

ALASKA LEGISLATIVE COUNCIL FILED

1835

HRES

HB 142

-

HB 198

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98

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99801

February 23, 1981

The Honorable Fred F. Zharoff  
The Honorable Terry Gardiner  
Co-Chairmen  
House Resources Committee  
Room 120 - Capitol Building  
Juneau, Alaska

Re: House Bill No. 142

Dear Mr. Zharoff and Mr. Gardiner:

House Bill No. 142, an Act relating to trophy hunting of caribou and moose, was introduced in the House on February 12, 1981 and was referred to the House Resources Committee.

For the consideration of the House Resources Committee, I am enclosing a copy of a Fiscal Note prepared by Cecilia Wagoner, Fish and Game Licensing Section of the Department of Revenue.

Sincerely,



R. D. Stevenson  
Special Assistant

cc: Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Linda Lockridge, Supervisor  
Fish and Game Licensing Section  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB No. 142  
 Title An Act relating to trophy hunting of Caribou and Moose  
 Requested by House Resources Committee Date February 23, 1981

II. FISCAL DETAIL  
 Agency Affected Department of Revenue  
 Program Category Affected Division of Game  
 BRU, Program, or Subprogram(s) Affected Department of Fish & Game  
 (Note: if more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Game Fund	-0-	(780.5)	(780.5)	780.5)	(780.5)	(780.5)

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There were 1421 Caribou and 1880 Moose tags sold to non-residents in FY 1980. Based on the assumption that 45% of these needed non-resident hunting licenses specifically for these hunts, there were 2005 non-resident hunting licenses sold. Since this FY hunting season is almost complete, there would be no loss in this FY. Assuming that we sell the same amount of Caribou and Moose tags and licenses for the next five fiscal years we would show a loss of 3,902.5 thousand dollars.

IV. DATE February 23, 1981 PREPARED BY *Cecilia A. Wagner*  
 AGENCY Department of Revenue  
 PHONE 465-2376  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

JAY S. HAMMOND, GOVERNOR

**DEPARTMENT OF FISH AND GAME**  
**OFFICE OF THE COMMISSIONER**

SUPPORT BUILDING  
JUNEAU, ALASKA 99801

March 6, 1981

The Honorable Eric Sutcliffe  
Alaska House of Representatives  
Pouch V, State Capital Building  
Juneau, AK 99811

Dear Mr. Sutcliffe:

Although the Department does not have a good information base on the importance of nonresident hunters to air taxi operators in Alaska, the enclosed letters provide some insight into this matter. It is obvious that Mr. Cogger's operation, at least, is largely dependent upon transporting nonresident hunters. As I receive letters from other air taxi operators I will forward them to you and other House Resources Committee members.

Sincerely,

*Ronald O. Skoog*  
for *Ronald O. Skoog*  
Ronald O. Skoog  
Commissioner

Enclosure

cc: House Resources Committee



# ALASKA AIR GUIDES



CHARTER & CONTRACT FLYING • NORTH SHORE LAKE HOOD  
MAILING ADDRESS: 327 E. FIREWEED LANE • ANCHORAGE, ALASKA 99503 • (907) 243-3969

February 23, 1981

Bob Hinman  
Department Fish & Game  
Support Bldg.  
Juneau, Alaska

Dear Bob:

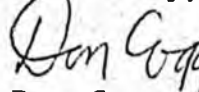
After receiving your call in reference to Non Resident hunters I went through my records and came up with the following info.

The fall of 1980 we flew out 251 non resident hunters, for a total revenue of \$92,250.00. This was for flying time only, most bought tags, license, etc. which would account for at least that much more in revenue to the state.

As you can see nearly \$100,000 of flying time would have a severe impact on my business and without it I am not sure we could stay in business. I have talked to the other operators on Lake Hood and they said they would get their info for you and send to your office.

If I can be of any help along these lines in the future feel free to give me a call anytime. I would also like to be kept informed on the outcome of these bills that affect our livelihood.

Sincerely,

  
Don Cogger  
Gen. Mgr.

# Alaska Travel Air

FULLY INSURED AND LICENSED AIR CARRIER

P.O. Box 6012  
Anchorage, Alaska 99502

Telephone  
(907) 243-4200

RECEIVED BY DIVISION OF GAME  
DIRECTOR \_\_\_\_\_  
DEP. DIR. \_\_\_\_\_  
CHIEF RES. \_\_\_\_\_  
BIOLOGIST \_\_\_\_\_

February 25, 1951

MAR 4 1951

Bob Hinman  
Dept. of Fish & Game  
Subport Bldg  
Juneau, Alaska

BIOLOGIST \_\_\_\_\_  
ADM. ASST. \_\_\_\_\_  
LIBRARY \_\_\_\_\_  
FILE \_\_\_\_\_  
OTHER \_\_\_\_\_

Dear Bob:

Our records show that during the hunting season of 1950 we (Alaska Travel Air) booked and flew out hunting 169 non-resident hunters. Our fee for flying out these hunters is (see brochure attached) on the average of \$1000.00 per person. This results in a years income for Alaska Travel Air of \$169,000.00.

Each hunter purchases three big game tags and a hunting license equaling \$610.00 each. A total of \$103,090.00 for the State of Alaska Dept. of Fish & Game.

Each non-resident hunter purchases an airline ticket roundtrip (on the average from the center of the United States) at an average cost of \$500.00 each. A total gross income to the airline industry of \$84,500.00.

Also each non-resident hunter spends an average of three nights in a hotel in Anchorage and spends an estimated cost of \$150.00 hotel fees, \$60.00 in Taxi fees and \$135.00 for food and drink. A total spent of \$25,350.00 in hotels, \$22,815.00 spent in restaurants and bars (food & drink) and \$10,140.00 spent in Taxi fees.

ALASKA TRAVEL AIR-----	\$169,000.00
ALASKA DEPT. FISH & GAME-----	103,090.00
AIRLINES-----	84,500.00
HOTELS-----	23,350.00
RESTAURANTS-----	22,815.00
TAXI CABS-----	10,140.00
TOTAL	<u>\$414,895.00</u>

A total revenue rejuvenated by Alaska Travel Air; moneys brought into and spent in Alaska that in turn stimulate the economy of our community.

Sincerely,



DEAN CARRELL  
ALASKA TRAVEL AIR



# Alaska State Legislature

## House of Representatives

Official Business

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MEMORANDUM

TO: House Resource Committee Members  
RE: House Bill 142  
FROM: Representative Ken Fanning  
DATE: March 9, 1981

It has come to my attention that HB 142 will be considered in the House Resources Committee today.

I urge your consideration of the attached reasons for rejecting this proposal.

Sincerely,

A handwritten signature in black ink, appearing to be "Ken Fanning", written over a horizontal line.

Ken Fanning

- #1 - Legislative interference with the Game Board and Alaska Department of Fish and Game responsibilities results in politicization of renewable resource management, which should be strongly avoided.
- #2 - There have been no public hearings, which are important on legislation of this magnitude.
- #3 - A substantial number of residents are dependent upon guided non-resident hunters for their winter meat supply. This is beneficial because one animal serves two purposes. HB 142 would prohibit this beneficial use.
- #4 - Who kills a moose or caribou is far less important than who benefits from the use of the meat. The assumption of this legislation is that if a resident kills a moose or caribou; the meat is automatically salvaged for consumption. Facts indicate this is not true (see wanton waste violations).
- #5 - The bill is unnecessary because it creates rather than solves problems.
- #6 - Must have a fiscal note detailing cost of administering and enforcement.
- #7 - Alaska Department of Fish and Game opposes the bill.
- #8 - Department of Public Safety opposes the bill.
- #9 - Drastically reduces revenue to ADF & G that is used for matching PR funds (3 - 1 matching)  
(\$780.5 yearly license and tag fee - not including PR funding)
- #10 - Would eliminate exportation of reindeer antlers since there is no method of distinguishing between them.
- #11 - Would eliminate tourists from picking up naturally shed antlers and taking them out of state.
- #12 - Does not preclude a nonresident from taking a moose or caribou and/or exporting the meat.
- #13 - Does nothing to alleviate the real problem of waste.
- #14 - Prevents a resident from sending to taxidermists outside even though the finished product is to be returned to Alaska.
- #15 - HB 142 raises serious questions regarding violations of the Interstate Commerce clause. Attempted denial of a citizen to introduce private property into interstate commerce should be avoided.

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Psd out Com Sub.

Funding Information

General Fund	\$137,450
Other Funds	-0-
	<u>\$137,450</u>

Introduced: 2/19/81  
Referred: Resources and Finance

1 IN THE HOUSE

BY FULLER AND ADAMS

2

HOUSE BILL NO. 183

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making special appropriations for the repair and renovation of the Nome slaughterhouse facility and for reindeer stock improvement for St. Lawrence Island; and providing for an effective date."

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

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\* Section 1. The sum of ~~\$117,050~~ is appropriated from the general fund to the division of economic enterprise, Department of Commerce and Economic Development, for repair and renovation of the Nome slaughterhouse facility.

\* Sec. 2. The sum of ~~\$20,400~~<sup>25,750</sup> is appropriated from the general fund to the division of economic enterprise, Department of Commerce and Economic Development, for reindeer stock improvement for St. Lawrence Island.

\* Sec. 3. The ~~appropriation~~ made by sec. 1 of this Act is for a capital project and is subject to AS 37.25.020.

\* Sec. 4. The unexpended and unobligated portion of the appropriation made by sec. 2 of this Act lapses into the general fund on June 30, 1982.

\* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-070(c).

ST. LAWRENCE ISLAND PROJECT

*1/18/80*  
*AK*

Savoonga IRA Council  
P.O. Box 129  
Savoonga, Alaska 99769

January 15, 1980

Mr. Daniel Karmun  
Reindeer Herders' Association  
P.O. Box 1003  
Nome, Alaska 99762

Dear Mr. Karmun:

We would like to look into the possibility of exchanging twenty (20) of our reindeer for twenty reindeer at Mekooyruk, Alaska. This would be eighteen (18) female and two (2) buck.

We would need funding from the State to freight them over.

Please let us know if this is possible. Thank you.

Sincerely,

*Joseph Noongwook*  
Joseph Noongwook  
President

cc: Honorable Jack Miller, State Representative, Juneau



REINDEER ASSOCIATION, INC.

P.O. BOX 948 • NOME, ALASKA 99762

(907) 443-5231

February 8, 1980

Mr. Joseph Noongwook, President  
Savoonga I.R.A. Council  
Savoonga, AK. 99769

Dear Mr. Noongwook:

I read with great interest that is being shown by a majority of Savoonga Governments and individuals to make efforts to improve and expand your Reindeer herd.

I agree with those concerned in the lack of direct monetary support sufficient to assist herds on a year round basis to accomplish herding efforts. The amount the Association gets is minimal and geared to keep on-going technical assistance, disease studies going.

