

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5438 SLAB HB 533 - HJR 18

4. Identify the alternatives to this regulation (if any):

The state would be without an important link in its regulation of the public accountancy profession if a positive enforcement program is not adopted.

5. Which alternative mentioned would be most acceptable?

To adopt a positive enhancement program.

6. Does the entire board/commission agree with this legislative request??

Yes.

7. In the event questions should be raised during the processing on this request, who should be contacted?

Board/Commission Member Ida McMahon
Phone - 376-4195

**BOARD/COMMISSION RECOMMENDATIONS FOR
PROPOSED REGULATIONS**

The Division of Occupational Licensing requests that each board or commission proposing new or amended legislative requests complete this form entirely. The completion of this analysis will provide the staff with a clearer understanding of the board's/commission's intent and position on relevant issues concerning the proposed changes.

1. Proposed language:

Clarifications in all affected regulations about the definitions of attest hours, review procedures and compilation procedures as they relate to the general practice of accountancy and especially to qualifying experience for certification.

2. State the problem or purpose prompting this request:

Because the provision of review and compilation services is a relatively new development in the accounting profession, language in state regulations, which were adopted based upon the best information available at the time, is sometimes contradictory or incomplete.

3. Briefly state the history of this problem or proposal:

Regulations based upon the Accountancy Act, which is somewhat outdated and on new professional developments, have been adopted to respond to emerging issues. However, contradictions in the regulations have become evident as the board has worked with the regulations and that work is providing experience on which to base improvements.

4. Identify the alternatives to this regulation (if any):

Without changes, the public becomes confused by the contradictory matters in the regulations.

5. Which alternative mentioned would be most acceptable?

To adopt changes in the regulations.

6. Does the entire board/commission agree with this legislative request?

Yes.

7. In the event questions should be raised during the processing on this request, who should be contacted?

Board/Commission Member Thomas E. Bartlett
Phone - 474-6527

BOARD/COMMISSION RECOMMENDATIONS FOR
PROPOSED REGULATIONS

The Division of Occupational Licensing requests that each board or commission proposing new or amended legislative requests complete this form entirely. The completion of this analysis will provide the staff with a clearer understanding of the board's/commission's intent and position on relevant issues concerning the proposed changes.

1. Proposed language:

To improve the process for monitoring the continuing professional education required of CPAs.

2. State the problem or purpose prompting this request:

The process of monitoring the continuing professional education required of CPAs takes considerable administrative time for the Division of Occupational Licensing and for the board. It would be helpful to make the process as efficient as possible, and, if regulation changes would help, they should be made.

3. Briefly state the history of this problem:

The legal requirement of CPAs to complete continuing professional education is relatively new and has impacted two biennial licensing renewals prior to the relicensing that will occur in 1988. Experience gained since the institution of the requirement will help analyze the process and provide suggestions for improvement. Potential efficiencies would leave more time to review the essence of the requirement by verifying actual attendance at and the quality of the courses CPAs claim to have attended.

4. Identify the alternatives to this regulation (if any):

The process may be inefficient and leave too little time for monitoring the important aspects of the program.

5. Which alternative mentioned would be most acceptable?

Improving the regulations wherever that would improve the program.

6. Does the entire board/commission agree with this legislative request?

Yes.

7. In the event questions should be raised during the processing on this request, who should be contacted?

Board/Commission Member Michael T. Cook
Phone - 456-7762

FY 87 STATISTICAL INFORMATION
(Please Type)

Date: _____

Method: Check the appropriate method in which licenses are issued (not including Examination), and cite the specific statutory authority.

_____ Credentials	AS 08. _____
_____ Reciprocity	AS 08. _____
_____ Comity	AS 08. _____
_____ Endorsement	AS 08. _____

New Licenses: List each category and the number of licenses issued within each category for the first time in FY 87.

CATEGORY:	NUMBER OF LICENSES:
(1) <u>Certified Public Accountant</u>	<u>66</u>
(2) <u>CPA Resident and Nonresident Partnership</u>	<u>5</u>
(3) <u>CPA Resident and Nonresident Corporation</u>	<u>1</u>
(4) <u>General Permit to Practice</u>	<u>0</u>
(5) <u>Chartered Accountant</u>	<u>N/A</u>
(6) <u>Public Accountant</u>	<u>N/A</u>

Number of CURRENT licenses: 727
 Number of LAPSED licenses: 460
 Number of INACTIVE licenses: 175

Expiration Date: If the expiration date is different for each category, indicate the category after each date.

