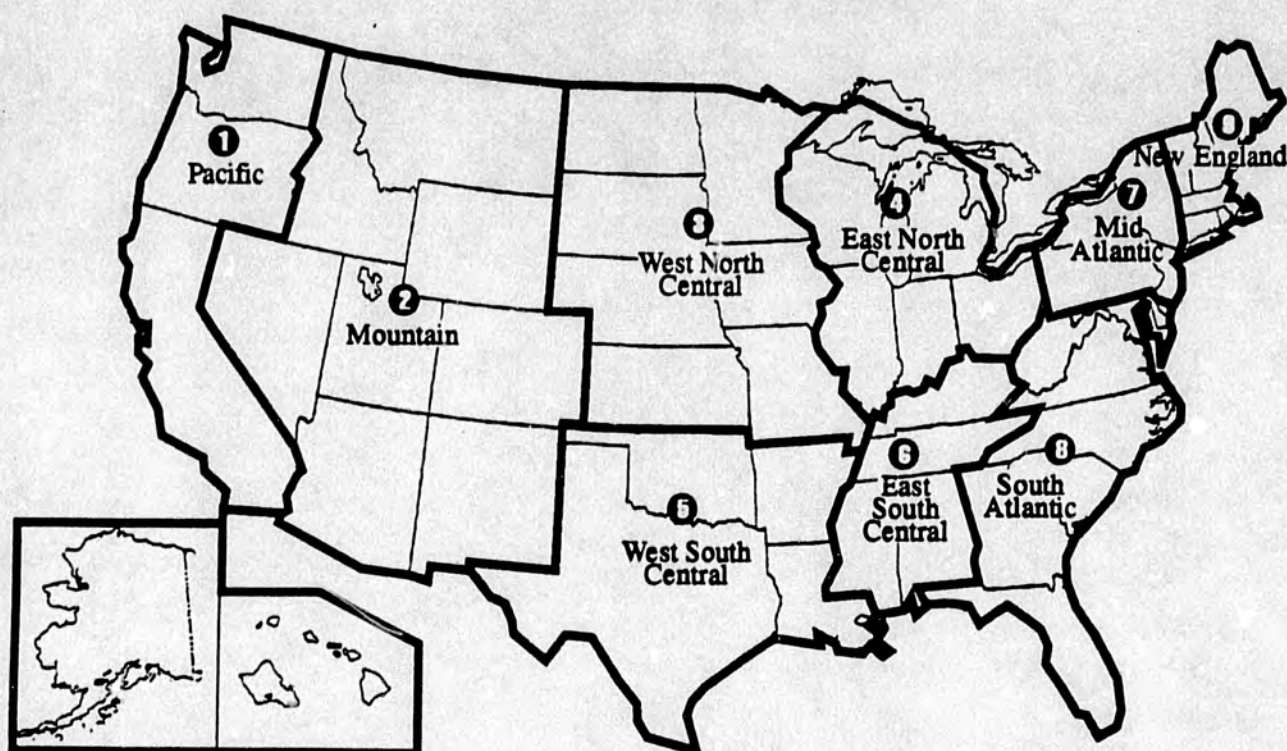
FISH/SEAFOOD EATINGS BY FORM



Source: NPD Group - National Eating Trends

- While canned is the dominate form for fish/seafood, most of this can be attributed to the use of canned tuna.
- Fresh and fresh/frozen seafood represent the second largest portion, making up well over 1/3 of the total seafood category.
- Frozen processed seafood is only a small portion of the total seafood market.

REGIONAL BREAKDOWN OF THE UNITED STATES



Source: U.S. Census Bureau

	POPULATION (000s)	% National
1. Pacific	43,316	16%
2. Mountain	15,142	6%
3. West North Central	18,211	7%
4. East North Central	43,258	16%
5. West South Central	28,555	11%
6. East South Central	15,844	6%
7. Mid Atlantic	38,522	15%
8. South Atlantic	46,988	18%
9. New England	<u>13,601</u>	<u>5%</u>
Total Population	263,437	100%

SEAFOOD USAGE Region Indices

<u>Region</u>	<u>Fresh/Frozen Finfish</u>	<u>Fresh/Frozen Shellfish</u>	<u>Canned Salmon</u>
New England	118	151	77
Mid Atlantic	93	100	75
East North Central	99	70	95
West North Central	87	70	131
South Atlantic	98	112	131
East South Central	110	116	151
West South Central	97	122	107
Mountain	101	81	69
Pacific	113	108	72

Source: NPD Group - National Eating Trends

- In general, seafood experiences much higher usage in the East South Central Region than in other parts of the country.
- Fresh and fresh/frozen finfish consumption is highest in New England, East South Central and Pacific Regions, all three of which have access to local fresh finfish species.
- Fresh/frozen shellfish has wider regional usage primarily due to shrimp consumption.
- Canned salmon usage is concentrated in the West North Central, South Atlantic, East South Central and West South Central Regions.