We also lack total authority in administering all the reindeer programs, such as the Reindeer Loan program. We have made recommendations to the Associations priorities on reindeer loan paybacks.

Your letter of January 15, 1980 in looking into the possibility of exchanging (20) twenty deer with Mekoryuk was discussed with Representative Fuller's office at Juneau. The transportation cost would be prohibitive, however, we discussed an alternative plan.

I would recommend to B.I.A. that we arrange to loan Savoonga (20) twenty live deer from the Ongtowsrak-Wales herd payback, if that payback is prolonged.

Linda Zummer, Program Coordinator and I put some figures together after conferring with airlines, State Division of Agriculture at Palmer on making sure that all requirements necessary are met in trying to accomplish shipment of live deer, figures we estimated would not exceed \$20,000 for transportation and other services.

Mr. Joseph Nungwook

Page 2

February 8, 1980

This will be dependent upon B.I.A.'s decision on Ongtowsrak payback if it is prolonged.

A copy of the cost data accompany's this letter for review.

Sincerely yours,

Kawerak, Inc.

*Danny Karman*

Danny Karman, Director

Reindeer Contract E00C14201248

1  
cc: Representative Jack Fuller  
John Moore  
File

DK/ge

BUDGET

ANIMAL TRANSPORTATION

Charter, crates, pland modification \$ 8,000

VETERINARY SERVICES

wages	\$1,200	
transportation	800	
supplies, equipment	700	
testing	500	
		3,200

FACILITY CONSTRUCTION

St. Lawrence corral modification, materials 6,000

LOCAL LABOR 4,400

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Sub-total \$21,200

Kawerak indirect 21.47% 4,550

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\$25,750



## KAWERAK, INC.

P.O. BOX 945 • NOME, ALASKA 99762

(907) 443-5231

December 29, 1980

Representative Jack Fuller  
P. O. Box 689  
Nome, Alaska 99762

Dear Rep. Fuller:

Enclosed please find proposals we feel essential to develop the reindeer industry in Northwest Alaska. The first is a proposal to transfer management of the reindeer slaughter plant from the UAF to the RHA. There is no opposition to this transfer from the UAF people involved. The RHA would have controlling use of the plant for the purpose of development for the reindeer industry and other local economy. Our desire is to return management to local entities to expand and assist development of local renewable resource industries. The estimated cost of repair and renovation of the reindeer slaughter plant is \$117,049.00.

The second proposal is for funding in the amount of \$20,407.00 to transfer live reindeer from Wales to St. Lawrence Island at Savoonga. The original request from the Savoonga IRA Council was to transfer live reindeer from Nunivak Island but that cost would be prohibitive. The reindeer from Wales would supply the much needed new animal stock to the reindeer herd on Savoonga as the people develop and expand their management involvement.

The RHA have these priorities for funding and support for the reindeer industry to develop, they are,

- Seward Peninsula/State of Alaska range surveys
- Disease control (brucellosis and warbles) Physiology studies
- Slaughter Plant
- Seward Peninsula Research and Extension Station
- Seward Peninsula Feed Study with NANA (until completion)
- Cantwell Support (until development on Seward Peninsula)
- St. Lawrence Island Support

Jack we need to work immediately on a supplemental funding request for our grazing survey support the State have given in the past. My separate letter to you earlier further explains the urgent need dated August 20, 1980.

Rep. Jack Fuller

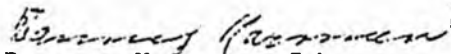
A third proposal is enclosed which was modified to reduce the original request which was too high as submitted to Senator Ferguson last year. This proposal is still our need to expand UAF doing our studies on the Seward Peninsula the amount is for \$979,000

Enclosed is letters of support and resolutions from various people and organizations. With the support needed for the success of any livestock industry, the reindeer industry in Northwest Alaska and other herds in the State has the potential to become a major component of Alaska's agricultural development.

With your support now we can begin to see our goals and objectives transformed into working and viable programs. Thank you.

Sincerely,

Fawerak Inc.  
Reindeer Herders Association

  
Danny Farman, Director

cc: Governor Jay Hammond  
Senator Frank Ferguson  
Representative Al Adams  
John Scheaffer, NANA  
Dr. Robert Dieterich UAF  
Dr. Jack Luick

dk

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193

MSG 81-00007971 PRTY 1 03/12/81 12:07:43 ORIG: L000 IN= 0003 OUT= 0035 2  
FROM: CALVIN CLARDY/KODIAK TO: REPRESENTATIVE FRED ZHAROFF  
TARGET: LJH2 SUBJ: PUBLIC OPINION MESSAGE PAGE 0001

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DEAR REPRESENTATIVE:

I URGE YOUR SUPPORT OF HB 193 AND AM IN FAVOR OF A LOWER LEASE FEE FOR  
REMOTE PARCELS. WOULD ESPECIALLY LIKE TO SEE SEC. 28 OF HB 193 LEFT IN  
TACT IN ANY COMMITTEE SUBSTITUTE.

SINCERELY,  
CALVIN CLARDY  
P.O. BOX 1388  
KODIAK, ALASKA 99619  
487-4342

*Handwritten scribble*

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MSG 81-00007968 PRTY 1 03/12/81 12:01:51 ORIG: L000 IN= 0002 OUT= 0033  
FROM: ROSEMARY DAHL/KODIAK TO: REPRESENTATIVE FRED ZHAROFF  
TARGET: LJH2 SUBJ: PUBLIC OPINION MESSAGE PAGE 0001

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DEAR REPRESENTATIVE ZHAROFF:

I URGE YOUR SUPPORT OF HB 193. WOULD LIKE TO SEE THE LEASE PARCEL FEE  
APPLIED TO THE PURCHASE PRICE OF THE LAND.

THANK YOU FOR YOUR CONSIDERATION OF THIS BILL.

SINCERELY,  
ROSEMARY DAHL  
P.O. BOX 1394  
KODIAK, AK. 99619

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 196 (Page 1 of 3)

Title An Act relating to establishment of the Alaska State weather and climate Program and Alaska State Climate Center

Requested by the Rules Committee by Request of the Governor Date: \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected University of Alaska

Program Category Affected Public Information Service

BRU, Program, or Subprogram(s) Affected Org. Research, Arctic Environmental Info & Data C

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		77.7	83.2	89.0	95.2	101.9
200 TRAVEL		6.8	7.7	8.8	10.0	11.4
300 CONTRACTUAL		16.4	18.7	21.3	24.3	27.7
400 COMMODITIES		4.6	5.2	5.9	6.7	7.6
500 EQUIPMENT		8.5	2.9	1.6	1.6	1.6
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>114.0</b>	<b>117.7</b>	<b>126.6</b>	<b>137.8</b>	<b>150.2</b>

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUNJ		114.0	117.7	126.6	137.8	150.2
FEDER/ L FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME *		3	3	3	3	3
PART TIME		1	1	1	1	1
TEMPORARY						

\*Of these, one position is new

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill establishes formally a state weather and climate program to recognize and improve the existing program and develop additional program elements.

Since July of 1973 the University of Alaska's Arctic Environmental Information and Data Center has absorbed the costs of public climate information services previously furnished by the National Weather Service's regional/state climatology program. During FY81 the center dedicated 7 man months to this effort. Due to increasing demand for such services caused by both government and private interest in alternative energies, resource development and transportation, etc., the need arises for an increase in the level of effort by 21 man months,

(see attached page 2)

IV. DATE February 4, 1981

PREPARED BY Willy E. Rensenbrink

AGENCY Arctic Environmental Information and Data Center, University of Alaska

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

PHONE: 279-4523

making for a total dedicated 28 man months. The above personal service dollar figure is based on 6 additional man months for a combination of 2 atmospheric scientists, 8 additional man months of a science technician, and 6 man months for a new position of data control clerk.

This will also provide for increased user oriented services through: design of wind data summaries for wind power; environmental data information specifically for solar energy; climatic data information for construction design planning, etc.; initiation of summaries and the extension of record periods of existing summaries by computer processing of voluminous raw data.

Years subsequent to FY82 have been estimated by using a 7% increment factor in personal services and a 14% inflationary factor in travel, contractual, and commodities. These factors will be subject to changes in the actual price structures.

## PERSONAL SERVICES:

(incl. Staff Benefits)

	MAN MONTHS TOTAL			This budget	GF	Amount
	FY81	GF	RF			
J. Wise, Atmosph.Sci.	4		8	9	3	\$ 29,070
A. Comiskey, Atmosph.Sci.	1		5	3	3	10,712
R. Becker, Sci. Technician	2		10	10	2	22,504
Data Control Clerk Gr. 12	-		-	6	6	<u>15,438</u>
				Total Personal Services		<u>77,724</u>

## TRAVEL:

In-State Meetings & Conferences	2,800	
Out-of-State Meetings and Confs.	<u>4,000</u>	
Total Travel		6,800

## CONTRACTUAL:

Programming Consultant	5,700	
Duplicator rental	2,050	
Microfilm services	1,900	
Computer charges/time sharing	2,300	
Communications	3,250	
Equipment maintenance and misc.	<u>1,200</u>	
Total Contractual Services		16,400

## COMMODITIES:

Climate data acquisition	1,220	
Office and computer supplies	2,300	
Storage boxes and misc.	<u>580</u>	
Total Commodities		4,600

## EQUIPMENT:

Computer I/O equipment	6,800	
Microfiche & tape storage cabs.	1,150	
Calculator	<u>550</u>	
Total Equipment		<u>8,500</u>

TOTAL PROJECTED FY82 EXPENDITURES

\$114,024

February 18, 1981

The Honorable Jim Duncan  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the establishment of a state climate and weather program and a state climate center. This bill was originally introduced in the last legislature as HB 413. This version is virtually identical to the House Resources Committee's CSHB 413.

The program would begin with the preparation of a plan, updated on a biennial basis, for the acquisition and dissemination of climate related data and information. The plan would include an assessment of the state's climate data and information needs, a basis for establishing priorities among these needs, and a program for orchestrating activities directed toward meeting these needs. A State Climate Planning Advisory Group, composed of members from organizations which provide climate related information and data and from the public sector and organizations which use this information, would participate in preparing and updating the plan.

In order to implement the plan, the bill would provide that the state climate center be established within the University of Alaska. The center would operate and maintain a central repository for information and data relating to the weather and climate of Alaska, provide weather and climatological information and technical advisory services to climate information users, and cooperate with other state and federal agencies in order to satisfy the intergovernmental climate program participation requirements of the National Climate Program Act.

In addition, the center would be authorized to investigate the characteristics of Alaska's climate;

research and assess the impact of climate fluctuations on the availability of solar, wind, and water resources; make available the results of all research undertaken by the center; contribute to the general education of the public on the climate of the state; and enter into cooperative arrangements with other organizations engaged in climate-related research.

