

ALASKA LEGISLATURE COMMITTEE FILES 1983 - 1984 8672

2736 SLC HB 721 - HJR 47

2736

Statement of Changes in Capital and Allocated Undistributed Patronage Earnings

For the Years Ended December 31, 1983 and 1982

	<u>Share Capital</u>	<u>Capital In Excess Of Par Value</u>	<u>Contributed Capital</u>	<u>Allocated Undistributed Patronage Earnings</u>	<u>Total</u>
Balance, December 31, 1981	\$37,803,810	\$24,480	\$144,626	\$2,348,978	\$40,321,894
Issuance of stock during the year:					
16,473 shares of Class B stock, net	1,647,300				1,647,300
283 shares of Class A stock	2,830	25,470			28,300
Dividends paid/payable				(551,871)	(551,871)
Loan principal charged against allocated undistributed patronage				(14,502)	(14,502)
Allocated undistributed patronage earnings				2,787,941	2,787,941
Balance, December 31, 1982	<u>39,453,940</u>	<u>49,950</u>	<u>144,626</u>	<u>1,570,546</u>	<u>44,219,062</u>
Issuance of stock during the year:					
27,349 shares of Class B stock, net	2,734,900				2,734,900
264 shares of Class A stock	2,640	23,760			26,400
Dividends paid/payable				(35,715)	(35,715)
Loan principal charged against allocated undistributed patronage				(72,841)	(72,841)
Allocated undistributed patronage earnings				309,473	309,473
Balance, December 31, 1983	<u>\$42,191,480</u>	<u>\$73,710</u>	<u>\$144,626</u>	<u>\$4,771,463</u>	<u>\$47,181,279</u>

See accompanying notes to financial statements

Statement of Changes in Financial Position

	For the Year Ended December 31,	
	1983	1982
Sources of Financial Resources:		
From Operations —		
Allocated undistributed patronage earnings	\$ 309,473	\$ 2,787,941
Items not requiring funds —		
Depreciation and amortization	170,132	135,105
Provision for loan losses	3,890,135	1,087,636
Gain on sale of assets	(8,976)	
Total from operations	4,360,764	4,010,682
Net proceeds from sale of assets	256,248	
Net proceeds from stock issuance	2,761,300	1,675,600
Increase In —		
Accounts payable and accrued expenses		162,614
Accrued interest payable	319,806	490,785
Notes payable	28,725,892	13,119,393
Spokane Bank for Cooperatives participation payable		9,970
Patronage dividend payable		37,271
Decrease In —		
Cash		3,444,744
	<u>\$36,424,010</u>	<u>\$22,951,059</u>
Uses of Financial Resources:		
Loans charged off, net of recoveries	\$ 1,750,599	\$ 87,636
Loan principal charged against		
allocated undistributed patronage	72,841	14,502
Patronage dividends paid/payable	35,715	551,871
Increase In —		
Cash	241,860	
Investment in Spokane Bank for Cooperatives	1,328,193	1,614,519
Loans	30,033,366	18,042,405
Accrued interest receivable	1,774,137	2,154,016
Bank premises, furniture and equipment	236,940	353,574
Other assets	150,501	132,536
Decrease In —		
Accounts payable and accrued expenses	184,193	
Spokane Bank for Cooperatives participation payable	99,509	
Patronage dividend payable	516,156	
	<u>\$36,424,010</u>	<u>\$22,951,059</u>

See accompanying notes to financial statements

Note 1 — Operations and Accounting Policies:

Operations: The Alaska Commercial Fishing and Agriculture Bank (CFAB) was incorporated on May 4, 1979 to promote the sustained growth of Alaska agriculture and fishing through the provision of debt financing and financial services to resident-owned business engaged in harvesting, processing, or marketing; and to promote its own growth as a strong user oriented institution through cooperative ownership and self governance.

CFAB intends to accomplish its purposes primarily by making loans to individuals who are residents of Alaska and are engaged in commercial agriculture or fishing, or to corporations, partnerships or joint ventures primarily engaged in commercial agriculture or fishing, the majority interest of which is beneficially owned by residents of the State of Alaska and a majority of the owners of which are residents of the State of Alaska. A loan recipient must be a member of CFAB.

CFAB is a cooperative corporation and intends to refund any allocated undistributed patronage earnings at such time as the Board of Directors finds that the financial condition of CFAB will so permit.

Operating Reserves and Income. Board designated operating reserve investments in short-term instruments are stated at cost, which approximates market. Income is recorded as earned.

Interest on Loans: The accrual of income on loans is discontinued when, in management's opinion, there is doubt as to the collectibility of such income.

Patronage Dividends: Patronage dividends received from Spokane Bank for Cooperatives (SBC), of which CFAB is a member, are shown as a reduction of interest expense to SBC (see Note 7) in the year in which those dividends are declared by SBC.

Allowance for Loan Losses: Additions to the allowance for loan losses are provided from charges to income based on management's evaluation of the loan portfolio under existing economic conditions.

Bank Premises, Furniture and Equipment: Bank premises, furniture and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are charged to operations by use of the straightline method over estimated useful lives of three to ten years. Expenditures for maintenance and repairs are charged to operating expense as incurred. Expenditures for renewals or improvements which extend the life of an asset are capitalized at cost and depreciated as stated above. Upon sale, retirement or other dispositions of property, the cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in income.

Organization Costs: Certain costs related to the feasibility, capital needs and incorporation phases of CFAB have been deferred and are being amortized over sixty months. Such costs consist of legal and advisory fees.

Income Taxes: Amounts provided for income tax expense are based on earnings reported for financial statement purposes,

rather than on the taxable income shown on the corporate income tax return. These amounts may differ because certain items are recorded as income or expense in different years for financial statement and tax return purposes.

CFAB uses the flow-through method of accounting for investment tax credits, which results in a reduction of income taxes in the year credits are utilized.

Reclassifications: Certain amounts included in the comparative financial statements have been reclassified to achieve comparability. Such reclassification has no effect on previously reported net income.

Note 2 — Income Taxes:

Income tax expense is comprised of the following components:

	<u>December 31,</u>	
	1983	1982
Income tax expense calculated		
at statutory rates	\$122,108	\$1,262,703
Tax effect of:		
Distribution of allocated		
patronage earnings	(100,308)	(1,262,703)
Investment tax credit	(21,800)	
Income tax provision (benefit)	<u>\$ -0-</u>	<u>\$ -0-</u>

Note 3 - Related Party Transactions:

In the ordinary course of business, CFAB makes loans to members who serve on CFAB's Board of Directors and members who are CFAB employees. Loans to members who serve on the Board of Directors must be approved by the Spokane Bank for Cooperatives. Total loans to these members at December 31, 1983 and 1982 were \$6,234,394 and \$1,590,033, respectively.

Note 4 - Loans

The following represents a classification of CFAB's loan portfolio by major category at December 31, 1983 and 1982:

	<u>December 31,</u>	
	1983	1982
Vessels	\$ 50,520,974	\$33,391,411
Fish processors	30,248,447	35,835,108
Agricultural and timber	24,421,884	6,631,569
Gear, entry permits, and other	8,798,907	8,098,758
	<u>113,990,212</u>	<u>83,956,846</u>
Less: Allowance for loan losses	4,139,536	2,000,000
Net loans	<u>\$109,850,676</u>	<u>\$81,956,846</u>

As this is only the fourth year of lending activity for CFAB, loan loss experience has been limited and no similar lending

institution exists on which to base an allowance for expected loan losses. Management has established the allowance for loan losses based on a specific provision for loans identified as a potential loss. Additionally, management has included an allowance of 1.5% for loans not specifically identified as a potential loss. A summary of the activity in the allowance for loan losses follows:

	December 31,	
	1983	1982
Balance at beginning of year	\$2,000,000	\$1,000,000
Charge to expense	3,890,135	1,087,636
Recoveries on loans previously charged off	107,539	88,485
	5,997,674	2,176,121
Loans charged off	(1,858,138)	(176,121)
Balance at end of year	<u>\$4,139,536</u>	<u>\$2,000,000</u>

The following represents a classification of CFAB's nonaccrual loans by major category at December 31, 1983 and 1982:

	December 31,	
	1983	1982
Vessels	\$3,440,990	\$1,138,981
Fish processors	2,913,520	3,251,927
Agricultural		102,588
	<u>\$6,354,510</u>	<u>\$4,493,496</u>

If interest on these loans had been accrued, such income would have approximated \$541,000 for 1983.

Nonperforming loans, but not in the opinion of management considered to be nonaccrual loans, totaled \$1,963,700.

CFAB serves the financial needs of the commercial fishing and agricultural industries in the State of Alaska. These industries are subject to seasonal and cyclical fluctuations which could affect the borrowers' ability to repay loans on a timely basis.

As of December 31, 1983, the Bank had approved loans of \$6,287,304 which had not been disbursed.

Note 5 - Bank Premises, Furniture and Equipment:

The following represents a classification of bank premises, furniture and equipment by major category at December 31 in each of the past two years:

	December 31,	
	1983	1982
Bank premises		\$ 220,664
Furniture, fixtures and equipment	\$ 916,083	759,956
Leasehold improvements	125,130	106,192
	1,041,213	1,086,812
Less - Accumulated depreciation and amortization	(333,452)	(226,984)
	<u>\$ 707,761</u>	<u>\$ 859,828</u>

Note 6 - Lease Obligations:

CFAB has entered into certain long-term operating type lease agreements for buildings and equipment. Rental expense under these leases totaled \$232,000 and \$211,300 for the years ended December 31, 1983 and 1982, respectively. Minimum annual lease payments are as follows:

Year ending December 31,	Amount
1984	\$219,953
1985	63,730
1986	35,652
1987	25,152
1988	6,105

Note 7 - Notes Payable:

Notes payable consisted of the following:

Borrowings against lines of credit with Spokane Bank for Cooperatives (SBC). The current agreements provide for quarterly interest payments based upon floating rates:

Seasonal loan - Credit line of \$60,000,000 expiring on June 1, 1984, bearing interest at 10.25% at December 31, 1983

Term loan - Credit line of \$30,000,000 refinanced by long-term notes in 1983.

SBC Matched Funds Notes:

	December 31,	
	1983	1982
Seasonal loan - Credit line of \$60,000,000 expiring on June 1, 1984, bearing interest at 10.25% at December 31, 1983	\$49,300,000	\$10,600,000
Term loan - Credit line of \$30,000,000 refinanced by long-term notes in 1983		20,000,000
Short-term note dated November 9, 1982, bearing interest at 10.6%, due May 9, 1983		10,000,000
Long-term note dated November 9, 1982, bearing interest at 10.555%, due July 22, 1985	5,000,000	5,000,000
Long-term note dated December 1, 1982, bearing interest at 11.093%, due June 1, 1987	5,000,000	5,000,000
Long-term note dated January 20, 1983, bearing interest at 11.18%, due January 20, 1993	5,000,000	
Long-term note dated March 1, 1983, bearing interest at 10.668%, due September 1, 1987	5,000,000	
Long-term note dated January 20, 1983, bearing interest at 10.444%, due January 20, 1987	5,000,000	
Long-term note dated April 20, 1983, bearing interest at 11.132%, due October 21, 1991	5,000,000	
Other notes payable and capitalized equipment leases with various interest rates and maturity dates	106,368	80,476
	<u>\$79,406,368</u>	<u>\$50,680,476</u>

Principal payments required on notes payable are as follows:

Year ended December 31,	Amount
1984	\$49,406,368
1985	5,000,000
1986	
1987	15,000,000
1988 and later years	10,000,000

CFAB entered into SBC's matched funding loan program in November 1982 whereby CFAB may borrow both short-term and long-term funds under its established line of credit at fixed rates of interest, generally providing CFAB with a lower cost of funds.

CFAB must invest in SBC's Class C stock in an amount equal to at least 5% of the cumulative average loan balance maintained with SBC. The amount of CFAB's investment in SBC's Class C stock and equity in allocated surplus was \$3,708,643 and \$2,380,450 at December 31, 1983 and 1982, respectively. The maximum amount due SBC during 1983 was \$88,800,000. These loans are secured by all of CFAB's assets and notes evidencing loans to members.

CFAB maintains a line of credit with a local bank of \$2,000,000. At December 31, 1983 there were no draws outstanding.

Note 8 - Share Capital:

Shares purchased by the State of Alaska must be repurchased within twenty years by CFAB (Note 10).

Preferential shareholders rights on dissolution are attached in the order of Class C, Class B and Class A.

Upon issue, the following rights will attach to the three categories of stock:

Class C - No voting or dividend rights. May only be issued to the State of Alaska.

Class B - No voting rights. Class B stock may only be held by members of CFAB, and dividends paid shall not exceed \$10/share annually. Borrowers must purchase and maintain Class B stock in an amount equal to 10% of their loan proceeds. This amount is added to the loan proceeds in determining the loan balance.

Class A - No dividend rights. Each member of CFAB must own one share of Class A stock. Each share of stock carries one vote. To vote, a member must be engaged in commercial fishing or agriculture and must be a current borrower or have borrowed from CFAB during the preceding two years or have retained patronage earnings with CFAB of at least \$2,500.

Note 9 - Qualified Deferred Compensation Plan:

As of January 1, 1982 CFAB terminated its participation in a contributory retirement benefit plan. On December 28, 1982, CFAB adopted a non-contributory plan, effective January 1, 1982, which provides all regular, full time employees retirement benefits based upon employee compensation, length of service and age at retirement. Plan costs were \$74,000 and \$85,000 for the years ended December 31, 1983 and 1982, respectively. The excess, if any, of the actuarially computed value of vested benefits over the total of pension fund assets is not available.

Note 10 - Class C Stock Repurchase Plan:

In accordance with AS 44.81.010(b), on or before July 18, 2000, CFAB is required to repurchase its Class C stock issued to the State of Alaska. On November 10, 1982 a contract was signed with the State of Alaska outlining the principles of a plan which calls for the repurchase of outstanding Class C stock with CFAB capital funds to be provided by CFAB's member-borrowers over a period of future operations. On December 12, 1983, CFAB implemented its Class C Stock Redemption Program.



101 WEST BENSON BOULEVARD
ANCHORAGE, ALASKA 99503
(907) 563-4444

January 24, 1984

To the Shareholders and Board of Directors
Alaska Commercial Fishing and Agriculture Bank

In our opinion, the accompanying balance sheet and the related statements of income, of changes in capital and allocated undistributed patronage earnings and of changes in financial position present fairly the financial position of the Alaska Commercial Fishing and Agriculture Bank at December 31, 1983 and 1982, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

Staff and Board of Directors

Administration

Forest J. Paulson
President and Chief Executive Officer

Karol A. Askerman
Assistant to the President

John R. Blackmon Jr.
Vice President, Corporate Accounting

Larry L. Limegar
Vice President-Manager, Loan
Operations

Ben E. Pollen
Vice President-Manager, Data
Processing

Daydra R. Presley
Communications and Marketing
Coordinator

Administration Support

Penny D. Torrente
Receptionist/Clerk Typist

Godelieve C. VanLint
Courier

Communications & Marketing

Chianne G. Sanchez
Secretary

Corporate Accounting

Darleen S. Church
AVP, Controller

Loan Servicing

Jo F. Schropp
Senior Bookkeeper

Lora C. Smith
Loan Servicing Bookkeeper

Lisa F. Trepanier
Loan Servicing Secretary

Accounting

M. Marie Anderson
Senior Bookkeeper

Cynthia D. Blush
Bookkeeper/General Ledger

Faith M. Stouder
Accounting Department Secretary

Data Processing

Dwight D. Ormquist
Programmer/Analyst

Katie A. Pittmann
Executive Secretary

Colleen S. Strutz
Data Entry/Retrieval Operator

Loan Operations

Anchorage Region
Robert H. Clark
Loan Officer

Terry H. Hayden
AVP, Loan Officer

Holly M. Huebner
AVP, Loan Officer

Gilbert J. Lomen
AVP, Loan Officer

Tim R. Ryan
AVP, Loan Officer

Janis Y. McSherry
Executive Secretary

Dorothy M. O'Neal
Loan Officer's Secretary

Documentation

Deborah A. Toschi
Documentation Assistant

Save Department

(SAVE Alaska's Viable Enterprises)

Iver H. Amundsen
AVP, Special Collections and SAVE

Bruce C. Chertkow
Collection/Credit Specialist

Kenai Peninsula Region

Anne A. Haynes
Kenai Region
New Business Manager—Homer

Eileen C. Marrou
Kenai Region Assistant

Seattle Region

Tammi C. Wright
Seattle Region Business Manager

K. Alexis Stephens
Seattle Region Collateral Control
Bookkeeper

Southcentral Region

E. Suzanne Fossón
Southcentral Region
New Business Manager—Cordova

Monica R. McKenzie
Southcentral Region Assistant

Southeastern Region

Dennis R. Merck
Southeastern Region
Manager—Ketchikan

Earleen R. Ingraham
Southeastern Region Assistant

Southwestern Region

Michael W. Sigler
Southwestern Region
Manager—Kodiak

Board Of Directors

Paul A. Huppert
Chairman
P.O. Box 858
Palmer, Alaska 99645

Robert Waldrop
Vice Chairman
1101 Cordova
Anchorage, Alaska 99501

Thomas E. Thompson
Secretary/Treasurer
Box 830
Sitka, Alaska 99835

Roseleen "Snooks" Moore
Director
SRA 90-B
Homer, Alaska 99603

Frank M. Hoffman
Director
523 Harris Street
Juneau, Alaska 99801

Dale R. Pihlman
Director
P.O. Box 7814
Ketchikan, Alaska 99901

Harvey H. Samuelsen
Director
Box 18
Dillingham, Alaska 99835

NOTE REGARDING THE FOLLOWING FRAME(S) ON MICROFILM:
COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES.
TITLE PAGE ONLY HAS BEEN FILMED.

