

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

3524 HLAB HJR 65 - SB 90

400

MEMORANDUM

State of Alaska

TO: Greg Baker, Deputy Commissioner
 Department of Commerce and
 Economic Development

THRU: Paul Peyton, Acting Director
 Office of Commercial Fisheries
 Development

FROM: Richard Reynolds
 Development Specialist
 Fisheries

DATE: March 24, 1986

FILE NO.:

TELEPHONE NO.:

SUBJECT: Kodiak/Chignik Salmon
 Processing Capacity,
 Preliminary Draft

This is a preliminary draft report which should not receive very wide circulation. I have not confirmed the projected run data with the Department of Fish and Game, and processor responses have not been verified in any independent way.

Generally, pink salmon sales appear to be exceeding expectations and the mood of processors recently seems to be more positive toward operations this season.

Canned Pink Salmon Inventories (number of cases)

	<u>11/1/85</u>	<u>2/1/86</u>	<u>Shipments</u>
12-4 lb.	80,286	61,388	18,898
48-1 lb.	1,996,085	1,354,917	641,168
48-1/2 lb.	994,101	657,732	336,369
48-1/4 lb.	59,607	50,608	8,999
	<u>3,130,079</u>	<u>2,124,645</u>	<u>1,005,434</u>
	<u>11/1/84</u>	<u>2/1/85</u>	<u>Shipments</u>
12-4 lb.	29,712	21,119	8,653
48-1 lb.	1,797,227	1,362,756	434,471
48-1/2 lb.	820,999	400,248	420,751
48-1/4 lb.	49,043	38,755	10,288
	<u>2,697,041</u>	<u>1,822,878</u>	<u>874,163</u>
	<u>11/1/83</u>	<u>2/1/84</u>	<u>Shipments</u>
12-4 lb.	34,108	27,842	6,266
48-1 lb.	1,384,591	1,013,489	371,102
48-1/2 lb.	714,054	492,202	221,852
48-1/4 lb.	70,694	36,845	633,849
	<u>2,203,447</u>	<u>1,570,378</u>	<u>633,069</u>

Canned Pink Salmon Inventories (number of cases) (cont'd)

	<u>11/1/82</u>	<u>2/1/83</u>	<u>Shipments</u>
12-4 lb.	48,633	36,283	12,350
48-1 lb.	1,506,304	1,102,135	404,169
48-1/2 lb.	1,064,980	545,680	519,305
48-1/4 lb.	81,108	66,607	14,503
	<u>2,701,030</u>	<u>1,750,703</u>	<u>950,327</u>

As of February 1, total unsold inventories are up 16% over the same time last year in terms of running cases. However, there are actually fewer 48-1 lb. cases on hand. Sales, particularly of 1 lb. talls, are up substantially over the past three years. The following analysis was provided by Ocean Beauty Seafoods:

<u>Period</u>	<u>Pink Salmon 48-1 lb. cases</u>		<u>Increase Cases</u>	<u>%</u>
	<u>Current Year</u>	<u>Prior Year</u>		
7/1 - 10/31	577,000	543,000	34,000	6.3
November	123,000	74,000	49,000	66.2
December	251,000	209,000	42,000	20.1
January	287,000	185,000	102,000	55.1
	<u>1,238,000</u>	<u>1,011,000</u>	<u>227,000</u>	<u>22.5</u>

Increased sales are attributed to cheaper prices, the ASMI promotion program and greater consumer awareness of the product's nutritional qualities. I have not yet attempted to quantify the degree of actual price reductions allowed or to estimate the possible effect such reductions may have on raw fish prices next season or packers' margins.

U. S. Cold Storage Holdings (Millions of Pounds)

	<u>Current Year</u>			<u>Prior Year</u>
	<u>11/30/85</u>	<u>12/31/85</u>	<u>1/31/86</u>	<u>1/31/85</u>
King	6.5	5.5	4.6	2.9
Coho	14.9	13.2	7.7	10.2
Chum	21.0	20.0	13.1	18.0
Pink	14.9	10.8	6.9	1.5
Red	7.1	6.2	3.2	1.5
Unclassified	4.7	4.5	4.1	2.6
	<u>69.1</u>	<u>60.2</u>	<u>39.6</u>	<u>36.7</u>

The 1986 pack will begin to reach market outlets in volume during August. Including February, that means that there are six months remaining before the new pack becomes available. Sales will not continue at a constant rate, but expected carry-over projections have not yet been made.

CANADIAN SUPPLIES IN 1986

Canadian production does have an effect on the market. Pink salmon production in Canada has a dramatic even/odd year cycle.

British Columbia Canned Salmon Pack in 48-1 lb. 1b. Case Equivalents

	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>
Red	590,302	239,949	370,855	551,145	648,401
Pink	1,067,301	366,098	999,739	138,648	1,105,915

In 1985, when 1.1 million cases of pink salmon were produced (including production from U. S. salmon), the British Columbia harvest was 20.3 million fish. The 1986 forecast harvest in B.C. is about 6.9 million.

PREDICTED 1986 DAILY HARVEST OF SALMON IN THE KODIAK/CHIGNIK AREA

Daily harvests as a percentage of the total catches during 1980 and 1984 were calculated for the Kodiak area and applied to the 1986 Department of Fish and Game forecasts. For the Chignik area, 1979 was used as a comparable year for pink salmon, 1983 for red salmon and an average of the two years was used for other species. Again, for Chignik, the daily harvest percentages were applied to the current forecasts to arrive at expected daily production rates for 1986.

1986 Season Point Forecast Harvest (Fish)

	<u>Kodiak</u>	<u>Chignik</u>
Pink	15,679,000	1,940,000
Red	1,500,000	2,160,000
Chum	1,000,000	300,000
Coho	200,000	250,000
King	4,000	5,000

In Kodiak, the north-end and west-side are expected to produce the majority of pink salmon harvested:

Afognak	494,000
Kitoi	979,000
West-side	12,258,000
Alitak	800,000
General	990,000
Mainland	158,000
	<u>15,679,000</u>

In order to compare processing capacities, daily catch projections were converted to pounds using the following factors (pounds/fish).

	<u>Kodiak</u>	<u>Chignik</u>
Pink	3.5	3.8
Red	5.6	6.9
Chum	8.0	7.4
Coho	8.6	7.5
King	21.0	19.2

The final report will describe complete daily catch projections, by species. This paper concentrates on the peak period July 22 - August 14. The attached graphs illustrate the magnitudes involved. Production may be expected to reach 4.7 million pounds on August 4. Of this total, about 3.8 million pounds would be pink salmon. In tabular form:

Daily Predicted Harvest of All Species (millions of pounds)

	<u>Kodiak</u>	<u>Chignik</u>	<u>Total</u>
7/22	1.7	.3	2.0
23	1.3	.1	1.4
24	2.2	.1	2.3
25	3.0	.2	3.2
26	2.8	.3	3.1
27	2.3	.3	2.6
28	2.4	.3	2.7
29	3.5	.2	3.7
30	3.4	.3	3.7
31	2.7	.6	3.3
8/01	2.1	.7	2.8
02	1.6	.1	1.7
03	2.4	.6	3.0
04	4.6	.2	4.8
05	3.6	.1	3.7
06	3.2	.9	4.1
07	2.5	1.1	3.6
08	2.5	.7	3.2
09	1.7	.6	2.3
10	2.5	.3	2.8
11	2.1	.1	2.2
12	2.0	.5	2.5
13	1.6	.3	1.9
14	1.1	.3	1.4

Processors operating in the Kodiak and Chignik areas were contacted by phone to determine the physical capacity of existing plants and individual production plans for the 1986 season. To date, only firms with shorebase facilities in the area have been included in the survey. Some of those firms also operate floating processing facilities which are accounted for if they are also expected to operate in the area.

The following firms indicated that they would process salmon in 1986:

Alaska Fresh Seafoods
 All Alaska Seafoods
 Alaska Pacific Seafoods
 Columbia Ward
 East Point Seafood
 International Seafoods
 King Crab, Inc.
 Larsen Bay Cannery
 Ursin Seafoods
 Western Alaska Fisheries
 Smokwa Shell
 Aleutian Dragon
 Chignik Pride

	<u>Daily Processing Capacity (Pounds)</u>	
	<u>Frozen</u>	<u>Canned</u>
1. Kodiak, shorebased	85,000 - 90,000	
2. Kodiak, shorebased	200,000	
3. Floater owned by #2	(200,000 tentative after 7/25)	
4. Kodiak, shorebased	160,000	240,000-290,000
5. North-West Side, shorebased	120,000	342,000
6. South-End, shorebased	180,000 - 200,000	500,000
7. Kodiak, shorebased	75,000 (plus 65,000 tentative)	
8. Kodiak, shorebased	100,000 (plus 100,000 tentative)	
9. West-Side, shorebased		(240,000-280,000 tentative)
10. Kodiak, shorebased	(125,000 Tentative)	
11. Floater owned by #10	(125,000 Tentative)	
12. Kodiak, shorebased	150,000 - 170,000	
13. Kodiak, shorebased	60,000	
14. Chignik, shorebased	250,000	

- | | | |
|--------------------------|--|---------|
| 15. Floater owned by #14 | (75,000 - 100,000
tentative after 7/25) | |
| 16. Kodiak, shorebased | 285,000 | 525,000 |
| 17. Chignik, shorebased | 200,000 - 300,000 | |

Those processors that have capacity which is noted as tentative, generally indicated they would utilize that capacity if contracts for sale of fish were obtained, if the price of fish was "right," if fish were available and so on.

Adding the more conservative figures, gives a total daily freezing capacity of 1.9 million pounds and canning capacity of 1.6 million pounds.

Two very large plants account for a production capacity of nearly 1.5 million pounds per day. Obviously, it is critical that these facilities do actually operate as indicated.

While a large part of the required processing capacity seems to exist, there may well be individual fishermen who are unable to gain access to available processing facilities because of tendering problems, unwillingness of processors to commit to service new vessels, and other factors.

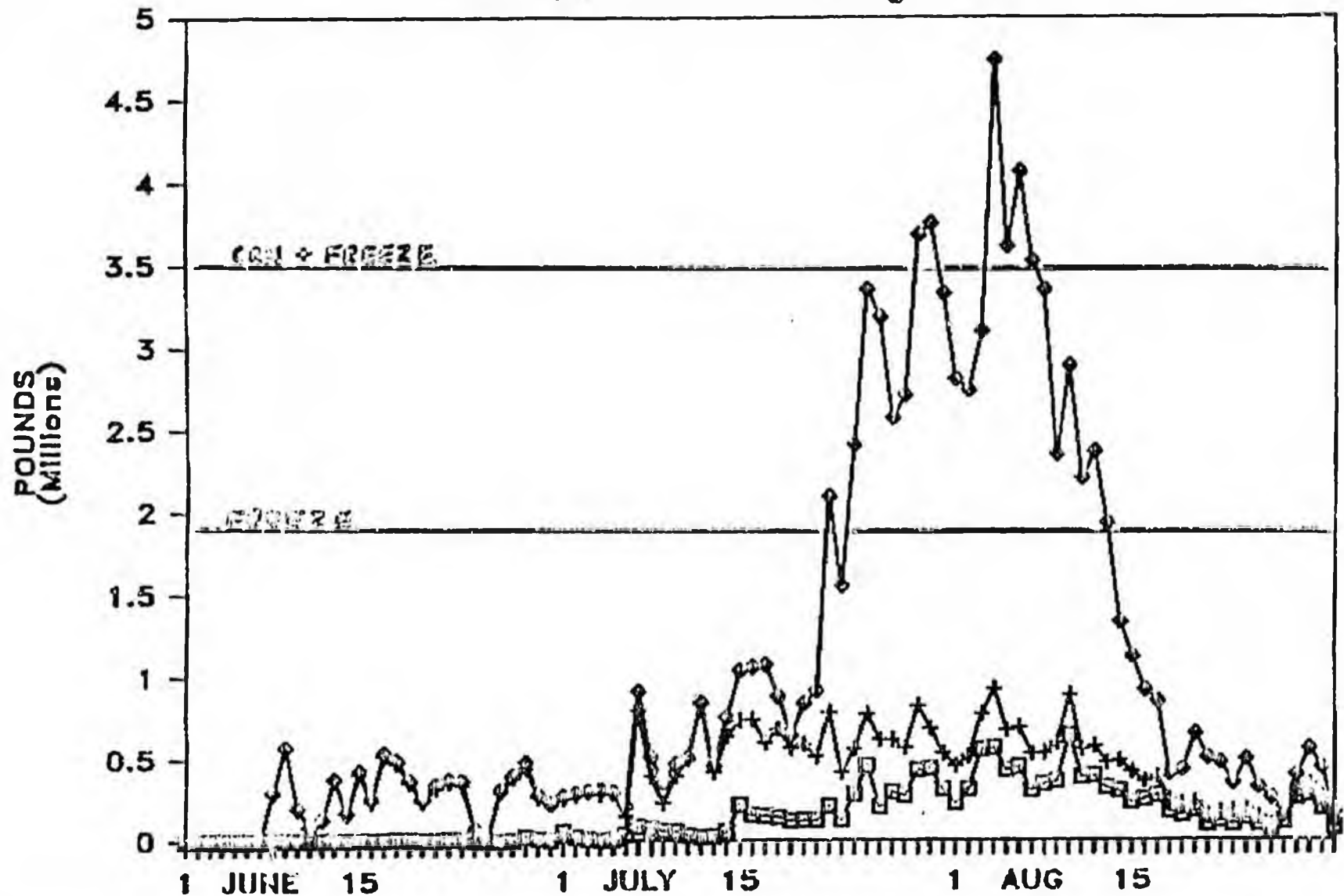
A large part of the question yet to be resolved is the willingness of processors to freeze pink salmon. It is obvious that canning capacity will fall far short of the volume necessary to handle all the pinks.

Processors generally indicated that they would handle Kodiak and Chignik fish before seeking sources of supply outside the area.