This bill is consistent with the provisions of the National Climate Program Act, Public Law 95-367, under which the state may be eligible to receive up to a 50 percent grant to cover the costs of conducting climate-related studies and providing climate-related services.

Sincerely,

S/JSH

Jay S. Hammond  
Governor

## Information Concerning H.B. 196

### A Weather and Climate Bill

This informational material is provided for the purpose of accelerating action on H.B. 196. Many major activities in Alaska are strongly affected by the weather and climate, the most notable are the aviation, marine, and public activities. Numerous other activities are affected, and all activities are subjected to the greatest extremes of inclement weather in the United States.

This informational material was prepared primarily by Jim Wise, State Climatologist, and Al Comiskey, Associate in Atmospheric Sciences at AEIDC. Mr. Wise has worked at AEIDC for the last five years and formerly was a weather officer with the U.S. Air Force for 22 years. His last assignment before retiring in 1975 was as Chief of Aerospace Sciences in the Eleventh Weather Squadron at Elmendorf AFB, which included being climatologist for the Alaskan Air Command and Chief of technical services. Al Comiskey recently retired from the position of Chief of Environmental Services for the National Weather Service. He has been in Alaska for 25 years preparing forecasts or administering to forecast services.

#### Background Information on Alaska's Climate Program

For approximately 20 years, prior to July 1973 the state climatologist of the NWS, Alaska Region, provided climatological services within the state of Alaska for use by commerce, industry, the scientific and engineering communities, the general public, and federal, state, and local government agencies. NWS abolished its regional/state climatology program in 1973, which meant either the loss of this service entirely or transfer of responsibility to the states. In some cases state agencies assumed this work, while in others, state universities took on the public service involved. In Alaska the Arctic Environmental Information and Data Center (AEIDC), University of Alaska, began supplying many of the services formerly performed by the NWS state climatologists. Since then AEIDC has absorbed the costs of public climate information services which have not been properly funded since the federal government relinquished its responsibility.

By mutual agreement, the National Climatic Center (NCC), the Environmental Data and Information Service (EDIS), and the NWS provide certain weather observations and climate data logs, climate publications, and limited services to AEIDC on a regular basis. AEIDC maintains an Alaska climate center, which contains climate data on precipitation, temperature, clouds, winds, humidity, solar insolation, evaporation, soil temperatures, and other data sets. The climate center takes up an area of 576 square feet, and a microfiche reader/copier, workspace, and assistance are provided to its users. Most of the following services are provided free or at nominal copying costs.

1. Climate data on request by phone, letter, or personal visit.
2. Sale of climate-related and other pertinent publications available here.
3. Studies, reports, and periodicals on the application and use of climate data are available for use in-house.
4. Analysis, interpretation, and advice on the application of climate information to a particular project or problem.
5. Loan of selected data and publications.
6. Assistance in formulating requests for NCC data and service.
7. Expert witness in court cases involving weather and climate.
8. Lectures on aspects of applied climatology at scientific meetings, seminars, and public forums.
9. Climate-related research, such as interdisciplinary research at AEIDC, solar and wind energy use, and environmental impact statements.

Why the State needs to formalize a weather and climate program:

The National Climate Program bill was passed in September 1978. The bill provides for matching funds to help support a state climate program, provided that the State has adopted a climate program and that federally funded portions of the state program are consistent with the goals and regulations of the national program. It also requires that the state integrate its climate program with the national program and that the State establish an effective mechanism for consultation and coordination with the users. The latter two requirements have already been essentially satisfied. The single, and most glaring, deficiency is the lack of a formal state program. We urge that this remaining requirement be satisfied as soon as possible.

AEIDC has been keeping track of the number of requests for climate data and services since 1976. Following are the number of inquiries for information involving climate data, advice, or services:

<u>Year</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Number of Contracts	400	460	520	710	960
% increase over previous year		13%	12%	27%	26%
Frequency per day (260 work da/yr)	1.5	1.8	2.0	2.7	3.7

Note that the number has more than doubled since 1977. A large portion of the increase in demand for climate services in Alaska is interest in alternative energy by Alaskans. Data supplied include wind summaries, temperature data for heating degree days, and solar radiation data.

In addition to the reasons stated above, a formalized program is needed to resolve present deficiencies in services. Following are some specific deficiencies:

1. Lack of Data. There is a lack of important data in many locations in the state. This is particularly critical in areas such as Prudhoe Bay and Dutch Harbor, where massive resource development is in progress. There are also areas of the state where wind energy is a viable resource, and though qualitative determinations have been made for most areas, site specific data are still needed to quantify this resource for specific installations. Solar radiation data have been recorded at only five locations in the state. At present, NWS is maintaining only one such station at Fairbanks. The University of Alaska is gathering these data at Fairbanks, Anchorage, and Kodiak in the fourth year of a five-year U.S. Dept. of Energy program. This program should be continued and expanded over the next few years either by the federal government or by the State.
  
2. Data Summaries. There are existing data available that have not been summarized. Some of these data are in state and federal government agency files, and few individuals outside the agency know they exist. Other data have been collected over the last 20 years as part of the NWS operated cooperative climate data network. One-year summaries have been made for many of these stations, but multi-year summaries were not made. Our state climate program should obtain these data and prepare summaries of them or at least make the data available locally and maintain an inventory of it. Some of these data are available on magnetic tape from the NCC and could be obtained from them and processed within the state.
  
3. Climate Research. Current climate research and data gathering should be monitored. AEIDC's Current Research Profile attempts this, but there is no way at present to require that people engaging in research in and about Alaska respond to AEIDC's inquiries.
  
4. Information. Information should be more generally publicized on the kinds of climate services available and their uses. This could be done through newspaper and magazine articles, formal courses in applied climatology at the community college and university levels, and as lectures at scientific, business, and industry professional meetings. Those engaged in transportation and construction could make much better use of resources by including seasonal climate data in their planning process.

Recommendations for legislative action:

1. Enact House Bill 196 to establish the Alaska State Weather and Climate Program.
2. Provide funds for automation of the present climate data base. Initially, the program should start with the existing data tapes available from the NCC and the computer programs to process these data. As part of the continuing program, we should acquire these data on a monthly or annual basis to provide more up to date climate services.
3. Initiate a public information program on available climate and weather services.
4. Provide funds for performing the additional services generated by agencies and the public.
5. Provide funds to prepare and implement a state weather and climate observations program including the following:
  - a. Purchase observation and communications equipment.
  - b. Initiate a state operated weather and climate data gathering and observations network to improve both real-time weather services and the state climate data base.
  - c. Select and train observers for the state-operated network.

These matters and other agency and public interests could form the basis for committee hearings.

HB

196

COMMITTEE REPORT

HOUSE

4/1

FURTHER: FINANCE

3/12/81

(11)

Date: 3/31/81

Mr. Speaker: (HESS referral waived 3/10)

The Committee on RESOURCES has had HB 196

"An Act relating to establishment of the Alaska State Center and a state weather and climate program."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Tony Gardiner

Paul G. Schmitt

James Smith

James Tuck

Eric Schmitt

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Tony Gardiner

CO-CHAIRMAN

## Information Concerning H.B. 196

### A Weather and Climate Bill

This informational material is provided for the purpose of accelerating action on H.B. 196. Many major activities in Alaska are strongly affected by the weather and climate, the most notable are the aviation, marine, and public activities. Numerous other activities are affected, and all activities are subjected to the greatest extremes of inclement weather in the United States.

This informational material was prepared primarily by Jim Wise, State Climatologist, and Al Comiskey, Associate in Atmospheric Sciences at AEIDC. Mr. Wise has worked at AEIDC for the last five years and formerly was a weather officer with the U.S. Air Force for 22 years. His last assignment before retiring in 1975 was as Chief of Aerospace Sciences in the Eleventh Weather Squadron at Elmendorf AFB, which included being climatologist for the Alaskan Air Command and Chief of technical services. Al Comiskey recently retired from the position of Chief of Environmental Services for the National Weather Service. He has been in Alaska for 25 years preparing forecasts or administering to forecast services.

#### Background Information on Alaska's Climate Program

For approximately 20 years prior to July 1973 the state climatologist of the NWS, Alaska Region, provided climatological services within the state of Alaska for use by commerce, industry, the scientific and engineering communities, the general public, and federal, state, and local government agencies. NWS abolished its regional/state climatology program in 1973, which meant either the loss of this service entirely or transfer of responsibility to the states. In some cases state agencies assumed this work, while in others, state universities took on the public service involved. In Alaska the Arctic Environmental Information and Data Center (AEIDC), University of Alaska, began supplying many of the services formerly performed by the NWS state climatologists. Since then AEIDC has absorbed the costs of public climate information services which have not been properly funded since the federal government relinquished its responsibility.

By mutual agreement, the National Climatic Center (NCC), the Environmental Data and Information Service (EDIS), and the NWS provide certain weather observations and climate data logs, climate publications, and limited services to AEIDC on a regular basis. AEIDC maintains an Alaska climate center, which contains climate data on precipitation, temperature, clouds, winds, humidity, solar insolation, evaporation, soil temperatures, and other data sets. The climate center takes up an area of 576 square feet, and a microfiche reader/copier, workspace, and assistance are provided to its users. Most of the following services are provided free or at nominal copying costs.

1. Climate data on request by phone, letter, or personal visit.
2. Sale of climate-related and other pertinent publications available here.
3. Studies, reports, and periodicals on the application and use of climate data are available for use in-house.
4. Analysis, interpretation, and advice on the application of climate information to a particular project or problem.
5. Loan of selected data and publications.
6. Assistance in formulating requests for NCC data and service.
7. Expert witness in court cases involving weather and climate.
8. Lectures on aspects of applied climatology at scientific meetings, seminars, and public forums.
9. Climate-related research, such as interdisciplinary research at AEIDC, solar and wind energy use, and environmental impact statements.

Why the State needs to formalize a weather and climate program:

The National Climate Program bill was passed in September 1978. The bill provides for matching funds to help support a state climate program, provided that the State has adopted a climate program and that federally funded portions of the state program are consistent with the goals and regulations of the national program. It also requires that the state integrate its climate program with the national program and that the State establish an effective mechanism for consultation and coordination with the users. The latter two requirements have already been essentially satisfied. The single, and most glaring, deficiency is the lack of a formal state program. We urge that this remaining requirement be satisfied as soon as possible.

AEIDC has been keeping track of the number of requests for climate data and services since 1976. Following are the number of inquiries for information involving climate data, advice, or services:

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Note that the number has more than doubled since 1977. A large portion of the increase in demand for climate services in Alaska is interest in alternative energy by Alaskans. Data supplied include wind summaries, temperature data for heating degree days, and solar radiation data.