Expire: December 31, 1987
Annual - General Permit to Practice

Examination: List each examination separately indicating the licensure category (such as RN, LPN, Dentist, Dental Hygienist), the total number of examinees, number passed and failed.

Exam Statute Authority: 08.04.130

(1) Category:	Total Candidates	#Passed	#Failed	Conditioned
<u>Certified Public Accountants</u>	<u>153</u>	<u>23</u>	<u>83</u>	<u>47</u>

Date and City: May 6-8, 1987 Anchorage, Fairbanks, Juneau

(2) Category:	Total Candidates	#Passed	#Failed
<u>Certified Public Accountants</u>	<u>149</u>	<u>29</u>	<u>88</u>

Date and City: November 5-7, 1986 Anchorage, Fairbanks, Juneau

(3) Category:	Total Candidates	#Passed	#Failed
_____	_____	_____	_____

Date and City: _____

(4) Category:	Total Candidates	#Passed	#Failed
_____	_____	_____	_____

Date and City: _____

Total Licensed by Exam: 66

Meetings: List Date(s) and Location(s)

1. March 26, 27, 1987 Juneau, Alaska
2. September 22-23, 1986 Fairbanks, Alaska
3. July 14-15, 1986 Anchorage, Alaska
- 4.

Teleconferences: List Date(s) and Site(s)

- 1.
- 2.
- 3.
- 4.

Regulation Hearings: List Date(s) and Site(s)

Investigations: (Attach Case Summary)

OCCUPATIONAL LICENSING
ENFORCEMENT STATISTICS
FY 87

Accountants
Board

Investigations

Cases Pending Start of FY 87

3

New Cases Opened

12

Cases Closed

11

Cases Pending End of FY 87

4

Litigation

Cases Pending Start of FY 87

1

New Cases Opened

3

Cases Closed

3

Cases Pending End of FY 87

1

Enforcement Activity

Accusations

0

Statement of Issues

1

Cease and Desist Orders

2

Hearings

0

Disciplinary Actions

Cases Dismissed

0

Licenses Denied

0

Licenses Suspended

0

Probation

0

Licenses Revoked

0

Stipulations/Settlements

3

HB

5 3 4

BOARD OF DISPENSING OPTICIANS

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BOARD OF DISPENSING OPTICIANS

AS 08.71 - 5 members; serve at the pleasure of the Governor, 4 year term

	<u>Term</u>
Barbara J. May (Public) P.O. Box 794 Douglas, AK 99824 (home) 364-3152	June 14, 1990
Gregg L. McClanahan (Optician) (Chairperson) 3701 E. Tudor Road, #103 Anchorage, AK 99507 (work) 561-7330 (home) 337-3173	June 14, 1989
William E. Reedy, Jr. (Dispensing Optician) P.O. Box 985 Eagle River, AK 99577 (work) 694-4116	June 14, 1990
Donald R. Smith (Optician) 2651 Seclusion Drive Anchorage, AK 99504 (work) 274-8052 (home) 337-2238	June 14, 1989
Sharla S. Thomas (Optician) 2961 Brandywine Avenue Anchorage, AK 99502 (work) 272-5715 (home) 248-3742	June 14, 1988

Staff Person:

Edward R. Mercer
Licensing Examiner
Division of Occupational Licensing
Department of Commerce and
Economic Development
P.O. Box D-LIC
Juneau, AK 99811-0800

6781W8587a

BOARD OF DISPENSING OPTICIANS

NARRATIVE STATEMENT

The Board of Dispensing Opticians held one meeting and examination for the fiscal year 1987. This was conducted on September 26, 1986.

The board is full with respect to the professional members, and the expired term of the public member was replaced with Barbara May of Douglas, Alaska.

Still in effect is the bill that extends the termination date of the board until June 30, 1988. Continuing and maintaining the board has been a number one priority. Efforts were made to follow through on sunset review recommendations to ensure this. There has been continued effort to establish workable communication with the Board of Examiners in Optometry to avoid overlaps in our statutes and regulations. The Opticians Association supported the compromised optometric drug bill (SB 206), although it died in the House Committee.