NOTE: Index numbers represent the difference of average per capita usage of seafood versus the national level per capita usage. For example: Per capita average seafood consumption is 15 lbs. on a national basis. An index of 110 means that a market consumes 16.5 lbs. or 10% more than the national average.

FRESH AND FRESH FROZEN SEAFOOD USAGE

By City Size Within Region

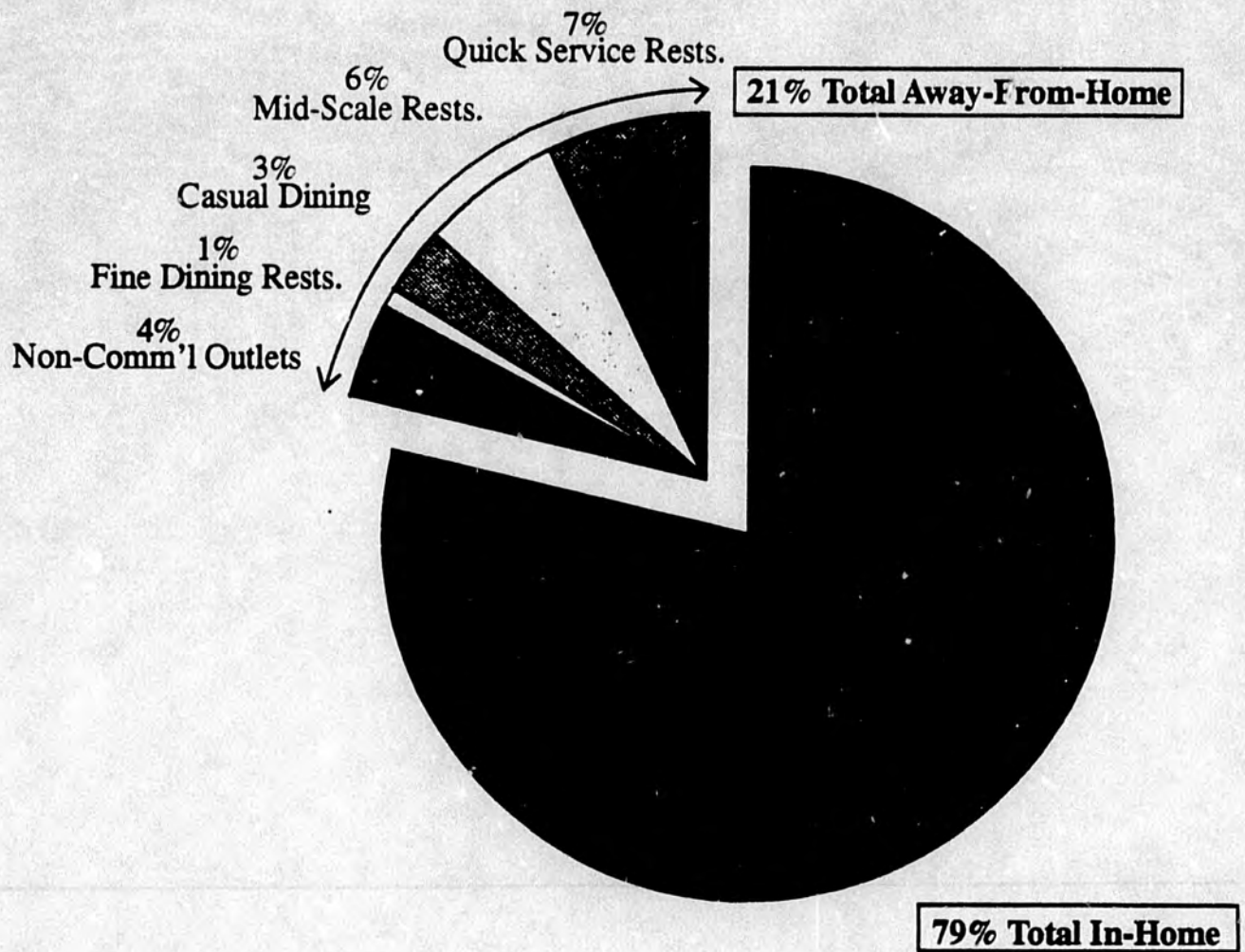
Region	2500M+	1000- 2499M	500- 999M	250- 499M	50- 249M	Non-SMSA
New England	134	117	64	108	137	132
Middle Atlantic	121	100	92	70	86	63
East North Central	118	92	77	76	66	86
West North Central	137	101	65	35	96	79
South Atlantic	104	98	103	92	111	96
East South Central	0	66	123	158	120	106
West South Central	103	141	72	125	126	107
Mountain	0	104	50	102	79	92
Pacific	110	111	63	113	76	155