In addition to the reasons stated above, a formalized program is needed to resolve present deficiencies in services. Following are some specific deficiencies:

1. Lack of Data. There is a lack of important data in many locations in the state. This is particularly critical in areas such as Prudhoe Bay and Dutch Harbor, where massive resource development is in progress. There are also areas of the state where wind energy is a viable resource, and though qualitative determinations have been made for most areas, site specific data are still needed to quantify this resource for specific installations. Solar radiation data have been recorded at only five locations in the state. At present, NWS is maintaining only one such station at Fairbanks. The University of Alaska is gathering these data at Fairbanks, Anchorage, and Kodiak in the fourth year of a five-year U.S. Dept. of Energy program. This program should be continued and expanded over the next few years either by the federal government or by the State.
  
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Recommendations for legislative action:

1. Enact House Bill 196 to establish the Alaska State Weather and Climate Program.
2. Provide funds for automation of the present climate data base. Initially, the program should start with the existing data tapes available from the VCC and the computer programs to process these data. As part of the continuing program, we should acquire these data on a monthly or annual basis to provide more up to date climate services.
3. Initiate a public information program on available climate and weather services.
4. Provide funds for performing the additional services generated by agencies and the public.
5. Provide funds to prepare and implement a state weather and climate observations program including the following:
  - a. Purchase observation and communications equipment.
  - b. Initiate a state operated weather and climate data gathering and observations network to improve both real-time weather services and the state climate data base.
  - c. Select and train observers for the state-operated network.

These matters and other agency and public interests could form the basis for committee hearings.

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 196 (Page 1 of 3)  
 Title An Act relating to establishment of the Alaska State weather and Climate Program and Alaska State Climate Center  
 Requested by the Rules Committee by Request of the Governor Date: \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected University of Alaska  
 Program Category Affected Public Information Service  
 BRU, Program, or Subprogram(s) Affected Org. Research, Arctic Environmental Info & Data Cn  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		77.7	83.2	89.0	95.2	101.9
200 TRAVEL		6.8	7.7	8.8	10.0	11.4
300 CONTRACTUAL		16.4	18.7	21.3	24.3	27.7
400 COMMODITIES		4.6	5.2	5.9	6.7	7.6
500 EQUIPMENT		8.5	2.9	1.6	1.6	1.6
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>114.0</b>	<b>117.7</b>	<b>126.6</b>	<b>137.8</b>	<b>150.2</b>

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		114.0	117.7	126.6	137.8	150.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME *		3	3	3	3	3
PART TIME		1	1	1	1	1
TEMPORARY						

\*Of these, one position is new

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill establishes formally a state weather and climate program to recognize and improve the existing program and develop additional program elements.

Since July of 1973 the University of Alaska's Arctic Environmental Information and Data Center has absorbed the costs of public climate information services previously furnished by the National Weather Service's regional/state climatology program. During FY81 the center dedicated 7 man months to this effort. Due to increasing demand for such services caused by both government and private interest in alternative energies, resource development and transportation, etc., the need arises for an increase in the level of effort by 21 man months,

(see attached page 2)

IV. DATE February 4, 1981 PREPARED BY Willy E. Rensenbrink  
 AGENCY Arctic Environmental Information and Data Center, University of Alaska  
 Original: Legislative Finance  
 cc: Budget and Management PHONE: 279-4523  
 Prime Sponsor (First Legislator Named)

making for a total dedicated 28 man months. The above personal service dollar figure is based on 6 additional man months for a combination of 2 atmospheric scientists, 8 additional man months of a science technician, and 6 man months for a new position of data control clerk.

This will also provide for increased user oriented services through: design of wind data summaries for wind power; environmental data information specifically for solar energy; climatic data information for construction design planning, etc.; initiation of summaries and the extension of record periods of existing summaries by computer processing of voluminous raw data.

Years subsequent to FY82 have been estimated by using a 7% increment factor in personal services and a 14% inflationary factor in travel, contractual, and commodities. These factors will be subject to changes in the actual price structures.

PERSONAL SERVICES:  
(incl. Staff Benefits)

	MAN MONTHS TOTAL			This budget	GF	Amount	
	FY81	GF	RF				FY82
J. Wise, Atmosph.Sci.	4		8	9	3	5	\$ 29,070
A. Comiskey, Atmosph.Sci.	1		5	3	3	2	10,712
R. Becker, Sci. Technician	2		10	10	2	8	22,504
Data Control Clerk Gr. 12	-		-	6	6	6	<u>15,438</u>
				Total Personal Services			<u>77,724</u>

TRAVEL:

In-State Meetings & Conferences	2,800	
Out-of-State Meetings and Confs.	<u>4,000</u>	
	Total Travel	6,800

CONTRACTUAL:

Programming Consultant	5,700	
Duplicator rental	2,050	
Microfilm services	1,900	
Computer charges/time sharing	2,300	
Communications	3,250	
Equipment maintenance and misc.	<u>1,200</u>	
	Total Contractual Services	16,400

COMMODITIES:

Climate data acquisition	1,220	
Office and computer supplies	2,800	
Storage boxes and misc.	<u>580</u>	
	Total Commodities	4,600

EQUIPMENT:

Computer I/O equipment	6,800	
Microfiche & tape storage cabs.	1,150	
Calculator	<u>550</u>	
	Total Equipment	<u>8,500</u>

TOTAL PROJECTED FY82 EXPENDITURES

\$114,024

February 18, 1981

The Honorable Jim Duncan  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the establishment of a state climate and weather program and a state climate center. This bill was originally introduced in the last legislature as HB 413. This version is virtually identical to the Fouse Resources Committee's CSHB 413.

The program would begin with the preparation of a plan, updated on a biennial basis, for the acquisition and dissemination of climate related data and information. The plan would include an assessment of the state's climate data and information needs, a basis for establishing priorities among these needs, and a program for orchestrating activities directed toward meeting these needs. A State Climate Planning Advisory Group, composed of members from organizations which provide climate related information and data and from the public sector and organizations which use this information, would participate in preparing and updating the plan.

In order to implement the plan, the bill would provide that the state climate center be established within the University of Alaska. The center would operate and maintain a central repository for information and data relating to the weather and climate of Alaska, provide weather and climatological information and technical advisory services to climate information users, and cooperate with other state and federal agencies in order to satisfy the intergovernmental climate program participation requirements of the National Climate Program Act.

In addition, the center would be authorized to investigate the characteristics of Alaska's climate;

research and assess the impact of climate fluctuations on the availability of solar, wind, and water resources; make available the results of all research undertaken by the center; contribute to the general education of the public on the climate of the state; and enter into cooperative arrangements with other organizations engaged in climate-related research.

This bill is consistent with the provisions of the National Climate Program Act, Public Law 95-367, under which the state may be eligible to receive up to a 50 percent grant to cover the costs of conducting climate-related studies and providing climate-related services.

Sincerely,

S/JSH

Jay S. Hammond  
Governor

H B

198

# COMMITTEE REPORT

## HOUSE

2/19/81

FURTHER: FINANCE

(11)

Date:

March 31, 1981

Mr Speaker:

The Committee on RESOURCES has had HB 198

"An Act establishing the Alaska Seafood Marketing Institute; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)  same title
- replace with CS for \_\_\_\_\_  new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]  
CO-CHAIRMAN

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL  
JUNEAU, ALASKA 99811

465-3600

June 26, 1980

The Honorable Jay S. Hammond  
Governor  
State of Alaska  
Pouch A  
Juneau, Alaska 99811

Re: SCS CSHB 962 (fisheries  
business tax grant fund)  
Our File: J-88-136-80

Dear Governor Hammond:

At your request, we have reviewed SCS CSHB 962, creating the fisheries business tax grant fund and providing for grants to certain nonprofit corporations. The Department of Revenue is recommending a veto of this bill.

Primarily, this bill provides a mechanism for funding a certain type of association in the fishing industry. The mechanism proposed is a grant fund created in the Department of Revenue which may be financed only by appropriations from the legislature. Apart from the objection raised by the Department of Revenue, we have serious objections to the bill because of the proposed AS 16.10.660, on grants. We believe that the description of the potential grantees is, at best, of marginal legal validity and in any event represents extremely bad precedent.

The proposed AS 16.10.660 provides that grants may be made only to certain types of nonprofit corporations, and are not to exceed 15 percent of taxes paid during the preceding year under AS 43.75.015 or AS 43.75.100 by the members of the nonprofit corporation. Subsection (b) of the proposed AS 16.10.660 describes the types of nonprofit corporations that are eligible for the grant. The description of the type of nonprofit corporation looks remarkably like, and has many of the attributes of, a state agency. The nonprofit

organization must be organized for the purpose of assisting the Alaska seafood industry to improve the quality and purity of seafood produced in Alaska, and assist in the development and maintenance of markets for seafood produced in Alaska. It would provide services for fishermen, establish quality control programs for its members, prepare market research and product development for the promotion of all species of fish; it may not be organized for the purpose of promoting any seafood products harvested other than in Alaska. It must submit annual reports to the governor and legislature describing its activities, permit the commissioner of revenue and the legislative audit division to inspect its offices and accounts to determine whether or not it is meeting the criteria specified for the nonprofit corporation, have its main offices in the state, and provide that the annual meeting of the membership and all meetings of the full board shall be in the state.

It must also include on its board of directors three non-voting members, one appointed by the governor, one appointed by the president of the senate, and one appointed by the speaker of the house. To the extent that such a corporation is a state agency, appointment of members by persons other than the governor violates the governor's appointment authority under art. III of the Alaska Constitution. To the extent that it performs state functions and is not under the supervision of the governor, even if not considered a state agency, it violates art. III anyway. See art. III, secs. 1, 22, and 24, Alaska Constitution.

In essence, this bill represents a creative approach which is of extremely doubtful constitutional validity. It sets up a quasi-governmental agency, which is to carry out certain functions prescribed by law, funded by state funds, but not under the direct control of the administration. On these grounds alone, even without the constitutional or other legal problems, we would recommend vetoing the bill.

Sincerely,

Wilson L. Condon  
Attorney General

by *Arthur H. Peterson*

WLC:ob:RMM

## Alaska Seafood Foundation

"Promoting Alaska's Seafood"

### THE ALASKA SEAFOOD MARKETING INSTITUTE - A BRIEFING PAPER

#### What is the Institute?

The A.S.M.I. is a private non-profit corporation of seafood processors and fishermen formed last year as a result of the disastrous market disruptions that hit the Alaska seafood industry. Legislation and funding for A.S.M.I. passed the legislature in 1980, but was vetoed due to constitutional problems. Despite the veto, the governor supported the concept, and provided \$1.2 million to continue to develop the idea through the Alaska Renewable Resources Corporation.

A.S.M.I. is directed by a 22-member board; 18 voting members representing fishermen, large and small processors, and four non-voting members representing the legislature, the Administration, and the A.R.R.C. Dues-paying members currently represent a large percentage of the seafood processed in Alaska.

The overall goal of the A.S.M.I. is to promote consumption and stabilize market demand for Alaska seafood products through generic promotion and advertising directed to national and international consumers. The A.S.M.I. is also developing quality assurance guidelines for its members to insure Alaska's reputation as a producer of excellent quality seafood products.