RR/sal716s
32686c

KODIAK/CHIGNIK 1986 CATCH PROJECTION

Combined Kodiak and Chignik Areas



□ KNG+COHO+CHM

+ KNG+COHO+CHM+RED

◇ ALL SPECIES



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

POUCH V. JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474 • 465-3844 (Labor and Commerce Committee)

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK / KILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

January 6, 1986

Mr. Donald F. Nielsen
Senior Vice President
Bristol Bay Native Corporation
P.O. Box 100220
Anchorage, Alaska 99510

Dear Don:

Thank you for sending me a copy of your December 30 letter to Governor Sheffield regarding the Nushagak processing situation. The letter contained much valuable information.

Concerns about the expected 1986 Nushagak River pink salmon run were brought to my attention earlier in December. On December 24, I wrote Commissioner Loren Lounsbury of the Department of Commerce and Economic Development requesting that a processing capacity study be conducted for the Nushagak and other locations. The survey is the first step in determining if surplus salmon will be available, thereby establishing the justification for the Governor to invite foreign processors into Alaska's internal waters to buy salmon.

Surplus pink stocks appear to be a major problem statewide this year. Kodiak Island, also in Senate District N, looks like it will have a particularly critical problem.

Mr. Karl Ohls in my Juneau office is the aide who will be handling this issue. If you require additional information or assistance, please do not hesitate to call.

Sincerely,

Fred F. Zharoff
Alaska State Senate

cc: Governor Bill Sheffield
Representative Adelheid Herrmann

**Bristol Bay
Native Corporation**

445 E. 5TH AVENUE / P.O. BOX 100220 / ANCHORAGE, ALASKA 99510 / (907) 278-3802
TELECOPY (907) 278-3924

December 30, 1985

The Honorable Bill Sheffield
Governor of Alaska
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Sheffield:

The fishermen of Bristol Bay need your help in securing markets for the 1986 pink salmon harvest. In 1984 most fishermen, except for those in the Nushagak, had to throw their pinks overboard. We don't want to see this happen again.

At the present time, most canneries will be shut down and maintain freezing operations only because of the low projected harvest of red salmon. This means that the major processors will not be buying pinks since they are generally canned. If they do buy them, they will offer 10 to 15¢ a pound forcing the fishermen to keep on their red salmon nets to scratch for a few reds, chums and silvers plus a few big pink salmon and letting the major run of pinks go by to the spawning grounds.

In 1982, Governor Hammond allowed the Japanese North Pacific Longline Association into Nushagak to purchase pink salmon. The Japanese bought pinks at 30¢ a pound while the U.S. processors were offering 15 to 17¢ a pound. After the Japanese were forced to leave by the threat of a lawsuit, all fishermen had to go back scratching for reds, chums and silvers with their red gear since it wasn't profitable to catch pinks at 15 to 17¢ a pound with their smaller mesh pink nets.

The past 15 years of the fish processing industry in Alaska has witnessed tremendous change. One change that has gradually occurred is that most labor in the processing industry is performed by out of state workers. Since the state repealed the income tax, wages paid to out of state workers does not benefit the state treasury.

Since the Raw Fish Tax generates money for the state, it is in the best interests of the state to see that all

The Honorable Bill Sheffield
December 30, 1985
Page 2

harvestable salmon are caught and sold at the highest possible price.

Therefore we urge you to investigate the proposed plans of the U.S. processing industry in both operations in 1986 and coming to a settlement on prices paid to fishermen and come up with a plan of action which will be most beneficial to the state, the resource, and the people.

Sincerely,

Donald F. Nielsen
Donald F. Nielsen
Senior Vice President

cc: Rep. Adelheid Herrmann
Sen. Fred Zaroff

ASMI-GRAM

Vol. 2 No. 1

January, 1986

Pink salmon glut threatens prices, profits of industry

Salmon problems...

The current oversupply of Alaska canned pink salmon represents an industry-wide crisis with the potential to be as damaging as the 1982 international recall of Alaska canned salmon, many fishing industry experts believe.

Huge inventories of canned pink salmon, teamed with predictions for an all-time record pink salmon run in Alaska this summer spell serious problems both for processors and for Alaska fishermen. The salmon canning business is such a major component of the Alaska seafood industry that its economic woes tend to "ricochet" throughout the industry.

In recent years very large pink salmon runs have allowed canned pink inventories to outstrip demand. The resulting soft wholesale prices have hurt processors' ability to recover the costs of paying for, processing and storing the fish. Product movement also was slowed over the last two years by the high value of the U.S. dollar and by inroads in Alaska's European markets made by salmon canned in Taiwan and Korea.

"The situation is really very grave. The only parallel you can find is the year of the botulism scare," says Bob Nickinovich, chairman of the Alaska Seafood Marketing Institute's canned seafood promotion committee. "It is difficult to overstate the seriousness of the problem."

What the pink surplus will mean to fishermen in terms of 1986 prices is not yet known. Industry officials speculate the result may include both lower prices and a reduction in the number of companies able to buy and process pink salmon this summer. That would be a significant problem in Alaska, which in 1985 saw over 50,000 people employed in fishery-related jobs, with fishermen alone earning over \$700 million from their catches, according to estimates by the Alaska Department of Fish and Game.

What it means to processors is more easily seen.

According to Bill Hudson, ASMI's executive director, United States processors had 2.9 million cases of pink salmon in inventory as of Dec. 1,

(Continued on back page)

Salmon promotion...

Officials of the Alaska Seafood Marketing Institute - after a series of emergency sessions in January - have announced plans to reallocate up to \$450,000 of the institute's funding to launch a drive to spur pink salmon sales nationwide.

Bill Hudson, executive director of the Juneau-based marketing entity, says ASMI's board of directors has voted to shift \$400,000 into efforts to increase canned pink sales, plus an additional \$50,000 into efforts to market fresh/frozen salmon.

Hudson says \$350,000 of the canned promotional budget will be spent on radio advertising in the nation's top 12 salmon sales markets.

The radio campaign, which will start after Lent, will run from the last week in April until the last week in May. In the 12 targeted markets, supermarket chains will be given the opportunity to have their names tagged onto the end of 30-second radio spots in return for an agreement to feature Alaska canned salmon prominently in at least two newspaper ads purchased by the store during the promotion.

ASMI is hoping for up to 65 percent participation among retailers in the 12 market cities.

At a cost of an additional \$50,000, ASMI will give store managers an opportunity to win a Chrysler luxury automobile as part of a merchandising incentive program with the theme: "Inch Your Way Into A New Car." Store managers will be able to enter the car contest repeatedly - once for each column-inch of newspaper advertising they devote to canned salmon during the marketing period.

Salmon brokers in the same 12 cities will have a chance of winning a "significant" cash incentive for selling the most salmon to local retailers.

"ASMI doesn't have enough money to stimulate consumer sales significantly by itself, but we hope to encourage retailers to do enough advertising to move the needle, to generate some quick canned sales," explains Bill Woolf, deputy director of ASMI.

"The oversupply represents a huge problem, but it also constitutes a great opportunity. We have a tremendous natural resource. We simply

(Continued on page 2)

1985, including nearly 1.9 million 48-pound cases of tall (one-pound) cans, and 950,000, 24-pound cases of one-half pound cans. At the current industry sales levels of 140,000 cases of one-pound cans a month and just 61,000 cases of half-pound tins, the industry has over a year's worth of one-pound cans and over 15 months worth inventory of one-half pound cans - with only five months to go before the 1986 season begins.

"There is no question that it is to everyone's benefit if something is done to move these tremendous inventories. We need to get people to buy more salmon and buy it fast," says Hudson.

According to the National Food Processors Association, American salmon processors had 472,075 cases of pink salmon caught in 1983 left over when the 1984 harvest began to arrive in warehouses. In 1985, processors had 320,943 cases left over. Current estimates are that processors will have 1.15 million cases of pinks remaining from 1985 when the new pack arrives this summer. The oversupply problem was aggravated by the 1985 Canadian pack of 1.1 million (48-pound) cases - Canada's best production in five years.

Lee Patton, chairman of ASMI's marketing committee, says this year's glut has put the industry, and thus Alaskans who depend on fish sales, in real jeopardy.

"If we can't find a way to sell a lot of salmon quickly, a lot of people are going to be hurt. A lot of people will probably have to take less for their fish this summer and fishermen will tell you they can't afford lower prices. It is not a happy situation," Patton says.

Quality awareness seminars continue

ASMI is continuing with a series of quality awareness workshops, a series started by the institute last fall.

The workshops, open to seafood retailers, processors and wholesalers interested in practical information on how to evaluate the quality of seafood, also cover how to maintain seafood, market it and how to educate the consumer as to its benefits.

The workshop, "Seafood - Harvest the Profits," is being supervised by Tom Bellamore, ASMI's quality control program coordinator. The day-long sessions are conducted by a series of speakers and include hands-on demonstrations using Alaska seafood products.

The final workshops scheduled will be held March 18 at the Airport Park Hotel in Inglewood, Calif.; March 19 at the Holiday Inn in Ventura, Calif.; March 20 at the Holiday Inn in Ontario, Calif.; March 25 at the Holiday Inn in Tacoma, Wash.; April 1 at the Northern Lights Inn in Anchorage, Alaska; April 2 at the Travelers Inn in Fairbanks, Alaska; and on April 3 at Centennial Hall in Juneau, Alaska. All seminars start at 3 a.m. and run through lunch to 1:30 p.m.

People wishing to attend should pre-register. Information and pre-registration can be made by calling Carol Ovens or Pat Thomas at the Washington Sea Grant Program, University of Washington, 3716 Brooklyn Ave., N.E., Seattle, Wash. 98105 or (206) 543-6600.

MEDIA NOTE: For further information on any of the items contained in the monthly ASMI-Gram, contact Bill Wolf, deputy director, at the Alaska Seafood Marketing Institute in Juneau, Alaska at (907) 586-2902.

Alaska Seafood
MARKETING INSTITUTE

526 Main Street

Juneau, Alaska 99801

Bill Hudson, Executive Director

ALASKA SEAFOOD MARKETING INSTITUTE

Canned Salmon Emergency Appropriation Appeal

MARKETING OBJECTIVE: Significantly increase U.S. consumer demand for Alaska pink canned salmon in order to clear record-breaking inventories between January and June, 1986.

SITUATION OVERVIEW: The Alaska canned salmon industry is facing an unprecedented over-supply of canned pink salmon, further complicated by a projected record-breaking 1986 harvest and continuing sagging export sales. Not since the February 1982 international botulism incident has the canned salmon industry suffered from such burgeoning inventories and decreased domestic and international sales. If emergency funding isn't provided to stimulate U.S. product movement, production will have to be restricted until there is a better balance between supply and demand. Currently, there is a one-and-one-half year supply of pink canned salmon available in the U.S. With a 50% increase in product, and sales declining by almost 50% for comparable time periods on pink halves and up only 6% on talls, special promotional stimulus is required to bring inventories back into proper balance.

Alaska salmon pumps more than \$700 million into the economy of the Pacific Northwest and Alaska. The 1985 harvest was the biggest ever and the sixth year in a row that the Alaska salmon harvest has exceeded 100 million fish. The value to fishermen alone exceeds \$350 million. When the additional value from processing, distribution, financing, etc. is taken into consideration, the Alaska state government has a heavily vested interest in contributing to the welfare of the industry.

STRATEGY: Build a strong U.S. consumer awareness and preference for Alaska salmonburgers as the healthful alternative to traditional convenience and fast foods. Initial response to this concept has been phenomenal, with national cable television news, wire service stories and radio features and extensive Alaska press coverage. A limited promotional budget is prohibiting the needed momentum to effectively capitalize on what is proving to be a winning idea.

TACTICS: In order to create a major consumer awareness and preference for the Alaska salmonburgers, no less than \$1 million is needed by January 31, 1986 to meet the aforementioned marketing objectives. A combination of television, radio and print advertising would be employed to promote the Alaska salmonburger in this concentrated time period.

ALASKA SEAFOOD MARKETING/C SALMON

AS1

BILLED THRU 1/1

-KEY--	D E S C R I P T I O N	BUDGET	CURRENT MONTH	BILLED TO DATE	BALANCE	Re
	RESEARCH					
AS1110	RESEARCH	21000	0	18169	2831	
	** SUBTOTAL **	21000	0	18169	2831	
	PUBLIC RELATIONS					
AS1115	PUBLIC RELATIONS	48000	0	10724	37276	
	** SUBTOTAL **	48000	0	10724	37276	
	CONSUMER PUBLICITY					
AS1121	BLACK/WHITE NEWSPAPER RELEASES	15000	0	6839	8161	
AS1122	COLOR RELEASES	25000	0	5107	19893	3,
AS1123	SYNDICATED RELEASES	3700	0	3054	646	
AS1124	MAT RELEASES	3500	0	416	3084	4,
AS1125	SPECIAL MAILINGS	5000	0	2518	2482	
AS1126	MINORITY MEDIA	4300	0	0	4300	5,
AS1127	MAGAZINE & PROF CONTACTS	11000	0	8142	2858	
AS1128	CLIPPING/EVALUATION	2500	0	408	2092	
AS1129	SPECIAL EVENTS	16500	0	2016	14484	1,
AS1130	ALASKA EDITOR TOUR	26000	0	14558	11442	
	** SUBTOTAL **	112500	0	43050	69442	
	FOODSERVICE PUBLICITY					
AS1131	FOODSERVICE PUBLICITY	10000	0	8651	1349	
AS1132	RECIPE CARDS	15000	0	3921	11079	
AS1133	HEAD TO HEAD CONTACTS	9000	0	6043	2957	3,
AS1134	DIRECT MAILING	3000	0	0	3000	12,
AS1135	HEALTHCARE MAILING	7000	0	671	6329	
AS1136	SPECIAL EVENTS	1500	0	0	1500	
AS1137	ADA CONVENTION	2000	0	1297	703	
AS1138	SALES AIDS AND LITERATURE	2500	0	0	2500	
	** SUBTOTAL **	50000	0	20583	29417	
	RETAIL TRADE ADVERTISING					
AS1140	TRADE ADS/MEDIA	500	0	122	378	1,
AS1141	SPRING RETAIL MEDIA BLITZ	400000	0	0	400000	
	** SUBTOTAL **	400500	0	122	400378	
	CONSUMER ADVERTISING					
AS1145	CONSUMER ADVERTISING	443000	0	378681	64319	25,
	** SUBTOTAL **	443000	0	378681	64319	

ALASKA SEAFOOD MARKETING/C SALMON

ASI

BILLED THRU 1/1

-KEY--	DESCRIPTION	BUDGET	CURRENT MONTH	BILLED TO DATE	Re BALANCE	Re BALANCE
	REPRINT COLLATERAL					
ASI150	COLLATERAL MATERIAL REPRINTS	17500	0	17356	144	2
	** SUBTOTAL **	17500	0	17356	144	
	CONSUMER RECIPE DISTR.					
ASI155	CONSUMER RECIPE DISTRIBUTION	24500	0	4651	19849	5
	** SUBTOTAL **	24500	0	4651	19849	
	SPECIAL PROJECTS					
ASI160	SPECIAL PROJECTS	10000	0	2670	7330	5,
	** SUBTOTAL **	10000	0	2670	7330	
	MATERIAL DISTRIBUTION					
ASI165	POSTAGE, SHIPPING, ETC	20000	0	5964	14036	
	** SUBTOTAL **	20000	0	5964	14036	
	ACCOUNT SERVICE					
ASI170	ACCOUNT SERVICE	25000	0	7551	17449	
	** SUBTOTAL **	25000	0	7551	17449	

	** TOTALS **	1,172,000	0	509,528	662,472	(65,0

April 24, 1985

Honorable Jalmar M. Kerttula
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Kerttula:

In response to your inquiry of April 11, here is a short report on the Salmon Total Utilization Project and observations concerning a second year of funding. A \$250,000 1986 budget as described would allow successful completion of the objectives attached.