NEWSPAPER

Co-ops: What They Are And Do

By Beryle Stanton,
National Coordinator
National Cooperative Month
Planning Committee

Some 60 million people in this country use cooperatives—about 50,000 of them. That's a lot of people and a lot of businesses. And they do many billions of dollars worth of business each year. As one example, the farmer-owned marketing and supply cooperatives did over \$56 billion worth of business at the latest count—in 1979.

But studies and surveys show many people know very little about this type of business enterprise—one that marches along in our economy with individual ownerships, partnerships, and other corporate type businesses.

What Does A Cooperative Do?

For Members—

Cooperatives do many things for many people. They can be places to buy, places to sell, places to get a needed service.

Members use them to market farm products. . .obtain farm supplies such as petroleum products and fertilizer... get groceries, and other consumer goods ...provide themselves with health, in-

Co On Cooperatives

A way of business for 60,000,000 Americans

Gallup Poll Shows:

Too Many Know Too Little About Co-ops



A recent Gallup opinion poll showed Americans are less aware of what farmer cooperatives are all about than they were five years ago—when another survey had been taken to study what the general public knew and thought about cooperatives.

However, analysis of this poll shows public opinion is not actually turning against these cooperatives. Rather, many just don't know enough about them to form an opinion.

Probably about the same lack of knowledge would show up if the same sort of a survey were taken of consumer cooperatives.

What are the co-op challenges in the '80s?



Alaska Commercial Fishing and Agriculture Bank

INFORMATION

MAY 1984

The Alaska Commercial Fishing and Agriculture Bank (CFAB) - a private lending cooperative, was created to fill the gap in sources of financing for Alaska's fishing and agriculture industries.

Since opening its doors nearly 4 years ago, CFAB has shown significant responsiveness to the needs of the industries it serves; Development of a growing body of expertise resulting from broad specialization has enabled CFAB to finance business endeavors rather than service loan requests. Development of service and industry programs to meet all segments of the industries' needs has enabled CFAB to meet the demands of forecasted development and expansion. And by providing greater accessibility to its intended borrowers CFAB has been able to reach the following villages and communities throughout Alaska:

Aleknagik	952,090.84	Egejik	1,883,650.79	Kodiak	15,719,289.19	Saint Marys	6,000.00
Anchor Point	497,406.94	Elfin Cove	93,804.00	Kokhanok	55,150.00	Sand Point	113,996.12
Anchorage	8,299,494.04	Estor	55,000.00	Kotzebue	104,037.50	Sand Point	1,275,395.85
Angoon	8,136,635.08	False Pass	250,612.16	Manokotak	57,738.04	Seldovia	590,464.44
Auke Bay	61,500.00	False Pass	6,230.04	Metlakatla	527,321.87	Seward	1,721,610.41
Bethel	1,173,697.96	Girdwood	26,400.00	Moose Pass	29,492.20	Sitka	3,053,188.43
Chefornek	60,148.52	Haines	84,307.14	Mountain Village	216,184.80	Skagway	35,200.07
Chignik	204,600.00	Homur	8,217,595.37	Naknek	1,298,390.14	South Nuknek	26,084.36
Chignik Lake	190,349.37	Hoonah	297,000.00	Nenana	165,385.11	Sutton	11,000.00
Chugiak	79,640.00	Hydaburg	4,710,005.39	New Stuyahok	21,539.00	Tanana	10,750.00
Clam Gulch	221,178.58	JunEAU	1,448,721.89	Ninilchick	208,531.71	Tatitlek	121,320.53
Cooper Landing	229,570.50	Kaku	1,978,632.84	Nome	15,408.52	Togiak	58,050.00
Cordova	11,310,495.43	Kasloff	427,080.16	Palmer	125,958.49	Tok	13,900.00
Craig	69,650.00	Kenai	4,664,055.88	Petersburg	5,976,387.48	Tooksook Bay	176,587.38
Delta Junction	430,349.18	Ketchikan	5,431,277.51	Pilot Station	2,800.00	Unalaska	1,150,853.86
Dillingham	5,567,665.64	King, Cove	2,886,586.17	Port Alexander	97,695.51	Valdez	1,477,704.96
Douglas	373,350.00	King, Salmon	621,410.70	Port Heida	532,321.30	Ward Cove	496,754.13
Eagle River	239,047.07	Klawock	1,672,318.99	Port Lion	77,000.00	Wasilla	431,958.28
				Whittier	41,400.00		
				Willow	40,111.50		
				Wrangell	344,467.17		

Reflective also of CFAB's responsiveness is its ever increasing loan portfolio performance record as of December 31, 1983.

LOANS MADE SINCE INCEPTION:
LOANS OUTSTANDING:

\$347,312,163
\$109,850,676

Including all previous loans and commitments outstanding, CFAB has brought over \$200 million dollars in Wall Street money to the State of Alaska. This is accomplished by CFAB's ability as a cooperative and a participant in the Farm Credit System to have ready access to "Wall Street" funds at reasonable rates. This enables CFAB to magnify the effects of the state's initial \$32 million dollar investment by more than 6.3 times in four years of operation.

3 721 TITLE & SPONSOR 17:20 3/04/84 PAGE 4 OF 3

RENDED TITLE:

ACT RELATING TO THE AL COMMERCIAL FISHING AND AGRICULTURE

PRIME SPONSOR: HOUSE JUDICIARY COMMITTEE.

SPONSORS:

CURRENT STATUS: 3/02/84 FAILED (1)

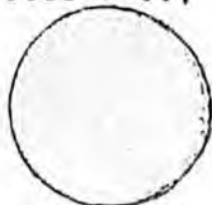
3 721 HOUSE ACTION 17:20 3/04/84 PAGE 2 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
5/14/84	01	3831	FIRST READING -- COMMITTEE REPORTS
5/17/84	02	3872	JUD -- DP04, NR02
5/17/84	03	3892	JUD F/NOTE EQUALS ZERO
5/18/84	04	3912	SECOND READING
5/18/84	05	3914	AM01 NOT ADOPTED BY DIV 17-18-05
5/18/84	06	3914	ADVANCED TO 3RD READING BY UNAN CONSENT
5/18/84	07	3914	THIRD READING
5/18/84	08	3915	PASSED BY DIV 22-13-05
5/18/84	09	3915	NOTICE OF RECONSIDERATION GIVEN
5/18/84	10	3915	POSTPONED UNTIL 05/22/84 BY UNAN CONSENT
5/22/84	11	3975	FAILED TO RETN END READING BY DIV 17-22-01
5/23/84	12	3975	PASSED ON RECONSIDERATION BY DIV 23-15-01
***	**	**	*** **

3 731 SENATE ACTION 17:20 3/04/84 PAGE 3 OF 3

DATE	SEQ	PAGE	LEGISLATIVE ACTION
5/23/84	13	3209	FIRST READING -- COMMITTEE REPORTS
5/01/84	14	3459	MOVED FROM CLC TO RLS BY UNAN CONSENT
5/02/84	15	3500	CLS -- OTHERS
			TAKEN UP IMMEDIATELY
5/02/84	16	3517	SECOND READING
5/02/84	17	3517	ADVANCED TO 3RD READING BY UNAN CONSENT
5/02/84	18	3517	THIRD READING
5/02/84	19	3517	FAILED BY DIV 27-13-02
***	**	**	*** **

SOURCE OF MONEY LOANED
TOTAL LOANS
\$25.1 Million
December 31, 1980



MEMBER CAPITAL
Amount
% of Total



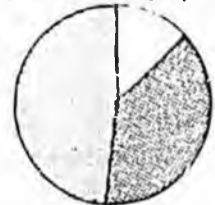
PRIVATE BORROWINGS
Amount
% of Total



STATE OF ALASKA
Amount
% of Total



SOURCE OF MONEY LOANED
TOTAL LOANS
\$64.9 Million
December 31, 1981

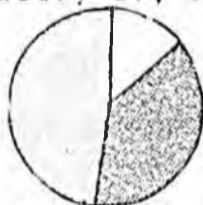


\$8.4 Million
13%

\$24.7 Million
38%

\$31.8 Million
49%

SOURCE OF MONEY LOANED
TOTAL LOANS
\$67.3 Million
January 27, 1982



MEMBER CAPITAL
Amount
% of Total



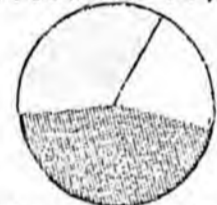
PRIVATE BORROWINGS
Amount
% of Total



STATE OF ALASKA
Amount
% of Total



SOURCE OF MONEY LOANED
TOTAL LOANS
\$82.0 Million
December 31, 1982

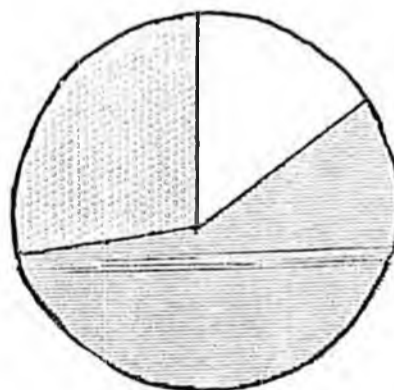


\$12.3 Million
14%

\$37.9 Million
46%

\$31.8 Million
39%

SOURCE OF MONEY LOANED
TOTAL LOANS
\$109.9 Million
December 31, 1983



MEMBER CAPITAL
Amount
% of Total



PRIVATE BORROWINGS
Amount
% of Total



STATE OF ALASKA
Amount
% of Total



\$15.2 Million
14%

\$62.9 Million
57%

\$31.8 Million
29%

HB 721

ON MAY 29TH, THE SENATE LABOR AND COMMERCE COMMITTEE HELD A PUBLIC HEARING TO DISCUSS HB 721 - "AN ACT RELATING TO THE ALASKA COMMERCIAL FISHING AND AGRICULTURE BANK".

THIS LEGISLATION WOULD REQUIRE LEGISLATIVE AUDIT TO CONDUCT AN AUDIT OF C.F.A.B. ANNUALLY AND TO SUBMIT ITS FINDINGS TO THE LEGISLATURE. AS HB 721 ALSO REPEALS THE CONFIDENTIALITY OF RECORDS STATUTE, ALL INFORMATION COMPILED FOR THE AUDIT WOULD BE PUBLICLY DISCLOSED.

ALTHOUGH THE LABOR AND COMMERCE COMMITTEE DISCUSSED THIS LEGISLATION FOR AN HOUR, NO ONE PRESENTED ANY EVIDENCE IN SUPPORT OF THIS LEGISLATION. ALL THE TESTIMONY INDICATED THAT PUBLIC DISCLOSURE OF THE FINANCIAL STATUS OF BORROWERS WAS NOT NECESSARY AND CERTAINLY WAS NOT GOOD PUBLIC POLICY.

I STRONGLY URGE DEFEAT OF THIS LEGISLATION.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

6 copies

October 3, 1983

MEMORANDUM

TO: Representative Ramona Barnes

FROM: David Teal *Teal*
Legislative Analyst

RE: Alaska Commercial Fishing and Agriculture Bank (CFAB)
Research Request 83-2244

You asked this agency to report on the status of the "seed money" provided by the State of Alaska to the Commercial Fishing and Agriculture Bank (CFAB). You also asked us to determine the amount of investments which the bank holds outside of Alaska and to describe reporting requirements of the bank. These topics are discussed below. This memorandum also includes a brief history of CFAB. I believe the historical information will clarify the common misconception that CFAB is an agency of the State.

Status of CFAB

According to the attached 1982 annual report, CFAB's purpose is to promote the sustained growth of Alaska agriculture and fishing through the provision of loans and other financial services to resident-owned businesses engaged in harvesting, processing, or marketing. CFAB is a cooperative corporation and lends only to members, who must be residents of Alaska. The bank was incorporated on May 4, 1979. At the time of incorporation, CFAB was a government instrumentality within the Department of Commerce and Economic Development. However, the bank simultaneously had a legal existence independent of and separate from the State.

For the purpose of funding the bank's operations, the State was authorized to purchase non-voting shares (class C stock) issued by the bank. The State--through the Department of Revenue--has invested \$32 million in CFAB's class C stock. This investment is the seed money that is often (erroneously) referred to as a loan to CFAB.

Legislation adopted in 1981 made major changes to the status of the bank. The law removed the provision making CFAB an instrumentality of the State and also revoked the bank's tax-exempt status and revealed the

ability of the bank to issue tax-exempt bonds. In addition, the law expanded reporting requirements so that any information requested by the legislature must be included in the board's annual report to members. The law also authorized the Division of Legislative Audit to access the records of the bank.

Status of Seed Money

The State provided start-up funds to CFAB through the purchase of \$2 million of class C stock in 1979. Additional investments of \$30 million were made in 1980. CFAB repurchased \$200,000 of class C stock from the State in 1981, leaving the current balance of the State's investment in the bank at \$31.8 million.

On November 10, 1982, CFAB and the State signed an agreement outlining a stock repurchasing plan. The plan calls for the repurchase of the State's class C stock with capital to be provided by CFAB's members over a 17-year period of future operations. The 17-year period stems from AS 44.81.010(b), which requires that the class C stock be repurchased within 20 years of the date of sale.

Under the repurchase agreement, members of CFAB will contribute capital to the "repurchasing fund" in proportion to the amount they have borrowed from the bank.¹ Each member will contribute one percent of his average outstanding loan balance each year in addition to the higher mandated purchases of class B stock described in the footnote below. Money flowing into the "repurchasing fund" will not be used to repurchase any class C stock until the year 2000. CFAB will retain the money to earn interest until the end of the 20-year repurchase period allowed by law. The money will eventually be used to repurchase class C stock from the State at its par value of \$31.8 million.²

¹Members have contributed capital to the bank since its inception. In effect, to obtain a \$100 loan, a member borrowed \$109.09; \$9.09 of which remained with CFAB as class B stock. As the loan was repaid, CFAB bought back the class B stock from the member. The agreement with the State calls for members to contribute additional capital to CFAB through higher mandated stock purchases in conjunction with loans. Beginning this year, CFAB raised the mandatory investment in class B stock from 9.09 percent to 10 percent of each member's loan balance.

²If the State had loaned \$32 million to CFAB in 1980 at a compound annual interest rate of five percent with payment of principal and interest deferred for 20 years, the repayment in the year 2000 would be about \$85 million.

Representative Barnes
October 4, 1983
Page 3

The repurchase agreement notes that the repurchasing pool reaches only about \$20 million under most assumptions of future activity, but claims that under "more select and rigidly managed conditions, the Plan can be judged adequate to generate \$31.8 million (i.e., the total par value of the 3,180 shares of Class C Stock currently held by the State)." The agreement also notes that CFAB can borrow to make up any shortage if the fund is insufficient to allow full repurchase of class C stock.