#### Why should the State of Alaska assist in the funding of A.S.M.I.?

Fisheries are the state's largest private employer. The industry has been, and will continue to be the backbone of many communities in the state. The concept of a marketing association is a proven one, and the industry supported various species promotion groups at a combined level of \$807,000 in 1980. However, the crisis that the fishing industry is in makes it impossible to do the long-range market development work necessary to support the marketing of existing species, and develop markets for the bottomfish resources of Alaska. A partnership between the state and the industry will allow for planned and proven real growth in the fishing industry that will stabilize the income for all Alaskans involved in, and associated with the fishing industry.

The primary example of the need for a state-supported marketing group is the fact that in the fourth largest year in history for the salmon industry, the value of Alaska's fisheries products declined to the fishermen--from \$606 million in 1979 to \$531 million in 1980. Because of the collapse of Alaska's primary market, Japan, the price for nearly every species harvested in the state dropped during a period of high inflation.

Generic marketing is not a new concept. The state currently supports the \$280 million tourism industry with approximately \$3 million in public monies annually. The Florida Citrus Growers annual budget is \$50 million, California Avocado Growers spend \$5 million, Washington spends about \$3 million annually promoting apples, and the California Dairy Association spends about \$14 million in California alone promoting milk. Many coastal states have developed and supported seafood marketing groups.

What has the A.S.M.I. done with the \$1.2 million for this fiscal year?

Almost the entire budget is going directly to advertising and promotional efforts. \$730,500 is going to support existing promotional groups--\$481,000 for canned and frozen salmon, \$215,500 to King and Snow Crab, and \$34,000 for Halibut. This money is being used to match what the industry is already devoting. Among the results is a national radio advertising campaign with supporting recipes and promotional materials urging people to "Buy Salmon" in 21 major cities across the country, beginning February 2, 1981.

One of the most important projects is a \$50,000 marketing plan. This plan will provide market research and strategy development regarding consumers, or potential consumers of Alaska seafood. With a solid base of marketing information built, the A.S.M.I. will be able to target our efforts so that marketing dollars will provide the greatest return. The plan will also provide a baseline to measure the success or failure of the A.S.M.I. The marketing strategy will indicate budget levels that are based on a greater return on investment than the cost of the program, to insure that the state and the industry are using their money wisely.

\$20,000 is being used to develop bottomfish strategy and basic marketing materials. The goal of A.S.M.I. is to help the most people in the industry to the greatest degree possible, which means that we won't be spending a lot of money promoting bottomfish until there are a lot of Americans harvesting and processing bottomfish. Outside of administrative expenses the balance of the 1980 A.S.M.I. budget is unallocated.

Why target on high-value species like Salmon & Crab rather than Bottomfish?

As mentioned above, the goal is to help create a healthy industry--that means working to increase the market demand for existing species. Unless the industry is making money on their primary products there is no incentive to move into the riskier bottomfish fisheries. Products like frozen salmon and blackcod (sablefish) represent an area of great potential for the industry--and marketing efforts will follow the growth of the products.

Why should the state support a group that includes non-Alaskan companies?

The reality of the Alaskan fishing industry is that much of the ownership is "outside". However, it is a labor intensive industry, and much of the economy generated from the industry remains in Alaska. The goal of an industry-wide promotional group is to promote a healthier market for the entire industry, that means working in close concert with the strength of the industry.

Is the A.S.M.I. organized to help "big guys" or the "little guys"? What is A.S.M.I. doing to help the fishermen?

The efforts of A.S.M.I. are designed to help everyone. Fishermen, major and small processors sit on the board, and all will benefit from the programs. As "target areas" are defined, the marketing efforts of all the companies will be directed to take advantage of the promotion. Smaller companies will be able to utilize promotional material developed by A.S.M.I., and also target their marketing plans to follow the "bulldozer" efforts of the A.S.M.I. A.S.M.I. does not provide actual marketing services for any company--solely promotional and advertising efforts for the entire industry. The fishermen, by sitting on the board and participating in the committees, will gain and maintain a greater understanding of the total marketing of the products, and be in a better position to negotiate for their fair share of the results.

What about Japanese ownership?

More important than foreign ownership is the issue of market control. One of the primary reasons for the creation of the A.S.M.I. is to broaden the market base so that a collapse of one market won't throw the entire industry into a tailspin, as in 1979, and resulting in the disaster of Bristol Bay 1980, and the bankruptcy of many involved in the seafood industry.

If the state wishes to address the issue of greater Alaskan ownership of the fishery, the efforts of the A.S.M.I. should insure that any investment into the industry will be into a much healthier and more profitable situation than the current state of the Alaskan seafood industry.

What about quality control?

The industry recognizes that quality is the most important factor in marketing their products. The A.S.M.I. is developing quality guidelines for the members, and these guidelines will play an important role in the marketing strategy of the A.S.M.I. If the industry can effectively deal with the quality issue, it may be unnecessary for the state to get heavily involved in a new bureaucracy to monitor the quality control of Alaska's seafood products.



# Canned Salmon Institute

SUITE 110, 190 QUEEN ANNE BLDG./SEATTLE, WASHINGTON 98109/206-284-8303

## Canned Salmon Radio Blitz:

Canned Salmon is currently on the air with their first ever electronic media schedule in 21 markets over 65 radio stations. Early indications from the markets are very good. This Canned Salmon Blitz features three different radio commercials and will run until the end of March. Fred Sprague, Bob Kavet, Trevor Evans and Frank Horsley traveled to the markets to squeeze extra merchandising and on-air support for Canned Salmon. In every commercial, The Alaska Seafood Marketing Institute and The Salmon Institute receive sponsor identification. All stations are giving something extra. As an example, one New York station is giving away theater tickets for random drawings of recipe requests. Other extras include bonus radio spots, extra on-air disc jockey time, paying for trade ads in grocery publications and mailing trade letters to key salmon buyers.

## Magazine Advertising:

The Salmon Institute is working with several companies and commodity groups to try to work out a national advertising magazine co-op program that is most advantageous to Canned Salmon. Some of the "partners" Canned Salmon might want to work with must have commitments clear into late summer. Final decision on Canned Salmon magazine ads will be decided within a few weeks.

## On-going Salmon Institute Program:

The Salmon Institute is underway with an accelerated regular 1981 program that blends with the new radio blitz. Heavy

food publicity in newspapers and magazines is currently appearing. Film distribution, trade promotion and developing new recipe folders are under way. Luncheons are being set up for April featuring both Frozen and Canned Salmon. Special orders for point of sale materials are heavier now due to additional promotion.

Salmon  
Consumer  
Publicity:

Major editors across the country have already been contacted that Pacific Kitchen is their source of Fresh/Frozen Salmon materials as well as Canned.

Salmon  
Foodservice  
Publicity:

Foodservice magazine editors are being contacted and materials will be appearing in major foodservice magazines in a few months. Restaurant chains are now being contacted around the country to include Fresh/Frozen and Canned on their menus. These contacts started in Los Angeles and Dallas in mid-February.

Start-up  
Photography for  
Fresh/Frozen:

The Fresh/Frozen Salmon Committee of The Salmon Institute met in January to activate new programs for the promotion of Fresh/Frozen Alaska Salmon. The first activity was to start with color and black and white pictures for publicity and for use in brochures, ads, etc.

Educational  
Brochure for  
Fresh/Frozen:

The committee decided to gather some basic materials and would decide whether to do a separate brochure to be included as a special section in an over-all Alaska brochure or insert in a foodservice magazine.

Trade Shows  
involving  
all forms of  
Salmon:

It was decided the Fresh/Frozen Salmon should be featured with other Alaska seafood products at the National Restaurant Show, May 16 - 20, 1981, The Western Restaurant Show, August 15 - 18, 1981, and the Anuga Show in Cologne, Germany in October. For the national and western shows the Canned Salmon booth would be revised and that both Canned and Fresh/Frozen materials would be given to foodservice operators. It was decided for the Anuga Show to build a first class booth and join other Alaska seafood products in a first class presentation. It was felt that the booth would be left in Europe and that the Salmon portion might be used in more than German and French shows.

Fresh/Frozen  
Foodservice  
Advertising:

The committee reviewed many different ads and selected a format with the same background of Salmon on ice to develop two final ads. These would be run in five magazines in April, May and June. The committee selected Restaurant Business, Restaurants and Institutions, Restaurant Hospitality, Nations Restaurant News and Frozen Food Age.

*Larry Kaner, Chairman  
The Salmon Institute* BW

Larry Kaner  
The Salmon Institute

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 198  
 Title An Act establishing the Alaska Seafood Marketing Institute  
 Requested by House Resources and Finance Committee Date 02/27/81

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		(880.0)	(970.0)	(1,065.0)	(1,170.0)	(1,285.0)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The above figures reflect the subsequent decrease in the fisheries business taxes (AS 43.75.015 and AS 43.75.100) if a tax credit is granted to partially fund the Alaska Seafood Marketing Institute. Assumptions are based on a 100% participation by the industry, a maximum 5% tax credit, and a 10% inflation rate for the years following a FY 1982 base year for which revenues have been estimated.

IV. DATE 02/27/81 PREPARED BY Robert W. Elliott  
 AGENCY Revenue  
 PHONE 465-2309  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 198  
 Title An Act establishing the Alaska Seafood Marketing Institute  
 Requested by House Resources Committee Date 2-25-81

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected Revenue Collection and Management  
 BRU, Program, or Subprogram(s) Affected Audit Division  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) NONE

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>						

FUNDING (Thousands of Dollars) NONE

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 3-4-81

PREPARED BY *Gary J. Jenkins*  
 AGENCY Audit Division  
 PHONE 465-2320

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

*Public App'd Dept of  
Commerce but not by the Dept.*

PROPOSED CS FOR HB 198

CS House Bill No. 198

IN THE TWELFTH LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

*APR 1970*

A BILL

For an Act entitled: "An Act establishing the Alaska Seafood Marketing Institute; providing for a seafood marketing assessment; and providing for an effective date."

Sec. 1. AS 16 is amended by adding a new chapter to read:

Sec. 16.51.005. FINDINGS AND PURPOSES. *Good enough.*

(a) The legislature finds that

(1) a joint state-industry effort to promote the stabilization, maintenance, quality control, and development of the seafood industry of Alaska, and the expansion of the seafood markets at the state, national, and international levels is in the public interest and a valid public purpose;

(2) the purpose of the fisheries business tax (AS. 43.75) is to enable the state to equitably continue its efforts toward overall fisheries related development programs such as the effort referred to in (a) (1) of this section. *In purposes that will directly benefit the fishing industry*

(b) the purposes of this chapter are to

(1) encourage the fishing industry in the state to make greater use of the fishing resources in the coastal and freshwater areas of the state;

(2) expand the range of species of seafood harvested by the fishing industry in the state;

(3) enable the fishing industry to maintain and enhance the quality and purity of seafood harvested and processed by fishermen and processors in the state;

(4) enable the fishing industry in the state to stimulate consumer identification of Alaska seafood to increase the use and consumption of seafood harvested and processed in the state;

(5) stabilize and diversify the distribution of seafood products processed and harvested in the state by encouraging consumers to purchase Alaska seafood.