Another accomplishment of the board was the adoption of regulations in Title 12 of the Alaska Administrative Code dealing with fees, the time allowed for examinations, the minimum passing score, and maintenance of a current address, which serve to implement and clarify AS 08.71.055, AS 08.71.100, and AS 08.71.145.

The board continued its support of HB 78. With this minimum funding project now completed, the board feels it will be able to carry on its required meeting and exam each year with no major negative impact. The new fee structure seems reasonable for new and currently licensed dispensing opticians.

BOARD OF DISPENSING OPTICIANS

Sunset Audit Recommendations

Recommendation No. 1:

The Board of Dispensing Opticians should be allowed to terminate on June 30, 1985.

Progress: A bill was introduced, at the request of the former Governor, and passed to allow the board to continue until June 30, 1988.

Recommendation No. 2:

The Board of Dispensing Opticians and the Office of the Governor should work together to ensure that vacant board positions are filled.

Progress: Currently, the board has a full slate of members. The member appointed this year to fill an expired term was Barbara J. May (Public Member).

Recommendation No. 3:

The board should review existing statutes and regulations and seek appropriate revision where necessary.

Progress: The following regulation changes have been adopted which serve to implement and clarify AS 08.71.055, AS 08.71.100 and AS 08.71.145 as follows:

1. 12 AAC 30.070(a)(2) is amended to reflect new fees located in 12 AAC 02;
2. 12 AAC 30.080 is amended changing the length of the written and practical examination and the minimum acceptable passing score;
3. 12 AAC 30.100(a)(1) is amended to reflect new fees located in 12 AAC 02;
4. 12 AAC 30.910 is added as addressing the maintenance of a current mailing address with the division.

Recommendation No. 4:

The board should ensure that requirements are being met and adequately documented prior to licensure.

BOARD OF DISPENSING OPTICIANS

Sunset Audit Recommendations
(Continued)

Progress: This past year, the board has put forth extra effort to ensure the proper requirements are met prior to licensure. The board's approval was not given until enough training hours and adequate documentation of those training hours was provided by the individual.

At the board's annual meeting on September 25, 1986, it was resolved to revise the apprenticeship registration form to require notarization.

BOARD OF DISPENSING OPTICIANS

Review of FY 87 Objectives

The Board of Dispensing Opticians has reviewed the goals and objectives with the following progress:

1. Continue to review the regulations and statutes.

Progress: The following regulation changes have been adopted which serve to implement and clarify AS 08.71.005, AS 08.71.100 and AS 08.71.145 as follows:

- (a) 12 AAC 30.070(a)(2) is amended to reflect new fees located in 12 AAC 02;
 - (b) 12 AAC 30.080 is amended changing the length of the written and practical examination and the minimum acceptable passing score;
 - (c) 12 AAC 30.100(a)(1) is amended to reflect new fees located in 12 AAC 02;
 - (d) 12 AAC 30.910 is added as addressing the maintenance of a current mailing address with the division.
2. Continue to establish workable communications with the Board of Examiners in Optometry.

Progress: The Opticians Association as a whole has attempted to establish lines of communication with optometrists. This should continue as a goal.

3. Pursue the possibility of an exemption for all licensed dispensing opticians from the statutes and regulations of the Board of Examiners in Optometry.

Progress: Continue this as a goal.

BOARD OF DISPENSING OPTICIANS

Goals and Objectives for FY 88

1. Continue to review the Sunset Audit Recommendations to ensure continuance of the board.
2. Continue to review regulations and statutes.
3. Continue to establish workable communication with the Board of Examiners in Optometry to avoid overlap in statutes and regulations.
4. Pursue the possibility of an exemption for licensed dispensing opticians from the statutes and regulations of the Board of Dispensing Opticians.

BOARD OF DISPENSING OPTICIANS

Budget Recommendations

By statute, the Board of Dispensing Opticians is required to have one meeting and one examination each year. The following is the budget request per statute. The meeting and examination would be held in Anchorage and based upon a full board.