PROJECT NEED

The strength of the dollar abroad and the record volumes of wild and hatchery salmon being produced make expansion of domestic markets essential. We are seeing drastic declines in price on the foreign markets and, more recently, even declines in sales volumes despite the low prices. Consumption trends further suggest a transition from canned salmon products to higher quality and value fresh and frozen product forms. New value added convenience foods appear to hold the best promise for expansion in the domestic market and for utilization of surplus or underutilized fish.

The some 60 million pink salmon harvested in Alaska each year may offer a stable, price competitive base for these value added consumer products. Pink salmon have historically been considered a "lesser salmon" and most end up in canned form at the low end of the price range. Between 40 and 50 percent of all salmon harvested in Alaska are pink, and a substantial volume do not get harvested due to low ex-vessel prices. For example, in 1982 in Norton Sound, an estimated three million more pink salmon could have been harvested. In 1983, Prince William Sound fishermen refused to fish due to the low price offered.

PROJECT BENEFITS

If consumer demand can be strengthened, fishermen will ultimately be in a position to receive increased prices for their harvests. A 1% increase in ex-vessel price roughly translates to a \$2.5 million increase in revenues to fishermen statewide. This project offers Alaskan fish processors an opportunity to explore alternatives to traditional canning and freezing. They will be provided with financial and technical data regarding other product forms and may find opportunities to do more value added processing, which should provide for increased operating margins and expanded markets.

Food development and marketing companies will have an opportunity to work with pink salmon in various forms. This could mean new products, expanded markets and, thus, increased and stabilized demand for salmon. Though this project is based on pink salmon, other salmon species would also benefit from the product development and marketing work.

1985 STATUS REPORT

This project for 1985 is basically a four step process corresponding to the four quarters of the calendar year. In order, the steps are:

1. Evaluate current and past product development efforts; Identify the most promising ideas not currently being pursued;
2. Identify interested processors and contract for production of selected intermediate products;
3. Produce and distribute intermediate products; Identify interested secondary processors and, if necessary, contract for limited product development and test marketing;
4. Test market final products, evaluate the results; and write report including quality specifications, production guidelines, cost of production estimates, and anticipated price range for intermediate products.

The three months available to determine what products others have tried and the success of their efforts was frustratingly short. Companies such as Castle and Cook and New England Fish Co., who were most active in new product development, are no longer in the fish business. Finding key personnel and gaining their cooperation and expertise is a time consuming process.

We are focusing on production of intermediate block form products that can be used for a wide variety of end products. Whether block forms will prove to be the most promising avenue remains to be seen. We will make samples available to secondary processors who are interested in final product market research. They know their markets better than we do and if they like what they see are more likely to pursue it if involved throughout. We have received very encouraging support from several potential end users such as Gortons and Van de Kamps.

OBSERVATIONS ON A SECOND YEAR

We feel we are already making a significant difference by disseminating the information we've gathered so far and by putting various people working on parallel courses together. The cooperation and support of the industry has been most encouraging. Obviously, a second year's funding would allow us to act on information gained during the first year.

If we generate serious interest in intermediate fillet or minced block forms or some other product we discover this year, there are still two major hurdles before actual introduction by the private sector is likely. One is a more accurate assessment of the economic feasibility of the intermediate products. This will require a larger test run than we can afford this year. Second is a much more thorough test marketing of the final products. We anticipate a relatively minor role for the State in test marketing, primarily with advertising, support of in-store demonstrations, and point of sale materials.

Introduction of a new product line by a major food company is a multimillion dollar process. Witness the entry of Ralston-Purina into the skinless, boneless canned salmon business with a budget of \$7 million for advertising alone. For large frozen food companies such as Gortons or Van de Kamps to move will probably require access to millions of pounds of product and some demonstrated commitment to production and price. Some fairly clear understanding of the margins available will be necessary before processors will undertake the necessary retooling given the current investment capital shortages in the industry.

OBJECTIVES FOR 1986

Our major focus with a second year's funding would be to examine the economics much more closely with a larger and more tightly focused production run and test marketing program. We would also explore some other ways to increase utilization as time allows. Our objectives in a second year would be to:

1. Continue with work initiated this year
 - assist interested end users to obtain the products they desire, and support private product development efforts as required
 - cooperate with processors who show interest and develop methods to reduce production, storage, and transportation costs.
2. Undertake larger scale production of the most promising reformed and mince block products using the best mix of production equipment and location attainable;
3. See the final products through larger scale test marketing in a carefully selected location, possibly tied in with an ASMI promotion and in-store demonstrations. Use the results to refine pricing information. If State financial support of this step is extensive, investigate whether these product formulations could be made available to Alaska based processors or users of Alaska salmon through licensing agreements.

April 24, 1985

4. For those reformed or mince block products which seem to offer particularly good potential, describe in detail the methods and equipment necessary for commercial production where this information is not proprietary. Evaluate strategies which may be used to establish a market position, and the potential for siting this processing in Alaska.
5. Facilitate contacts between processors who indicate interest and potential buyers.
6. Describe in detail the production and marketing of reformed or minced salmon items in Japan and Europe and review current import restrictions and tariffs.
7. Investigate other methods of increasing salmon utilization through recovery of mince from canning trimmings (collars and tails), and production of fish meal, fish oil, and fish feed from processing wastes;
8. Write a complete report indicating refined production guidelines and costs, probable price elasticities of various products, and quality control guidelines.

Sincerely,

Greg Baker
Director

GB/wfs0115g
42485b

bcc: Vince O'Reilly, Deputy Commissioner
Representative Sund
Representative Herrmann
Senator Zharoff

Richard Lauber, Alaska Manager
Pacific Seafood Processors
Box 1625
Juneau, Alaska 99801

Cass Parsons, Executive Director
United Fishermen of Alaska
319 Seward Street, Suite 208
Juneau, Alaska 99801

SALMON TOTAL UTILIZATION PROJECT BUDGET PROJECTIONS

Budget Item	Extension	1985 Amounts	1985 Totals	1986 Projection	Increase
PERSONNEL - 100			\$48,500	\$50,000	3%
salary		\$36,000			
benefits	35%	12,500			
TRAVEL - 200			18,000	25,000	38%
Tickets - Alaska	12 x \$500	6,000			
- Outside	4 x \$1,000	4,000			
Per diem	100 x \$80	8,000			
CONTRACTS - 300					
Equipment			2,500	25,000	x 10
overhaul/lease		1,500			
transport		1,000			
Mince			7,300	10,000	37%
raw material trim/frames		0			
process	8,000 x 0.60	4,800			
package	8,000 x 0.10	800			
store	8,000 x 0.10	800			
ship	8,800 x 0.10	900			
Fillet Blocks			20,200	90,000	445%
raw material	24,000 x 0.40	9,600			
process	10,000 x 0.75	7,500			
package	10,000 x 0.10	1,000			
store	10,000 x 0.10	1,000			
ship	11,000 x 0.10	1,100			
Info. Distrib.			14,000	25,000	180%
print report		3,000			
advertising		8,000			
phone	12 x \$500	3,000			
Market Testing		18,500	18,500	25,000	35%
SUPPLIES - 400		2,500	2,500	0	
TOTALS		\$131,500	\$131,500	\$250,000	190%

0115g42435b

Alaska State Legislature

REPRESENTATIVE
ADELHEID HERRMANN

P O BOX 63
NAKNEK ALASKA 99833
(907) 246-4435

Write in Juneau
POUCH V
JUNEAU ALASKA 99811
(907) 465-4942 465-4943

CHAIRMAN
SPECIAL COMMITTEE
ON FISHERIES

MEMBER
TRANSPORTATION
COMMITTEE

House of Representatives

DISTRICT 26

ADAK
AKUTAN
ALEKNAGIK
ATKA
BELKOFSKI
CLARK'S POINT
COLD BAY
DILLINGHAM
DUTCH HARBOR
EGEDIK
EKUK
EKWOK
FALSE PASS
IGIUGIG
ILIAMNA
KING COVE
KING SALMON
KOKHANOK
KOLIGANOK
LEVELOCK
MANOKOTAK
NAKNEK
NELSON LAGOON
NEWHALEN
NEW STUYAHOK
NIKOLSKI
NONDALTON
PEDRO BAY
PILOT POINT
PORT ALSWORTH
PORT HEIDEN
PORT MOLLER
PORTAGE CREEK
SAND POINT
SOUTH NAKNEK
SQUAW HARBOR
ST GEORGE
ST PAUL
TOGIK
TWIN HILLS
UGASHIK
UNALASKA

January 15, 1984

Terry Elder, Deputy Commissioner
Department of Commerce & Economic Development
Pouch D
Juneau, Alaska 99811

Dear Terry:

I have been meaning to write to you for quite some time with a few concerns I have with fisheries and economic issues in District 26.

The first item of concern is a village in my district, Pilot Point, which is considering putting the purchase of a cannery on their list of Capital Improvement Projects requests to the Legislature. The cannery would be included in a package deal which would also include building a dock. I am wondering if you could travel to Pilot Point and get a first hand understanding of the situation. I am not sure if any other community in Alaska has received state funds to purchase a cannery and I thought if I could get your help the chances would be better. I have mentioned to Pilot Point that I would be asking for someone from the Administration to come out.

Secondly, as you know the Bristol Bay area's economic well-being revolves around the fisheries, and the fishing industry is not always healthy. There are many risks involved in being in the fishing industry and often poor years hit the local people very hard. This is especially true because employment in other jobs is virtually non-existent; basically, the only jobs available depend on the fisheries, and there is a need to have job opportunities in fields that are complimentary with fishing.

It is important that people understand that even though the 1984 salmon run was one of the largest in history, that many facts are left out of the glowing press reports of the big pay day for fishermen. One example of what is left out of the papers is the increased efficiency of the modern drift net boats. In some areas this has limited the catches of set net fishermen. This also impacts many drift net fishermen who have older boats and are not able to fish as efficiently. Another example is that many areas within the Bristol Bay salmon fishery did not have good runs. The Ugashik river was closed completely for most of the season and many of the fishermen that fish that area are from one community, Manokotak. Those people will have a very tough winter ahead. Another thing that hurts salmon fishermen is the lack of effective enforcement of laws and regulations. Illegal fishing reduces the amount of fish available for honest fishermen.

Elder Letter
January 15, 1984
Page two

I would like you to visit Dillingham and Naknek personally to learn about some of these problems and concerns first hand. Last session I introduced HCR 52 which addressed the poor economic conditions in coastal Alaska. The resolution requested administrative action to identify and assist in resolving some of the problems. I have not seen any action to date, but I believe that Sandra Borbridge is organizing a group to address some of these problems and I think this is a good start. These problems in coastal communities exist through out the state.

It is important to remember that your Department's responsibility is commerce and economic development, yet I feel the Department has minimal presence in my district. There is a loan officer in Dillingham who is servicing the entire Bristol Bay region. I have heard that the Department feels he should cover all of Western Alaska, which is not feasible. In any case, the problems I have brought up are not his job but the job of other Divisions and Offices with the Department.

Another part of my district which has fisheries problems, although they are a bit different, is the Aleutian Chain area. This area brings a lot of dollars into the state but gets very little state assistance in return. I am not sure of how much the state knows about the area. One problem that I saw first hand this year was with the pink salmon fishery. As you may know a portion of the Bristol Bay red salmon fishery is harvested by the fishermen at False Pass. There is much controversy over this intercept fishery and the False Pass fishermen are claiming that they cannot make it in this fishery because of the increase in effort and the low quota. So, I can understand that they need to take advantage of any pink salmon harvest that is available. The problem they had this year was a lack of processing capacity. The processors had the fishermen on a 30,000 pound limit during much of the pink season. The fishermen lost a lot of income because of this and the Department of Fish and Game told me that they had a 2.2 million surplus above their escapement goals for pink salmon.

There are problems with the pink salmon fishery in Bristol Bay also. There is a resource available every two years but there is little interest from processors and so much of it goes unharvested. One of the reasons processors use to explain this is the high transportation costs from rural Alaska which makes it difficult to make a profit on a low value fish like pink salmon. I am aware that the Office of Commercial Fisheries Development has initiated a project to identify new salmon products and I am hopeful that this will help rural pink salmon fisheries.

Another area of concern for the Aleutian area is the crab fisheries. This fishery has crashed in recent years and the benefits to local communities suddenly disappeared. I think the growing domestic ground-

Elder Letter
January 15, 1984
Page Three

fish fishery may be able to fill the gap, but only if the state is working to ensure that this industry develops in a way that benefits Alaskans.