Source: NPD Group - National Eating Trends

- In general, seafood consumption follows population, with larger U.S. cities showing higher usage.
- Large cities in New England, the Middle Atlantic, East North Central, West North Central, and Pacific regions have the highest usage.
- There are smaller markets that show high indices, with a majority being coastal cities, but volume is concentrated in larger city areas.

NOTE: Index numbers represent the difference of average per capita usage of seafood versus the national level per capita usage. **For example:** Per capita average seafood consumption is 15 lbs. on a national basis. An index of 110 means that a market consumes 16.5 lbs. or 10% more than the national average.

TOTAL FISH/SEAFOOD EATINGS BY VENUE



Source: NPD Group - Crest

- The vast majority, close to 80% of all seafood eatings occur in-home.
- This compares to 21% of seafood eatings done away-from-home.
- Of these, about 17% of eatings are done in restaurants, of which only 1% are at fine dining establishments.
- In contrast, only 4% of all seafood eatings occur at non-commercial outlets.

AT HOME EATINGS DISTRIBUTION OUTLETS

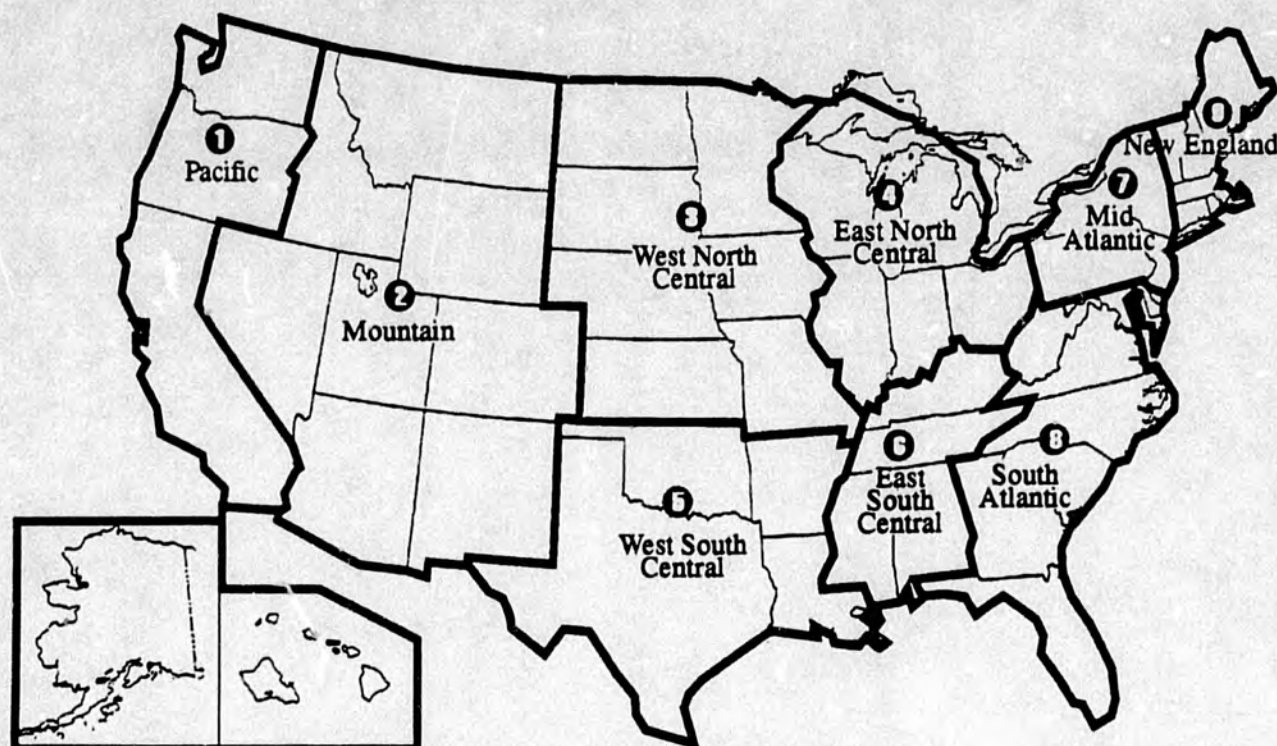
The following are the leading retail chains where consumers purchase their food for consumption at home:

A. Leading National Chains

	<u>Sales</u> <u>(\$ Billion)</u>	<u>Units</u>	<u>Divisions</u>
1. The Kroger Co.	20.3	1250	Kroger
2. American Stores	18.5	1149	Lucky, Jewel, Acme, Star
3. Safeway	15.0	1112	Safeway
4. Winn Dixie	10.0	1221	Winn Dixie
5. A&P	9.4	1257	A&P, Super Fresh, Waldbaum's, Farmer Jacks, Kohl's Food Emporium
6. Albertsons	8.2	539	Albertsons
7. Publix	5.8	378	Publix, Food World
8. Supermarket General	5.7	211	Pathmark, Heartland, Angelo's
9. Food Lion	5.6	778	Food Lion
10. The Vons Companies	5.3	3208	Vons, Tiangas, Pantry, Pavillions, Pavillions Place

- For the retail market, national headquarters are important and have historically been the retail focus for ASMI. The many divisions of the major chains have had limited attention from ASMI, due to limited resources.
- In the last several years, ASMI's Marketing Director has concentrated a majority of his efforts on key national chains with good success. Deeper, more concentrated results will require the coordination of both National Account calls and Division Operating Unit calls. More intense coverage will expand the type of programs that can be successfully implemented.

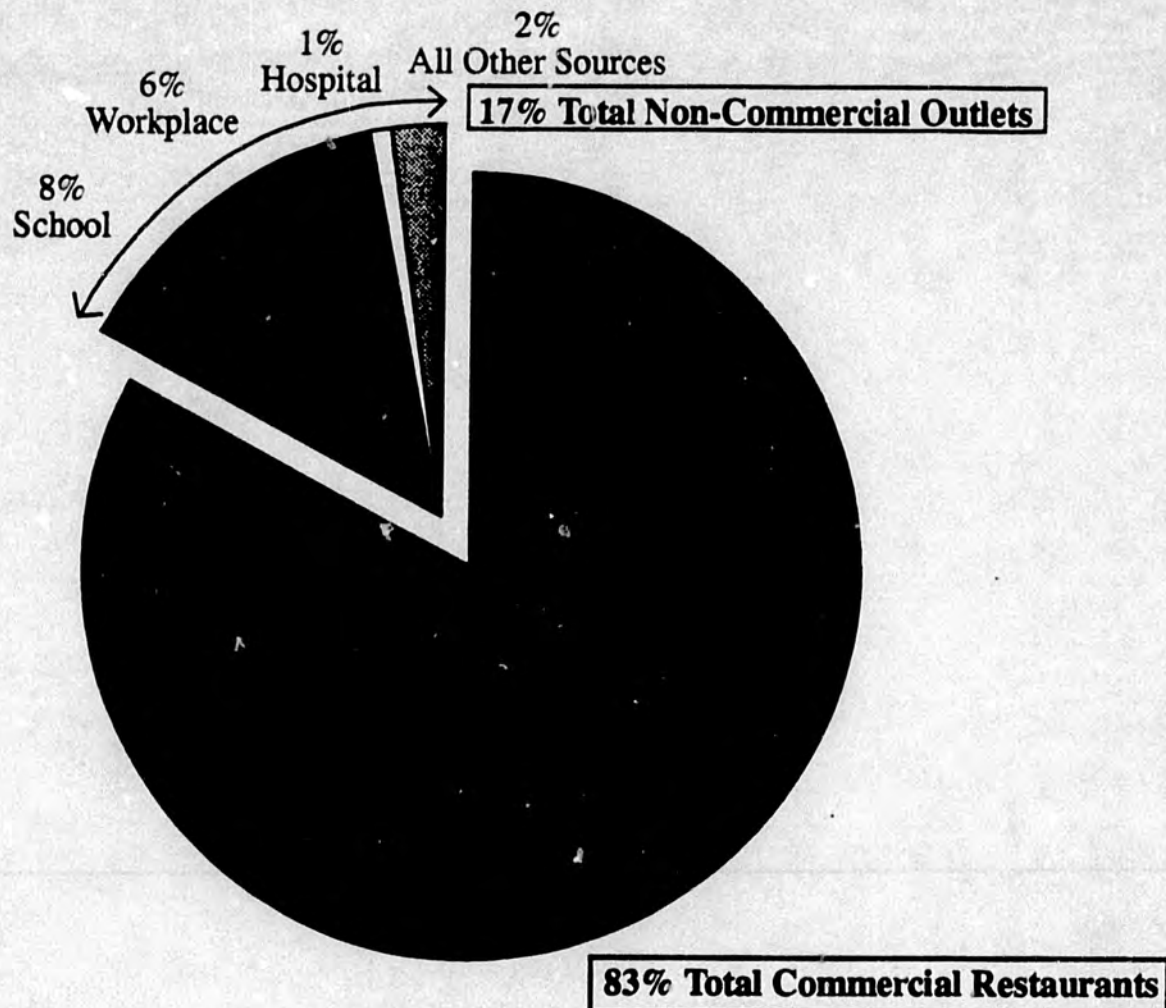
REGIONAL RETAIL CHAIN HEADQUARTERS