TRAVEL COSTS

4 Board Members	No cost
1 Board Member - Juneau	\$ 352.00
1 Licensing Examiner - Juneau	352.00

PER DIEM

\$80.00 x 6 (5 Board Members plus 1 Licensing Examiner) x 2 days meeting and examination (combined)	<u>960.00</u>
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TOTAL TRAVEL AND PER DIEM	<u>\$1,664.00</u>
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CONTRACTUAL SERVICES	<u>\$ 300.00</u>
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Examination Room

TOTAL CONTRACTUAL COSTS	<u>\$ 300.00</u>
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BOARD OF DISPENSING OPTICIANS

Legislative Recommendations

The board is reviewing AS 08.71.160 and AS 08.71.110(1)(A) and may recommend a change, but proper language of amendment is not completed at this time.

BOARD OF DISPENSING OPTICIANS

Regulation Recommendations

The board is reviewing 12 AAC 30.110, Apprentice Registration, and expects to make a recommendation this year.

Meetings: List Date(s) and Location(s)

1. September 26-27, 1987 - Anchorage
- 2.
- 3.
- 4.

Teleconferences: List Date(s) and Site(s)

- 1.
- 2.
- 3.
- 4.

Regulation Hearings: List Date(s) and Site(s)

Investigations: (Attach Case Summary)

OCCUPATIONAL LICENSING
ENFORCEMENT STATISTICS
FY 87

Dispensing Opt.
Board

Investigations

Cases Pending Start of FY 87

0

New Cases Opened

4

Cases Closed

4

Cases Pending End of FY 87

0

Litigation

Cases Pending Start of FY 87

0

New Cases Opened

2

Cases Closed

0

Cases Pending End of FY 87

2

Enforcement Activity

Accusations

0

Statement of Issues

0

Cease and Desist Orders

2

Hearings

0

Disciplinary Actions

Cases Dismissed

0

Licenses Denied

0

Licenses Suspended

0

Probation

0

Licenses Revoked

0

Stipulations/Settlements

0

6824W81087a

HB

548

Original sponsor: Resources Committee

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 548 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to oil discharge contingency plans."

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

8 * Section 1. AS 46.04.030(e) is amended to read:

9 (e) The department may attach reasonable terms and conditions to
10 its approval of an oil discharge contingency plan which it determines
11 are necessary to insure that the applicant for an oil discharge con-
12 tingency plan has access to sufficient resources to protect environ-
13 mentally sensitive areas and to contain, clean up, and mitigate poten-
14 tial oil discharges from the facility or vessel within the shortest
15 feasible time. The oil discharge contingency plan must provide for
16 the use of the best available technology by the applicant. The de-
17 partment may require an applicant or holder of an approved contingency
18 plan to demonstrate its ability to carry out the contingency plan
19 through

20 (1) periodic training;

21 (2) response team exercises; and

22 (3) verifying access to inventories of available equipment,
23 supplies, and personnel [TO UNDERTAKE DISCHARGE EXERCISES].

24 * Sec. 2. AS 46.04.030 is amended by adding a new subsection to read:

25 (g) Failure of a holder of an approved oil discharge contingency
26 plan to have access to the quality or quantity of resources identified
27 in the plan, and in the event of a spill to respond with those
28 resources within the shortest feasible time, is a violation of this
29 chapter for purposes of AS 46.03.760(a), 46.03.765, 46.03.790, and any

1 other applicable law.
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FISCAL NOTE

REQUEST: _____

Revision Date: _____
Tide: An act relating to Oil Discharge
Contingency Plans
Sponsor: House Resources
Requestor: Rep. Cotten

Agency Affected: Environmental Conservation
BRU: Environmental Quality

Components: ATI

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Amy D. Kyle *ADK*
Division: Commissioner's Office

Phone: 465-2600
Date: 3/23/88

Approved by Commissioner: [Signature]
Agency: Environmental Conservation

Date: 3/25/88

Distribution (by preparer):

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

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

STEVE COWPER, GOVERNOR

OFFICE OF THE COMMISSIONER
P.O. BOX 0, JUNEAU, ALASKA 99811-1800

(907) 465-2600

POSITION PAPER HB 548

Title

An Act Relating to Oil Discharge Contingency Plans

Effect of the Bill

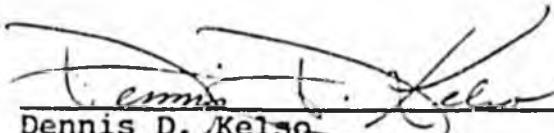
The bill would require that holders of oil discharge contingency plans maintain the capability to carry out their approved plans. The bill would also establish penalties for failure to maintain this capability.