Investments Outside Alaska

The balance sheet on page 8 of the attached 1982 annual report shows investments of \$2.4 million, all held in the Spokane Bank for Cooperatives (SBC). Footnote 7 (page 15 of the report) explains this investment. In order to finance lending activity, CFAB established a line of credit with the SRC. The terms of that agreement require CFAB to invest in SBC's class C stock in an amount equal to at least 5 percent of the cumulative average loan balance maintained with SBC. The \$2.4 million investment held in the SBC reflects this requirement. The maximum amount due SBC during 1982 was \$73.3 million and the balance due on December 31, 1982 was \$50.6 million. The \$2.4 million invested in the SBC was less than 2.5 percent of total assets of CFAB at the end of 1982.

The balance sheet also shows that \$81.9 million of CFAB's total assets of \$98 million are in the form of loans to members of the cooperative. As noted earlier in this memorandum, only Alaska residents are eligible for membership in the bank. According to CFAB president Forest Paulson, the bank pays very close attention to the residency issue in an attempt to ensure that loans are made only to Alaskans for Alaska business ventures.

Cash and reserve accounts of the bank were nearly \$11 million at the end of 1982. Mr. Paulson said that reserves are generally held as certificates of deposit (CD's) at major banks. He said that Alaska banks are contacted periodically to determine their interest in obtaining the deposits. Although Alaska Pacific Bank has held some of CFAB's reserves in the past, reserves are currently split between Barclays Bank and First Interstate, both of which have headquarters in California. According to Mr. Paulson, those banks offered a better rate of return on the deposits than was offered by Alaska banks.

Reporting Requirements

AS 37.05.037 and AS 44.81.200 deal with reporting requirements. The former statutory reference requires each state agency which makes or

Representative Barnes
October 4, 1983
Page 4

purchases loans to prepare a report to the legislature each year. Since CFAB is no longer a state agency, this statute no longer applies. AS 44.81.200 deals specifically with CFAB. The statute requires that the board of directors of CFAB publish an annual report to the bank's members. The report must include:

- financial statements audited by independent outside auditors;
- a statement of the bank's investments;
- a description of the bank's loan activity during the period covered by the report;
- an analysis of economic and other effects of loan decisions on the state's commercial fishing and agriculture industries;
- any other information that the board believes would be of interest to the governor, the legislature and the public; and
- any information that the legislature requests the board to include.

The last of these reporting requirements was added in 1981. All provisions of Chapter 44.81 lapse upon the repurchase of all the class C stock purchased by agencies of the State.

The stock repurchase agreement of November 10 contains an additional reporting requirement. The agreement states that CFAB will provide the Commissioner of Revenue with annual reports which will contain information sufficient to assure the State that the plan to repurchase class C stock is succeeding.

* * *

I hope you find this information useful and informative. If you have additional questions on this subject or if we can be of further assistance on another subject, please contact the agency.

DT

Attachments

1982 annual report of CFAB
Repurchase Agreement

Sec. 44.81.220. Transition. Notwithstanding the provisions of AS 10.15.005, upon the repurchase of all the nonvoting, preferred shares initially issued by the bank and purchased by agencies of the state, the provisions of AS 44.81.010 — 44.81.350 lapse and the bank may proceed to operate solely as a private cooperative corporation under the terms of its bylaws and the provisions of AS 10.15.010 — 10.15.600. (§ 3 ch 159 SLA 1978; am § 7 ch 109 SLA 1981)

Effect of amendments. — The 1981 amendment substituted "notwithstanding the provisions of AS 10.15.005, upon" for "upon" near the beginning of the section, added "solely" preceding "as a private cooperative corporation," deleted "subject to" preceding "the provisions" and substituted "AS 10.15.010 — 10.15.600" for "AS 10.15.005 — 10.15.600" at the end of the section.

Sec. 44.81.250. Deficiencies and transfer of entry permits after foreclosure.

Cross references. — As to the security for loans after such permits are reassigned of entry permits taken as revoked see AS 16.43.355(i).

Sec. 44.81.260. Confidentiality of records; exceptions. (a) Except as provided in (b) of this section, the directors, officers, and employees of the bank shall hold in strict confidence all information regarding the business records of the bank, including information as to the character, credit standing, and property of members and applicants for loans. They shall not exhibit or quote from the bank's business records, including documents regarding personnel of the bank or pertaining to members or applicants for loans.

(b) The requirements of (a) of this section are subject to the following exceptions:

(1) The legislative audit division has access to the records of the bank to perform an audit authorized under AS 44.81.270.

(2) The board of directors or the president of the bank shall supply statistical and other impersonal information pertaining to members, applicants, and loans in response to requests from the legislature or a state agency or members of the federal farm credit system and may provide similar information upon request to a responsible private organization.

(3) Information concerning members may be given for the confidential use of a member of the federal farm credit system or other financial institution in contemplation of the extension of credit or the collection of loans.

(4) Impersonal information based solely on transactions or experience with a member, such as amounts of loans, terms, and payment records may be given by the bank for the confidential use of a reliable organization in contemplation of the extension of credit.

(5) Credit information concerning a member may be given when the member consents to it in writing.

(6) In litigation between a member (or his successor in interest) and the bank, any competent evidence may be introduced with respect to relevant statements made orally or in writing by or to the member or his successor. (§ 8 ch 109 SLA 1981)

Sec. 44.81.270. Audit of bank. The legislative auditor may cause the bank to be audited in the manner and under the conditions prescribed by AS 24.20.271 for audits performed by the legislative audit division. The legislative audit division has free access to all books and papers of the bank that relate to its business and books and papers kept by a director, officer, or employee relating to or upon which a record of its business is kept, and may summon witnesses and administer oaths or affirmations in the examination of the directors, officers, or employees of the bank or any other person in relation to its affairs, transactions, and conditions, and may require and compel the production of records, books, papers, contracts, or other documents by court order if not voluntarily produced. (§ 8 ch 109 SLA 1981)

Sec. 44.81.280. Prohibition on disclosure. The legislative auditor and his employees may not disclose information acquired by them in the course of an audit of the bank concerning the particulars of the business or affairs of a borrower of the bank or another person, unless the information is required to be disclosed by law or under a court order. (§ 8 ch 109 SLA 1981)

Chapter 83. Alaska Power Authority.

Article

1. Creation and Organization (§§ 44.83.030 — 44.83.045)
2. Purpose and Powers (§§ 44.83.070 — 44.83.092)
3. Financial Provisions (§§ 44.83.105 — 44.83.120)
4. Power Production Cost Assistance (§§ 44.83.162 — 44.83.164)
6. General Provisions (§§ 44.83.177, 44.83.179, 44.83.181 — 44.83.187, 44.83.192, 44.83.195, 44.83.230)
8. Rural Electrification Revolving Loan Fund (§§ 44.83.361, 44.83.363)
9. Energy Program for Alaska (§§ 44.83.380 — 44.83.425)

Article 1. Creation and Organization.

Section	Section
30. Membership of the authority	45. Qualifications, powers, and duties of officers and directors
40. Officers; meetings; quorum	

Sec. 44.83.030. Membership of the authority. The authority shall consist of the following directors:

(1) three public directors to be appointed by the governor and confirmed by the legislature; only one director may be appointed from each judicial district described in AS 22.10.010;

HCR

52

Introduced: 2/13/84
Referred: Labor & Commerce

1 IN THE HOUSE BY HERRMANN AND ZHAROFF
2 HOUSE CONCURRENT RESOLUTION NO. 52
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 Relating to the poor economic condition
6 of Alaska coastal communities.
7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 WHEREAS coastal communities throughout the state are having severe
9 economic problems; and
10 WHEREAS these economic problems are only partially due to fluctuations
11 in the fisheries resource and markets; and
12 [WHEREAS these problems are often accentuated by the state's lack of]
13 [understanding and involvement in coastal needs; and]
14 WHEREAS many coastal communities continue to lack the infrastructure
15 and financial resources vital to a healthy economy; and
16 WHEREAS the people in these communities are suffering hardship because
17 of lack of income and employment opportunities; and
18 WHEREAS the commercial fisheries income to several coastal communities
19 has decreased dramatically in recent years due to reduced catches and
20 prices; and
21 WHEREAS the requests for deferrals for payments on state fisheries
22 loans have rapidly increased indicating the critical status of the coastal
23 economy; and
24 WHEREAS both large and small seafood processors have gone bankrupt or
25 are not able to operate profitably due to fluctuating production and uncer-
26 tain national and international markets; and
27 WHEREAS the people most effected by this poor economic climate are
28 rural Alaska residents; and
29 WHEREAS the economic viability of the coastal economy is of vital

CS deleted lines 12+13

1 importance to all the people of Alaska;

2 BE IT RESOLVED by the Alaska State Legislature that the Governor is
3 urgently requested to undertake a complete analysis into this economic
4 downturn and the avenues available to the state to improve the economy of
5 coastal communities; and be it

6 FURTHER RESOLVED that the Governor is requested to utilize whatever
7 means or resources identified in the analysis to immediately counter this
8 economic disaster in order to ensure the long-term viability of the economy
9 of Alaska.

HCR 52 - FLOOR SPEECH

THE SENATE LABOR AND COMMERCE COMMITTEE HAS CONSIDERED HCR 52 - RELATING TO THE POOR ECONOMIC CONDITION OF ALASKA COASTAL COMMUNITIES - AND RECOMMENDS PASSAGE.

THIS RESOLUTION RECOGNIZES THE MANY ECONOMIC DISASTERS FACING MANY COASTAL COMMUNITIES AND URGENTLY REQUESTS THE GOVERNOR TO UNDERTAKE A COMPLETE ANALYSIS OF THE PROBLEMS FACING THESE ALASKANS. THE GOVERNOR IS FURTHER REQUESTED TO ASSIST IN ANY POSSIBLE WAY TO ENSURE THE LONG-TERM VIABILITY OF THE ECONOMY OF ALASKA.

THIS RESOLUTION IS SUPPORTED BY MANY CITIZENS RESIDING IN THE COASTAL AREAS OF ALASKA AND HAS BEEN FULLY SUPPORTED BY ALL THE COMMITTEES REVIEWING THIS LEGISLATION. HCR 52 WILL FOCUS ATTENTION ON THE SEVERE ECONOMIC CONDITIONS FACING THESE COASTAL COMMUNITIES AND I STRONGLY URGE PASSAGE OF THIS LEGISLATION.

FURTHER INFORMATION

EVIDENCE OF ECONOMIC HARDSHIP IN COASTAL COMMUNITIES - IN 1981, ONLY 109 FISHERMEN REQUESTED FISH LOAN EXTENSIONS, BUT IN 1983, 235 REQUESTS WERE

RECEIVED. THE NUMBER OF BANKRUPTCIES IN FISH PROCESSING BUSINESSES HAS INCREASED.

THE SLUMP IN THE TIMBER INDUSTRY, AS WELL AS THE CLOSING OF THE WHITE PASS RAILROAD, HAS HAD A SEVERE IMPACT ON COASTAL COMMUNITIES IN SOUTHEASTERN ALASKA

THE COMMITTEE SUBSTITUTE DELETED A "WHEREAS" CLAUSE THAT COULD HAVE BEEN INTERPRETED NEGATIVELY BY THE GOVERNOR. -- WHEREAS THESE PROBLEMS ARE OFTEN ACCENTUATED BY THE STATE'S LACK OF UNDERSTANDING AND INVOLVEMENT IN COASTAL NEEDS --

CR 52 TITLE & SPONSOR SUMMARY

17:21 5/24/84 PAGE 1 OF 3

RENDED TITLE: SOC FOR 521503

RELATING TO THE POOR ECONOMIC CONDITION OF ALASKA COASTAL COMMUNITIES

LINE SPONSOR: HEERMAIN.

2-SPONSORS: ZHAROFF.

CURRENT STATUS: 5/10/84 READ BY GOVERNOR

CR 52 HOUSE ACTION

17:21 5/24/84 PAGE 2 OF 3

DATE SEQ PAGE

LEGISLATIVE ACTION

2/13/84	01	2541	FIRST READING - COMMITTEE REPORTS
2/27/84	02	2716	LAC -- 3707
3/01/84	03	2702	SECOND READING
3/01/84	04	2782	PASSED BY DIV 39-09-84
3/16/84	11	3343	CONCURRED IN SENATE AND BY DIV 27-09-84
4/17/84	12	3361	TRANSMITTED TO GOVERNOR
5/10/84	13	3392	READ BY GOVERNOR - SENT TO LT GOVERNOR
5/10/84	14	3325	LEGISLATIVE RESOLVE NO. 46

**** ** **

*** ** *

CR 52 SENATE ACTION

17:22 5/24/84 PAGE 3 OF 3

DATE SEQ PAGE

LEGISLATIVE ACTION

2/02/84	05	2526	FIRST READING - COMMITTEE REPORTS
2/23/84	06	2547	LAC -- 3664
3/07/84	07	2666	FILE -- LAC CASE, OTHERS TAKEN UP IMMEDIATELY
7/09/84	08	2572	SECOND READING
7/09/84	09	2573	LAC 02 ADOPTED BY UNAN CONSENT
7/09/84	10	2575	PASSED BY DIV 16-00-84

**** ** **

*** ** *

COMMITTEE REPORT

SENATE

FURTHER:

3/22/79

Date 3/22/79

Mr. President

The Committee on INDUSTRY & COMMERCE considered HR 57

relating to the poor economic condition of Alaska coastal communities.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt - CS for HR 57 - 2 (Y+G)
- new title
- same title and recommends do pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Handwritten signatures]

[Blank lines]

[Handwritten signature]
Chairman

[Handwritten signature]
Chairman recommendation

Dan P. Bilderback
P.O. Box 723
Cordova, Ak. 99574
February 25, 1984

Representative
Adelheid Herrmann
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Ak. 99811

Dear Ms. Herrmann,

The following is written testimony in support of House Resolution No. 52. I originally gave this at a teleconference yesterday during a labor and commerce committee meeting. I hope that you can use it as a letter of support.

My name is Dan Bilderback. I was born in the town of Cordova 31 years ago and have commercial fished as my primary source of income since the age of 15.

I feel that this resolution addresses a critical need in Rural Alaska. The Prince William Sound-Copper River area is predominately a commercial fishing area.

Declining fish prices and pressures on the salmon resource are eroding the economic viability of this area.

I feel that it is imperative that the Governor look at his Operational involvement in Alaska's Fisheries.

The following is a current example of the state not seeing the Rural areas needs.

The Fisheries Rehabilitation and Enhancement Development Division of Fish and Game (FRED) has submitted their 1985 Capital Budget to the Governor. The FRED State hatcheries at Main bay, Cannery Creek, and Gulkana have asked for very little capital monies to bring them to design capacity.

These Hatcheries are in place and have enormous potential to increase the salmon resource. Roughly a 2% increase over what has been spent on capital expenditures would increase their rearing capacity by 40 to 50%! This would be primarily due to Purchasing egg incubation boxes!

The Governor has unwittingly struck these monies from his


Letters of Support

Capital budget to the legislature. The amount is 300 K on a Hatchery investment of 14 Million dollars! This is like building a car without purchasing a windshield to finish it!

The Governor should assess whether this sort of thing is happening ai other rural areas of Alaska.

I also sincerly hope that the Governor buys a windshield for that car. Thank you.

Regards;



Dan P. Bilderback

PH# 424-3475

cc: Governor Sheffield
Don Collingsworth
Jerry Madden
Dave Daisy
Cordova Times



UNITED FISHERMEN OF ALASKA

312 Seward Street, Suite #10
Juneau, Alaska 99801-1188
(907) 556-2820

Cass M. Parsons
Executive Director

RESOLUTION NO. 1

WHEREAS market value of Alaska salmon is depressed from the high levels achieved during the late 1970's and early 1980's by as much as 40% on some species; and

WHEREAS salmon fishermen from all areas of the state in response to the favorable economic conditions of the immediate past made substantial investments in up-grading their vessels and gear; and

WHEREAS many of these fishermen now in the areas of Kodiak and Cordova and tomorrow in other areas of the state are over-capitalized in relationship to the current market value of their products; and

WHEREAS many of these fishermen, who are professionals with years of productive experience, will soon be faced with the dismal prospect of defaulting on their vessel and permit loans.