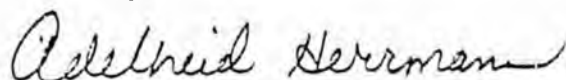
There are other concerns in the Aleutian area, for example; in Atka the community is getting into harvesting halibut and running into severe transportation problems. This village is trying to create a viable economy for their people and I think it is part of the state's responsibility to be aware of their needs and to assist them in ensuring the long term viability of their village.

Part of all the problems I have discussed result from the lack of docks, harbors, and cold storages in coastal villages. Until the state gets a handle on this, new markets, processing methods, and harvest diversification will not develop. I think your Department in conjunction with DCTPF and CRA should work to study the need for infrastructure and the positive effect it could have for coastal economies.

Terry, the reason I am writing to you with all of this is because when I was working with the Administration on the Pribilof harbors I found you to be helpful, sincere, and to have a knack for quickly understanding everything that was going on. I appreciate the work that the Office of Commercial Fisheries does, but I think many of these problems or concerns have to be raised to someone at your level, and require a commitment from more than one person if these problems are ever going to be adequately addressed. Hopefully, this letter can serve as a starting point for some broader discussion and long-term action in responding to the economic problems in the coastal areas of the state.

I look forward to your response and hope to be talking with you about this information this session. If you are available to travel to the places I mentioned please let me know. Thank you for your time.

Sincerely,



Adelheid Herrmann
Representative
District 26

cc: Commissioner Lounsbury
Commissioner Collinsworth
Deputy Commissioner Penroyer
Deputy Commissioner Kelso
Commissioner Hotti
Sandra Borbridge
John Shively
Greg Baker

Alaska State Legislature
House of Representatives

Special Committee on Fisheries

Pouch V
Juneau, Alaska 99811
(907) 465-4924

CHAIRMAN
ADELHEID HERRMANN
VICE-CHAIRMAN
JACK FULLER
MEMBERS
CHARLIE BUSSELL
BEN GRUSENDORF
PETER GOLL
JACK MCBRIDE
FRED ZHAROFF

August 31, 1984

Richard A. Lyon, Commissioner
Dept. of Commerce and Economic Development
Pouch D
Juneau, Alaska 99811

Dear Commissioner Lyon:

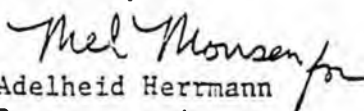
It is my understanding that the Office of Commercial Fisheries Development has some funds remaining from recent years that can be used to find ways to more fully utilize our fishery resources. I would like to encourage the Department to proceed with this project.

In recent years our salmon runs have stabilized at historically high levels due to improvements in management, ideal weather conditions, and reductions in foreign interceptions; because of this the conventional markets are flooded with product. This is especially true for the pink salmon fisheries where fishermen have often watched as millions of harvestable fish have migrated to their spawning grounds because of a lack of markets.

Since 1978 the Alaska harvest of pink salmon has not been below fifty million fish and in three instances has topped sixty million. This year the catch is strong again and may even top seventy million. In the next few years the benefits of larger pink salmon hatchery returns will be added on to this production.

Commissioner, we have to find new ways of processing our product which will allow us to expand our markets. This market research and product development will benefit the entire salmon industry in Alaska and therefore the State as a whole, I encourage the Department to move forward with this project.

Sincerely,


Adelheid Herrmann
Representative
District 26

cc: Greg Baker, OCFD
Sanira Borbridge

BB Bristol Bay
NC Native Corporation

445 E. 5TH AVENUE / P.O. BOX 100220 / ANCHORAGE, ALASKA 99510 / (907) 278-3602
TELECOPY (907) 278-3924

December 30, 1985

The Honorable Bill Sheffield
Governor of Alaska
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Sheffield:

The fishermen of Bristol Bay need your help in securing markets for the 1986 pink salmon harvest. In 1984 most fishermen, except for those in the Nushagak, had to throw their pinks overboard. We don't want to see this happen again.

At the present time, most canneries will be shut down and maintain freezing operations only because of the low projected harvest of red salmon. This means that the major processors will not be buying pinks since they are generally canned. If they do buy them, they will offer 10 to 15¢ a pound forcing the fishermen to keep on their red salmon nets to scratch for a few reds, chums and silvers plus a few big pink salmon and letting the major run of pinks go by to the spawning grounds.

In 1982, Governor Hammond allowed the Japanese North Pacific Longline Association into Nushagak to purchase pink salmon. The Japanese bought pinks at 30¢ a pound while the U.S. processors were offering 15 to 17¢ a pound. After the Japanese were forced to leave by the threat of a lawsuit, all fishermen had to go back scratching for reds, chums and silvers with their red gear since it wasn't profitable to catch pinks at 15 to 17¢ a pound with their smaller mesh pink nets.

The past 15 years of the fish processing industry in Alaska has witnessed tremendous change. One change that has gradually occurred is that most labor in the processing industry is performed by out of state workers. Since the state repealed the income tax, wages paid to out of state workers does not benefit the state treasury.

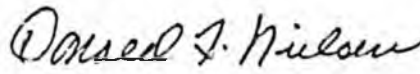
Since the Raw Fish Tax generates money for the state, it is in the best interests of the state to see that all

The Honorable Bill Sheffield
December 30, 1985
Page 2

harvestable salmon are caught and sold at the highest possible price.

Therefore we urge you to investigate the proposed plans of the U.S. processing industry in both operations in 1986 and coming to a settlement on prices paid to fishermen and come up with a plan of action which will be most beneficial to the state, the resource, and the people.

Sincerely,



Donald F. Nielsen
Senior Vice President

cc: Rep. Adelheid Herrmann
Sen. Fred Zaroff

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HLC 3/25/86 8:30 am

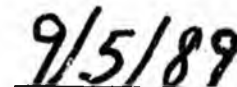


RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

HJR

73

Introduced: 4/9/86
Referred: Labor & Commerce
and Judiciary

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2

HOUSE JOINT RESOLUTION NO. 73

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

Relating to national regulation of the

6

insurance industry.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS the business of insurance is conducted on a national basis
9 affecting national as well as state interests; and

10 WHEREAS the recent national insurance crisis demonstrates the need for
11 strong and effective regulation of the insurance industry; and

12 WHEREAS the insurance industry presently is primarily, if not exclu-
13 sively, regulated by the laws of individual states so that insurance com-
14 panies that conduct business in more than one state must comply, not only
15 with different statutes governing similar activities, but also with varying
16 degrees of enforcement of insurance statutes from state to state; and

17 WHEREAS 15 U.S.C. 1011-1015 (the McCarran-Ferguson Act) generally
18 exempts the business of insurance from federal law where, regulated by state
19 law and specifically exempts the business of insurance from the federal
20 antitrust laws to the extent that the business of insurance is regulated by
21 state law; and

22 WHEREAS the McCarran-Ferguson Act does not define what constitutes
23 state regulation, and some courts have interpreted this requirement to
24 permit exemption from federal law, whether or not the state law governing
25 insurance was enforced effectively or at all; and

26 WHEREAS state deregulation of insurance, including deregulation of
27 rates, has negated the basic reason for exempting the business of insurance
28 from federal antitrust laws; and

29 WHEREAS no state has the capability to control adequately the

1 practices of national and international insurance companies, particularly
2 reinsurance companies; and

3 WHEREAS recent ^{developments} [competitive practices by property and casualty insurers]
4 in markets for commercial and professional liability insurance have led to
5 disastrous economic and social consequences, both for the insurance indus-
6 try and the public;

7 BE IT RESOLVED that the Alaska State Legislature respectfully requests
8 the United States Congress to repeal 15 U.S.C. 1011-1015 (the McCarran-
9 Ferguson Act), to adopt the statutes necessary to regulate effectively the
10 management and market practices of the insurance industry, and to establish
11 federal reinsurance programs for those businesses and professions unable to
12 obtain or afford liability insurance.

13 COPIES of this resolution shall be sent to the Honorable Ronald
14 Reagan, President of the United States; the Honorable George Bush, Vice-
15 President of the United States and President of the U.S. Senate; the Honor-
16 able Thomas P. O'Neill, Jr., Speaker of the U.S. House of Representatives;
17 and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S.
18 Senators, and the Honorable Don Young, U.S. Representative members of the
19 Alaska delegation in Congress.

Alaska State Legislature
House of Representatives



Labor and Commerce Committee

TO: Members House Labor & Commerce
FR: Sid Billingslea, Committee Aide
DT: 4/16/86
RE: Background HJR 73

HJR 73 is a modified version of HJM 29 from the Washington State House Committee on Financial Institutions and Insurance. The resolution requests federal regulation of insurance.

Background: In 1945 Congress adopted the McCarran-Ferguson Act. The act granted a partial exemption from the federal anti-trust laws to the "business of insurance." The act also provides that insurance is subject to state law and no federal law will supersede a state insurance law unless the federal law specifically relates to insurance.

Under the act, the business of insurance is subject to the Federal Trade Commission Act "to the extent that such business is not regulated by state law." Critics have argued that "regulated by state law" for purposes of the exemption should mean more than mere existence of a statute, that state regulation has to meet some standard of effectiveness. In general, however, the existence of a statutory scheme of regulation, whether or not they're enforced or implemented, is sufficient to preclude application of the federal trade laws regarding insurance.

Summary: Congress is requested to repeal the McCarran-Ferguson Act, adopt all necessary statutes to regulate the business of insurance effectively and to establish federal reinsurance for liability insurance.

Government News

Antitrust law needs to be modernized

Sen. Frank Murkowski has endorsed the Reagan Administration proposal to modernize antitrust law as a needed vehicle to strengthen American competitiveness in the international trade arena.

"With the dramatic changes in the world market there's little doubt that these amendments are needed to enhance U.S. competitiveness in the international trade spectrum," Murkowski said.

"The U.S. economy has

changed significantly from the time American antitrust laws were first enacted at the turn of the century. I agree with the Administration that American business needs predictability in our merger and trade policies. Our industries can't successfully compete abroad if they are uncertain about our domestic antitrust law."

Murkowski noted that the United States is experiencing a new surge of imports flooding into our market, with nearly 75 percent of American products now facing foreign competition.

The 1985 trade deficit of \$148.5 billion was the largest in history, he added. "In the last 70 years we've seen a fundamental change in world trade. It's no longer just the United States dealing with several smaller trade partners. Many of these nations have since emerged as equal or larger players in the world market. If we don't adjust now, there's a very strong likelihood we'll be left in the wayside."

The significant sections of the five proposals include:

- Tightening the language

of Section 7 of the Clayton Act to permit mergers of firms unless there is "significant probability" that higher prices would result;

- Amending Sections 201 to 203 of the Trade Act of 1974 to exempt for a limited period of time mergers and acquisitions in industries seriously injured by foreign import;

- Changing antitrust damage awards to give treble damages only for the most serious antitrust violations such as price fixing;

- Limiting the application of

U.S. antitrust law to international commerce, making the application of the law subject to reciprocity.

"Currently mergers that are wise legal if done in Japan, Korea, England," Murkowski said.

"As a result, we are at a disadvantage when companies like Hyundai, Honda, and others enter the market. Modern antitrust law is impeding our ability to compete."

• Penney

Continued from Page 26

eight fold in the 1990s with the termination of Chugach Electric Association's low gas contracts for its Anchorage consumers.

There's also no question that hydro plants are far more efficient (90 percent or better) than either natural gas or coal-based energy units (25-35 percent efficiency at best).

Hydro plants also last longer — by a century or more. A gas turbine may last 25 years, and a coal-fired steam plant 40 years.

Potential environmental and pollution hazards also makes coal a very unattractive option, despite abundant Alaskan coal reserves.

Over a 100-year period, for example, more material would be excavated in coal mining than would fill 27 Susitna Dam projects. Fly ash alone from coal burning would total 45.4 million tons, enough to equal, in volume, seven Susitna projects.

And if 1,000 megawatts of coal fired plants were permitted within the Anchorage-Cook Inlet Region, the pollutants introduced into the air would reach or exceed the federal Environmental Protection Agency's saturation point, says Beau Brownfield regional manager for Acres American Inc. an engineering firm.

Many utility analysts also are concerned about the increasing amount of carbon dioxide levels in the atmosphere, such as that emitted by coal plants, will trigger even more expensive regulations.

"Why build coal power plants that will likely have future restrictions on their operations in 20-30 years?" asks Tom Stahr, general manager of the Anchorage Municipal Light and Power Department. "With coal there is going to be pollution problems. So why not opt for hydro power where you won't have those problems?"

That's not to say that we cannot use coal or natural gas to supplement our energy needs. We can, and we will.

But, I believe that our prin-



Fred Yamt — Baggage Handler

"Nine minutes and 45 seconds! My personal best."

"Although you may never see me, you know we're giving you good service. My personal goal is to get your bags from the plane to you within 10 minutes. Most of the time I make it. Sometimes it's close, but I'm always my best."

"If good service is as important to you as it is to us, fly with our airline, MarkAir. We care about every part of your flight is important, from the ticket counter to the baggage terminal. We're all trying to give you our personal service."

MarkAir. Our Service Shows We Care.

Call your travel agent or MarkAir today in Anchorage 243-6275 In Alaska (800) 478-0800





RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith

Signature of Camera Operator

9/5/89

Date

S B

L Z

To: Mike
From: Roger

April 19, 85 Friday

CSSB 53:

I would call this strictly a housekeeping measure; but time is of the essence. This should have been passed and in place by April 1, 85, but the Department of Labor was slow in getting it to us for reasons unknown.

I dont see any problems with this bill, although if Shultz were here he would no doubt get as confused on it as he did his own bill yesterday.

I did check with SEenate Finance, but they can't even find their voting sheet on this. It looks like Judiciary and L & C in the Senate gave it unanimous support.