Department Position

The Department supports the bill.

Fiscal Effect

The Department has provided a zero fiscal note on the bill.


Dennis D. Kelso
Commissioner

March 25, 1988
Date



HB 518
An Act

UNITED COOK INLET DRIFT ASSOCIATION

BOX 4649 - KENAI, ALASKA 99611

March 15, 1988

Alex Shadura
505 N. Franklin St.
Juneau, AK 99801

Dear Alex:

Thank you for your continued efforts on behalf of Alaskan fishermen. We appreciate the work you have done for our organization in the past and look forward to your assistance in the future.

Recently, I mentioned two pieces of legislation that we are very concerned about, S.B. 327 "Oil Discharge Liability" and H.B. 459 "Hazardous Waste Disposal." ~~In view~~ ^{in view} of our fishing operations in Cook Inlet, these bills are critical to our future. Hopefully, you will keep us apprised of the progress of this legislation and continue to insist that there is sufficient language included to protect us from a similar situation as the "Glacier Bay" spill that occurred in July, 1987.

The proposed oil lease sale planned for Bristol Bay certainly adds to the urgency that environmental protection and financial responsibility be established during this legislative session. Hopefully, the State of Alaska will be successful in their attempt to have this area withdrawn from the March 1988 lease sale.

Sincerely,

A handwritten signature in cursive script, which appears to read "Forrest Tressler", is written over the typed name.

Forrest Tressler
President U.C.I.D.A.

HOUSE COMMITTEE REPORT

(9)

Date referred: 3/23/88

FURTHER REFERRALS:

DATE: 3-30-88

The Resources Committee has considered HB 548

"An Act relating to oil discharge contingency plans."

RECOMMENDS:

- replace with CS HB 548 (Res) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Jim G.T.
Edelheid Herrmann
Dick Stultz
Mike Spitzer
[Signature]

SIGNING OTHER RECOMMENDATIONS:

Jim G.T.

Chairman's signature

HB

549



Alaska State Legislature

House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

TO: MEMBERS OF THE SENATE LABOR AND COMMERCE COMMITTEE

FROM: Representative Steve Rieger, Co-Chair
Subcommittee on Housing and Banking
HOUSE JOINT ECONOMIC RECOVERY COMMITTEE

DATE: MAY 3, 1988

RE: CSHB 549(JUD) - "An Act relating to notice requirements in the use of a mortgage or a deed of trust"

* * * * *

The purpose of CSHB 549(JUD) is to inform the borrower who has signed a Note secured by a Deed of Trust (or mortgage) that he is in fact personally liable for the total amount of the debt, regardless of the market value of the property. In short, it requires a disclosure statement to the borrower of the lender's available remedies, should foreclosure actions be deemed necessary.

At the time of closing, the borrower signs a Deed of Trust as security for the property and also signs a Note promising to pay the amount of the debt. Yet, because there is so much involved with closing a loan, the simple facts and understandings sometimes get lost in the paper shuffle. The problem lies in the fact that some borrowers were under the assumption that if they were foreclosed upon, they could just turn in the keys and walk away from the property, (thereby extinguishing the debt), and many more borrowers were under the assumption that the lender could not take any personal assets as payment of the debt unless the lender first pursued judicial foreclosure, (i.e. deficiency judgment and right of redemption period). Many borrowers today seem surprised that the lender does indeed have the option to sue on the Note prior to foreclosing on the Deed of Trust.

If foreclosure is warranted, under current law the lender generally has three choices:

- (Judicial) suit on the Note for fulfillment of the debt;
- Nonjudicial foreclosure on the Deed of Trust with no deficiency judgment, no right of redemption and no recourse as to the Note;
- Judicial foreclosure on the Deed of Trust with a possible deficiency judgment awarded by the court, and a one year right of redemption period to the borrower.