NOW THEREFORE BE IT RESOLVED that the United Fishermen of Alaska requests Governor Sheffield to take immediate action in determining the magnitude of this problem; and

BE IT FURTHER RESOLVED that a program be created and funded to assist those fishermen who can demonstrate the potential to regain their economic viability in solving their immediate financial problems.

Robert H. Blake
President

Date: 2/2/84

Juneau fish processing plant to close Dec. 31

By CHUCK KLEESCHULTE
Daily News business reporter

12-6-83

The only fish processing plant in Juneau will shut down and be put up for sale at the end of the year, the victim of high Southeast operating costs.

Kodiak King Crab Inc., a subsidiary of Ocean Beauty Seafoods, said it will close Juneau Cold Storage and sell the downtown waterfront property Dec. 31.

Victor Horgan, president of Kodiak King Crab, said in a phone interview from Seattle that the Juneau plant has consistently recorded operating losses. In recent years, it has been processing and freezing 3 million to 4 million pounds of seafood — red, chum, pink

and coho salmon.

While declining to discuss the size of the losses, Horgan said the company had tried new measures during the past two years to stem the red ink.

"It's been a steady decline for the past three or four years. And we're convinced it just can't be turned around," Horgan said.

He said the plant was closing since its older equipment resulted in inefficiency and higher operating costs than newer ones in the state. And he said Juneau's location, a long distance from major Southeast fishing grounds, also hurt its chances for profitability.

The closing will idle seven full-time employees and nine hourly workers. During the

summer, an additional 16 hourly workers were hired. The plant is Juneau's largest non-governmental employer.

Horgan said this summer the plant bought fish from 101 fishermen. The company is trying to help the fishermen find new buyers.

Horgan said the closing likely will not have a major effect on the state's fish processing industry.

The Juneau plant is owned jointly by the Japanese trading company Marubeni Corp. and by Ocean Beauty, a wholly owned subsidiary of the Sealaska Native Regional Corp. based in Juneau.

The closing will not affect Kodiak King Crab's Kodiak processing plant, Horgan said.

Crab stocks decimated; seasons canceled

KLEESCHULTE
business reporter

For the first time since 1954, Alaska officials canceled king crab seasons this year off Kodiak and Bristol Bay because of how low crab populations are. Surveys by the state Department of Fish and Game show the two areas that produce most of the state's

red king crab mean Alaska fishermen may harvest as little as 4 million pounds of red king crab this year, compared to 175 million pounds just three years ago.

Overall, the total harvest of all species of king crab — red, blue and brown — likely will be less than 25 million pounds in the 1983-84 season, officials say. That compares to 193.1 million pounds

hailed in at the peak of modern crab catches in 1980-81.

The economic impact of the closure could be devastating for many Kodiak fishermen, who already are reeling from poor salmon harvests off the Southcentral island this summer.

"I've never seen a season this bad." It will just be a disaster for a lot of fishermen. Hopefully, most will be

able to hang on until tanner crab season opens (in February), but it is going to be tough," said Hank Eaton, a Kodiak commercial fisherman for 44 years.

Marty Eaton, a state regional biologist in Kodiak, said preseason surveys in Bristol Bay estimate there are only 9.6 million female crabs in the bay, down 50 percent from last year. The state esti-

mates that 20 million females are needed to maintain healthy breeding stocks in the bay.

The number of male crabs in those waters was estimated at 1.5 million, the lowest ever recorded.

Last year Bristol Bay produced 3 million pounds of red king crab. The state estimates the bay could have produced only 1 million

pounds this year if the season had opened, but only at the risk of destroying future harvests.

Off Kodiak, where stocks are sampled by a different method, estimates are that there are only 5.5 million pounds of male crab, compared to 70 million pounds just two years ago. Many of

See Back Page, KING

King crab

Continued from Page A-1

the female crabs surveyed off Kodiak were barren of eggs, leaving less than 70 percent capable of reproduction, compared to more than 90 percent two years ago.

Biologist Eaton said that in Uganik Bay off Kodiak, every female crab tested was barren of eggs.

"If this isn't a disaster, I don't know what is. It is precedent setting for us to close entire grounds, but we've never seen such dismal stocks before," Eaton said.

He said the state closed the Kodiak season, which would have opened Sept. 25, and the Bristol Bay season, which would have opened Oct. 1, because stocks are still declining after last year's sharp decline.

Eaton said the main cause of the fall in stocks seems to be the increase in cod and halibut that feed on king crab larva and immature crabs. "Our surveys are sampling record cod and halibut stocks. And we are seeing a decrease in undersized crabs that points a finger at cod as the cause," the biologist said.

The state is still trying to determine the cause for the great increase in barren females over the past two years.

Last year, fishermen netted \$116 million off state crab stocks. With further increase in king crab prices likely to be triggered by the reduced harvest, state officials said it is too early to predict the final value of this year's catch.

The closure means that the total Alaska red king crab catch this year will consist of:

- 200,000 pounds caught off Southeast;
- 300,000 pounds caught in early August in Cook Inlet;
- 750,000 to 1 million pounds that are expected to be caught off the Alaska Peninsula; and,
- About 2.5 million pounds predicted for harvest off Adak.

SEAFOOD'S FUTURE

SALES STILL FLAT

As economists talk healthy retail sales, surprising unemployment drops, and steady economic recovery, seafood dealers are becoming weary of the good news. The recovery has not yet touched seafood sales, which remain depressingly flat.

Holiday sales of specialty and shellfish items did not materialize as expected. Confusion in the shrimp and scallop markets has kept buying at a hand-to-mouth level. Fish inventories are running 13 percent higher and shellfish inventories 16 percent higher than one year ago, mostly due to cod and shrimp.

The strong U.S. dollar has attracted imports from all over the world, intensifying competition for traditional suppliers. In the shrimp and scallop markets, prices have hit resistance levels. The U.S. dollar continues at record-high levels and is expected to remain strong, dampening exports.

With Lent starting almost one month later this year than last (March 7 as opposed to February 16), more time is available for planning promotions and for suppliers and buyers to establish programs.

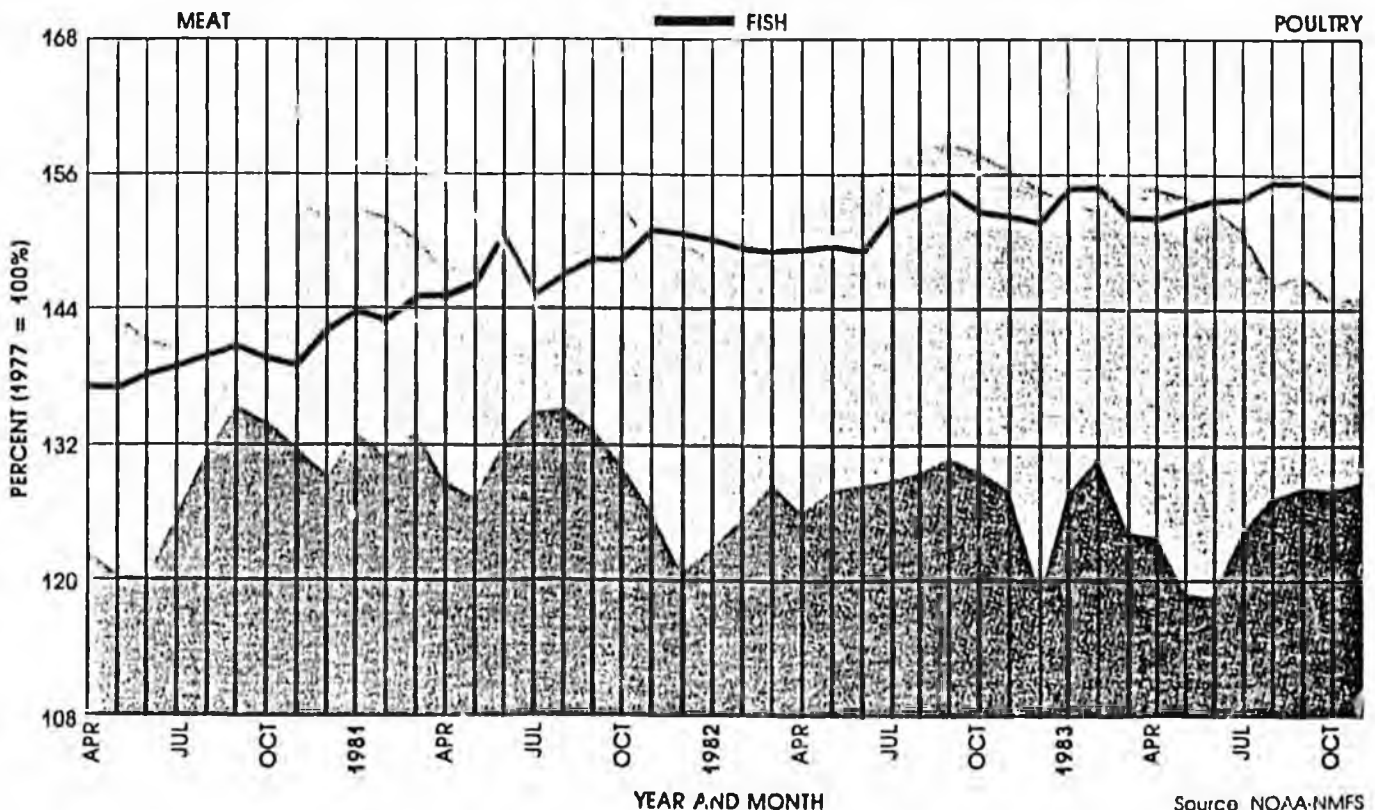
Despite the doldrums, there is good news on the horizon for seafood consumption. Beef, pork,

and broiler prices are expected to rise in the spring, as supplies dwindle. An explanation by David Stroud follows on page 11.

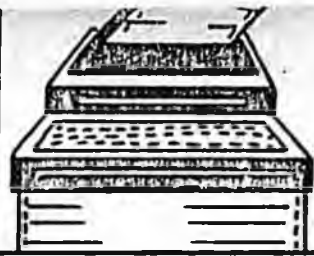
The relationship between higher prices in competing protein sources and increased seafood consumption is made clear by a recent USDA report tying changing incomes and prices to consumption. Data on per capita consumption and prices of red meats, poultry, and fish in the U.S. from 1950 to 1978 showed that for every 1 percent rise in the price of red meats, red meat consumption is reduced 0.68 percent. At the same time, poultry consumption increases 0.56 percent, and fish consumption increases 0.16 percent. Thus, if beef prices rise the 2 percent predicted in the first half of the year, fish consumption should increase a minimum of 0.32 percent. Since the price of broilers is also expected to rise, more consumers should turn to seafood.

As incomes rise, as they are expected to, shellfish consumption should benefit. According to the USDA study, a 1 percent rise in consumer incomes prompts a 0.68 percent increase in dollars spent on shellfish, the category among all meats and poultry with the highest positive reaction. Finfish expenditures increase 0.14 percent with a 1 percent rise in income.

Retail Price Index for Meat, Fish, Poultry



Source NOAA-NMFS



FROM THE GROUNDS



Herring PWS a bust with 2,600 tons

Bad weather and reluctant herring plagued this year's Prince William Sound herring fishery. During the only opening for seiners 2,600 tons of the projected 5,000 ton harvest was taken in the Naked

Island area. The fleet then settled in to wait for the Montague run, but the Montague run never showed.

By the first week in April, marine mammals and birds were congregating in Prince William Sound right along with the seiners and tenders. Biologists estimated that the 20 companies buying herring had fielded "a tender for every seiner."

As 70 knot winds whipped the sound April 3, most of the fleet huddled in Cordova Bay. "It's like a floating city out there," commented

one resident.

On April 11 snow fell in Prince William Sound and some boats reported three inches of the stuff on their decks. Snow and fog kept the spotter planes out of the air and fishermen worried that the herring might spawn before anyone knew the fish were ripe.

On April 14, despite blowing snow and rain, the Naked Island run boiled up. Spotter planes were forced to fly at 200 feet in order to see the fish. In one hour the estimated 70 seiners on the Naked

Island grounds took nearly 2,600 tons of herring.

In Montague Island's Rocky Bay the weather was so bad and the water so stirred up no one could see fish and the boats had to set blind.

"Even so six or seven boats managed to set on herring," said the Cordova Fish and Game management biologist. Total catch from Rocky Bay was 146 tons.

The big surprise was the size of the herring in the Naked Island area. "They're the biggest herring we've ever seen—very comparable

AHOY! Commercial Fishermen

Farymann Diesel

DIESEL GENERATORS
AIR AND WATER COOLED
2.5 TO 12 KW

- RUGGED RELIABLE HEAVY DUTY DIESEL POWER
- EASY STARTS BY HAND OR ELECTRIC STARTER - EVEN BELOW FREEZING
- QUIET SMOOTH CLEAN RUNNING
- ECONOMICAL TO OPERATE AND MAINTAIN
- FINEST QUALITY GERMAN GENERATORS

HYNALITIC, inc.
Engine Controls
for throttle & transmission

- 1, 2 or 3 stations
- automatic synchronization
- smooth, positive control
- easy velvet touch throttle
- automatic self locking of throttle control

Hydraulic Deck Machinery

Let's show you how we can help you with your hydraulic deck machinery. We have the equipment, the know-how, and the service to get you back to work.

NORTHWESTERN



SPORTBOATS SD SERIES

WITH REMOVABLE BOWDODGER



Low Prices and Short Season Squeezes Trollers to the Limit

by Karl Ohls

In the year when management had apparently stabilized, the Southeast troll fleet suffered an unexpected shock when salmon prices, all species, hit the lowest level in years.

"I hear it over and over again," said Jacqui LaRue, the Elfin Cove fish buyer for Pelican Cold Storage. "A guy bringing in a load of fish will say this is half of what he got last year."

Trollers have gotten used to premium prices for their fish, caught while feeding in saltwater, dressed on board the vessel and destined for the top quality market. From the fishermen's vantage point, the reasons for the price drop weren't clear.

Cal Boord, manager of Pelican Cold Storage, would only say that the prices "are reflective of the market situation worldwide." This means they were driven down by a combination of events, such as a devalued franc, high inventories, and, almost certainly, competition from Norwegian pen-raised salmon.

Whatever the exact cause, fishermen had the same answer when they were asked how their seasons were: "lots of fish, lousy price."

(At the dock in Pelican, the prices were \$1.90 a pound for large red kings, \$1.10 for medium kings, 73¢ for coho, and 35¢ for pinks. The buying stations, because of

transportation costs, paid 5¢ less for each species.)

"I'd be sitting on top of a real nice season, except for the price," said Loren Carter of Tenakee Springs, skipper of the *F/V Relief*. He added that he won't be hurt by the season "because I've got the old slab paid for," but some other guys might not be so lucky.

Juneau resident Rod Pruitt, owner of the *F/V Kipling*, said, "Fishwise, I'm okay. But I don't know if I'm going to make ends meet or not."

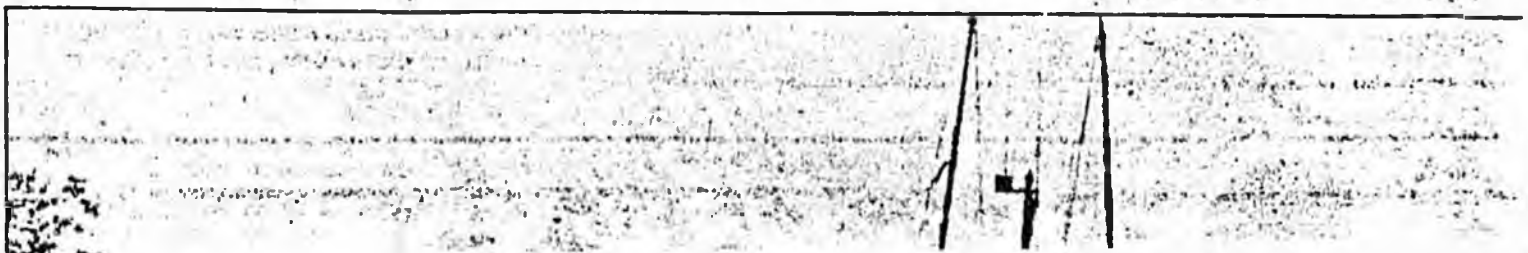
Chuck Piedra (*F/V Mercedes*) of Port Protection described 1983 as, "Financially, the worst season I've had in eight years."