CS SB 53 (L & C) File Contents

April 12, 1985 Monday

- 1) Bill Summary -- Legislative Reporting Service
- 2) Overview -- Roger Poppe, Committee Staff
- 3) Sectional Analysis SB 53 -- Senate L & C Committee
- 4) Governor's Letter of Transmittal -- 1/15/85
- 5) Fiscal Note -- Dept. of Labor 3/4/85
- 6) Position Statement -- Dept. of Labor 3/1/85
- 7) Alaska Statutes: AS 23.20.110
- 8) Letter from Eileen Plate (Dept of Labor) to Michael Thill
(Senate L & C Aide) -- 2/1/85
- 9) Senate Committee Report Sheets:
 - a. Labor & Commerce
 - b. Judiciary
 - c. Finance
- 10) Original Bill SB 53
- 11) Computer Print-Out, Senate Action on Bill

INTRODUCTION OF BILLS (Senate)(cont'd)

SB 50 (cont'd)

available after the population determination is made by the state). If the state finds that the municipality received at least \$5 million more by using its own figures than those of the U.S. Census, the amount of the overpayment must be repaid. It would be recaptured by reducing entitlement payments under the programs for the next two years. If other municipalities received less money as a result of the overpayment, money withheld as a result of the overpayment must be apportioned among those municipalities.

Retroactive to July 1, 1978 and effective immediately.

Introduced January 14 and referred to Community & Regional Affairs and Finance.

School
Construction
(increasing
state aid)

SENATE BILL NO. 51, by Senator Kerttula. Increases level of state aid for school construction projects authorized by local governments after June 30, 1983. Increased from 50% to 90%. It was reduced to 50% in 1983 for projects authorized after that date--state aid for projects authorized before June 30, 1983 remained at 90%.

Changes provision for pro-rating school construction aid payments if insufficient funds are appropriated to reimburse municipalities for the full 90%. Would be divided pro rata "among the eligible local governments having an annual growth rate of average daily membership of five percent or more. Remaining funds shall be distributed pro rate among eligible local governments having an annual growth rate of average daily membership under five percent." Existing law provides that the money simply be distributed pro rata among eligible local governments. (Amends AS 14.11.100, State Aid for Retirement of School Construction Debt.)

Effective July 1, 1985.

Introduced January 14 and referred to Health, Education & Social Services and Finance.

Appropriation
(special)
(Iditarod Sled
Dog Race)

SENATE BILL NO. 52, by Senator Faiks. Appropriates \$72,000 to the Dept. of Commerce and Economic Development for a grant to the Iditarod Trail Committee, Inc. for expenses of conducting the 1985 Iditarod sled dog race. Effective immediately. Identical to HB 40, p. 50.

Introduced January 15 and referred to Labor & Commerce and Finance.

Unemployment
Insurance
(requests
for info.)

SENATE BILL NO. 53, by the Rules Committee by request of the Governor. Amends AS 23.20.110 (Information Obtained by Department) by adding two new subsections relating to the release of information by the Department of Labor:

"(h) The department shall provide information requested by a state or federal agency under an income and eligibility verification system that meets the requirements of sec. 1137 of the Social Security Act (42 U.S.C. sec. 1320b-7)."

INTRODUCTION OF BILLS (Senate)(cont'd)

SB 53 (cont'd)

"(i) The department shall provide to the Internal Revenue Service of the United States information necessary to enforce the Internal Revenue Code."

Effective immediately.

Introduced January 15 and referred to Labor & Commerce and Finance. January 16 a Judiciary Committee referral was added after Labor & Commerce.

In his message transmitting the bill to the Senate for consideration, Governor Sheffield stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the disclosure of unemployment insurance information.

The bill has two provisions. The first is in response to amendments made to the Social Security Act by the Deficit Reduction Act of 1984 (P.L. 98-369). The latter Act establishes an income and eligibility verification system under which the state must disclose unemployment insurance benefit and wage information to appropriate state and federal agencies in order to qualify for federal money for payment of administrative costs of the unemployment insurance program (42 U.S.C. sec. 1320b-7).

The system intended to verify the eligibility of recipients of certain benefits in federally assisted state programs, such as the medicare, food stamp, and unemployment insurance programs, among others. The bill will allow the Department of Labor to make the appropriate disclosures.

The second provision allows the department to disclose information to the Internal Revenue Service. Under federal law, the IRS has the duty to seek information necessary for enforcement of the Internal Revenue Code, and it is empowered to compel the cooperation of persons and agencies in its performance of that duty. Although under current state law the department may not voluntarily disclose unemployment insurance information to the IRS for that purpose, the Department of Law has concluded that the Department of Labor must respond to an IRS subpoena which requests such information. The proposed amendment would eliminate the need for the issuance and processing of subpoenas, a costly procedure, which has become especially burdensome due to the increasingly large number of subpoenas issued.

Section 2651(1)(2) of the Deficit Reduction Act of 1984 (98 Stat. 1151) basically requires compliance with the provisions of that Act as of April 1, 1985. Therefore, I urge your prompt and favorable consideration of this measure.

Appropriation
(special)
(Palmer/50th
Colony Anniv.
Celebration)

SENATE BILL NO. 54, by Senator Kerttula. Would appropriate \$80,250 as a grant to the City of Palmer for the 50th Colony Anniversary Celebration of the Alaska Rural Rehabilitation Corporation. Effective immediately. Identical to HB 37, p. 49.

Introduced January 15 and referred to Community & Regional Affairs and Finance.

Social
Services Fund
(creating)

SENATE BILL NO. 55, by Senator Josephson. Creates a "Social Services Fund" in the Dept. of Health and Social Services (DH&SS). DH&SS would, after consulting with the Department of Community & Regional Affairs, divide the state into social services regions and select an appropriate entity within each region to

The Resources CS amends the legal description of the forest, giving more detailed description of sections included under Township 21 South, Range 17 East, Copper River Meridian.

Unemployment Insurance
(requests for information)

SENATE BILL NO. 53, (see page 21). Reported back to the Senate on February 12 by Labor & Commerce with the committee recommending it be replaced with a Labor & Commerce CS and that it do pass. Concurring: Zharoff (Chmn.), Bennett and Eliason. To Judiciary.

The Labor & Commerce CS eliminates subsection (i) which would have required the Dept. of Labor to comply with requests for information from the Internal Revenue Service.

Pacific Rim Fellowship
(establishing)

SENATE BILL NO. 59, (see page 25). Reported back to the Senate on February 11 by the Labor and Commerce committee recommending it be replaced with a Labor and Commerce CS and that it do pass. Concurring: Zharoff (Chairman), Sackett, Eliason, Ray and Bennett. To Finance. The committee attached a letter of intent which states:

It is the intent of the Legislature that recipients of Pacific Rim fellowships may receive a certificate of appointment, from the Governor, granting volunteer honorary commercial attache status. The objective of the honorary attache appointment is the promotion of expanded business and trade opportunities between Alaska and Pacific Rim countries.

page 268

COMMITTEE REPORTS (Senate)(cont'd)

SB 45 (cont'd)

hospital facilities by the state, but adds: "The department may accept accreditation by the Joint Commission on the Accreditation of Hospitals in lieu of its own inspections."

Unemployment Insurance
(requests for information)

SENATE BILL NO. 53, (see pages 21;268). Reported back to the Senate on March 15 by Judiciary with the committee recommending adoption of the Labor & Commerce CS. Concurring: Rodey (Chairman), Faiks, Kelly and Ziegler. To Finance.

Unemployment Insurance
(requests for information)

CS FOR SENATE BILL NO. 53 (L&C)(TITLE AM), (see pages 21; 268;426). Reported back to the Senate on April 3 by Finance with the committee recommending the Labor & Commerce CS do pass. Concurring: Faiks (Co-Chairman), Kerttula, Halford, Eliason, Ferguson and Sackett. To Rules.

Before the Senate on April 4. The Labor & Commerce CS was adopted. Am. 1 by Ray was adopted. It amends the title to make it more explicit: "Act relating to exchange of unemployment insurance information; and providing for an effective date."

Passed, 15-0-4-1. Excused: Abood, Rodey, Zharoff, Ziegler. Absent: Sackett. The effective date was adopted.



Official Business

Alaska State Legislature

Senate

Committee on Labor & Commerce

Pouch V
State Capitol
Juneau, Alaska 99811

SB 53 Sectional Analysis:

Section 1) (h) Establishes an income and eligibility verification system (PL 98-369) requiring disclosure of U.I. benefit and wage information to appropriate state and federal agencies. Receipt of federal funds (\$22,652,100) for the administrative costs of the UI program are conditioned upon being in conformity with the provisions of the 1984 amendments to the Social Security Act.

(i) proposed subsection would allow the Department of Labor to voluntarily disclose UI information to the IRS. Current law requires the issuance of a subpoena before an information exchange takes place.

Section 2) Immediate effective date

CSSB 53 (L&C): Deletes subsection (i) with respect to voluntary disclosure of information between the IRS and the Department of Labor.

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 15, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the disclosure of unemployment insurance information.

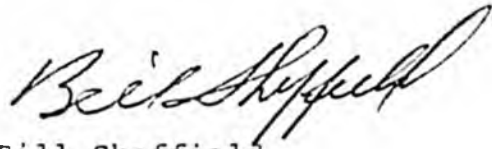
The bill has two provisions. The first is in response to amendments made to the Social Security Act by the Deficit Reduction Act of 1984 (P.L. 98-369). The latter Act establishes an income and eligibility verification system under which the state must disclose unemployment insurance benefit and wage information to appropriate state and federal agencies in order to qualify for federal money for payment of administrative costs of the unemployment insurance program (42.U.S.C. sec. 1320b-7).

The system is intended to verify the eligibility of recipients of certain benefits in federally assisted state programs, such as the medicaid, food stamp, and unemployment insurance programs, among others. The bill will allow the Department of Labor to make the appropriate disclosures.

The second provision allows the department to disclose information to the Internal Revenue Service. Under federal law, the IRS has the duty to seek information necessary for enforcement of the Internal Revenue Code, and it is empowered to compel the cooperation of persons and agencies in its performance of that duty. Although under current state law the department may not voluntarily disclose unemployment insurance information to the IRS for that purpose, the Department of Law has concluded that the Department of Labor must respond to an IRS subpoena which requests such information. The proposed amendment would eliminate the need for the issuance and processing of subpoenas, a costly procedure, which has become especially burdensome due to the increasingly large number of subpoenas issued.

Section 2651(1)(2) of the Deficit Reduction Act of 1984 (98 Stat. 1151) basically requires compliance with the provisions of that Act as of April 1, 1985. Therefore, I urge your prompt and favorable consideration of this measure.

Sincerely,

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

Bill Sheffield
Governor

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CS SB 53 (I&C)
 Title: "An act relating to unemployment insurance..."
 Sponsor: Rules Committee
 Requestor: Senate Judiciary
 Date of Request: 3/4/85

FISCAL DETAIL

Agency Affected: Labor
 Program Category Affected: Social Services
 BRU, Program or Subprogram(s) Affected: BRU, Employment Security - Unemployment Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By ^{AS} John W. Shay

Division Employment Security

Phone 465-2712

Date: 3/4/85

Approved by Commissioner ^{AS} Jim Robinson

Agency Labor

Date: 3/4/85

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency (s)

7/1/84

Bill No. Committee Substitute for Senate Bill No. 53 (L&C)

Date

March 1, 1985

Title "An Act relating to
unemployment insurance"

Contact:

Eileen Plate
465-2700

John W. Shay, Jr.
465-2712

Committee Substitute for Senate Bill 53 amends a provision in Alaska's unemployment insurance law which deals with disclosure of unemployment insurance claim and wage information.

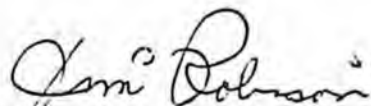
Specifically, this bill provides for the Department of Labor to disclose unemployment insurance benefit and wage information to appropriate state and federal programs funded by the Social Security Act (Aid to Families with Dependent Children, Medicaid, Food Stamps, etc.).

This provision is in response to a 1984 amendment to the Social Security Act which establishes a system for verifying the income and eligibility of persons receiving benefits from programs operating under the Social Security Act. Basically, the verification system consists of the exchange of income and eligibility information among the programs.

State unemployment insurance programs are required, under the amendments to the Social Security Act, to participate in this exchange of information by April 1, 1985. The amendment to Alaska's unemployment insurance law set out in CS SB 53 is necessary to enable the Department of Labor to make the appropriate disclosures and thereby assure that federal funding received by the Department for administration of its Unemployment Insurance program is not jeopardized.

The Department supports passage of this bill. It will not have a fiscal impact on the Department.

APPROVED:



Jim Robison
Commissioner

POSITION PAPER/Department of Labor

terms "other state" and "another state" of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, and include the federal government. (§ 325.0 SLA 1966; am § 1 ch 106 SLA 1971; am

terms of the day after the date the Secretary of Labor approved the Virgin Islands Employment Security Law.

al coverage and cooperation. (a) The reciprocal arrangements with appropriate other states or of the federal government notwithstanding AS 23.20.395,

1 individual for a single employing unit performed by the individual in more service performed entirely within any one of the individual's service is performed.

(c) the employing unit maintains a place where is in effect, as to the service, an employing unit with the acquiescence of the ce performed by the individual for the performed entirely within that state; and

more than three individuals, on a part-time basis, simultaneously, for a single employing unit in more than one state is considered within the state in which the employing unit is of its business; provided, that there is an approved election by an employing unit for each individual, under which service performed by the employing unit is considered performed.

under the laws and constitution of the state may enter into an arrangement of the state with the agency of a foreign government security law. (§ 325.1 ch 5 ESLA 1960)

of services, facilities and information. This chapter and of other state and federal employment service cooperation between this state and those other state agencies exchanging services and information available.

investigations, secure and transmit information and facilities and exercise other

powers provided in this chapter with respect to the administration of this chapter which the department considers necessary or appropriate to facilitate the administration of the unemployment compensation or any other employment service law of another state or the federal government. (§ 326 ch 5 ESLA 1955)

Sec. 23.20.100. Employment service. The department shall establish and maintain free public employment offices in the number and in the places which may be necessary for the administration of this chapter and for the purposes of performing functions which are within the scope of the Wagner-Peyser Act, as amended. The provisions of the Wagner-Peyser Act, as amended, are accepted by this state, and the department is designated the agency of this state for the purposes of that Act. All money received by this state under that Act shall be paid to the employment security administration fund and shall be expended solely for the maintenance of the state system of public employment offices. (§ 331 ch 5 ESLA 1955)

Cross references. — For the Wagner-Peyser Act, see the cross references in AS 23.20.005.