Sec. 16.51.010 Alaska Seafood Marketing Institute Established. There is established the Alaska Seafood Marketing Institute, as a public corporation of the state. The Institute is an instrumentality of the state in the Department of Commerce and Economic Development, but has a legal existence independent of and separate from the state. Exercise by the Institute of the powers conferred by this chapter is an essential government function of the state.

Sec. 16.51.015 Board created.

(a) There is created the Alaska Seafood Marketing Institute board of directors, which consists of 18 members appointed by the governor, and 3 non-voting ex-officio members appointed by the governor, the president of the senate, and the speaker of the house of representatives.

(b) Nine members of the board must be persons who represent seafood processors having an annual payroll in the state of \$1,000,000. Four members of the board must be persons who represent seafood processors having an annual payroll in the state of at least \$100,000, but less than \$1,000,000. Five members of the board must be commercial fishermen representing fishermen's organizations from various regions in the state. Members shall serve terms of three years. Initial appointments of members are six members serving for one-year, six members serving for two years, and six members serving for three years.

(c) Members of the fishing industry may make recommendations to the governor of persons to serve on the board.

(d) Nine members of the board constitute a quorum.

(e) The board shall elect a chairman annually and shall hold at least one regular meeting a year. The chairman must be a member of the board. The board shall meet at the call of the chairman, or upon written request of two members of the board.

(f) Board members receive no salary, but are entitled to per diem and travel expense as authorized by the law for other board meetings and commissions.

Sec. 15.51.020 POWERS. In carrying out the powers of the Institute, the board may

- (1) adopt, alter, and use a corporate seal;
- (2) prescribe, adopt, amend, and repeal bylaws;
- (3) sue and be sued in the name of the Institute;
- (4) enter into any agreements necessary to the exercise of its powers and functions;

- (5) cooperate with a public or private board, organization, or agency engaged in work or activities similar to the work or activities of the Institute and make contracts and agreements with those organizations agencies for joint programs of consumer education, sales promotion, quality control, advertising and research in the production, processing or distribution of seafood;
- (6) conduct, or contract for scientific research to develop and discover health, dietetic or other uses of seafood harvested and processed in the state;
- (7) receive contributions of money from persons;
- (8) employ at its pleasure an executive director and other employees it considers necessary and prescribe their duties and fix their compensation.
- (9) establish offices in the state and incur expenses incidental to the performance of its duties;
- (10) appear in behalf of the Institute before boards, commissions, departments, or other agencies of municipal, state or federal government;
- (11) acquire, hold, use, lease, sell, or otherwise dispose of property of any kind, real, personal, or mixed, or an interest in it;
- (12) establish and maintain one or more bank accounts for the transaction of the Institute's business;
- (13) prepare market research and product development plans for the promotion of any species of fish and their by-products which may be harvested in the state and processed for sale;
- (14) do everything necessary or desirable to carry out the purposes of the Institute.

Sec. 16.51.025 DUTIES. The board shall

- (1) conduct programs of education, research, advertising or sales promotion designed to accomplish the purposes of this chapter;
- (2) prepare annually a budget of proposed expenses of the board to be incurred in carrying out this chapter;
- (3) provide promotional services for fishermen and processors of all species of fish and their by-products which are harvested in the state and processed for sale;
- (4) recommend quality control programs including product quality standards for seafood harvested and processed in the state;

- (5) prepare market research and product development plans for the promotion of all species of fish and their by-products which are harvested in the state and processed for sale; and
- (6) submit an annual report to the governor and the legislature describing its activities.

Sec. 16.51.030. PROHIBITED PROMOTIONS. The board may not promote or make a contract which promotes seafood by

- (1) geographic origin other than this state generally;
- (2) geographic region in the state; or
- (3) specific brand name.

Sec. 16.51.035. .2 PERCENT SEAFOOD MARKETING ASSESSMENT

- (a) each processor who purchases at least \$50,000 of seafood products shall pay a seafood marketing assessment at the rate of .2 percent of the gross dollar value, as defined by AS 43.75.140(7), paid by processor to fishermen for all seafood products during the previous calendar year.
- (b) a .2 percent seafood marketing assessment may only be levied or collected under (a) of this section if the Institute approves the .2 percent seafood marketing assessment under AS 16.51.050.

Sec. 16.51.040. .4 PERCENT SEAFOOD MARKETING ASSESSMENT

- (a) each processor who purchases at least \$50,000 of seafood products shall pay seafood marketing assessment at the rate of .4 percent of the gross dollar value, as defined by AS 43.75.140 (7), paid by processor to fishermen for all seafood products during the previous calendar year.
- (b) a .4 percent seafood marketing assessment may only be levied or collected under (a) of this section if the Institute approves the .4 percent seafood marketing assessment under AS 16.51.050.

Sec. 16.51.045. .6 PERCENT SEAFOOD MARKETING ASSESSMENT

- (a) each processor who purchases at least \$50,000 of seafood products shall pay seafood marketing assessment at the rate of .6 percent of the gross dollar value, as defined by AS 43.75.140(7), paid by the processor to fishermen for all seafood products during the previous calendar year.

(b) a .6 percent seafood marketing assessment may only be levied or collected under (a) of this section if the Alaska Seafood Marketing Institute approves the .6 percent seafood marketing assessment under AS 16.51.050.

Sec. 16.51.050 ELECTION TO APPROVE OR TERMINATE SEAFOOD MARKETING ASSESSMENT.

(a) The Institute may conduct an election under this section after the director of the division of elections approves

- (1) the notice to be published by the Alaska Seafood Marketing Institute;
- (2) the ballot to be used in the election; and
- (3) the registration and voting procedure for the approval or termination of the seafood marketing assessment.

(b) The seafood marketing assessment is levied under AS 16.51.035, AS 16.51.040 or AS 16.51.045 on the effective date stated on the ballot if

- (1) it is approved by a majority vote by value of the eligible processors in an election held under this section; and
- (2) the election results are certified by the director of the division of elections.

(c) In conducting an election under this section, the Institute shall adopt the following procedures;

(1) The proposed levy or termination of the assessment shall be adopted by a majority of the board at a regularly scheduled meeting not less than 60 days before the date on which ballots must be postmarked to be counted.

(2) The Institute shall hold at least one meeting, not less than 30 days before the date on which ballots must be postmarked to be counted, to explain the reason for the proposed seafood marketing assessment and to explain the voting procedure to be used in the election. The Alaska Seafood Marketing Institute shall provide notice of the meeting by

(A) mailing the notice to each eligible processor; and

(B) publishing the notice in at least one newspaper of general circulation in each region of the state at least two weeks before the meeting.

(3) The Alaska Seafood Marketing Institute shall mail ballots to each eligible processor not more than 45 days before the date ballots must be postmarked to be counted in the election.

(4) The ballot shall

(A) indicate whether the election relates to a seafood

marketing assessment under AS 16.51.035, AS 16.51.040, or AS 16.51.045;

(B) ask whether the seafood marketing assessment shall be levied or, if the election is to terminate the assessment, whether the seafood marketing assessment should be terminated

(C) indicate the date on which returned ballots must be postmarked to be counted.

(5) The ballots shall be returned or by mail and shall be counted by the director of the division of elections, or his representative.

(d) The director of the division of elections shall certify the results of an election under this section, if he determines that the requirements of (a) and (c) of this section have been satisfied.

(e) In this section, "eligible processor" means any person or entity licensed under AS 43.75.011.

(f) For the purposes of this section a ballot submitted by a corporation is presumed valid if the ballot is signed by an individual who is indicated to be an officer of the corporation and if the ballot carries the corporate seal.

#### Sec. 16.51.055 TERMINATION OF THE SEAFOOD MARKETING ASSESSMENT

(a) The seafood marketing assessment levied under AS 16.51.035, AS 16.51.040, or AS 16.51.045 may be terminated by the commissioner of revenue upon a majority vote by value held under AS 16.51.050.

(b) A seafood marketing assessment shall be terminated by the commissioner of revenue under (a) of this section if

- (1) a petition is presented to the director of the division of elections requesting termination of the seafood marketing assessment by a number of persons representing at least 25 percent of the gross landed value of seafood products purchased in Alaska, as determined by the commissioner of revenue;
- (2) an election is held in accordance with AS 16.51.050. The ballot shall ask the question whether the seafood marketing assessment shall be terminated;
- (3) a majority vote by value of eligible processors who vote in the election is cast in favor of termination of the seafood marketing assessment;

(4) the Institute provides notice of the election in accordance with AS 16.51.050 within 60 days after receiving notice from the director of the division of elections that a valid petition under (1) of this subsection has been received.

*(2) if 75% of eligible processors*

Sec. 16.51.060 COLLECTION OF ASSESSMENTS AND DISPOSITION OF PROCEEDS

(a) A processor who purchases seafood products and is subject to the seafood marketing assessment levied by AS 16.51.035, 16.51.040, or 16.51.045 shall remit the total seafood marketing assessment owed to the department of revenue by April 15 of the year following the year for which the assessment has been levied.

(b) The seafood marketing assessment collected under this chapter shall be deposited in the general fund. The legislature may make appropriations to the department of commerce and economic development for the purpose of providing financing to the Alaska Seafood Marketing Institute based on collections of the seafood marketing assessment, and may appropriate additional funds beyond the assessment collected in AS 16.51 as needs are demonstrated by the Alaska Seafood Marketing Institute.

*Collection Authority* → *Consist of Rev. can enforce*  
Sec. 16.51.065 FAILURE TO PAY ASSESSMENT *Change brought 1984*

A processor who fails to pay an assessment levied under AS 16.51.035, 16.51.040 or 16.51.045 within 60 days of the date the assessment is payable is liable to the state for twice the amount of the assessment levied. On request of the board of directors of the Alaska Seafood Marketing Institute, the attorney general may bring a civil action against a processor for money payable under the provisions of this chapter.

Sec. 16.51.100 DEFINITIONS. In this chapter

- (1) "board" means the board of directors of the institute;
- (2) "institute" means the Alaska Seafood Marketing Institute
- (3) "promote or make a contract which promotes seafood" means to advertise or make a contract for advertising the use, value, attractiveness or quality of seafood.
- (4) "majority vote by value" means that assenting processors must represent at least 51% of the gross landed value of all seafood products purchased in Alaska as determined by the commissioner of revenue.

\*Sec. 2. AS 39.50.200(b) is amended by adding a new paragraph to read: (44) Alaska Seafood Marketing Institute (AS 16.51.005)

\*Sec. 3. AS 18.90 is repealed. *King Cross Mktg Quality & Control*

\*Sec. 4. This act takes effect immediately in accordance with AS 01.10.070(c).