The price for fresh troll-caught, dressed cohos is the real shocker. Jim Wild, an Elfin Cove power troller and handtroller since 1973, said that in a normal year he gets \$10 for each 12 pound coho. "This year it's \$6."

Jacqui LaRue, interviewed shortly before the Aug. 4 coho closure, said some guys had already

Troller Jim Wild: "We need help with the markets." Wild has developed his own markets for winter fish, but in the summer there are too many fish and not enough time.

Heading out from Elfin Cove: For Alaskan trollers, seasons are getting shorter and prices lower.



hung up the season and left. Some get disgusted and come in for most of the day. "Some are out twice as long because they're getting half as much."

Hugh Rietze, who, along with his wife Mary, buys fish in Elfin Cove for the Excursion Inlet Packing Co., said, "Of course nobody is happy with the price. But the fishermen have to realize there are ups and downs. I think most of them are taking it pretty well."

Alternate markets aren't really feasible for the trollers of the isolated north end. Jim Wild has his own markets for winter kings, but said that in the summer he handles too many fish. "It would take too much time to box them up and ship them out."

Wild is a recently elected member of the Alaska Trollers Association board of directors. He said he brought up at a recent meeting the idea of ATA somehow getting involved in the market situation. But the other board members felt there were too many issues upon us—the treaty, the single species fishery—to spend energy on it now. Others felt market problems should be left to the Seafood Producers Cooperative. Wild said there may be more interest in pursuing the matter at the end of the season.

"We need help with the markets," Wild said as he maneuvered his boat, the *Euphoria*, in the waters off Three Hill Island. Occasionally the conversation would be interrupted as he raised the line to bring in a coho or pink. "We can't dump off cohos at 68¢/lb. and expect to make any money."

With the troll seasons unlikely to improve, people in Elfin Cove and Pelican are starting to explore other ways of making a living, such as tourism. But there is uncertainty that people used to the rough and tumble commercial fishery would be able to comfortably cater to the needs of tourists and sportsmen. Also, no one knows if it would really generate enough business.

As for the future of the troll fishery, the fleet is divided into optimists and pessimists.

Jim Wild is an optimist. He points to the chinook quota not taking any further cuts and the unratified Canada-U.S. salmon interception treaty. "The governor is giving us support," he said, as he cleaned a humpy on one particularly slow day of fishing. "The state is starting to stand up for us and admit we exist. There's a heck of a lot more optimism than there was at this time last year."

He admits that there still may be some tough times ahead. "We've still got the treaty threat hanging over our heads."

Alaska trollers were outspoken in their opposition to the draft treaty because they felt the chinook cuts they would have to take were inequitable compared to what the Canadians would do in return.

Fred Howard, on the *Jolene M.*, is also hopeful of better times ahead. He said there may be a light at the end of the tunnel in the governor standing up for the fishermen.

"Washington and Oregon are trying to get Alaska to sign the treaty," he said. "They ought to put their goddamn pressure on Canada and forget about Alaska because Alaska has things under control."

Rod Darnell of Elfin Cove is a pessimist. "As long as they keep a quota, there's no hope," he said. The managers aren't managing on the strength of the run, he added, and if there's a poor run it could be wiped out. Darnell's attitude toward management is that he's fighting a foreign government.

Darnell had spent the last couple

days before the Aug. 4 closure rigging up a new trolling pole for his boat, the *F/V Pinta*. "I've only got one day of fishing left," he said. "Why should I rush out for 60¢ a pound?"

Darnell was optimistic about the fishery until he saw the price reduction. He caught 23 more king salmon than last year, but still isn't ahead. "I don't see how I'm going to make boat payments now," he said. "The state or the bank is going to repossess half the boats. The fishermen will become shoe clerks in town." He added that the only solution is to diversify into rockfish, cod and halibut.

Most of the fishermen on the north end commented on the high availability of king salmon in recent years. This was attributed to foreign trawlers being regulated a couple years ago to the west side of a longitudinal line running south of Yakutat.

The outcry over the presence of

mysterious net-marks on troll-caught salmon also seems to have tapered off. Teresa Moen, the quality control supervisor for Pelican Cold Storage, said she does see quite a lot of them, possibly "more than one out of every hundred" fish. Rarely, though, are the marks bad enough that a troll salmon would be graded number two instead of number one.

Fish buyer Hugh Reitz in Elfin Cove said he's not seeing as many marks as in past years.

Still, almost everyone seems to have samples of nets, floats and other foreign fishing gear that they either found washed up on beaches or caught on their lines and stabilizers. The lack of marine organisms on much of the debris is evidence that it hasn't been in the water very long. This leads to the suspicion that some illegal foreign fishing is taking place close to Southeast.

All of these things add up to the

conclusion that the troll fishery's problems aren't likely to be solved anytime soon.

Despite the preoccupation with the market problems, trollers still have plenty of complaints about the Alaska Department of Fish and Game's management of the fishery. For the last four to five years, trollers have been engaged in an ongoing battle with the state and federal fisheries managers over the optimum yield (OY) figure, or quota for king salmon. Each year, until this year, the trollers saw their allocation and seasons reduced so more chinooks could get back to the fisheries and spawning grounds of British Columbia, Washington and Oregon.

One common complaint was that when this year's quota was figured out, no one realized the prices would be so low.

"We could live with those prices if we could continue to fish," said Ernst Rasmussen, skipper of the

Don't take your boat to a bicycle shop.

Why some boat owners ask a bike shop to do what we do full-time is beyond us.

Sure, part-time yards say they can do everything right in their own facility. But some of your work may end up going outside anyway. That's simply costing you more over the long haul.

At Duwamish Shipyard, we don't have to go outside to make your job right. You see, we keep full-time crews in all the major trades: carpentry, electrical, machinery and painting. We've been taking on conversions,

rebuilt and vessel outfitting this way for the past 30 years.

So we ask you to remember this: If you do take your boat to one of those part-time repair yards—and if you should—breakdown way out on the briny—it's a long pedal home.

DUWAMISH SHIPYARD, INC.

5638 West Marginal Way SW
Seattle, Washington 98106
(206) 767-4880



F/V Golden Eagle.

Even though all kinds of boats are used in the troll fishery, Rasmussen's vessel was one of the more unique sights in the Pelican boat harbor. It looks like a 53-foot pleasure craft. Rasmussen said he saw the trend in the troll fishery when he had it built in 1977. Just remove the trolling polls "and I can sell it as a yacht." No one would be able to buy it as a troller.

Myrl Hancock of Port Townsend, Wash., said his boat, the *F/V Murrelett*, and permit are now up for sale "for the simple reason that they've got me shut-down. I'm not allowed to fish." Hancock expects that his boat will stay tied up next year because no one will want to buy the package.

While Fish and Game catch statistics show that trollers are going to do the same or better than last year, no one in Pelican or Elfin Cove was very pleased with all the closures (Apr. 15 to May 15, most of June, and Aug. 4 to 14; also all federal waters from three to 200 miles shut down July 20).

Cal Board at Pelican Cold Storage said the closure of the fisheries conservation zone certainly reduced his plant's ability to attract landings.

Rasmussen said that except for

'There's going to be more people winter fishing than anybody has seen before.'

July, the closures came just when the fishing was getting good each month. Pulling out a tidebook and pointing to the series of building tides in early August, he said he would "trade all the rest of the year for the days from August 7th to the 17th."

The seasons and the prices are going to "force people to winter fish," said Fred Howard, from Whidbey Island, Wash. "There's going to be more goddamn people winter fishing than anybody has seen before. Half the goddamn quota will be filled" (by spring).

The closures and the prices also have a major impact on the troll fishing communities and on the businesses that service the fleet.

"I have a feeling a lot of people are just making do with what they have to have," Walton said. "If it's not

essential, they're getting it fixed. He added that between prices and the pressure of the season, a lot of fishermen don't want to lose fishing time driving into the cove to get something repaired.

Leslie Dudley manages Swanson General Store in Elfin Cove. She has noticed that fishermen are very cautious with their money; they just buy the basics, "milk, eggs, bread."

Vivian Max, a lifelong Pelican resident and the owner for the last ten years of Vivi's Cafe, said she used to be able to get up in the morning, look at the boat harbor and tell how busy her day was going to be. Now, they "all come in at once and leave at once."

Sitting at a table in her cafe, Max said, "Today (Aug. 5) probably is one of my busiest days all season. You can see the difference between yesterday and today." T

Haulouts a Problem?

Launching & Retrieving Faster & Easier



L
d

Strapped gillnetters blame politics

by Andy Ryan
Times Juneau Bureau

Juneau — Despite record runs of sockeye and pink salmon this year, gillnet fishermen in Southeastern Alaska say they are on the brink of financial ruin.

They blame their problems largely on past policies of the state Board of Fisheries, which they say have discriminated against them in favor of purse seine fishermen.

Two weeks ago, gillnetters presented Gov. Bill Sheffield and Fish and Game Commissioner Don Collingsworth with a set of statistics — culled from state records — showing that average Southeastern purse seine catches have jumped by 500 percent since 1975, while gillnet catches have stayed about the same.

The figures, compiled by Jeron Bruce, director of the United Southeast Alaska Gillnetters Association, also show that Alaskans hold about 60 percent of the state's 486 gillnet permits but just 45 percent of the 421 seine permits.

Seiners use a larger, different kind of net than gillnetters use. Also, seiners typically have a six or seven-person crew, compared to gillnetters, who tend to be soloists.

This year will bring the largest salmon harvest in the region since 1949, Bruce said.

But gillnetters' share of the take is expected to be about the same as in the past few years.

In fact, gillnetters' percentage of the total catch may be the lowest since 1969.

"Some people may be able to weather it better than others, but everybody is taking a beating this year," Bruce said.

The plight of the gillnetters, he said, has been caused by mismanagement in the Division of Commercial Fisheries and by "the political nature" of the Board of Fisheries.

Politics, he said, has kept gillnetters

gear. Previous boards had refused to consider the issue of allocation.

Steve Pennoyer, commercial fisheries director, said Sheffield and Collingsworth have agreed to try to bring seiners and gillnetters together before the board meeting to try to iron out their differences. But the state has been careful not to take sides in the matter, he said.

There is no doubt that seine catches have risen while gillnetters have been treading water, Pennoyer said.

But he noted that seine fishing on pink salmon stocks was cut back during the early 1970s for conservation reasons. It has been only recently, he said, that pink salmon — the mainstay of the seine industry — have made such a formidable comeback.

In the past, he said, the Board of Fisheries operated under the general axiom that fish stocks should not be reallocated — that is, dramatically shifted from one gear group to another.

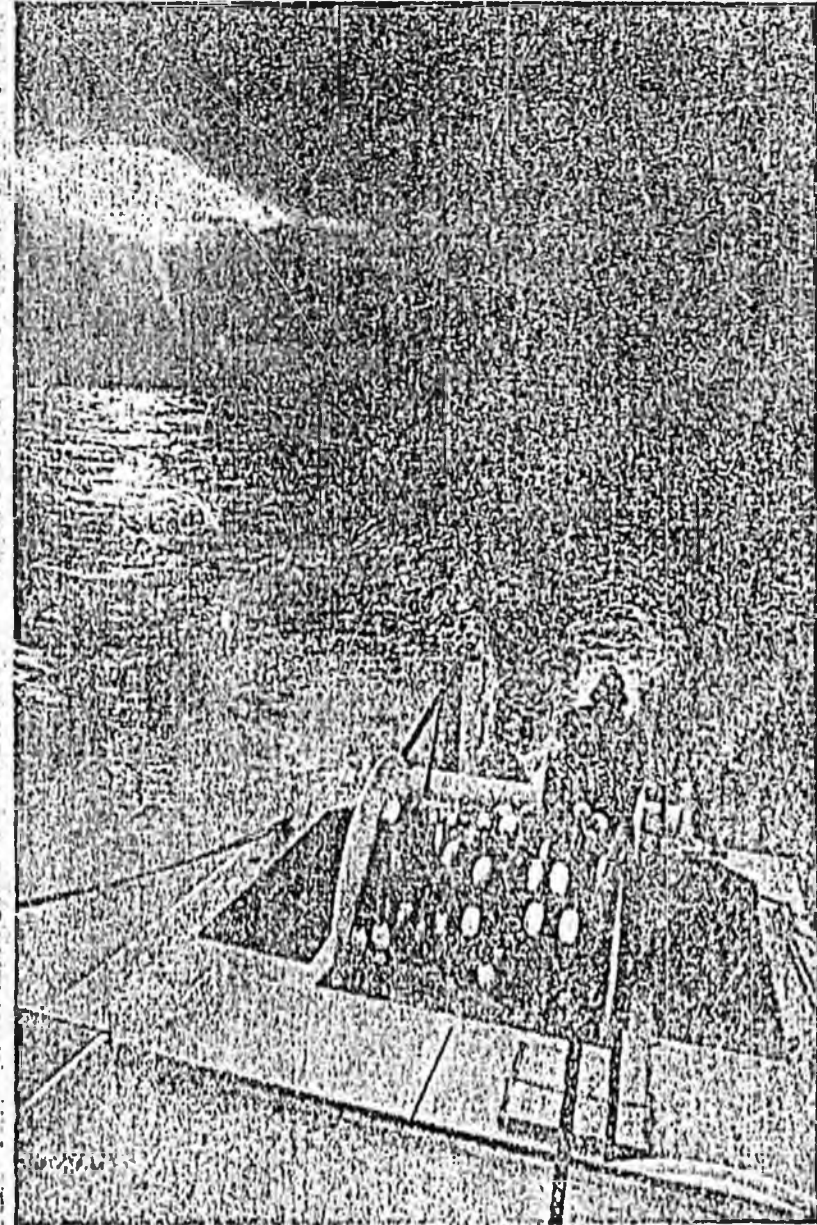
"They thought that you shouldn't simply be able to waltz in and take the fish away from somebody else," Pennoyer said. If board members do decide to reallocate the fish, he said, they will be in for some tough choices.

Terry Gardiner, a former state representative from Ketchikan and a gillnet fisherman for 14 years, hung up his net this year and stayed home to work at his seafood packing business.

Before the number of salmon fishermen was restricted in the early 1970s, he said, there was a 35 percent annual turnover among gillnetters.

Gardiner said figures showing higher catches by seiners are a result of dramatic increases in pink salmon runs. And the areas where gillnetters fish aren't the areas where pinks are being caught.

As to the question of whether the Board of Fisheries has discriminated against



Times file photo

Alaskan gillnetters feel they are being shorted in favor of purse seiners

H C R

G I

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 5, 1984

The Honorable Dick Eliason
Senator
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Eliason:

As requested by your recent letter, enclosed is an Executive Proclamation from Governor Sheffield proclaiming the week of June 24 - 30, 1984, as Safety in the Workplace Week in Alaska.

Please feel free to contact members of the media to call their attention to this event. A copy of this proclamation will be forwarded to the State library, as well as to the Governor's regional offices, where copies will be available to the general public.

I hope this meets your needs. Please feel free to contact me if I can be of further assistance.

Sincerely,

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

Pete Spivey
Press Secretary
to the Governor

Enclosure

STATE OF ALASKA



Executive Proclamation

by

Bill Sheffield, Governor

The Alaska workplace is rapidly changing as technological advances occur. The one need that does not change, however, is for the safety and health of workers at the workplace. Employers and workers recognize that job-related injuries and illnesses are a major problem in the workplace.

Alaskans have faced this challenge by lowering the occupational injury and illness incidence rate by 28 percent since 1972. This exceptional effort needs to be continued and encouraged.

A major contribution can be made to encourage occupational safety and health by making employers and workers aware of the need to practice safety and health on the job.

Increased awareness of how employees and employers can work together to reduce the injury and illness incidence in Alaska is being addressed by the Alaska Safety Advisory Council and the Alaska Departments of Public Safety, Transportation and Public Facilities, and Labor.

NOW, THEREFORE, I, Bill Sheffield, Governor of the State of Alaska, do hereby proclaim June 24 - 30, 1984, as

SAFETY IN THE WORKPLACE WEEK

in Alaska, and urge employers and workers to promote safety and health awareness on the job. I ask public officials responsible for occupational safety and health to intensify their efforts throughout the year to help employers and workers through consultation and training, and to recognize and control safety and health hazards at the workplace.