<u>Region</u>	<u>Key Chain Headquarters</u>	<u>%National Grocery Volume</u>
1. Pacific Region	19	6.1
2. Mountain	9	1.1
3. West North Central	10	1.9
4. East North Central	18	4.6
5. West South Central	16	3.1
6. East South Central	2	.3
7. Mid Atlantic	24	6.6
8. South Atlantic	14	2.7
9. New England	<u>6</u>	<u>1.6</u>
	118	28.0

- On a regional basis, these key chain headquarters are the trend-setting accounts in the largest 38 U.S. cities.
- In most major markets there are many key accounts to call on in order to ensure proper coverage in these areas. For example, in Los Angeles there are 7 grocery headquarter calls to be made: Houston, 6; Chicago, 6; New York, 10; and Philadelphia, 7.

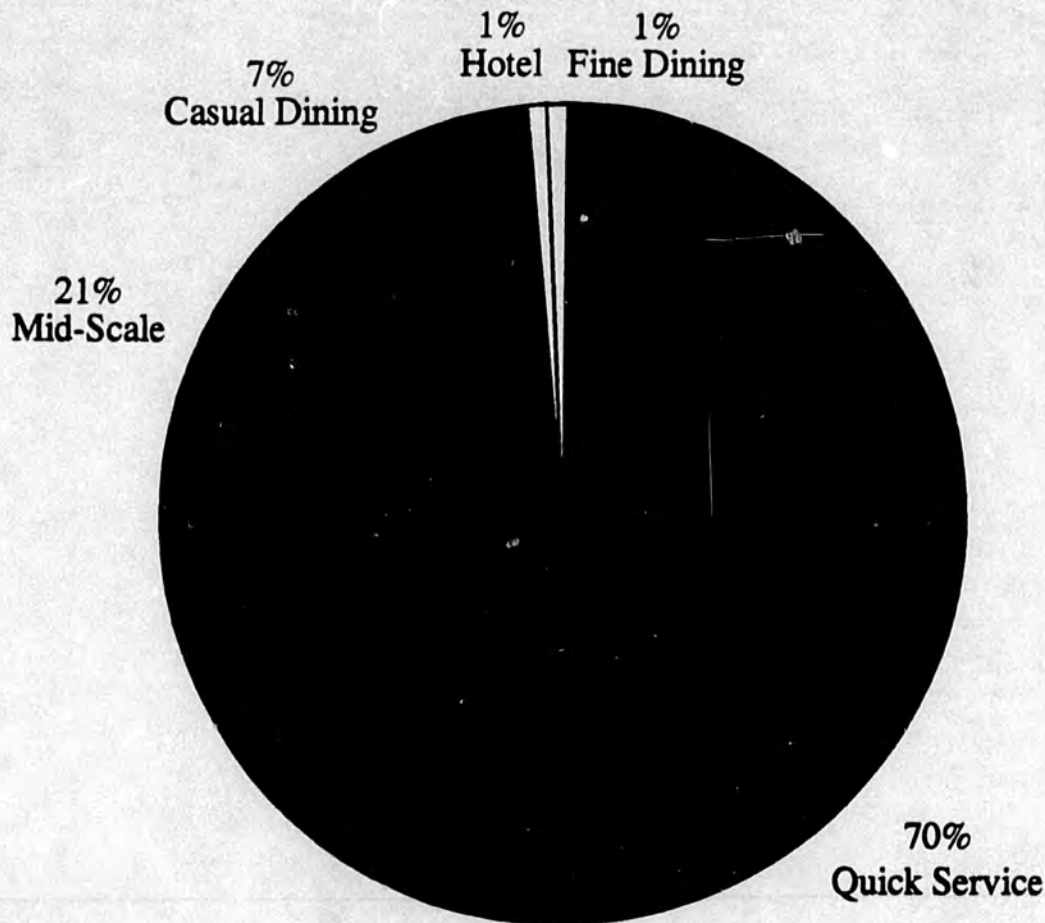
AWAY FROM HOME FISH/SEAFOOD EATINGS BY SOURCE



Source: NPD Group - Crest

- Commercial restaurants dominate out of home eatings. Of the two seafood eating occasions that happen "away from home" (8 out of 10 eatings were at home), 83% took place in commercial restaurants.
- While the non-commercial segment of the foodservice market is a much smaller portion (only 17%), it should not be ignored. Access in this category can be simplified if products are sold in with key distributors.