## APPROPRIATION

### Section 1

The sum of \$3,000,000 is appropriated to the Department of Commerce and Economic Development for the establishment of a generic seafood marketing and quality assurance program through the Alaska Seafood Marketing Institute, established in H.B. 198.

Section 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

Proposed CS

Govs. Bill

Sec. 1. AS 16 is amended by adding a new chapter to read:

Sec. 16.51.005. FINDINGS AND PURPOSES.

(a) The legislature finds that

- (1) a joint state-industry effort to promote the stabilization, maintenance, quality control, and development of the seafood industry of Alaska, and the expansion of the seafood markets at the state, national, and international levels is in the public interest and a valid public purpose;
- (2) the purpose of the fisheries business tax (AS 43.75) is to enable the state to equitably continue its efforts toward overall fisheries related development programs such as the effort referred to in (a) (1) of this section.

(b) the purposes of this chapter are to

- (1) encourage the fishing industry in the state to make greater use of the fishing resources in the coastal and freshwater areas of the state;
- (2) expand the range of species of seafood harvested by the fishing industry in the state;
- (3) enable the fishing industry to maintain and enhance the quality and purity of seafood harvested and processed by fishermen and processors in the state;
- (4) enable the fishing industry in the state to stimulate consumer identification of Alaska seafood to increase the use and consumption of seafood harvested and processed in the state;
- (5) stabilize and diversify the distribution of seafood products processed and harvested in the state by encouraging consumers to purchase Alaska seafood.

\* Section 1. PURPOSES. The purposes of this chapter are to

- (1) encourage the fishing industry in the state to make greater use of the fishing resources off the coast of the state;
- (2) expand the range of species of seafood harvested by the fishing industry in the state;
- (3) enable the fishing industry to maintain the quality of seafood harvested and processed by fishermen and processors in the state;
- (4) enable the fishing industry in the state to stimulate consumer identification of Alaska seafood to increase the use and consumption of seafood harvested and processed in the state;
- (5) stabilize and diversify the distribution of seafood products processed and harvested in the state by encouraging consumers to purchase Alaska seafood.

Proposed CS

Sec. 16.51.010 Alaska Seafood Marketing Institute Established. There is established the Alaska Seafood Marketing Institute, as a public corporation of the state. The Institute is an instrumentality of the state in the Department of Commerce and Economic Development, but has a legal existence independent of and separate from the state. Exercise by the Institute of the powers conferred by this chapter is an essential government function of the state.

Sec. 16.51.015 Board created.

(a) There is created the Alaska Seafood Marketing Institute board of directors, which consists of 18 members appointed by the governor, and 3 non-voting ex-officio members appointed by the governor, the president of the senate, and the speaker of the house of representatives.

(b) Nine members of the board must be persons who represent seafood processors having an annual payroll in the state of \$1,000,000. Four members of the board must be persons who represent seafood processors having an annual payroll in the state of at least \$100,000, but less than \$1,000,000. Five members of the board must be commercial fishermen representing fishermen's organizations from various regions in the state. Members shall serve terms of three years. Initial appointments of members are six members serving for one-year, six members serving for two years, and six members serving for three years.

(c) Members of the fishing industry may make recommendation to the governor of persons to serve on the board.

(d) Nine members of the board constitute a quorum.

(e) The board shall elect a chairman annually and shall hold at least one regular meeting a year. The chairman must be a member of the board. The board shall meet at the call of the chairman, or upon written request of two members of the board.

(f) Board members receive no salary, but are entitled to per diem and travel expense as authorized by the law for other board meetings and commissions.

Govs Bill

Sec. 16.51.005. INSTITUTE ESTABLISHED. (a) There is established in the Department of Commerce and Economic Development the Alaska Seafood Marketing Institute. The institute shall act through a board of directors, which consists of 18 members. Seventeen members are to be appointed by the governor as provided in (b) of this section. The commissioner of commerce and economic development or his designee is also member of the board.

(b) Nine members of the board must be persons who represent seafood processors having an annual payroll in the state of at least \$1,000,000. Four members of the board must be persons who represent seafood processors having an annual payroll in the state of at least \$100,000. Four members of the board must be commercial fishermen. Members serve terms of three years. Initial appointments of members are five members serving for one year, five members serving for two years, and seven members serving for three years.

(c) Members of the fishing industry may make recommendations to the governor of persons to serve on the board.

(d) Nine members of the board constitute a quorum.

(e) The board shall elect a chairman annually and shall hold at least one regular meeting a year. The chairman must be a member of the board. The board shall meet at the call of the chairman or upon the written request of two members of the board.

(f) Board members receive no salary, but are entitled to per diem and travel expenses authorized by law for other boards and commissions.

Proposed CS

GOVS Bell

Sec. 15.51.020 POWERS. In carrying out the powers of the Institute, the board may

- (1) adopt, alter, and use a corporate seal;
- (2) prescribe, adopt, amend, and repeal bylaws;
- (3) sue and be sued in the name of the Institute;
- (4) enter into any agreements necessary to the exercise of its powers and functions;
- (5) cooperate with a public or private board, organization, or agency engaged in work or activities similar to the work or activities of the Institute and make contracts and agreements with those organizations or agencies for joint programs of consumer education, sales promotion, quality control, advertising and research in the production, processing or distribution of seafood;
- (6) conduct, or contract for scientific research to develop and discover health, dietetic or other uses of seafood harvested and processed in the state;
- (7) receive contributions of money from persons;
- (8) employ at its pleasure an executive director and other employees it considers necessary and prescribe their duties and fix their compensation.
- (9) establish offices in the state and incur expenses incidental to the performance of its duties;

Sec. 16.51.015. POWERS. The board may

- (1) adopt by-laws;
- (2) make contracts and other agreements which promote the sale of seafood harvested and processed in the state;
- (3) cooperate with a public or private board, organization or agency engaged in work or activities similar to the work or activities of the institute and make contracts and agreements with those organizations or agencies for joint programs of consumer education, sales promotion, quality control, advertising and research in the production, processing or distribution of seafood;
- (4) conduct, or contract for scientific research to develop and discover health, dietetic or other uses of seafood harvested and processed in the state;
- (5) receive contributions of money from persons;
- (6) employ at its pleasure an executive director and other employees it considers necessary and prescribe their duties and fix their compensation;
- (7) establish offices in the state and incur expenses incidental to the performance of its duties;
- (8) present facts to, and negotiate with local, state or federal agencies on matters affecting quality, production, processing or distribution of seafood harvested and processed in the state.

Proposed

CS

- (10) appear in behalf of the Institute before boards, commissions, departments, or other agencies of municipal, state or federal government;
- (11) acquire, hold, use, lease, sell, or otherwise dispose of property of any kind, real, personal, or mixed, or an interest in it;
- (12) establish and maintain one or more bank accounts for the transaction of the Institute's business;
- (13) prepare market research and product development plans for the promotion of any species of fish and their by-products which may be harvested in the state and processed for sale;
- (14) do everything necessary or desirable to carry out the purposes of the Institute.

Proposed CS

Govs Bill

Sec. 16.51.025 DUTIES. The board shall

- (1) conduct programs of education, research, advertising or sales promotion designed to accomplish the purposes of this chapter;
- (2) prepare annually a budget of proposed expenses of the board to be incurred in carrying out this chapter;
- (3) provide promotional services for fishermen and processors of all species of fish and their by-products which are harvested in the state and processed for sale;
- (4) recommend quality control programs including product quality standards for seafood harvested and processed in the state;
- (5) prepare market research and product development plans for the promotion of all species of fish and their by-products which are harvested in the state and processed for sale; and
- (6) submit an annual report to the governor and the legislature describing its activities.

Sec. 16.51.030. PROHIBITED PROMOTIONS. The board may not promote or make a contract which promotes seafood by

- (1) geographic origin other than this state generally;
- (2) geographic region in the state; or
- (3) specific brand name.

Sec. 16.51.020. DUTIES. The board shall

- (1) conduct programs of education, research, advertising sales promotion designed to accomplish the purposes of this chapter
- (2) prepare annually a budget of proposed expenses of the board to be incurred in carrying out this chapter;
- (3) provide promotional services for fishermen and processors of all species of fish and their by-products which are harvested in the state and processed for sale;
- (4) recommend quality control programs including product quality standards for seafood harvested and processed in the state;
- (5) prepare market research and product development plan for the promotion of all species of fish and their by-products which are harvested in the state and processed for sale; and
- (6) submit an annual report to the governor and the legislature describing its activities.

Sec. 16.51.025. PROHIBITED PROMOTIONS. The board may not promote or make a contract which promotes seafood by

- (1) geographic origin other than from this state generally;
- (2) geographic region in the state; or
- (3) specific brand name.

Proposed CS

600s Bill

Sec. 16.51.035. .2 PERCENT SEAFOOD MARKETING ASSESSMENT

- (a) each processor who purchases at least \$50,000 of seafood products shall pay a seafood marketing assessment at the rate of .2 percent of the gross dollar value, as defined by AS 43.75.140(7), paid by processor to fishermen for all seafood products during the previous calendar year.
- (b) a .2 percent seafood marketing assessment may only be levied or collected under (a) of this section if the Institute approves the .2 percent seafood marketing assessment under AS 16.51.050.

Sec. 16.51.040. .4 PERCENT SEAFOOD MARKETING ASSESSMENT

- (a) each processor who purchases at least \$50,000 of seafood products shall pay seafood marketing assessment at the rate of .4 percent of the gross dollar value, as defined by AS 43.75.140 (7), paid by processor to fishermen for all seafood products during the previous calendar year.
- (b) a .4 percent seafood marketing assessment may only be levied or collected under (a) of this section if the Institute approves the .4 percent seafood marketing assessment under AS 16.51.050.

Sec. 16.51.045. .6 PERCENT SEAFOOD MARKETING ASSESSMENT

- (a) each processor who purchases at least \$50,000 of seafood products shall pay seafood marketing assessment at the rate of .6 percent of the gross dollar value, as defined by AS 43.75.140(7), paid by the processor to fishermen for all seafood products during the previous calendar year.
- (b) a .6 percent seafood marketing assessment may only be levied or collected under (a) of this section if the Alaska Seafood Marketing Institute approves the .6 percent seafood marketing assessment under AS 16.51.050.

Sec. 16.51.030. CONTRIBUTIONS. (a) Contributions received by the institute shall be accounted for as provided in AS 37.10.050.

(b) Appropriations made to the institute for a fiscal year may be limited so that the appropriation of money from the general fund is at least equal to the contributions received by the institute but not more than 10 percent of the tax collected under AS 43.75 for the tax year which ended during the preceding fiscal year.