In practice, the lender usually forecloses on the Deed of Trust nonjudicially if no workout arrangement can be arranged between the borrower and lender; in very few cases does the lender chose to look towards the Note prior to foreclosing on the Deed of Trust. Further, if private mortgage insurance (PMI) is in place, (required by the lender when the loan-to-value ratio is 80% or above), the PMI pays the lender for the percentage of the loan it originally covered, frequently with no recourse to the borrower. Therefore, in a foreclosure situation where there is negative equity, it is possible that the market value of the property and the private mortgage insurance would cover the entire debt.

Under the current CS, if the lender fails to give sufficient notice to the borrower of the lender's foreclosure remedies, then the lender can only foreclose nonjudicially or judicially on the Deed of Trust -- but cannot sue directly on the Note.

FHLMC (Federal Home Loan Mortgage Corporation), FNMA (Federal National Mortgage Association), the Alaska Association of Realtors and various banking institutions have provided positive endorsement for the concept of this legislation. Due to federal government requirements, they have requested that the "notice" information be contained outside the actual document of the Note, rather than within the body of the Note. FHLMC also recommends that the explanation to the borrower be spelled out in law in order to avoid future "language" problems that would develop if each lender is allowed to write their own language.

State of Alaska

House Majority Leader

COMMITTEES

HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES
HOUSE JUDICIARY
HOUSE RULES



Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3718
465-4968/4986

914 CLAY COURT
ANCHORAGE, ALASKA 99503
(907) 276-6844

MEMORANDUM

TO: SENATOR TIM KELLY, CHAIR
SENATE LABOR AND COMMERCE COMMITTEE

FROM: MAX F. GRUENBERG, JR., HOUSE CHAIR
JOINT COMMITTEE ON ECONOMIC RECOVERY *MP*

DATE: APRIL 28, 1988

RE: JOINT COMMITTEE LEGISLATION

I would appreciate it if you could calendar the attached bill at your earliest convenience. CSHB 549 (Judiciary), "An Act relating to notice requirements in the use of a mortgage or a deed of trust", was developed by the Housing and Banking subcommittee of the House members of the Joint Committee on Economic Recovery. This bill was heard by the full committee, the House Labor and Commerce and Judiciary Committees and passed the House unanimously today.

CSHB 549 (Judiciary) would require banks to list on notes that are used as evidence of an obligation secured by a mortgage or a deed of trust, the actions and remedies available to the lender in the case of default.

The Senate members of the Joint Committee on Economic Recovery have also endorsed the concept embodied in this legislation.

If you have any questions please give Tom Begich of my staff a call at 465-3718, or contact Representative Steve Rieger, the designated House floor manager for the bill, directly.

Thanks.

attachment

HCR

21

Alaska State Legislature



REPRESENTATIVE
PAT POURCHOT

HOUSE FINANCE COMMITTEE,
VICE CHAIR

HOUSE ETHICS COMMITTEE, CHAIR

LEGISLATIVE BUDGET & AUDIT
COMMITTEE

House of Representatives

ANCHORAGE

P.O. BOX 104836
ANCHORAGE, AK 99510
(W) (907) 276-6818
(H) (907) 338-2425

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

MEMORANDUM

DATE: May 4, 1987

TO: Members of the Senate Labor and Commerce Committee
Senator Tim Kelly, Chairman
Senator Dick Eliason, Vice-Chairman
Senator Rick Uehling
Senator Bettye Fahrenkamp
Senator Mike Szymanski

FROM: Representative Pat Pourchot

SUBJECT: HCR 21 - Relating to the use of Alaska products and services

House Concurrent Resolution 21 is a modest resolution encouraging Alaska residents, businesses and government to buy and utilize Alaska goods and services. The purpose of the resolution will be to increase public awareness of the economic benefits derived from the support of Alaska businesses.

All too frequently our government and the private sector use foreign or "Outside" goods and services. Often the reason is simply because of habit. Years ago Alaskans had to rely on "Outside" products because they simply were not available in Alaska. In many instances, this is no longer the case. The Alaska Department of Commerce and Economic Development statistics show that the availability of local goods and services has increased significantly in recent years. If government and the private sector would support local production it would mean increased local employment which means more money into the local economy.

It is a well known fact that the economic multiplier in Alaska has an approximate value of 1.5. This means that, on average, if employment in a basic industry grows by 100, then in the same year 50 jobs will be created in those industries supplying the basic industry and in those industries providing consumer goods and services to the new employees. This can only be beneficial for Alaskans.