Dated: June 5, 1984

Done by—

Bill Sheffield

Bill Sheffield, Governor
who has also authorized
the seal of the State of
Alaska to be affixed to
this proclamation.



HCR 31 TITLE & SPONSOR SUMMARY 13:23 5/22/84 PAGE 1 OF 3
 AMENDED TITLE:
 RELATING TO "SAFETY IN THE WORKPLACE WEEK"
 PRIME SPONSOR: HOUSE LABOR&COMM COMMITTEE.
 CO-SPONSORS:
 CURRENT STATUS: 5/18/84 IN (S) LABOR & COM

HCR 31 HOUSE ACTION 13:23 5/22/84 PAGE 2 OF 3
 DATE SEQ PAGE LEGISLATIVE ACTION

05/15/84	01	3852	FIRST READING -- COMMITTEE REPORTS
05/17/84	02	3896	SECOND READING
05/17/84	03	3897	PASSED BY DIV 38-00-02
***	**	**	*** ** *

HCR 31 SENATE ACTION 13:23 5/22/84 PAGE 3 OF 3
 DATE SEQ PAGE LEGISLATIVE ACTION

05/18/84	04	3149	FIRST READING -- COMMITTEE REPORTS
			LABOR & COMMERCE
			RULES
***	**	**	*** ** *

HJR

44

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

<u>REQUEST</u> Bill/Resolution No.: <u>HJR 44</u> Title: <u>"...additional radio...frequencies...for public safety agencies."</u> Sponsor: <u>Representative Hayes</u> Requestor: <u>Sen Labor & Commerce</u> Date of Request: <u>1-20-84</u>	<u>FISCAL DETAIL</u> Agency Affected: <u>Public Safety</u> Program Category Affected: <u>Administration of Justice</u> BRU, Program or Subprogram(s) Affected: <u>Alaska State Troopers</u>
--	--

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Francis C. Allan *G.C.A. mck* Phone: 269-5691
 Division: Alaska State Troopers Date: 01/19/84
 Approved by Commissioner: Robert J. Sundberg Date: _____
 Agency: Public Safety

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

DEPARTMENT OF PUBLIC SAFETY

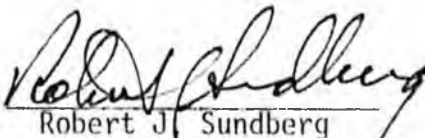
POSITION PAPER - HJR 44

Support

January 19, 1984

HJR 44 - "Encouraging the Federal Communications Commission to allocate additional radio spectrum frequencies to Land Mobile Service for public safety agencies."

The passage of this resolution may make available to all law enforcement agencies, not only in Alaska but throughout the United States the capabilities of requesting and receiving additional frequencies to be used in their particular areas and related law enforcement responsibilities.


Robert J. Sundberg
Commissioner

HJR 44 TITLE & SPONSOR SUMMARY

16:23 5/22/84 PAGE 1 OF 3

AMENDED TITLE:

ENCOURAGING THE FEDERAL COMMUNICATIONS COMMISSION TO ALLOCATE
ADDITIONAL RADIO SPECTRUM FREQUENCIES TO LAND
MOBILE SERVICE FOR PUBLIC SAFETY AGENCIES

PRIME SPONSOR: HAYES.

CO-SPONSORS:

CURRENT STATUS: 5/09/83 IN (S) LABOR & COM

HJR 44 HOUSE ACTION

16:23 5/22/84 PAGE 2 OF 3

DATE SEQ PAGE

LEGISLATIVE ACTION

04/26/83	01	1030	FIRST READING -- COMMITTEE REPORTS
05/04/83	02	1175	S.A. -- DP05, NR02
05/06/83	03	1220	SECOND READING
05/06/83	04	1210	ADVANCED TO 3RD READING BY UNAN CONSENT
05/06/83	05	1220	THIRD READING
05/06/83	06	1221	PASSED BY DIV 36-00-04

XXXX XX XX

XXX XXX XXX

HJR 44 SENATE ACTION

16:23 5/22/84 PAGE 3 OF 3

DATE SEQ PAGE

LEGISLATIVE ACTION

05/09/83	07	0925	FIRST READING -- COMMITTEE REPORTS LABOR & COMMERCE RULES
----------	----	------	---

XXXX XX XX

XXX XXX XXX

SENATOR EDWARD DAVIS
ASSEMBLYMAN PATRICK NOLAN
ASSEMBLYMAN LINDSE PAPAN
SENATOR ROBERT PRESLEY
SENATOR DAVID ROBERTI
ASSEMBLYMAN LARRY STIRLING
ASSEMBLYMAN CHESTER WRAY



HJR 44

R BLAIR SPRINGER
PRINCIPAL CONSULTANT
ROBERT B GERBER III
ASSOCIATE CONSULTANT
JERRY M. HALTEVA
EXECUTIVE ASSISTANT
TO THE CHAIRMAN
SUE MARIMOTO
SECRETARY

ADVISORY BOARD MEMBERS:

CHIEF RICHARD ANDERSON
COUNTY VOLUNTEER FIRE DEPARTMENT
CHIEF RICHARD BARROWS
OFFICE OF EMERGENCY SERVICES
FIRE AND RESCUE DIVISION
CHIEF CLYDE A. DRAGDON, JR.
LOS ANGELES COUNTY FORESTER
AND FIRE WARDEN
SHERIFF JOHN W. CARPENTER
SANTA BARRABRA COUNTY
CHIEF ANDREW C. CASPER
SAN FRANCISCO CITY FIRE
DEPARTMENT
MR. JAMES W. COLOUNOUN
COMMUNICATIONS DESIGNER, RETIRED
COMMISSIONER GLEN CRAIG
CALIFORNIA HIGHWAY PATROL
MR. ALEX CUNNINGHAM
DIRECTOR
OFFICE OF EMERGENCY SERVICES
MR. THOMAS G DANDY
EXECUTIVE DIRECTOR
MERCED/MANHOSHA COUNTIES RED
CROSS
MR. JAMES L. EASTON
ASSISTANT DEPUTY
LOS ANGELES COUNTY FLOOD
CONTROL DISTRICT
CHIEF DARYL GATES
LOS ANGELES CITY POLICE
DEPARTMENT
MR. R. C. HELMS
LOS ANGELES POLICE PROTECTIVE
LEAGUE
MR. DALLAS JONES
VICE PRESIDENT
NATIONATED FIRE FIGHTERS OF
CALIFORNIA
MR. WILLIAM J. PATTERSON
FEDERAL EMERGENCY MANAGEMENT
AGENCY
MR. WILLIAM RIGGS
CALIFORNIA AMBULANCE ASSOCIATION
MAJ GEN FRANK SCHORER, JR.
COMMANDER
CALIFORNIA NATIONAL GUARD
ROGER S. TAYLOR, M.D.
DIRECTOR
EMERGENCY MEDICAL SERVICES
AUTHORITY

Joint Committee
ON
Fire, Police, Emergency
and
Disaster Services

SENATOR WILLIAM CAMPBELL
CHAIRMAN

March 7, 1983

Assemblyman Joe Hayes
Speaker of the House
State Capitol Building
Juneau, AK 99811

Dear Speaker Hayes:.

As Minority Leader of the California State Senate, I have developed an increasing interest in the field of emergency preparedness and response. The effectiveness of state and local public safety agencies in responding to emergency incidents depends in large part upon their communication capabilities. A reliable, comprehensive system is of paramount importance to ensure a coordinated emergency response. Unfortunately, in many areas of our nation emergency communication systems are unable to meet expanding needs. Many areas must cope with fragmented, costly, inefficient systems that are unsuitable for modern emergency response efforts.

To address this problem, the Los Angeles County Sheriff's Department has petitioned the Federal Communications Commission to allocate additional radio frequencies for public safety land mobile use. This Petition, RM 3975 (please see attachment A), requests that the FCC set aside a contiguous band of radio frequencies, preferably UHF TV Channels 14-20, for land mobile services with two channels dedicated solely for public safety use. Such an allocation would accommodate the increase in public safety radio traffic and, also,

would enhance their operational capability for inter-agency co-operation over multi-jurisdictional boundaries.

This Petition was submitted on behalf of all public safety agencies. It has received the support of 18 national and state professional organizations, as well as, public safety agencies in 28 states (please see attachment B). RM 3975 has also received the support of approximately 100 federal elected representatives and over 300 emergency service professionals. However, to date the FCC has not acted on this Petition.

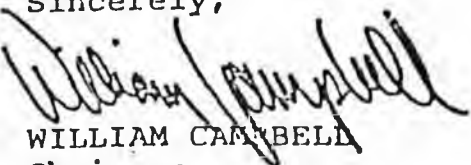
As Chairman of the Joint Committee on Fire, Police, Emergency and Disaster Services, I introduced a measure, Senate Joint Resolution 60, to have the California State Legislature memorialize the Federal Communications Commission to support Petition RM 3975. This measure was successfully passed by both the Senate and the Assembly. Additionally, my Joint Committee conducted public hearings on the issue of emergency communications in order to obtain as comprehensive of a review of this topic as possible.

Since the FCC had disregarded the Sheriff's Petition and is in the process of assigning all remaining radio frequencies, I would like to ask the support of you and your colleagues to join the California State Legislature in support of Petition RM 3975. I have enclosed a copy of SJR 60 for your information. I encourage you to meet with public safety officials in your state who may be familiar with the Petition submitted by the Los Angeles County Sheriff's Department to discuss this issue. Further, based on your state's needs, I hope that you would consider passing a similar resolution to be forwarded to the FCC and your congressional delegation.

Additionally, if your legislature does not already have one, I would like you to consider the possibility of establishing a research committee similar to the Joint Committee on Fire, Police, Emergency and Disaster Services. We have found this committee to be of considerable value in bringing to the forefront those issues of vital importance to our public safety policy decision-making process. I have also enclosed for your review a copy of the Resolution creating the Joint Committee in the California State Legislature.

Thank you for your cooperation in this matter. If you have any questions or if I can be of any assistance, please contact me at your convenience.

Sincerely,



WILLIAM CAMPBELL
Chairman

WC:ssm

Attachments/Enclosures

DEPARTMENT OF PUBLIC SAFETY
OFFICE OF THE COMMISSIONERPOUCH N
JUNEAU, ALASKA 99811
PHONE:

APR 4 1983

March 31, 1983

The Honorable Joe Hayes
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

I have researched petition RM 3975 Radio Frequencies as requested. In fact, the Department of Public Safety had previously responded in support of RM 3975.

Here in Alaska we also have similar problems, although not as great as the problems in the larger urban areas. The Troopers transmit on eight basic frequencies. Four are simplex channels and four have repeater capabilities.

We share 151.25 with many City Police Departments and Emergency Services personnel. This has virtually eliminated our use of this frequency. We lack a control and command frequency and during emergencies all units not involved must transfer to a simplex channel. This hinders or eliminates communication with many mobile units due to distance between the base station and mobile units (VHF is line of sight communication).

In a disaster, we must bring portable radios from City Police Departments, Fire Departments, National Guard and other Military Units, into our command center. It becomes very confusing attempting to coordinate all these units activities.

Aircraft to mobile communication, during Search and Rescue and on special operations, create problems by tying up primary frequencies. Finally, it is difficult to conduct training exercises due to the lack of a free frequency.

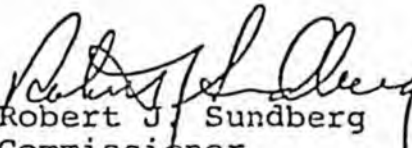
The Honorable
Joe Hayes

-2-

March 31, 1983

I would urge the House of Representatives to support RM 3975 for the benefit of all public safety agencies within the United States. It is important to obtain a favorable ruling from the F.C.C. or these frequencies will be assigned to other users.

Sincerely,


Robert J. Sundberg
Commissioner

Frank H. Murkowski
Joseph D. Early
Ernst F. Hollings

Strom Thurmond
Thomas F. Hartnett
Bill Frenzel
Ronnie G. Flippo
Wayne Dowdy
Howell Heflin
Norman E. D'Amours
Charles McC Mathias, Jr.
Bob Shamansky
Ted Stevens
Bob Packwood
John C. Danforth
John C. Stennis
Clement J. Zablocki
Harold S. Sawyer
William J. Hughes
Russell Long
Larry Winn, Jr.

Steven D. Symms
Thomas F. Eagleton
Richard A. Gephardt
Thomas F. Eagleton ***
Walter D. Huddleston

Lindy Boggs

Nancy L. Kassebaum

Thomas S. Foley
Bill Bradley
Howell Heflin ***
Edward Zorinsky
James M. Collins

Allen E. Ertel

Bob Livingston
Olympia J. Snowe
Charles E. Grassley
George Hansen
Robert A. Roe
Frank R. Wolf
Daniel A. Mica
Henry M. Jackson

T.R. Anderson, Alaska State Troopers
L.P. Benedetto, Franklin P.D.
W.D. Sirginson, York P.D.
J.M. Brown, Greenville Co. Sheriff
G.E. Tittle, Jr., Folly Beach P.D.
Richard P. Ruondala, Goose Creek P.D.
G.E. Tittle, Jr., Folly Beach P.D.
G.E. Tittle, Jr., Folly Beach P.D.

San Jose (CA) Fire Dept.
Hinds Co. (MI) Sheriff's Dept.
Heflin (AL) Police Dept.
Laconia (NH) P.D.
Baltimore (MD) P.D.
Columbus (OH) P.D.
Alaska Department of Public Safety
W/H. Berlin, Polk Co. Sheriff
R.G. Gillespie, Fulton P.D.
B. Baldwin, Hinds Co. Sheriff
M.R. Ratkowski, Greendale P.D.
L.E. Henline, Wyoming P.D.
J.C. Hartmann, Brant Beach P.D.
H.M. Morris, New Orleans P.D.
D. Hornbaker, Kansas H.P.
J.S. Cox, Leawood P.D.

J.R. Hayes, St. Joseph P.D.
K.A. Krueger, Ladue P.D.
K.A. Krueger, Ladue P.D.
M.D. Campbell, Kentucky
Commissioner of State Police
Henry M. Morris, New Orleans
Superintendent of Police
J.S. Cox, Leawood P.D.
K.A. Kistner, Liberal P.D.
R.D. Panther, Spokane P.D.
J.C. Hartmann, Brant Beach P.D.
E.K. Miller, Miami Beach P.D.
R.A. Roth, Douglas Co. Sheriff
J.M. Wright, Friendswood P.D.
J. Corley, Montgomery Co Sheriff
V. Campbell, Carrollton P.D.
R.S. Sullivan, Addison P.D.
D.H. Schatz, St. Mary's P.D.
D.L. Heiter, Lewisburg P.D.
A.R. Shaw, Jr.
H.M. Morris, New Orleans P.D.

Gail W. Paternon, Moscow P.D.
H.L. Runyon, Passaic P.D.
S. Stover, Arlington P.D.
R.P. Wille, Palm Beach Co Sheriff
A.F. Clifford, Kirkland P.D.

Eldon Rudd
Judd Gregg

Robert A. Roe ***
Parren J. Mitchell
Robert C. Byrd
Lawton Chiles

George M. O'Brien
Rudy Boschwitz
Nick Joe Rahall II
Charles E. Bennett
Al Swift
Donald W. Riegler, Jr.
Gary Hart
Bruce F. Vento
Robin L. Beard

James H. Quillen
Jim Dunn
Arlen Specter—

John Tower
James A. McClure
George J. Mitchell

Ed Jones

Sam B. Hall, Jr.
W.L. Armstrong

J. Wortham., Maricopa Co.
B.G. Cheney, Laconia P.D.
P.F. O'Leary, N.H. State Police
J.M. Fox, Morris Co. Sheriff's Office
F.J. Battaglia, Baltimore P.D.
H.D. Silverman, Charleston P.D.
W.C. Heinrich, Hillsborough Co.
R.A. Butterworth, Broward Co.
R.P. Wille, Palm Beach Co.
J.J. Watford, Kissimee P.D.
S.F. Lynn, St. Petersburg P.D.
E.R. Miller, Miami Beach
L.F. Callahan, Fort Lauderdale P.D.
Fred Hayes, Romeoville P.D.
J.F. Mossey, Crystal P.D.
H.D. Silverman, Charleston P.D.
Bob Graham, Florida's Governor

C.E. Camp, Northglenn P.D.