COMMERCIAL RESTAURANTS Segment Breakdown



Source: NPD Group - Crest

- Of the four primary commercial foodservice segments studied, (quick service, casual theme, midscale and fine dining), we know that seafood is served at 1 out of 14 restaurant meals versus beef, the top protein, at 1 out of 4 meals.
- With steady increases since 1988, casual dining concepts appear to be gaining over all other segments in fish/seafood restaurant traffic.
- Casual theme and some family-style restaurants afford the greatest opportunities to promote Alaska fresh and fresh/frozen seafood, while fine dining continues to be the biggest opportunity for fresh seafood.
- Casual-theme and family-style segments offer an abundance of national and regional chains that are renewing their emphasis on menu expansion and promotions within the early evening, early news and prime time periods as a means of competitive differentiation and long-term growth.

FISH/SEAFOOD EATINGS BY RESTAURANT TYPE

Region Indices

Region	QSR	TOTAL Midscale:	Family Style	Family Steak	Midscale Fish/Seafood Specialty	Casual	Fine Dining
New England	82	127	103	51	203	159	208
Mid-Atlantic	87	106	132	67	56	114	167
East North Central	111	98	101	101	57	98	69
West North Central	83	74	69	104	35	54	30
South Atlantic	114	114	123	104	178	124	103
East South Central	186	109	125	145	200	64	44
West South Central	112	110	49	133	141	99	73
Mountain	62	77	82	84	24	67	80
Pacific	67	80	87	106	55	88	109

Source: The NPD Group - National Eating Trends

- Midscale, casual, and fine dining restaurants all index high in the New England area.
- Midscale and casual restaurants also index high in the South Atlantic Region, showing potential areas of opportunity for ASMI.
- The Mountain and Pacific Regions tend to index low across all categories, showing an area of lower priority for ASMI.

NOTE: Index numbers represent the difference of average per capita usage of seafood versus the national level per capita usage. For example: Per capita average seafood consumption is 15 lbs. on a national basis. An index of 110 means that a market consumes 16.5 lbs. or 10% more than the national average.

TOP 10 CASUAL DINNER-HOUSE CHAINS

<u>RANK</u>	<u>CHAIN</u>	<u>HEADQUARTER LOCATION</u>	<u>1994 SALES (Million \$'s)</u>	<u>UNITS</u>
1	Red Lobster	Orlando, FL	1848.0	660
2	Olive Garden	Orlando, FL	1300.0	479
3	Chili's Grill & Bar	Dallas, TX	950.0	415
4	Applebee's Neighborhood Grill & Bar	Dallas, TX	848.0	481
5	T.G.I. Friday's	Dallas, TX	722.8	269
6	Outback Steakhouse	Tampa, FL	531.6	205
7	Bennigan's	Dallas, TX	446.7	223
8	Ruby Tuesday	Mobile, AL	433.2	268
9	Chi-Chi's	Louisville, KY	430.6	216
10	Ground Round	Braintree, MA	315.0	215

LEADING FAMILY-STYLE CHAINS

<u>RANK</u>	<u>CHAIN</u>	<u>HEADQUARTER LOCATION</u>	<u>1994 SALES (Million \$'s)</u>	<u>UNITS</u>
1	Denny's	Spartanburg, SC	1555.2	1452
2	Shoney's	Nashville, TN	1384.0	957
3	Big Boy	Warren, MI	1024.0	869
4	Cracker Barrel Old Country Store	Lebanon, TN	805.2	218
5	Friendly's Restaurants	Wilbraham, MA	645.0	753
6	International House of Pancakes	Glendale, CA	632.5	622
7	Perkins	Memphis, TN	626.5	455
8	Bob Evans Farms	Columbus, OH	513.9	355
9	Coco's	Irvine, CA	280.3	185
10	Waffle House	Norcross, GA	279.5	810