Sec. 23.20.105. Employing units to keep records and reports. An employing unit shall keep work records containing information which the department prescribes. The records shall be open to inspection and may be copied by the department at any reasonable time and as often as may be necessary. The department may require an employing unit to submit sworn or unsworn reports, with respect to persons employed by it, which are considered necessary for the administration of this chapter. (§ 315 ch 5 ESLA 1955)

Sec. 23.20.110. Information obtained by department. (a) The department shall hold information obtained from an employing unit or individual in the course of administering this chapter and determining as to the benefit rights of an individual confidential and may not disclose them or open them to public inspection in a manner which reveals the identity of the individual or employing unit. A claimant or the legal representative of the claimant is entitled to information from the records of the department to the extent necessary for the proper presentation of the claim in a proceeding under this chapter. Subject to the restrictions which the department prescribes by regulation, the information may be made available to an agency of this state or another state or federal agency charged with the administration of an unemployment compensation law or the maintenance of a system of public employment offices, or, for the purposes of the Federal Unemployment Tax Act, to the Internal Revenue Service of the United States, or, for tax purposes, to the Department of Revenue. Information obtained in connection with the administration of the employment service may be

made available to persons or agencies for purposes appropriate to the operation of a public employment service.

(b) Upon request the department shall furnish to an agency of the United States charged with the administration of public works or assistance through public employment, and may furnish to a state agency similarly charged, the name, address, ordinary occupation, and employment status of each recipient of benefits and the department's rights to benefits under this chapter.

(c) Upon request of an agency of this or another state or of the federal government which administers or operates one or more programs of public assistance under either federal law or the law of this state which is charged with any duty or responsibility under any such program, and if that agency is required by law to impose safeguards for the confidentiality of information at least as effective as required by this section, the department shall provide, with respect to any individual specified by the requesting agency, the following information:

- (1) whether the individual is receiving, has received, or has applied for unemployment compensation under this chapter;
- (2) the period, if any, for which unemployment compensation is payable and the weekly rate of compensation paid;
- (3) the individual's most recent address; and
- (4) whether the individual has refused an offer of employment, and if so, the date of the refusal and a description of the employment refused, including duties, conditions of employment, and wages.

(d) The department may require that an agency to which information under this section is furnished reimburse the department for the cost of furnishing that information.

(e) The department shall provide wage information used under this chapter to an agency of this or another state which administers or operates a public assistance program that provides aid and services to needy families with dependent children under Part A of the Social Security Act if

- (1) the agency makes a request for the wage information;
- (2) the United States Secretary of Health and Human Services has adopted regulations which require the release of the wage information to public assistance agencies; and
- (3) the wage information will only be used to determine the eligibility of the individual for the public assistance program or the amount of aid or services to which the individual is entitled under that assistance program.

(f) On request of the United States Department of Agriculture or an agency of this or another state that administers the food stamp program established by 7 U.S.C. 2011—2026, if that agency certifies that information provided by the department will be used only to determine an individual's eligibility for food stamp benefits or the amount

of the benefits, the department shall, upon request, furnish to the agency named by the requesting agency, any information contained in the records of the department, including

- (1) wage and employer information;
- (2) the information specified in (c) of this section;
- (3) the amount of unemployment compensation received.

(g) The requirements of this section do not apply to information obtained in the course of an investigation of officers and employees of a state or of the department provides information as authorized by AS 5 ESIA 1955; am § 1 ch 79 SLA 1966; am § 3 ch 9 SLA 1980; am § 2 ch 115 SLA 1982.

Effect of amendments. — The 1980 amendment added subsection (e).
 The 1982 amendment added subsection (f).
Opinions of attorney general. — Although subsection (a) of this section and former AS 43.20.190(a) (replaced by AS 43.20.190) were amended by AS 43.20.115, the amendments do not affect the validity of any action taken under those provisions before the amendments took effect.

Sec. 23.20.115. Unauthorized disclosure of information. Any member of the department, an employee of the department, or an officer or employee of the department that has been provided with information under this chapter, or a person who has obtained information from an employing unit or from an individual who is an officer or claimants or recipients of benefits or permits the use of the list for a purpose prohibited by AS 23.20.110 is guilty of a class B misdemeanor, unless the person is an officer or employee of the department, in which case the person is guilty of a class C misdemeanor. AS 4 ch 9 SLA 1980; am § 3 ch 115 SLA 1982.

Cross references. — For sentences for a class B misdemeanor, see AS 12.55.035(b)(4) and 12.55.135(b).
Effect of amendments. — The 1980 amendment deleted "or" preceding "an employee of the department" near the beginning of the section, inserted "or an agent of the department" following "an employee of the department," and substituted "is guilty of a class B misdemeanor"

Sec. 23.20.120. Examination of records. Upon request the Comptroller of the Currency or have made an examination of the records of a national banking association registered with the department may, in connection with

for agencies for purposes appropriate to the employment service.

The department shall furnish to an agency of the state the administration of public works or assistance to employment, and may furnish to a state agency the name, address, ordinary occupation, and the recipient of benefits and the recipient's address under this chapter.

The department of this or another state or of the federal government which administers or operates one or more programs of unemployment or other federal law or the law of this state, or in which the department has a duty or responsibility under any such program, or which is required by law to impose safeguards for the protection of the public, shall provide, with respect to any named individual, the following information:

(a) The name of the individual is receiving, has received, or has made a claim for unemployment compensation under this chapter; (b) The date of compensation paid; (c) The most recent address; and (d) The date the individual has refused an offer of employment, and a description of the employment conditions of employment, and rate of pay.

(e) The department shall require that an agency to which it provides information reimburse the department for its costs of providing the information.

(f) The department shall provide wage information used to administer the public assistance program that provides aid and services to dependent children under Part A of Title IV of the Social Security Act.

(g) The department shall require the release of the wage information to the recipient of the information; and (h) The information will only be used to determine the eligibility of the individual for the public assistance program or the amount of the benefit to which the individual is entitled under the public assistance program.

(i) The department of the United States Department of Agriculture or any other federal agency that administers the food stamp program under the Food Stamp Act of 1961, 7 U.S.C. 2011—2026, if that agency has agreed with the department will be used only to determine the eligibility for food stamp benefits or the amount of the benefit to which the individual is entitled under the public assistance program.

The department shall provide, for each individual named by the requesting agency, any of the following information contained in the records of the department:

- (1) The name and employer information;
- (2) The information specified in (c) of this section; and
- (3) The amount of unemployment compensation, if any, to be received.

The requirements of this section concerning the confidentiality of information obtained in the course of administering this chapter apply to officers and employees of a state or federal agency to whom the department provides information as authorized by this section. (§ 323 ch 9 SLA 1957; am § 1 ch 79 SLA 1969; am § 2 ch 122 SLA 1977; am § 4 ch 9 SLA 1980; am § 2 ch 115 SLA 1982)

Effect of amendments. — The 1980 amendment added subsection (e).

The 1982 amendment added subsection

Questions of attorney general. — Although subsection (a) of this section and other AS 23.20.190(a) (replaced by AS

43.05.230 (a)) guarantee confidentiality of records in the Department of Labor and Revenue, AS 24.20.271(6) enables the Division of Audit to have access to the records of every state agency whether confidential or not. 1972 Op. Att'y Gen. (Nov. 21, 1972).

Sec. 23.20.115. Unauthorized disclosure of information. A member of the department, an employee of the department, an agent of the department, or an officer or employee of a state or federal agency who has been provided with information by the department who, in violation of AS 23.20.110, makes a disclosure of information obtained from an employing unit or from an individual in the administration of this chapter, or a person who has obtained a list of applicants for work under this chapter and who uses the list for a purpose not authorized by AS 23.20.110 is guilty of a class B misdemeanor. (§ 905 ch 5 ESLA 1955; am § 4 ch 9 SLA 1980; am § 3 ch 115 SLA 1982)

Cross references. — For sentences for class B misdemeanors, see AS 12.05(b)(4) and 12.55.135(b).

Effect of amendments. — The 1980 amendment deleted "or" preceding "an employee of the department" near the beginning of the section, inserted "or an agent of the department" following "an employee of the department," and substituted "is guilty of a class B misdemeanor"

for "upon conviction, is punishable by a fine of not more than \$200, or by imprisonment for not more than 90 days, or by both" at the end of the section.

The 1982 amendment substituted the language beginning "an agent of the department" and ending "with information by the department" for "or an agent of the department."

Sec. 23.20.120. Examination of bank. The department may request the Comptroller of the Currency of the United States to make an examination of the correctness of a return or report of a national banking association rendered under this chapter. The department may, in connection with the request, transmit the report

STATE OF ALASKA

BILL SHEPHERD, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

BOX 1149
FAU, ALASKA 99802
PHONE: (907) 465-2700

February 1, 1985

Michael Thill
Professional Assistant
Labor and Commerce Committee
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Michael:

This is in response to the question you posed last week on Senate Bill 53. If Alaska failed to enact the verification provisions in Section 1 of the bill, \$22,652,100 in federal administrative funds for our Employment Service and Unemployment Insurance programs would be jeopardized in FY 86.

You may recall that last year we were dealing with some conformity provisions which jeopardized employer FUTA tax credits as well as our administrative grants. Accordingly, I would like to clarify that the amendment we are dealing with this year is not attached in any way to the employer FUTA tax--this year we just have our administrative grants "on the line."

Thanks for your help; and please give me a shout if you need anything else.

Sincerely,



Eileen Plate
Special Assistant

COMMITTEE REPORT
SENATE

FURTHER:

REGISTRY
FINANCE

1955/15

Date 10 7 1955

Mr. President

The Committee on LABOR & CIVILIZATION considered SB 53
relating to unemployment insurance, etc.

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 SB 53
- new title
- same title and recommends _____
- 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

Chairman

Chairman recommendation

CSSB53L&C TITLE AM

AN ACT RELATING TO EXCHANGE OF UNEMPLOYMENT INSURANCE INFORMATION; AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: RULES COMMITTEE
CO-SPONSORS:

BY REQ OF THE GOVERNOR

\$000 GENERAL(FNOTE)

\$000 OTHER(FNOTE)

CURRENT STATUS: (H) L&C

DATE		PAGE	ACTION
01/15/85	(S)	30	READ THE FIRST TIME - REFERRAL(S)
01/15/85	(S)	30	GOVERNOR'S TRANSMITTAL LETTER
01/15/85	(S)	30	FISCAL NOTE ZERO
02/12/85	(S)	277	L&C RPT CS 3 DP
03/15/85	(S)	552	JUD RPT CS L&C 4DP
04/03/85	(S)	702	FIN RPT 6DP L&C CS FISCAL NOTE ZERO
04/04/85	(S)	714	RLS RPT CALENDAR TODAY
04/04/85	(S)	715	READ THE SECOND TIME
04/04/85	(S)	715	L&C CS ADOPTED UNAN CONSENT
04/04/85	(S)	715	AM NO 1 NEW TITLE ADOPTED UNAN CONSENT

SB 53

MEASURE HISTORY

PAGE 02 OF 02

DATE		PAGE	ACTION
04/04/85	(S)	716	ADVANCED TO THIRD READING UNAN CONSENT
04/04/85	(S)	716	READ THE THIRD TIME CSSB 53 L&C TITLE AM
04/04/85	(S)	716	PASSED Y15 N- X4 A1
04/04/85	(S)	716	EFFECTIVE DATE SAME AS PASSAGE
04/04/85	(S)	720	TRANSMITTED TO (H)
04/08/85	(H)	835	READ THE FIRST TIME LABOR&COMMERCE JUDICIARY FINANCE RULES



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

9/5/89
Date

S B

9 0

COMMITTEE REPORT
HOUSE

5/1

(7)

FURTHER: FINANCE

4/17/85

Date: _____

LABOR & COMMERCE

SB 90

The Committee on _____ has had _____

"An Act relating to the power of the Department of Commerce and Economic Development to administer appropriations for grants; and providing for an effective date."

under consideration and recommends:

do pass [] do not pass

[] do pass with attached amendments(s)

[] replace with CS for _____ [] same title [] new title

and recommends _____

[] AND attaches a "Letter of Intent" [] New Fiscal Note

[] reports it back without recommendation [] Zero Fiscal Note Attached

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signature]

VICE - CHAIRMAN

SB 90 File Contents

April 29, 1985 Monday

- 1) Bill Summary -- Legislative Reporting Service
- 2) Overview -- Committee Staff
- 3) Senate Action -- Measure History
 - a) Outline -- Computer Sheet
 - b) Committee Referrals p. 109
 - c) Governor's Transmittal Letter p 110
 - d) Senate L & C Action p. 568
 - e) Senate Finance Action p. 796
 - f) Senate Passage p. 813
- 4) Alaska Statutes AS 44.33.020

INTRODUCTION OF BILLS (Senate)(cont'd)

SB 89 (cont'd)

Section 1 of the bill provides that if the state leases a public building financed by ASHA, the state's rental obligation is subject to annual appropriation. This provision makes explicit the assurance that public leases do not impair the appropriation prerogatives of the legislature.

Current law provides that ASHA must sell interests in land through public auction or by sealed bids at a fair market price. Section 2 of the bill enables ASHA to sell land or a public building, in appropriate instances, to the state, a federal agency, or a political subdivision for less than the appraised value and without competitive bidding. A comparable provision governs the sale of state land or resources under AS 38. See AS 38.05.315.

This bill will promote the efficient operation of ASHA, and I urge your consideration of and support for the bill.

State Grants SENATE BILL NO. 90, by the Rules Committee by request of (power of C&ED the Governor. Would allow the state Dept. of Commerce & to administer) Economic Development to administer state grants. Effective July 1, 1985.

Introduced January 23 and referred to Labor & Commerce and Finance.