G. Roberts, Commissioner, Tennessee
Dept. of Public Safety
ditto

J.A. Hildebrand, Pontiac P.D.
E.J. Sieminski, Penn. State Rep.
for A.R. Shaw, Jr., Hellertown
Borough P.D.

J. Corley, Montgomery Co. Sheriff
G.W. Peterson, Moscow P.D.
T.J. Lander, Maine Chiefs of
Police Assoc.

G. Roberts, Comm. of Tennessee
Dept of Public Safety
W.P. Clements, Jr., Governor of Texas
C.E. Camp, Northglenn P.D.

*** second inquiry

REPLY COMMENTS IN OPPOSITION TO RM-3975

Association of Maximum Service Telecasters.

- * Letter to Chairman Fowler
- ** Letter to President Reagan

Congressional Correspondence

Joseph G. Minish
Bill Lowery

Duncan Hunter
Marvyn M. Dymally
Alan Cranston

Charles Pashayan, Jr.
Robert Lagomarsino
Tony Coelho
Bill Lowery ***

Norman Y. Mineta
Wayne Grisham
Robert E. Badham
Don Edwards
Vic Fazio
Julian C. Dixon
David Dreier
William M. Thomas
Bobbi Fiedler
F. James Sensenbrenner, Jr.

Don Edwards ***
Joe Skeen
Dante D. Fascell

John J. Rhodes

Harold L. Volkmer

J. James Exon

F. James Sensenbrenner, Jr.

Harrison Schmitt
Hank Brown

G. William Whitehurst
Ernest F. Hollings

Howard Baker
Claude Pepper

Augustus F. Hawkins

Lloyd Bentsen

for Martin J. Dugan
for Laurence R. Marshall, Oceanside
P.D.
for G.W. Boyd, Coronado P.D.

for Craig L. Meacham, Pres., L.A. Co.
Chiefs of Police
for Sheriff of Tulare County
for J.D. Smith, Lompoc P.D.
for Mayor Martin Howard
for William J. Winters, Chula Vista
Director of Public Safety.
for Bruce O. Jordan

for Fremont P.D.

for Roger M. Moulton, Montclair P. D.

for Jon D. Schorle, San Francisco
State Univ., Dir. of Public Safety
for Fremont P.D.
for R.S. Swenor, Ruidoso P.D.
for Emmett R. Miller, Miami Beach
P.D.
for Ronald J. Danielson, Chandler
(AZ) P.D.
for Richard Gillespie, Fulton (MO)
P.D.
for J.L. Friend, P.S. Director for
Omaha
for Donald E. Rosenbauer, P.S.
Director for Brown Deer
for R.S. Swenor, Ruidoso P.D.
for Craig E. Camp, Northglenn (CO)
P.D.

for York; Goose Creek;
Greenville; Folly Beach
for Sidney R. Mathews, Athens P.D.
for Emmett R. Miller, Miami
Beach P.D.
for California Emergency Council
(Resolution)
for Doyme Bailey, Travis Co. Sheriff

Ottawa County (MI) Sheriff's Department
Socorro County (NM) Sheriff
County of Riverside (CA) Fire Chiefs (Resolution)
Orange County (CA) Fire Chiefs' Association (Resolution)
Mesquite Public Safety Communications Division
San Bernardino Co. (CA) Law Enforcement Administrative
Officers' Assoc.
Lewisburg Borough (PA) Council (Resolution)

Other

National Association of Business and Educational Radio, Inc.
Robert E. Browning

COMMENTS IN OPPOSITION TO PETITION RM-3975

Association of Maximum Service Telecasters
National Association of Public Television Stations
National Association of Broadcasters
California State University and Colleges for San
Diego State University

-REPLY COMMENTS IN SUPPORT OF RM-3975

Los Angeles County Chiefs of Police Association (Resolution)
Los Angeles (CA) Communications Division
Los Angeles Police Department
California Peace Officers' Association
Peace Officers Association of Los Angeles County
Adelanto (CA) Police Department
Marysville (CA) Police Department
Coronado (CA) Police Department
Gilroy (CA) Police Department
Walnut Creek (CA) Police Department
Sheriff-Coroner of Sutter County (CA)
Missouri Chapter of the Associated Public-Safety
Communications Officers, Inc.
City of Coronado (CA) Police Department
City of Marysville Chief of Police *
Calipatria (CA) Police Department
Redlands (CA) Police Department
Montclair (CA) Police Department
Livermore (CA) Police Department
South Lake Tahoe (CA) Chief of Police *
Tulare County (CA) Sheriff's Department
Chula Vista, California, Department of Public Safety
Glendale (CA) Police Department
Pinole (CA) Police Department
Turlock (CA) Police Department
Woodland (CA) Police Department

Martinez (CA) Police Department
Long Beach (CA) Police Department
Firebaugh (CA) Police and Fire Department
Mountain View (CA) Police Department
San Jose (CA) Police Department
Escondido (CA) Police Department
Sonoma County (CA) Sheriff's Department
St. Helena (CA) Police Department
Fremont (CA) Police Department
Newport Beach (CA) Police Department
Sacramento (CA) Police Department
Contra Costa County (CA) Police Chiefs Association
South Bay (CA) Regional Public Communications Authority
L.A. County District Attorney's Office
County of Orange (CA)
Culver City (CA) Police Department
Ventura County (CA) Sheriff's Department
San Joaquin County (CA) Sheriff's Department
Clayton (CA) Police Department
Department of Justice (CA)
Concord (CA) Police Department
City of Simi Valley (CA) Police Department *
Baldwin Park (CA) Chief of Police *
Sanger Police Department
Carpinteria (CA) City Council (Resolution)
Buena Park (CA) Police Department
Hercules (CA) Department of Public Safety Services
San Francisco State University Department of Public Safety
Orange County Chiefs of Police and Sheriff's Association
Orange (CA) Police Department
Pleasant Hill Police Department
International Association of Fire Chiefs, Inc. (IAFC)
San Jose (CA) Fire Department
Campbell (CA) Police Department
California Fire Chiefs Association
Daniel E. Boatwright, California State Senator
Sacramento County (CA) Sheriff's Department
San Buenaventura (Ventura) (CA) Police and Fire Departments
San Buenaventura ("Ventura", CA) Police and Fire Departments
Culver City (CA) Council resolution **
Lawrence (MA) Police Department
Milwaukee (WI) Department of Police
Columbus City Council (Resolution)
Moscow (ID) P.D. (transmitted by the Governor's office)
Nassau Co (NY) P.D. *
Florida Governor's Office *

New York State Association of Chiefs of Police, Inc.
Sheriff, Jefferson County (AL)
Ponca City (OK) Chief of Police
Long Beach (NJ) Police Department
City of Seward (AK) Chief of Police
Rittman (OH) Police Department
Hamilton (OH) Director of Public Safety
Mound (MN) Police Department
Luzerne County (PA) Police Emergency Radio Network
Douglas (AZ) Police Department
Columbus (OH) Division of Communications
Paris (TN) Police Department
North Kansas City (MO) Police Department
Hagerstown (MD) Department of Police
Carlsbad (NM) Police Department
Sterling Heights (MI) Police Department
Trumbull County (OH) Sheriff's Department
Cleveland (OH) State University Police Department
Barry County (MI) Sheriff's Department
Mono County (CA) Sheriff-Coroner
Marlborough (NY) Police Department
Cheektowaga (NY) Police Department
Glendora (CA) Police Department
Massillon (OH) Police Department
Clute (TX) Police Department
Bloomfield (CT) Chief of Police
West Bloomfield (MI) Police Department
Lapeer County (MI) Sheriff's Office
Oklahoma City (OK) Police Department
Boise Police Department and Ada County Sheriff's Department (ID)
Anchorage (AK) Police Department
Richardson (TX) Department of Police
Grandview Heights (OH) Division of Police
Chautauqua County (NY) Sheriff's Department
Clay County (MO) Sheriff
Greene County (MO) Sheriff
Sapulpa (OK) Police Department
Howard County (MD) Department of Police
Beaumont (TX) Police Department
Appleton (MN) Police Department
San Angelo (TX) Police Department
St. Louis County (MO) Police Department
Oregon State Police
Ypsilanti (MI) Police Department
Carmel (CA) Chief of Police
Cuyahoga Falls (OH) Police Department
Blue Mountain (PA) Control Centre
Egg Harbor (NJ) Communications Department
Woodway (TX) Public Safety Department
St. Mary's County (MD) Sheriff
Milwaukie (OR) Police Department
Dallas (OR) Chief of Police
Huntington (WV) Police Department
Tuscola County (MI) Sheriff's Department

Jackson County Sheriff's Department
Portsmouth (NH) Police Department
Summit County (OH) Sheriff
Wallingford (CT) Department of Police Service
Bridgewater (NJ) Police Department
Mohave County (AZ) Office of the Sheriff
Newark (OH) Department of Public Safety
Bay Village (OH) Division of Police
Lubbock (TX) Police Department
Glastonbury (CT) Chief of Police
County of Riverside
New Jersey State Police
Downriver Mutual Aid Task Force
New York City Police Department
New York State Police
Inver Grove Heights (MN) Police Department
Siskiyou County (CA) Sheriff's Office
Connecticut State Police
Palo Alto (CA) Police Department
Preston County (WV) Communications Center
Chagrin Falls Police Department
Celina (OH) Police Department
Ogdensburg (NY) Police Department
Oakland (CA) Police Department
Town of Greece (NY) Police Department
Stow (OH) Department of Police
Perry Township Police Department
Mansfield (OH) Division of Police
Salt Lake City (UT) Police Department
Norman (OK) Police Department
Oakridge (OR) Police Department
Royal Oak (MI) Superintendent of Communications
Bedford Town (NY) Police Department
Nassau County (NY) Police Department
Department of California Highway Patrol
Nitro (WV) Police Department
Tennessee Bureau of Investigation
Youngstown (OH) Police Department
Southfield (MI) Chief of Police
Prince George's County (MD) Chief of Police
Rolla (MO) Department of Police
Baltimore County (MD) Police Department
Michigan Public Safety Frequency Advisory Committee (APCO)
Northern California Chapter of APCO
City Council of the City of Chula Vista (CA) (Resolution)
Los Angeles (CA) Communications Division
Department of Justice, State of California
San Francisco (CA) Police Department
San Jose (CA) Police Department
City of Hayward (CA) Police Department
State of Alaska's Department of Public Safety
Brooklyn Center (MI) Police Department
California Public-Safety Radio Association
Ottawa County (MI) Sheriff's Department

A P P E N D I X

COMMENTS IN SUPPORT OF PETITION RM-3975

Sales and Service Businesses

Seattle Pacific Communications, Inc. (Kirkland, WA)
Dennis Two-Way Radio, Inc. (Abilene, TX)
American Communications, Inc. (Fort Worth, TX)
Scorpio Communications (Fort Worth, TX)
TEAM Electronics (Grand Forks, ND)
Licciardi Radio Communications, Inc. (Rochester, NY)
Rassbach Communications Service, Inc. (Eau Claire, WI)
Leflore Communications, Inc. (Greenwood, MS)
WLAK Electronics Service, Inc. (Lakeland, FL)
Hill Radio (Bloomington, IL)
Johnson Communications Corporation (Winter Park, FL)
Wentz Electronics (Snoqualmie, WA)
Warner Communications Corp. (St. Louis, MO)
Southwest Communications Service (Oklahoma City, OK)
Marshall Communications (Whiteland, IN)
Communications Engineering, Inc. (Las Vegas, NV)
Warner Communications Co., Inc. (Upper Montclair, NJ)
Cook Communications Co. (Mt. Pleasant, MI)
Northwest Marine Center (Portland, OR)
Yuma Electronics, Inc. (Yuma, CO)

Local Government & Public Safety Organizations

California Police Chiefs Association
Associated Public-Safety Communications Officers, Inc. (APCO)
Sacramento, California Department of Police
El Cajon, California City Council
West Valley City Police Department
State of Minnesota
Florida Division of Communications
Grants New Mexico Police Department
Farmington (NM) Police Department
Tuscarawas County (OH) Sheriff
Hillside (NJ) Department of Police
Culver City (CA) Fire Department
City of Pearland (TX)
City of Oceanside (CA)
American Public Works Association
Nassau County (NY) Sheriff's Department
Mesa (AZ) Police Department
Geauga County (OH) Sheriff's Department
Birmingham (MI) Police Department
Montana Highway Patrol
Beverly Hills (CA) Fire Department

Kalamazoo (MI) Chief of Police
Maplewood (MN) Police Department
Anoka (MN) Police Department
Georgia Bureau of Investigation
Sacramento County (CA) Fire Chiefs Association
St. Lawrence County (NY) Sheriff's Office
Eagan (MN) Police Department
Nebraska State Patrol
Kittson County (MN) Sheriff Department
Phoenix (AZ) Police Chief
Painesville (OH) Division of Police
Mineral County (NV) Sheriff
Oakland County (MI) Sheriff's Department
Rowlett (TX) Police Department
Provo (UT) Chief of Police
Jefferson County (TX) Sheriff's Office
San Bernardino (CA) Communications Department
University of Arizona Police Department
Town of Barrington (RI) Police Department
Township of Old Bridge (NJ) Police Department
Xenia (OH) Division of Police
Ingham County (MI) Sheriff
Buckeye State (OH) Sheriffs' Association
Montgomery County (OH) Sheriff's Office
Ohio Chapter of APCO
Deschutes County (OR) Sheriff
Douglas County Sheriff's Office
Town of Windsor (CT) Chief of Police
City of Bartlesville (OK) Police Department
City of Azusa (CA) Police Department
Cottage Grove (MN) Police Department
Brigham City (UT) Police Department
Lorain County (OH) Sheriff
Addison (TX) Chief of Police
Orange County (TX) Sheriff's Department
San Joaquin County (CA) Sheriff-Coroner's Office
Brookfield (OH) Police Department
Tonawanda (NY) Chief of Police
Garden City, Wayne, Westland and Inkster (MI) Police Departments
Storey County (NV) Sheriff
Bend (OR) Police Department
Lake Havasu City (AZ) Police Department
Georgia Department of Human Resources
City of Troutdale (OR) Chief of Police
Beverly Hills (CA) Department of Police
Sherburne County (MN) Sheriff
Michigan State Office of Criminal Justice
Lake Oswego (OR) Police Department
International Association of Chiefs of Police, Inc. (IACP)
Henry County (MO) Sheriff
Pima County (AZ) Department of Communications
Woodbury (MN) Police Department
Corvallis (OR) Police Department
Sheriff of Benton County (OR)

that the area between 25 and 470 MHz was generally considered best for the mobile environment, Land Mobile held only 40 MHz of spectrum or about 4.2% of the 975 MHz amenable to mobile operations.

1.5. The result of these practices was to fragment Police and Fire operations over three bands (LO-VHF, HI-VHF & UHF). In actual practice these three bands, due to equipment limitations, were divided into five operational bands (33 to 41 MHz; 42 to 50 MHz, 153 to 158 MHz, 166 to 170 MHz and 453 to 458 MHz). With the recent additions of the 470 to 512 MHz and 800 MHz bands, these organizations now operate on seven to eight different bands (equipment band width limitations) with little capability of coordinating tactical operations.

1.6. It does little good to say that agencies could coordinate by mutual agreements and crossbanding with scanners or additional radio equipment. The simple fact is that the issue has become too complex in most areas for this to be effective. Proper Command and Control techniques mandate a more uniform approach.

1.7. While Public Safety communications spectrum has become fragmented, there has been a steady increase in demands for service by the public. This has resulted in higher utilization rates for Public Safety systems with the result of congestion on most radio channels. This is painfully true in such metropolitan areas as Los Angeles, New York and Chicago. With rising crime

rates and the availability of tactical databases for inquiry, channel utilization on police frequencies has increased to the point where 20 to 25 radio field units in a moderately busy area can fully load a radio channel. This assumes that a normal waiting time for a police frequency at average peak periods is approximately five seconds.

1.8. Conditions of frequency congestion on many police frequencies are such that normal Command and Control activities cannot be maintained during busy periods. Emergent operations such as pursuits or other life urgent activities consume available air time to the detriment of other less urgent traffic. In many areas, operational and financial restraints necessarily require that certain types of services, though potentially hazardous to officers or the public, must be relegated to low priority and handled off the air or not at all. This issue was documented by federal task forces almost a decade ago and it continued to be aggravated without relief from the FCC.