LEADING FAMILY STEAK CHAINS

<u>RANK</u>	<u>CHAIN</u>	<u>HEADQUARTER LOCATION</u>	<u>1994 SALES (Million \$'s)</u>	<u>UNITS</u>
1	Ponderosa Steakhouse	Dallas, TX	750.5	747
2	Sizzler	Los Angeles, CA	620.5	560
3	Golden Corral	Raleigh, NC	575.0	430
4	Ryan's Family Steak House	Greer, SC	498.0	240
5	Western Sizzlin'	Nashville, TN	360.0	300
6	Quincy's Family Steakhouse	Spartanburg, SC	282.7	211
7	Bonanza	Dayton, OH	245.6	250

- Headquarter calls as well as division headquarter calls are needed to get national accounts menuing and promoting Alaska Seafood.

TOP TEN BROADLINE DISTRIBUTORS **Ranked by 1994 U.S. Systemwide Sales**

	<u># of Units</u>	<u>Sales</u> <u>(Millions \$'s)</u>
1. Sysco Corporation	106	\$10,700
2. Kraft Foods	43	3,800
3. US Food Service	14	1,530
4. Ry Kott - Sexton	26	1,500
5. PYA/Monarch	8	1,380
6. J.P. Food Service	14	1,200
7. Gordon Food Service	2	910
8. Food Service of America	16	825
9. Consolidated Food Service Cos.	5	485
10. Shamrock Foods Company	2	455

- There are 50 Broadline Distributors that have units located in 1-43 cities throughout the U.S.
- As with retail, the largest Broadline Distributors require headquarter calls as well as division unit calls to gain maximum results.

NON-COMMERCIAL FOODSERVICE MARKET

The non-commercial foodservice business is comprised of the following segments:

	<u>% Sales</u>	<u>#Units In Thousands</u>
Health Care	23%	27.0
Schools/Colleges	34%	18.7
Business & Industry (B&I)	23%	15.7
Other (military, prisons, vending, catering, etc.)	20%	57.0
	100%	118.4

- Business and Industry (B&I) offers the best opportunity for ASMI in this segment. Other areas in the non-commercial side tend to be much more fragmented (i.e., individual locations that must be sold to separately rather than "chains") and often are on a bid, low cost, contract basis. On the other hand, the B&I segment tends to be controlled by "contract management" firms that often manage over 1,000 accounts. Because of this, they tend to be willing to work to develop usage and theme programs for their volume.
- Within the B&I segment, the top contract management firms are as follows:

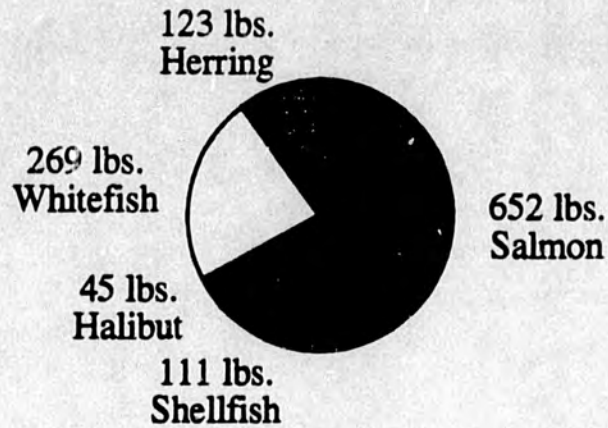
	<u>Sales Volume</u>	<u># of Contracts</u>
Marriott	\$4 Billion	3,333
ARA Sevvo	\$3 Billion	2,724
Canteen	\$1.4 Billion	2,064

- Overall, there are 52 primary contract management firms throughout the U.S. with headquarters and contracts widely dispersed.