Sec. 43.75.134. TAX CREDIT. For tax years beginning after December 31, 1980, each taxpayer who files a fisheries tax return is entitled to a credit against the tax imposed by AS 43.75.015 and 43.75.100 for contributions made in the tax year to the Alaska Seafood Marketing Institute established in AS 16.51.005(a). The tax credit provided in this section may not exceed five percent of the net fisheries tax liability of the taxpayer before the deduction of this credit or other applicable credits.

Sec. 16.51.050 ELECTION TO APPROVE OR TERMINATE SEAFOOD MARKETING ASSESSMENT.

(a) The Institute may conduct an election under this section after the director of the division of elections approves

- (1) the notice to be published by the Alaska Seafood Marketing Institute;
- (2) the ballot to be used in the election; and
- (3) the registration and voting procedure for the approval or termination of the seafood marketing assessment.

(b) The seafood marketing assessment is levied under AS 16.51.035, AS 16.51.040 or AS 16.51.045 on the effective date stated on the ballot if

- (1) it is approved by a majority vote by value of the eligible processors in an election held under this section; and
- (2) the election results are certified by the director of the division of elections.

(c) In conducting an election under this section, the Institute shall adopt the following procedures;

(1) The proposed levy or termination of the assessment shall be adopted by a majority of the board at a regularly scheduled meeting not less than 60 days before the date on which ballots must be postmarked to be counted.

(2) The Institute shall hold at least one meeting, not less than 30 days before the date on which ballots must be postmarked to be counted, to explain the reason for the proposed seafood marketing assessment and to explain the voting procedure to be used in the election. The Alaska Seafood Marketing Institute shall provide notice of the meeting by

(A) mailing the notice to each eligible processor; and

(B) publishing the notice in at least one newspaper of general circulation in each region of the state at least two weeks before the meeting.

(3) The Alaska Seafood Marketing Institute shall mail ballots to each eligible processor not more than 45 days before the date ballots must be postmarked to be counted in the election.

(4) The ballot shall

(A) indicate whether the election relates to a seafood

Proposed CS

marketing assessment under AS 16.51.035, AS 16.51.040, or AS 16.51.045;

(B) ask whether the seafood marketing assessment shall be levied or, if the election is to terminate the assessment, whether the seafood marketing assessment should be terminated

(C) indicate the date on which returned ballots must be postmarked to be counted.

(5) The ballot shall be returned or by mail and shall be counted by the director of the division of elections, or his representative.

(d) The director of the division of elections shall certify the results of an election under this section, if he determines that the requirements of (a) and (c) of this section have been satisfied.

(e) In this section, "eligible processor" means any person or entity licensed under AS 43.75.011.

(f) For the purposes of this section a ballot submitted by a corporation is presumed valid if the ballot is signed by an individual who is indicated to be an officer of the corporation and if the ballot carries the corporate seal.

Proposed CS

Sec. 16.51.055 TERMINATION OF THE SEAFOOD MARKETING ASSESSMENT

(a) The seafood marketing assessment levied under AS 16.51.035, AS 16.51.040, or AS 16.51.045 may be terminated by the commissioner of revenue upon a majority vote by value held under AS 16.51.050.

(b) A seafood marketing assessment shall be terminated by the commissioner of revenue under (a) of this section if

- (1) a petition is presented to the director of the division of elections requesting termination of the seafood marketing assessment by a number of persons representing at least 25 percent of the gross landed value of seafood products purchased in Alaska, as determined by the commissioner of revenue;
- (2) an election is held in accordance with AS 16.51.050. The ballot shall ask the question whether the seafood marketing assessment shall be terminated;
- (3) a majority vote by value of eligible processors who vote in the election is cast in favor of termination of the seafood marketing assessment;
- (4) the institute provides notice of the election in accordance with AS 16.51.050 within 60 days after receiving notice from the director of the division of elections that a valid petition under (1) of this subsection has been received.

Proposed

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Sec. 16.51.060 COLLECTION OF ASSESSMENTS AND DISPOSITION OF PROCEEDS

(a) A processor who purchases seafood products and is subject to the seafood marketing assessment levied by AS 16.51.035, 16.51.040, or 16.51.045 shall remit the total seafood marketing assessment owed to the department of revenue by April 15 of the year following the year for which the assessment has been levied.

(b) The seafood marketing assessment collected under this chapter shall be deposited in the general fund. The legislature may make appropriations to the department of commerce and economic development for the purpose of providing financing to the Alaska Seafood Marketing Institute based on collections of the seafood marketing assessment, and may appropriate additional funds beyond the assessment collected in AS 16.51 as needs are demonstrated by the Alaska Seafood Marketing Institute.

Sec. 16.51.065 FAILURE TO PAY ASSESSMENT

A processor who fails to pay an assessment levied under AS 16.51.035, 16.51.040 or 16.51.045 within 60 days of the date the assessment is payable is liable to the state for twice the amount of the assessment levied. On request of the board of directors of the Alaska Seafood Marketing Institute, the attorney general may bring a civil action against a processor for money payable under the provisions of this chapter.

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Sec. 16.51.100 DEFINITIONS. In this chapter

- (1) "board" means the board of directors of the institute;
- (2) "institute" means the Alaska Seafood Marketing Institute
- (3) "promote or make a contract which promotes seafood" means to advertise or make a contract for advertising the use, value, attractiveness or quality of seafood.
- (4) "majority vote by value" means that assenting processors must represent at least 51% of the gross landed value of all seafood products purchased in Alaska as determined by the commissioner of revenue.

Sec. 2. AS 39.50.200(b) is amended by adding a new paragraph to read: (44) Alaska Seafood Marketing Institute (AS 16.51.005)

Sec. 3. AS 18.90 is repealed.

Sec. 4. This act takes effect immediately in accordance with AS 01.10.070(c).

Sec. 16.51.100. DEFINITIONS. In this chapter

- (1) "board" means the board of directors of the institute
- (2) "institute" means the Alaska Seafood Marketing Institute
- (3) "seafood processor" means a person cooking, canning, freezing or otherwise preparing seafood for sale.

\* Sec. 3. AS 39.50.200(b) is amended by adding a new paragraph to read:  
(44) Alaska Seafood Marketing Institute (AS 16.51.005).

\* Sec. 5. Section 4 of this Act is retroactive to January 1, 1981 and applies to tax years beginning after December 31, 1980.

\* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.070(c).

June 30, 1980

The Honorable Clem Tillion  
President of the Senate  
The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. President and Mr. Speaker:

While I have vetoed Senate Committee Substitute for Committee Substitute for House Bill 962, creating the fisheries business tax grant fund, I am instructing the Commissioner of the Department of Commerce and Economic Development to explore methods whereby much needed quality control and marketing assistance to the fisheries industry can be accomplished. Some funding for this effort has been provided.

The purpose of this measure is meritorious, however, the Department of Law strongly recommended veto due to its extremely doubtful constitutional validity. I am willing for members of my Administration to explore means whereby the purposes outlined in this measure may be achieved through constitutionally sound legislative enactment.

Sincerely,

Jay S. Hammond  
Governor



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 24, 1980

Mr. John Martin  
Alaska Seafood Association  
130 Seward Street  
Suite 501  
Juneau, Alaska 99801

Dear Mr. Martin:

The formation of the Alaska Seafood Association signals the beginning of a new era for Alaska's primary industry. It is a concept of great economic value to the State and nation as well, as it achieves its full potentials. As in the past, I will assist in any way possible toward achieving these goals.

I am especially encouraged by your designation of quality control and market development as the Association's primary objectives. My request of the President for the designation of National Salmon Week, should be an immediate and continuing vehicle for the Association's support.

Today, on this auspicious occasion, you have my profound congratulation and support for success in the months and years ahead.

With every good wish.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond".

Jay S. Hammond  
Governor

June 30, 1960

The Honorable Clem Tillion  
President of the Senate  
The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Fouch V  
Juneau, Alaska 99811

Dear Mr. President and Mr. Speaker:

While I have vetoed Senate Committee Substitute for Committee Substitute for House Bill 962, creating the fisheries business tax grant fund, I am instructing the Commissioner of the Department of Commerce and Economic Development to explore methods whereby such needed quality control and marketing assistance to the fisheries industry can be accomplished. Some funding for this effort has been provided.

The purpose of this measure is meritorious, however, the Department of Law strongly recommended veto due to its extremely doubtful constitutional validity. I am willing for members of my Administration to explore means whereby the purposes outlined in this measure may be achieved through constitutionally sound legislative enactment.

Sincerely,

Jay S. Hammond  
Governor



FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 198 (page 1 of 2)  
 Title Establishment of Alaska Seafood Marketing Institute  
 Requested by Governor Date 2/17/81

II. FISCAL DETAIL

Agency Affected Commerce & Economic Development  
 Program Category Affected Board & Commissions  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		151,612	166,773	183,451	201,796	221,975
200 TRAVEL		35,000	38,500	42,350	46,585	51,244
300 CONTRACTUAL		303,388	1,433,727	1,577,099	1,734,809	1,908,290
400 COMMODITIES		6,000	6,600	7,260	7,986	8,785
500 EQUIPMENT		4,000	4,400	4,840	5,324	5,856
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>1,500,000</b>	<b>1,650,000</b>	<b>1,815,000</b>	<b>1,996,500</b>	<b>2,196,150</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	750,000	825,000	907,500	998,250	1,098,075
FEDERAL FUNDS					
OTHER (Specify Fund Source)					
Private contribution derived from proposed tax credit	750,000	825,000	907,500	998,250	1,098,075

POSITIONS

FULL TIME	2	2	2	2	2
PART TIME	1	1	1	1	1
TEMPORARY	1	1	1	1	1

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attachment

IV. DATE \_\_\_\_\_

PREPARED BY Richard E. Reynolds  
 AGENCY Commerce and Econ. Dev.  
 PHONE 465-2018

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

## Fiscal Note - Alaska Seafood Marketing Institute

## Part III - Analysis

Assumptions: That contributions based on credits against fisheries business tax (and corresponding general fund appropriations) are able to increase at a rate of 10 percent per year. 1982 base costs are similarly inflated for the years following.

Positions: The following positions and costs in 1982 are summarized under personal services:

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Director/Office Manager	\$52,000	\$12,007	\$64,007
Research, writing, reception	25,000	5,839	30,839
Special Projects Manager (part-time)	28,000	5,525	34,525
Data Programmer (part-time)	18,000	4,241	22,241
			<u>\$151,612</u>

## Expenditures:

Detail of contractual total in 1982 is provided below:

Program	\$1,262,388
Space rental	6,000
Janitorial	2,000
Legal/accounting	12,000
Telephone	4,000
Equipment rental	5,000
Copying & printing	8,000
Board meeting related	4,000
	<u>\$1,303,388</u>

## Program:

The budgeted program encompasses seafood market promotion, product development, market research activities called for in the legislation. Specific projects to be developed by the appointed board.

The program amount is derived by subtracting "administrative" costs from the amount presumed to be available.