1.9. Another item identified by these task forces was the almost universal inability of Public Safety communications centers to cope with major disasters or disturbances. The Mount Saint Helens Volcano disaster most graphically demonstrated this issue. The lack of coordinating frequencies, common equipment and the size of the area all combined to make communications extremely difficult and slow.

In the Matter of)
Amendment of Part 90 and Part 73)
of the Commissions Rules and)
Regulation to Allocate Additional)
Channels in the 470 MHz to)
512 MHz Band for Public Safety)
and other Land Mobile operations.)

Petition of the Sheriff of Los Angeles County

1.1. The Los Angeles County Sheriff's Department, in compliance with Section 1.401 of the Commissions Rules, hereby petitions the Commission to change the Rules under Part 90 and Part 73 to provide additional allocated frequencies to the Land Mobile Service for Public Safety Agencies from that part of the spectrum located within the UHF-TV Band between 470 MHz to 512 MHz (Channels 14 through 20) as set forth in this document.

1.2. More specifically, the Sheriff's Department proposes that the commission provide that all of the channels within this Band be provided for Land Mobile services with block allocations for each service. Block allocation for Public Safety emergency operations should be provided with sufficient quantities of frequencies as to provide for growth needs through the next two decades. To achieve this, we suggest that two contiguous UHF-TV Channels within this spectrum be specifically allocated to Public Safety in the major metropolitan areas such as Los Angeles, Chicago and New York. Further, we suggest that a block of

contiguous frequencies within this band, proportional to the local population, also be allocated for those less populated urban and rural areas. These Public Safety Channels should be reserved for Police and Fire operations; for as with the military, they have a constant requirement for tactical communication and coordination.

1.3. Since 1949, there has been little change in spectrum allocation for land mobile. The growth of service within this band has been the burden of the users. Improvements in technology has been a continuing process for the Land Mobile community with service continually being compressed within the allocated spectrum; thereby allowing the Commission to largely ignore the increasing needs of this service. Inherent within this process was the "block" allocation which placed similar services together within a specific block.

1.4. While the process of block allocation provided benefits to the various services at that time, it was not to the best advantage of Police or Fire operations as they have been spread across the spectrum with the rest of the Land Mobile community. In the spectrum between 25 to 1000 MHz, that area generally considered adequate for land mobile use, there is 975 MHz of spectrum. Approximately 16% (156 MHz) of this was allocated to land mobile. In actuality, when one considers that approximately 115 MHz of the Land Mobile allocation is generally unusable and

RESOLUTION CHAPTER 27

Senate Concurrent Resolution No. 15—Relative to the Joint Committee on Fire, Police, Emergency, and Disaster Services.

[Filed with Secretary of State May 11, 1981.]

LEGISLATIVE COUNSEL'S DIGEST

SCR 15, Campbell. Joint Committee on Fire, Police, Emergency, and Disaster Services.

This measure would create the Joint Committee on Fire, Police, Emergency, and Disaster Services, and provide for the membership, authority, and duties of the committee.

WHEREAS, Fire, police, emergency medical services, and disaster services are generally regarded as the most crucial life-safety services a governmental entity can provide its residents, and while these services are locally controlled and determined, the state government provides, regulates, and coordinates these services, and has an impact on the level and quality of fire, police, emergency medical services, and disaster services; and

WHEREAS, In California, the state has a number of departments, agencies, and offices that assist, influence, and regulate these locally administered services, such as the Department of Forestry, the Department of Justice, the State Fire Marshal's Office, the California Highway Patrol, the Health and Welfare Agency, the Office of Emergency Services, the California Conservation Corps, the California National Guard, the Department of Transportation, and the Community College System, which are but a few of the state's resources which directly affect the level and quality of fire, police, emergency medical services, and disaster services provided by local entities; and

WHEREAS, The demand for fire and police services is rapidly escalating, and professionals in these fields must interact with each other to provide disaster services, and they must be well-trained, well-equipped, and capable of cooperating in adverse situations in order to protect and assist the public; and

WHEREAS, Fire, police, and emergency services must respond to the needs of individuals and property threatened by natural or manmade occurrences, such as fire, flooding, drought, wind, war, or accident; and

WHEREAS, There is a need for greater analysis and depth of understanding of the need for disaster services involving fire, police, and other agencies in response to a natural or manmade calamity, including an objective analysis of the inherent problems of providing disaster services, and the degree to which life-safety services are

interrelated and supported; and

WHEREAS, There is a need for a coordinated effort in addressing these issues and there has never been an identified agency to which the life-safety professionals could go to explain their problems, concerns, and needs in providing disaster services; and

WHEREAS, A broad approach to the problem of providing these services is needed, which would involve a more realistic, uniform, all-encompassing approach to the disaster problem, considering the groups and the points they share in common; now, therefore, be it

Resolved by the Senate of the State of California, the Assembly hereof concurring, That the Joint Committee on Fire, Police, Emergency, and Disaster Services is hereby created, and authorized and directed to ascertain, study, and analyze facts relating to fire, police, emergency medical services, and disaster services, including the following:

1. Identify the extent of available disaster services, considering such factors as cost, personnel, and training.
2. Identify the need for disaster services.
3. Identify the local capabilities to provide disaster services, such as the level and quality variations among various entities.
4. Identify the state's impact on these services.
5. Identify problems encountered in providing these services, such as personnel, states-of-the-art, funding, regulations, and coordination.
6. Provide a forum for discussion of these services, and encourage the professionals, labor, management, and scholars to express their views and opinions.
7. Increase public awareness of life-safety and disaster services, and approach these services on their common, complementary aspects.
8. Recommend how state resources, such as fiscal, legislative, and educational, can be most effectively applied to enhance the life-safety and well-being of California's residents.
9. Recommend how these services should be funded; and be it further

Resolved, That the committee shall consist of five Members of the Senate appointed by the Committee on Rules thereof, and five members of the Assembly, appointed by the Speaker thereof; and be it further

Resolved, That the committee and its members shall have and exercise all of the rights, duties, and powers conferred upon investigating committees and their members by the provisions of the Joint Rules of the Senate and Assembly as they are adopted and amended from time to time, which provisions are incorporated herein and made applicable to this committee and its members; and be it further

Resolved, That the committee has the following additional powers and duties:

1. To cooperate with and secure the cooperation of the federal government, the state, and any county, city, city and county, and other local fire, law enforcement, emergency medical service agency, and disaster service agency in investigating any matter within the scope of this resolution.

2. To do any and all other things necessary or convenient to enable it fully and adequately to exercise its powers, perform its duties, and accomplish the objects and purposes of this resolution; and be it further

Resolved, That the committee shall terminate on November 30, 1982.

Senate Joint Resolution No. 60

RESOLUTION CHAPTER 152

Senate Joint Resolution No. 60—Relative to radio telecommunications.

[Filed with Secretary of State August 30, 1982.]

LEGISLATIVE COUNSEL'S DIGEST

SJR 60, Campbell. Radio telecommunications.

This measure would memorialize the Federal Communications Commission to allocate additional radio spectrum frequencies to Land Mobile Service for Public Safety Agencies in major metropolitan and urban areas of the United States pursuant to the principles set forth in a petition submitted to the Federal Communications Commission by the Los Angeles County Sheriff.

WHEREAS, The Los Angeles County Sheriff's Department has petitioned the Federal Communications Commission in compliance with S.1.401 of the Commission's rules, to provide, in sufficient quantities, additional allocated frequencies to Land Mobile Service for Public Safety Agencies in the major metropolitan areas like Los Angeles, Chicago, and New York; and

WHEREAS, The Los Angeles County Sheriff's Department, in the petition, further suggested that a block of contiguous frequencies proportionate to the local population also be allocated for those less populated urban and rural areas; and

WHEREAS, Radio telecommunication is the principal medium of command and control communications for those agencies which are charged with the maintenance of the public safety; and

WHEREAS, There are insufficient radio spectrum frequencies allocated in the Land Mobile public service; and

WHEREAS, The California Emergency Council, in cooperation with the California Peace Officers Association, has resolved to support in principle the petition submitted to the Federal Communications Commission by the Sheriff of Los Angeles County, in the interest of all public safety organization in the United States; and

WHEREAS, The California Emergency Council seeks the allocation of additional radio spectrum frequencies as proposed in the petition, now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Federal Communications Commission to adopt the principles in the petition submitted by the Sheriff of Los Angeles County; and be it further

Resolved, That the Secretary of the Senate transmit copies of this

resolution to the Federal Communications Commission.

HJR

47

HR 47 TITLE & SPONSOR SUMMARY

17:21 3/04/84 PAGE 1 OF 3

RENDED TITLE:

ENCOURAGING THE CREATION OF A RENEWED CIVILIAN CONSERVATION
CORPS

LINE SPONSOR: FRITZ.

COSPONSORS:

CURRENT STATUS: 3/15/83 SIGNED BY GOVERNOR

HR 47 HOUSE ACTION

17:21 3/04/84 PAGE 2 OF 3

LEGISLATIVE ACTION

DATE	SEQ	PAGE	
3/08/83	01	1241	FIRST READING -- COMMITTEE REPORTS
3/25/83	02	1286	L&C - 0F07
3/31/83	03	1312	SECOND READING
3/31/83	04	1312	ADVANCED TO 3RD READING BY UNAN CONSENT
3/31/83	05	1312	THIRD READING
3/31/83	06	1312	PASSED BY DIV 25-02-83
3/10/83	14	1301	TRANSMITTED TO GOVERNOR
3/15/83	15	1750	SIGNED BY GOVERNOR
3/15/83	16	1750	LEGISLATIVE RESOLVE NO. 13

HR 47 SENATE ACTION

17:21 3/04/84 PAGE 3 OF 3

LEGISLATIVE ACTION

DATE	SEQ	PAGE	
3/01/83	07	1251	FIRST READING -- COMMITTEE REPORTS
3/09/83	08	1241	L&C - 0P02, 0R02
3/10/83	09	1251	S&C - OTHERS
			TAKEN UP IMMEDIATELY
3/10/83	10	1265	SECOND READING
3/10/83	11	1265	ADVANCED TO 3RD READING BY UNAN CONSENT
3/10/83	12	1265	THIRD READING
3/10/83	13	1265	PASSED BY DIV 13-02-82

FRIDAY, APRIL 22, 1983

Letters to the editor

The 50th anniversary of the CCC

Dear Editor:

As Alaska approaches its 25th year of statehood it is fitting that we take a moment to salute the Golden Jubilee of the Civilian Conservation Corps.

On March 21, 1933, President Franklin D. Roosevelt signed the bill creating the "CCC." Founded during the heart of the "Great Depression" — 13 million unemployed workers, earning wages ranging from 20 to 30 cents an hour, joined this "noble experiment" which offered new hope to discouraged youths between 17 and 25 years of age through a combination of conservation, education and disciplined living.

Exposing them to a healthful outdoor atmosphere and quasi-military regime, the program offered escape from street corners and pool rooms. The first year enrollment was 290,000 and before the program ended in 1942 during World War II, more than 3 million enrollees occupied camps in every state, plus Alaska, Puerto Rico and the Virgin Islands.

Working for \$30 a month (\$25 of which was sent home to the family and \$5 left for candy, Bull Durham and stationery) plus room and board, these blue-denimed, floppy-hatted young men performed the following:

- Constructed almost 97,000 miles of truck roads.
- Installed 89,000 miles of telephone lines.
- Built 126,000 miles of trails and roads.
- Built 3,400 fire towers and spent 6,459,000 man-days fighting fires.
- Covered 21,000,000 acres in tree plantings, pest control and disease control.
- Planted 2,356,000,000 trees.

Here in the Territory of Alaska, in conjunction with the Works Project Administration, bridges were constructed, improvements made to harbors, totem poles restored and temporary shelters erected for the first

settlers to the Matanuska Valley Colony.

This once-in-a-lifetime experience gave most of us an opportunity to visit places we probably might never have seen otherwise. As a fuzzy-cheeked Ohio youngster of 18, I was lucky enough to be sent to California where we built check-dams and roadways and cleared the primitive area into what today is Palos Verdes Estates outside of San Pedro. Later I was transferred to Wildcat Canyon, where we trapped rodents and predatory animals, and planted thousands and thousands of pine seedlings.

No one knows how many of us youngsters — jobless and dispirited — might have ended up in jail if it hadn't been for the CCC. We matured, learned a sense of responsibility and our quasi-military training served us in good stead later.

As we honor the Golden Anniversary of the Civilian Conservation Corps, Alaskans should be aware that legislation is currently being introduced to Congress for a CCC II.

With a still-faltering economy and a youth unemployment rate that reaches 40 percent in some instances, we must re-open the CCC to America's most precious natural resource — our boys and girls.

Andrew E. Elko
Homer

The Anchorage Times welcomes letters from its readers on issues of the day. Letters must be exclusively addressed to The Anchorage Times, Box 100040, Anchorage 99510. Letters should be kept as brief as possible and are subject to condensation. They must include signature, telephone number and valid mailing address. The telephone number is for verification purposes and will not be printed.

RECEIVED
FELI H. WITZMAN, D.O.

MAR 21 11 24 AM '83



ANDREW E. ELKO
FREE LANCE WRITER
P.O. BOX 2076
HOMER, ALASKA 99603
PHONE: (907) 235-7860



~~Station + photo~~

April 23, 1983

Dear Milo,

As a "survivor of the Great Depression" I'm sure you'll agree that the Civilian Conservation Corps instituted at that time did wonders for the jobless, dispirited youth of that era. (See enclosed photocopy, Anchorage Times 4/22/83, letter-to-the-Editor.)

This being the Golden Jubilee year of that wonderful organization do you think --- as our District 5 Legislator --- that you can get a resolution passed recognizing the 50th Anniversary of the CCC? (Or at least have my letter read into the records?)

I promised the Anniversary Committee I would try to help in any way possible.

Many thanks for anything you can do.

— Sincerely,

Andy

P.S. Our love to your lady from Anne and me.

STATE OF ALASKA



Executive Proclamation

by
Bill Sheffield, Governor

1983 marks the 50th anniversary of the Civilian Conservation Corps. When President Franklin D. Roosevelt signed the bill creating the Civilian Conservation Corps in 1933, approximately 3 million unemployed workers joined this program.

From the program's inception in 1933 until it ended in 1942, the Civilian Conservation Corps built roads and trails, installed telephone lines, planted trees, and constructed fire towers throughout the United States. In Alaska, then a territory, bridges were constructed, harbors improved, and many other needed services were performed.

It is only fitting that Alaska join in honoring the Golden Jubilee of the Civilian Conservation Corps.

NOW, THEREFORE, I, Bill Sheffield, Governor of the State of Alaska, do hereby proclaim 1983 as:

THE GOLDEN JUBILEE YEAR OF
THE CIVILIAN CONSERVATION CORPS

in Alaska, and urge all Alaskans to reflect on the contributions made to our state and nation through this program.

Dated: May 26, 1983



Done by—

Bill Sheffield

Bill Sheffield, Governor
who has also authorized
the seal of the State of
Alaska to be affixed to
this proclamation.

Office of the Mayor

Homer, Alaska

Proclamation



WHEREAS, on March 21, 1933, President Franklin D. Roosevelt signed the bill creating the Civilian Conservation Corps (CCC) offering new hope to discouraged youths between 17 and 25 years of age through a program of conservation, education and discipline living in a healthful outdoor atmosphere; and

WHEREAS, the Civilian Conservation Corps, between 1933 and 1942, compiled an impressive record of accomplishments that included the planting of three million acres of trees, thinning five million acres of forest, building bridges and roads and opening up state and national parks; and

WHEREAS, 1983 being the Golden Jubilee year of the Civilian Conservation Corps and the City of Homer, Alaska, always desirous of paying due respect to organizations such as the CCC which has done so much for our nation;

NOW THEREFORE, I, ERLE COOPER, Mayor of the City of Homer, Alaska, do hereby proclaim and pronounce the month of June, 1983, as:

CIVILIAN CONSERVATION CORPS MONTH

in Homer, Alaska, and hereby encourage the citizens of Homer to support efforts to create a renewed Civilian Conservation Corps endeavor.

In witness whereof I have hereunto set my hand
and caused the seal of this city to be affixed.

Mayor Erle Cooper

Date May 26, 1983