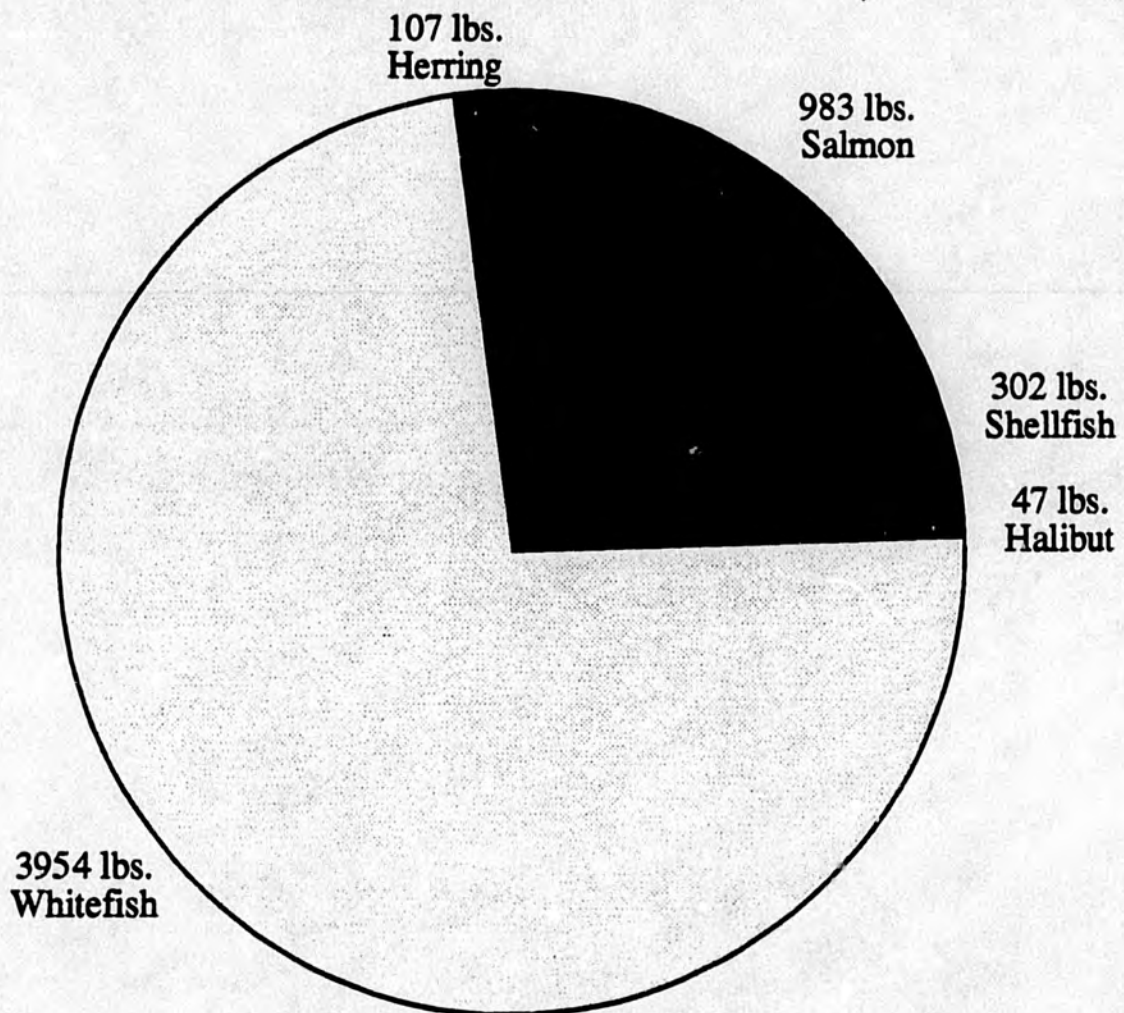
VOLUME & SALES

ALASKA SEAFOOD VOLUME BY HARVEST

1985 Alaska Harvest By Species
Millions of Pounds = 1,200.5



1993 Alaska Harvest By Species
Millions of Pounds = 5,905.6



01/29/92 Source: Alaska Fish and Game May 1994 U.S. Dept. of Commerce

VOLUME & SALES
1994/95 HARVEST OUTLOOK
ALASKA SEAFOOD

I. Salmon: High volumes for canned pink salmon; fresh/frozen volumes are low

- Total supply of red salmon from Alaska will be approximately 72,000 tons (some 53,000 tons coming from Bristol Bay alone) and some 22,000 tons are dressed reds from the rest of the state. Canned red salmon from Bristol Bay is estimated at around 660,000 cases. This leaves about 69,000 tons going to frozen from the Bay. At 75% yield, total supply of dressed reds from Bristol Bay should be about 44,000 tons (source: B. Atkinson).
- Chum, coho, and king volumes are healthy; SE chum and coho stocks were especially strong this year. Expect good supplies of frozen chum and coho for some time.

II. Whitefish

- Overall, halibut biomass is declining, but the resource is carefully managed (IHPC). In 1994, halibut will be down about 6 million pounds from the 1993, 48 million harvest level.
- Pollock supplies approximate last year's harvest volume. There will be good inventories of fillets.

III. Shellfish

- Supplies of king crab will be down in 1994 due to closures of Bristol Bay. B.B. was originally expected to supply the market with as much as 16 million pounds of king crab. A red king crab closure in the Pribilofs will also eliminate an expected 2 million pounds of supply from that area. This, in effect, eliminates the king crab supply from Alaska in 1994.