This resolution would encourage all Alaskans to play a vital role in supporting the economy of the state through the purchase and utilization of Alaska goods and services. Thank you for your consideration.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

No. 1

329

REQUEST: _____

Bill Version : HCR 21
Publish Date : HOUSE 4/27/87

Revision Date: _____

Agency Affected : _____

Title: Relating to use of Alaska
products and Services

BRU: _____

Sponsor: Pourchot et al

Components : _____

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Dave Donley

Prepared by: Dave Donley, Chairman Phone: 465-3892
Division: House Labor & Commerce Committee Date: 4/23/87

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by preparer):
Legislative Finance
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M.A.C.



MADE IN ALASKA
COMMITTEE

MADE IN ALASKA COMMITTEE

POLICY

The general thrust of the Made in Alaska Committee (M.A.C.) will be to identify institutional and attitudinal barriers toward the purchase and utilization of Alaska goods and services, and to identify the opportunities to remove those barriers. M.A.C. will focus its attention in the following areas:

- A. Government procurement policy
- B. Private sector procurement policy
- C. Government regulatory policy

To effect improvement in the above areas, M.A.C. will utilize:

- A. Research and information
- B. Publicity and education

M.A.C. encourages all Alaskans to play a vital role in supporting the economy of the state through the purchase and utilization of Alaska goods and services, and declares that the combined efforts of all will develop and maintain a strong, stable and prosperous economy for Alaska and Alaskans.

BOARD OF DIRECTORS

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Frank Turpin, Alaska Railroad Corp.

Jerry Weaver, Ranier Bank Alaska

Doug Wise, Standard Alaska

Connie Yoshimura, Fortune Properties

Small business facts

The following are facts about businesses in Alaska from the state Department of Commerce & Economic Development:

- The female labor force participation rate in 1984 was the highest in the nation - 64.5 percent with a national rate of 53.6 percent.

- In 1984, one out of every six fish caught commercially in the U.S. was caught in Alaskan waters for one out of every

five dollars of value.

- There were over \$10,000 worth of assets in Alaskan banks for each resident in 1985.

- There were 1.4 visitors to the state for each resident in 1985.

- From Anchorage it is almost the same distance to New York (3,375 miles) as it is to Tokyo (3,436 miles). It is almost the same distance to Moscow (4,375 miles) as it is to London (4,489 miles).

- Retail sales average more than \$100,000 per employee.

- For each person employed in the tourist industry, almost \$66,000 worth of sales were made last year.

- Alaska eggs are five days fresher.

- Alaska milk is five days fresher.

- Alaska dairy products are five days fresher.

- Some 78 percent of Alaska businesses have less than 10 employees.

- Almost one-third of small businesses in Alaska are in the service sector. These return more dollars to the local economy than purchase of goods (which are generally produced out of state).

- There are 3.7 retail businesses for each wholesale business.

- One out of every three employed persons works in a business with less than 50 employees.

- The average private business employees 11 persons.

- Almost 30 percent of retail employers are eating establishments.

Sorry -
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The number of small businesses continues to grow, Labor says

The statistics presented on the following fact sheet on small businesses in Alaska as of September 1985 are from the state Department of Labor. They do not include the self-employed such as sole proprietors and many persons in farming, fishing and logging, nor do they include people working on commission only.

The numbers represent active businesses currently employing

people and operating within Alaska. Data is presented for the third quarter of 1984 and 1985.

Third quarter 1985 is the most current series available. Only private business and employment is considered.

- There has been a 3.02 percent increase in the number of privately owned businesses operating in Alaska since the

same time, 1984.

In the years 1981 to 1984 there had been an annual average increase of almost nine percent.

- The mix of small and large sized businesses has remained relatively constant over the past four years, with better than 50 percent of private businesses in the smallest size class, i.e., employing less than four persons.

- The increase of 501 more businesses over 1984 represents a net increase. There were 44 fewer firms employing 10-49 persons and three less in the 250-499 class.

- An increase in the number of establishments was seen in the service sector and in the trade sector.

In 1985 there were 132 more service businesses than there were in 1984 and 194 more in the 0-3 employ. There were 132 more retail establishments and 132 more wholesale establishments.