In his message transmitting the bill to the Senate for consideration, Governor Sheffield stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that confers on the Department of Commerce and Economic Development the power to make grants of state money for purposes authorized by law. The department has been advised by the attorney general that its authority over, and administration of, grants could be improved if specific statutory authority for those purposes is enacted. This authorization would confer the power to implement the grants by administrative regulation. Too often grants are awarded without specific standards in place to assure performance of the grant agreement or fairness to persons seeking to obtain state financial assistance.

I hope that the legislature will view this bill favorably. It is time that a concerted effort is made to account for each dollar that is given out to achieve public purposes. Unless we provide for more formality in these transactions, it will be difficult to assure that the intent of the legislature is met.

Medical Assistance Expenses SENATE BILL NO. 91, by the Rules Committee by request of the Governor. Relates to recovery by the state of medical assistance expenses when it is determined that a third party is liable. Effective immediately.
(recovery of)

Introduced January 23 and referred to State Affairs, Health, Education & Social Services and Finance. The State Affairs referral was waived on January 24. To HESS and Finance.

In his message transmitting the bill to the Senate for consideration, Governor Sheffield stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to subrogation. The bill establishes, for the Department of Health and Social Services, a statutory right to subrogation

AN ACT RELATING TO THE POWER OF THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT TO ADMINISTER APPROPRIATIONS FOR GRANTS; AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: RULES COMMITTEE
 CO-SPONSORS:

BY REQ OF THE GOVERNOR

\$000 GENERAL(FNOTE)

\$000 OTHER(FNOTE)

CURRENT STATUS: (H) L&C

DATE		PAGE	ACTION
01/23/85	(S)	109	READ THE FIRST TIME - REFERRAL(S)
01/23/85	(S)	110	GOVERNOR'S TRANSMITTAL LETTER
01/23/85	(S)	110	FISCAL NOTE ZERO
03/19/85	(S)	568	L&C RPT 3 DP
04/15/85	(S)	796	FIN RPT 5DP
04/16/85	(S)	811	RLS RPT CALENDAR TODAY
04/16/85	(S)	813	READ THE SECOND TIME
04/16/85	(S)	813	ADVANCED TO THIRD READING UNAN CONSENT
04/16/85	(S)	813	READ THE THIRD TIME
04/16/85	(S)	813	PASSED Y17 N- X2 A1

DATE		PAGE	ACTION
04/16/85	(S)	814	EFFECTIVE DATE SAME AS PASSAGE
04/16/85	(S)	820	TRANSMITTED TO (H)
04/17/85	(H)	960	READ THE FIRST TIME LABOR&COMMERCE FINANCE RULES

M E M O R A N D U M

To: All Members, House Labor and Commerce Committee

From: Roger Poppe, Committee Aide

Date: April 29, 1985

Subject: Overview, SB 96

This bill is a new bill heard this year. There is no companion legislation in the Senate. This bill was submitted as a Governor's bill by the DCED. It passed Senate Labor and Commerce with 3 Do Passes; Senate Finance with 5 Do Passes, and on April 16 it passed the Senate by a unanimous vote of 17-0-2-1.

The fiscal note from DCED is zero.

Despite the seeming length of the bill, the only change in the statute is to add an item (27) to AS 44.33.020, which is found on the last page of the bill. Basically, the bill gives the DCED the clear statutory authority to develop regulations and standards to administer grants that pass through the Department to local governments, agencies, and unorganized regions. The Department already does this activity, but with no clear authority in current statute to do this, the Attorney General's office has advised DCED to seek such authority to avoid any future complications.

SB 87

SENATE BILL NO. 87 by Senator Ray, entitled:

"An Act relating to campaign financing."

was read the first time and referred to the State Affairs Committee and the Finance Committee.

SB 88

SENATE BILL NO. 88 by the Rules Committee by request of the Governor, entitled:

"An Act relating to the creation of the Alaska Life and Disability Insurance Guaranty Association; changing Rule 62(a), Rules of Civil Procedure, by providing for an automatic state of 60 days in a liquidation, rehabilitation, or conservation proceeding; and providing for an effective date."

was read the first time and referred to the Labor and Commerce Committee, the Judiciary Committee, the Health, Education and Social Services Committee and the Finance Committee.

Fiscal note is zero.

Governor's transmittal letter dated January 23:

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill establishing the Alaska Life and Disability Insurance Guaranty Association. This bill is based on the Life and Health Insurance Guarantee Association Model Act proposed by the National Association of Insurance Commissioners in 1971, as amended in 1976.

The bill would provide a mechanism for paying claims on direct life insurance policies, disability insurance policies, and annuity contracts, which are outstanding against insolvent or impaired insurers. The bill would require that all insurers licensed to do business in Alaska be members of the association, and would provide for periodic assessments of the members of the association.

The Alaska Life and Disability Insurance Guaranty Association will provide protection for life and disability insurance similar to the protection provided under existing law for other kinds of direct insurance by the Alaska Insurance Guaranty Association Act (AS 21.80).

Sincerely,

Bill Sheffield
Governor

SB 89

SENATE BILL NO. 89 by the Rules Committee by request of the Governor, entitled:

"An Act relating to the Alaska State Housing Authority; and providing for an effective date."

was read the first time and referred to the State Affairs Committee and the Labor and Commerce Committee.

Fiscal note is zero.

Governor's transmittal letter dated January 23:

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that relates to the Alaska State Housing Authority (ASHA). (See AS 18.55.)

Section 1 of the bill provides that if the state leases a public building financed by ASHA, the state's rental obligation is subject to annual appropriation. This provision makes explicit the assurance that public leases do not impair the appropriation prerogatives of the legislature.

Current law provides that ASHA must sell interests in land through public auction or by sealed bids at a fair market price. Section 2 of the bill enables ASHA to sell land or a public building, in appropriate instances, to the state, a federal agency, or a political subdivision for less than the appraised value and without competitive bidding. A comparable provision governs the sale of state land or resources under AS 38. See AS 38.05.315.

This bill will promote the efficient operation of ASHA, and I urge your consideration of and support for the bill.

Sincerely,

Bill Sheffield
Governor

SB 90

SENATE BILL NO. 90 by the Rules Committee by request of the Governor, entitled:

"An Act relating to the power of the Department of Commerce and Economic Development to administer appropriations for grants; and providing for an effective date."

was read the first time and referred to the Labor and Commerce Committee and the Finance Committee.

SB 90 cont'd

Fiscal note is zero.

Governor's transmittal letter dated January 23:

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that confers on the Department of Commerce and Economic Development the power to make grants of state money for purposes authorized by law. The department has been advised by the attorney general that its authority over, and administration of, grants could be improved if specific statutory authority for those purposes is enacted. This authorization would confer the power to implement the grants by administrative regulation. Too often grants are awarded without specific standards in place to assure performance of the grant agreement or fairness to persons seeking to obtain state financial assistance.

I hope that the legislature will view this bill favorably. It is time that a concerted effort is made to account for each dollar that is given out to achieve public purposes. Unless we provide for more formality in these transactions, it will be difficult to assure that the intent of the legislature is met.

Sincerely,

Bill Sheffield
Governor

SB 91

SENATE BILL NO. 91 by the Rules Committee by request of the Governor, entitled:

"An Act relating to recovery of medical assistance expenses; and providing for an effective date."

was read the first time and referred to the State Affairs Committee, the Health, Education and Social Services Committee and the Finance Committee.

Fiscal note from Division of Medical Assistance appears in Supplement No. 7.

Governor's transmittal letter dated January 23:

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to subrogation. The bill establishes, for the Department of Health and Social Services, a statutory right to subrogation in cases in which the department provides medical assistance for which a third party is liable.

SB 91 cont'd

Current Alaska statutes are silent on the department's right to recover medical assistance expenses when it is determined that a third party is liable for those expenses. Almost every claim by the department for reimbursement has been challenged, and, absent a statutory basis for such claims, time-consuming and expensive legal proceedings have been required to obtain reimbursement. Consequently, the department has had to expend excessive amounts of money or forego reimbursement in many cases. The department estimates that at least several hundred thousand dollars every year would be saved if this bill were enacted.

Additionally, the bill provides that the department will reimburse a recipient of medical assistance, in accordance with the rules of court, for the attorney fees incurred in establishing third-party liability for the medical assistance provided.

In the interest of fairness and efficiency, I urge your prompt and favorable consideration of this bill.

Sincerely,

Bill Sheffield
Governor

SB 92

SENATE BILL NO. 92 by the Rules Committee by request of the Governor, entitled:

"An Act relating to benefits under the supplemental benefits system; and providing for an effective date."

was read the first time and referred to the Health, Education and Social Services Committee and the Finance Committee.

Fiscal note from Division of Retirement and Benefits appears in Supplement No. 7.

Governor's transmittal letter dated January 23:

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to benefits under the supplemental benefits system (SBS) established by AS 39.30. The bill would allow the vast majority of employees voluntarily to defer and "tax shelter" additional compensation by raising the maximum limit on SBS contributions to approximately 18 percent of all compensation, rather than the 12.26 percent of the Social Security wage base that is currently allowed. This would be accomplished by converting the State of Alaska Supplemental Annuity Plan to a plan under sec. 401(k) of the Internal Revenue Code.

SB 90

The Labor and Commerce Committee considered SENATE BILL NO. 90 (power of the Department of Commerce and Economic Development to administer appropriations for grants; efd) and a majority of the committee recommended do pass. The report was signed by Senator Zharoff, Chairman and concurred in by Senators Eliason and Ray.

SENATE BILL NO. 90 was referred to the Finance Committee.

INTRODUCTION AND REFERENCE OF SENATE RESOLUTIONS

SR 3

SENATE RESOLUTION NO. 3 by Senators Ziegler and Abood,

Relating to establishment of a sister state relationship with Taiwan,

was read the first time and referred to the Rules Committee.

INTRODUCTION AND REFERENCE OF SENATE BILLS

SB 236

SENATE BILL NO. 236 by Senator Paul Fiscner, entitled:

"An Act making a special appropriation to the Department of Education for payment as a grant to the Kenai Peninsula Borough school district for school construction; and providing for an effective date."

was read the first time and referred to the Health, Education and Social Services Committee and the Finance Committee.

SB 237

SENATE BILL NO. 237 by the Resources Committee, entitled:

"An Act relating to extralateral right of federal lode mining claims."

was read the first time and referred to the Resources Committee.

SB 238

SENATE BILL NO. 238 by the Labor and Commerce Committee, entitled:

"An Act relating to the plumbing code."

was read the first time and referred to the Labor and Commerce Committee.

SB 239

SENATE BILL NO. 239 by Senator Fahrenkamp by request, entitled:

"An Act relating to the practice of midwifery."

was read the first time and referred to the Health, Education and Social Services Committee.

CONSIDERATION OF THE CALENDAR

SECOND READING OF SENATE BILLS

SB 30

SENATE BILL NO. 30 (establishing the Yakataga State Forest; efd) was read the second time.

Senator Faiks moved and asked unanimous consent for the adoption of the Finance Committee Substitute offered on page 546. Without objection, CS FOR SENATE BILL NO. 30 (FIN) was adopted.

CS FOR SENATE BILL NO. 30 (FIN) was read the second time.

Senator Halford moved and asked unanimous consent that CS FOR SENATE BILL NO. 30 (FIN) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 30 (FIN) was read the third time.

Senator Halford moved and asked unanimous consent for the adoption of the Resources Letter of Intent offered on page 262. Without objection, the Senate Letter of Intent was adopted.

STANDING COMMITTEE REPORTS

SB 44

The Finance Committee considered SENATE BILL NO. 44 (Uniform Common Interest Ownership Act; efd) and recommended the Judiciary Committee Substitute be adopted with a majority do pass. The report was signed by Senator Faiks, Co-Chairman and concurred in by Senators Kerttula, Halford and Eliason.

SENATE BILL NO. 44 was referred to the Rules Committee.

SB 90

The Finance Committee considered SENATE BILL NO. 90 (power of the Department of Commerce and Economic Development to administer appropriations for grants; efd) and a majority of the committee recommended do pass. The report was signed by Senator Faiks, Co-Chairman and concurred in by Senators Kerttula, Eliason, Ferguson and Halford.

SENATE BILL NO. 90 was referred to the Rules Committee.

SB 120

The Finance Committee considered SENATE BILL NO. 120 (agriculture; efd) and recommended it be replaced with

CS FOR SENATE BILL NO. 120 (FIN)

with a majority do pass. The report was signed by Senator Faiks, Co-Chairman and concurred in by Senators Kerttula, Halford and Eliason. Senator Ferguson signed "no recommendation".

Finance Committee fiscal note on Department of Natural Resources is zero.

SENATE BILL NO. 120 was referred to the Rules Committee.

SB 147

The Health, Education and Social Services Committee considered SENATE BILL NO. 147 (state support for education; efd) and recommended it be replaced with

CS FOR SENATE BILL NO. 147 (HESS)

and do pass. The report was signed by Senator Fahrenkamp, Chairman and concurred in by Senators DeVries, Paul Fischer, Sturgulewski and Josephson.

SB 147 cont'd"Letter of Intent
CSSB 147 (HESS)

Since suspension of the school foundation formula in 1983, state aid to school districts has been calculated based on the number of students in average daily membership. Pending development of a revised foundation formula, CSSB 147 (HESS) provides for continuation of state aid on a per-student basis.

The Legislature recognizes that the existing funding rates have created hardships for some districts, and that current state budget restraints limit the increase in assistance that can be provided this fiscal year. To address these hardship cases, Section 5 of CSSB 147 (HESS) establishes an interim assistance account as a source of funds for school districts that experience unique or emergency circumstances that cannot be remedied using other funds available to the school district for FY 86.

It is the intent of the Legislature that the interim assistance account consist of monies appropriated by the Legislature and monies that become available from the student enrollment increase account established in Section 2 of the bill.

Under existing law, state aid for increased enrollment is provided based on estimated enrollments submitted to the Department by each school district during the preceding fiscal year. To validate enrollments and ensure that an accurate amount of funds is provided to school districts, Section 2 would require a monthly recomputation and reporting to the Department of new student populations. It is the intent of the Legislature that any excess funds available through an overestimate of new student population be distributed through the interim assistance account to eligible districts."

SENATE BILL NO. 147 was referred to the Finance Committee.

SB 170

The Resources Committee considered SENATE BILL NO. 170 (special appropriation to the Department of Fish and Game for payment as a grant to the Fish and Game Advisory Committee on Hunting and Firearm Safety for a statewide construction of rifle ranges; efd) and a majority of the committee recommended do pass. The report was signed by Senator Sturgulewski, Chairman and concurred in by Senators Halford, Fahrenkamp and Zharoff. Senator Vic Fischer signed "do pass if enough money is available".

SENATE BILL NO. 170 was referred to the Finance Committee.

Message of April 15 was read, stating the House passed:

FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

JCR 9

HOUSE CONCURRENT RESOLUTION NO. 9 by Representatives Szymanski and Uehling,

Relating to the Whittier-Shotgun Cove Access,

was read the first time and referred to the Transportation Committee, the Labor and Commerce Committee and the Finance Committee.

FIRST READING AND REFERENCE OF HOUSE BILLS

HB 92

CS FOR HOUSE BILL NO. 92 (JUD) by the Judiciary Committee, entitled:

"An Act relating to child and spousal support; and providing for an effective date."

was read the first time and referred to the Health, Education and Social Services Committee, the Judiciary Committee and the Finance Committee.

COMMUNICATIONS

The Secretary announced receipt of:

from Robert L. Grogan, Associate Director, Division of Governmental Coordination, Office of Management and Budget, dated April 12:

STATUTES AND REGULATIONS, ALASKA COASTAL MANAGEMENT PROGRAM, January 1985, in accordance with AS 44.19.161(4)

ALASKA COASTAL MANAGEMENT PROGRAM, October 1984,

ALASKA COASTAL MANAGEMENT PROGRAM 1984 REPORT ON DISTRICT COASTAL MANAGEMENT PROGRAMS, November 1984

from Robert Heath, Executive Director, Alaska Power Authority, dated April 9, in accordance with AS 44.83.185:

BRADLEY LAKE PROJECT DOCUMENTATION:

Bradley Lake Project Plan of Finance (letter outline responding to OMB's evaluation)

Power Sales Agreements between APA and Chugach Electric and Homer Electric

Alaska Power Authority Board of Directors minutes February 26 meeting approving power sales agreements

Report entitled "Analysis of Estimated Required State Contributions to the Bradley Lake Hydroelectric Project Assuming Sale of Project Capability to Chugach Electric Association"

The reports are on file in the Office of the Secretary of the Senate.

Received and posted April 16:

Notice of proposed changes in the regulations of the Alaska Department of Labor concerning protection of employees from discrimination to implement AS 18.60.010

STANDING COMMITTEE REPORTS

HCR 10

The State Affairs Committee considered HOUSE CONCURRENT RESOLUTION NO. 10 (recognition of International Youth Year) and recommended do pass. The report was signed by Senator Abood, Chairman and concurred in by Senators DeVries, Vic Fischer, Ray and Kelly.

HOUSE CONCURRENT RESOLUTION NO. 10 was referred to the Rules Committee.

SB 90

The Rules Committee considered SENATE BILL NO. 90 (powers of the Department of Commerce and Economic Development to administer appropriations for grants; efd) and a majority of the committee recommended calendar April 16. The report was signed by Senator Kelly, Chairman and concurred in by Senators Faiks and Josephson.

SENATE BILL NO. 90 appears on the calendar.

SB 190

The Rules Committee considered SENATE BILL NO. 190 (extending the residential property tax exemption and tax equivalency and reimbursement payments to certain widows and widowers; efd) and a majority of the committee recommended calendar April 16. The report was signed by Senator Kelly, Chairman and concurred in by Senators Faiks and Josephson.

SENATE BILL NO. 190 appears on the calendar.

SB 207

The Rules Committee considered SENATE BILL NO. 207 (public employees; efd) and a majority of the committee recommended calendar April 16. The report was signed by Senator Kelly, Chairman and concurred in by Senators Faiks and Josephson.

SENATE BILL NO. 207 appears on the calendar.

HB 121

The Rules Committee considered HOUSE BILL NO. 121 (changing the name of the division of telecommunication systems in the Department of Administration; efd) and a majority of the committee recommended calendar April 16. The report was signed by Senator Kelly, Chairman and concurred in by Senators Bennett and Josephson.

HOUSE BILL NO. 121 appears on the calendar.

INTRODUCTION AND REFERENCE OF SENATE BILLS

SB 284

SENATE BILL NO. 284 by Senator Fahrenkamp, entitled:

"An Act authorizing certain municipalities to conduct limited historic gambling enterprises and to license certain persons to conduct limited historic gambling enterprises; and providing for an effective date."

was read the first time and referred to the Finance Committee.

Senator Halford moved and asked unanimous consent that the Senate recess to a call of the Chair and announced a majority caucus. Without objection, the Senate recessed at 11:20 a.m.

AFTER RECESS

The Senate reconvened at 11:35 a.m.

Senator Sackett's presence was noted.

CONSIDERATION OF THE CALENDAR

SECOND READING OF SENATE BILLS

SB 90

SENATE BILL NO. 90 (power of the Department of Commerce and Economic Development to administer appropriations for grants; efd) was read the second time.

Senator Halford moved and asked unanimous consent that SENATE BILL NO. 90 be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE BILL NO. 90 was read the third time.

The question being: "Shall SENATE BILL NO. 90 (power of the Department of Commerce and Economic Development to administer appropriations for grants; efd) pass the Senate?" The roll was taken with the following result:

SB 90 3RD

Yeas: 17 Abood, Bennett, DeVries, Eliason, Fahrenkamp, Faiks, Ferguson, Fischer Vic, Halford, Josephson, Kelly, Kerttula, Ray, Rode, Sackett, Sturgulewski, Zharoff

Nays: 0

Excused: 2 Coghill, Fischer Paul

Absent: 1 Ziegler

and so, SENATE BILL NO. 90 passed the Senate.

Sec. 44.33.010. Commissioner of commerce and economic development. The principal executive officer of the Department of Commerce and Economic Development is the commissioner of commerce and economic development. (§ 14 ch 64 SLA 1959; am § 6 ch 186 SLA 1960; am § 95 ch 218 SLA 1976)

Collateral references. — 15A Am. Jur. 2d, Commerce, § 1 et seq.; 1 and 2 Am. Jur. 2d, Administrative Law, § 1 et seq.; 63 Am. Jur. 2d, Public Funds, § 1 et seq.; 63 Am. Jur. 2d, Public Officers and Employees, § 22. 15 C.J.S., Commerce, § 1 et seq.; 73 C.J.S. Public Administrative Law, § 1 et seq.

Sec. 44.33.020. Duties of department. The Department of Commerce and Economic Development shall

(1) administer the state programs relating to commerce, enforce the laws relating to these programs, and adopt regulations under these laws;

(2) register corporations;

(3) collect corporation franchise taxes;

(4) enforce state laws regulating public utilities and other public service enterprises, banking and securities, insurance, and other businesses and enterprises touched with a public interest;

(5) make veterans' loans;

(6) inspect weights and measures;

(7) promote and develop civil aviation;

(8) furnish the budgeting, clerical and administrative services for regulatory agencies and professional and occupational licensing boards not otherwise provided for;

(9) *[Repealed, E.O. No. 39 § 13 (1977).]*

(10) *[Repealed, E.O. No. 33 (1968).]*

(11) before the commencement of each calendar quarter, furnish lending institutions, title insurance companies, mortgage companies and clerks of the respective superior courts with the 12th Federal Reserve District discount rate that is to be used during that calendar quarter for computing the maximum rate of interest under AS 45.45.010(b);

(12) conduct studies, enter into contracts and agreements, and make surveys relating to the economic development of the state and, when appropriate, assemble, analyze, and disseminate the findings obtained;

(13) provide factual information and technical assistance for potential industrial and commercial investors;

(14) receive gifts, grants, and other aid that facilitate the powers and duties of the department from agencies and instrumentalities of the United States or other public or private sources;

(15) establish and activate programs to achieve balanced economic development in the state and advise the governor on economic development policy matters;

(16) formulate a continuing program for basic economic development and for the necessary promotion, planning and research that will advance the economic development of the state;

(17) cooperate with private, governmental and other public institutions and agencies in the execution of economic development programs;

(18) review the programs and annual reports of other departments and agencies as they are related to economic development and prepare an annual report on the economic growth of the state;

(19) administer the economic development programs of the state;

(20) perform all other duties and powers necessary or proper in relation to economic development and planning for the state;

(21) request tourism-related businesses in the state to provide data regarding occupancy levels, traffic flow and gross receipts and to participate in visitor surveys conducted by the department; data collected under this paragraph which discloses the particulars of an individual business is not a matter of public record and shall be kept confidential; however, this restriction does not prevent the department from using the data to formulate tourism economic impact information including expenditure patterns, tax receipts and fees, employment and income attributable to tourism, and other information considered relevant to the planning, evaluation and policy direction of tourism in the state.

(22) *[Repealed, E.O. No. 47, § 6 (1980).]*

(23) administer the program of state assistance for the construction and development of cultural facilities in accordance with AS 44.33.401 — 44.33.417;

(24) provide administrative and budgetary services to the Real Estate Commission (AS 08.88) as requested by the commission;

(25) operate motor vehicle weighing stations, issue special written permits authorizing the operation of overweight and oversize vehicles, establish fees for the overweight and oversize vehicle special permits, enforce the size, weight, and load limitations adopted by the Department of Transportation and Public Facilities under AS 19.10.060, and establish regulations relating to pilot car services and the enforcement of the size, weight, and load limitations adopted under AS 19.10.060;

(26) administer the Alaska Foreign Offices established by AS 44.33.530. (§ 14 ch 64 SLA 1959; am § 6 ch 186 SLA 1960; am § 2 ch 1 SLA 1961; am § 2 ch 55 SLA 1963; am § 2 ch 70 SLA 1965; am E.O. No. 33 (1968); am § 4 ch 94 SLA 1969; am § 6 ch 207 SLA 1975; am § 1 ch 116 SLA 1976; am § 96 ch 218 SLA 1976; am E.O. No. 39, § 13 (1977); am E.O. No. 40, § 2 (1979); am § 4 ch 62 SLA 1979; am E.O. No. 47, § 6 (1980); am § 33 ch 167 SLA 1980; am § 1 ch 77 SLA 1982; am E.O. No. 57, § 2 (1984); am § 1 ch 120 SLA 1984)

Cross references. — As to establishing limitations on weight and load of vehicles, see AS 19.10.060(1).

Effect of amendments. — Section 6, E.O. No. 47 (1980) repealed paragraph (22).

Section 33, ch. 167, SLA 1980, added paragraph (24).

The 1982 amendment added paragraph (25).

The first 1984 amendment added paragraph (26).

The second 1984 amendment substituted "Offices" for "Office" in paragraph (26).

Editor's notes. — The duties, powers, and responsibilities in respect to the accumulation, analysis, and reporting of commercial and industrial statistics, the

promotion of the economic and tourist development of the state, the granting of industrial tax incentives, the tourist attraction development program, and the tourism advisory board were transferred from the Department of Commerce to the Department of Economic Development and Planning by ch. 159 SLA 1962 (AS 44.45), that was repealed by § 1 ch. 207 SLA 1975.

Legislative history reports. — For report on ch. 116, SLA 1976 (SCSHB 730), see 1976 House Journal, p. 696.

Sec. 44.33.025. Recording. [Repealed, E.O. No. 47, § 6 (1980).]

Sec. 44.33.110. Civil Air Patrol. [Repealed, E.O. No. 33 (1968). For current provisions, see AS 26.05.345.]

Article 2. Alaska Division of Tourism.

Section	Section
120. Alaska division of tourism	150. Qualifying for matching money
130. Division contract	160. Limitations on matching money
140. Grants for tourist development	170. Use of matching money
145. Grants for promoting conventions and incentive travel	180. Administration of this chapter

Sec. 44.33.120. Alaska division of tourism. (a) There is created in the Department of Commerce and Economic Development the Alaska division of tourism.

(b) The Alaska division of tourism shall

(1) cooperate with organizations in the private sector for the promotion and development of tourism and conventions into and within Alaska;

(2) coordinate with municipal, state and federal agencies for the development and promotion of tourism resources and conventions in Alaska;

(3) promote and develop the Alaska tourist and convention industry by publicizing state attractions through such means as display advertising in magazines and newspapers, advertising on radio and television or other advertising media, publishing pamphlets, brochures and other graphic and pictorial materials, or by aiding and assisting representatives of the media to insure greater coverage of Alaska's visitor attractions;

(4) participate in travel shows;

(5) increase the awareness of the citizens of the state at the statewide, regional and community level of the economic importance of the tourist industry;

(6) assist potential investors in creating new tourist facilities;

STATE OF ALASKA

1985

January 23, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that confers on the Department of Commerce and Economic Development the power to make grants of state money for purposes authorized by law. The department has been advised by the attorney general that its authority over, and administration of, grants could be improved if specific statutory authority for those purposes is enacted. This authorization would confer the power to implement the grants by administrative regulation. Too often grants are awarded without specific standards in place to assure performance of the grant agreement or fairness to persons seeking to obtain state financial assistance.

I hope that the legislature will view this bill favorably. It is time that a concerted effort is made to account for each dollar that is given out to achieve public purposes. Unless we provide for more formality in these transactions, it will be difficult to assure that the intent of the legislature is met.

Sincerely,



Bill Sheffield
Governor

REQUEST
 Bill/Resolution No.: SB 90
 Title: Relating to power of Dept.
of Commerce & Econ. Dev. grants
 Sponsor: Rules/Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Commerce & Econ. Dev.
 Program Category Affected: _____
Economic Development
 BRU, Program or Subprogram(s) Affected: _____
departmentwide

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
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-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

This bill does not require an appropriation. It provides the authority for the department to administer grants when such funds are appropriated.

Prepared By: Catherine Wallen Phone: 465-2504
 Division: Administrative Services Date: 12/14/84
 Approved by Commissioner: Richard A. Lyon Date: 12/11/84
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84