- The construction industry showed the largest net loss between 1984 and 1985. There were 47 fewer construction businesses in 1985 than in 1984.

The overall figure in the construction industry. Actual losses for the construction between 1984 and 1985 were a gain of 99 in the 0-3 class, a loss of 19 in the 4-9 class, and 19 in the 10-19 and 20-49 classes.





November 13, 1986

Mr. J.B. Young
DIRECTOR OF PURCHASING
University of Alaska, Anchorage
3211 Providence Dr.
Anchorage AK 99508

Dear Mr. Young:

This letter is in protest of your department's decision to declare STELLAR DESIGNS bid for Invitation # B87-013 invalid. I would like to make a formal, written appeal of this decision.

It was a careless oversight on my part for not signing the bid form. If it is non-performance that you are worried about, let me sign the bid now, so you can hold me to it.

I am clearly the low bidder and feel that STELLAR DESIGNS should be awarded the bid. In these troubled times of state budget cutbacks and economic turmoil, I, as an Alaskan Manufacturer, would sure hope that the University of Alaska, Anchorage would choose to let STELLAR DESIGNS perform this work rather than awarding the bid to the second lowest bidder, Span Alaska Sales, and spending the additional \$736.00 in funds. Most importantly, I would hope that the University of Alaska, Anchorage would rather keep state money in Anchorage rather than supporting a Washington based company doing business in Alaska.

Very Truly Yours,

Timothy J. Ellis
President
STELLAR DESIGNS
522-1905



ISER RESEARCH SUMMARY

Institute of Social and Economic Research, University of Alaska

June 1984, R.S. No. 19

Import Substitution in Alaska

A recent report and a paper by staff members of the University's Institute of Social and Economic Research state that one of the most important sectors of economic growth in Alaska during the last decade was that of goods and services produced locally for local consumption. The importance of this growth, however, was overshadowed by resource sector expansion (primarily Prudhoe Bay) and was largely ignored by economic policymakers. Yet, the expansion of goods and services produced for local consumption—such as telephone communications, health services, and retail food sales—accounted for a significant share of total employment growth in the 1970s.

The report, originally written for the office of the Governor, and the paper, given at the 1984 Western Regional Science Conference, further suggest that the local goods and services area has not yet realized its full potential growth and, for that reason, may actually be more responsive to state government policy than the resource sector.

Economists refer to growth in this local goods and services sector as "import substitution," or the replacement by local production of previously imported goods and services. A broader definition of this process might include the expansion of the support sector of the economy (the sector which serves local residents) to include local production of goods and services which had not previously been consumed in the region because of their high import costs.

As a region grows, the goods and services sector supporting the local population also grows, not simply in depth, but also in variety. Nor is the increase proportionate to the increase in export activity; instead, it expands at a faster rate than the export sector.

Import substitution has provided an important source of growth in Alaska. Between 1970 and 1979, Alaska nonagricultural civilian employment grew by almost 74,000, an expansion of approximately 80 percent. Import substitution, as broadly defined in this paper, accounted for almost 20 percent of the

growth in employment and it occurred in sectors accounting for 38 percent of total employment. The extent of import substitution was measured by comparing the growth in employment in an industry to the growth in the market. Market growth was assumed to equal the growth in real Alaska income adjusted for a change in the structure of demand at the national level.

Those sectors exhibiting import substitution in Alaska are primarily producers of services rather than goods. The industries where import substitution accounted for the greatest growth during the period examined were telephone communications (1,752 employees), health services (1,614), miscellaneous retail (1,073), retail food (683), business services (569), banking (566), insurance carriers (523), and legal services (484). Producers of goods for the local market have experienced only limited expansion in Alaska.

Although import substitution has been important in Alaska's past growth, there are reasons to believe that it has not occurred at the rate made possible by market expansion. This hypothesis holds that Alaska is underserved in certain support sectors and supports less market activity than it might. This is important since it suggests that this sector may be responsive to economic development policy.

If the size of a region's market were the only determinant of support sector activity, we would expect similar sized markets to have similar support sectors. However, when we compare Alaska to twelve market areas with similar populations and per capita incomes, we find large differences in the level of support sector activity. Employment per thousand population was used as the indicator of support sector activity. The average number of employees per thousand population in the areas similar in size to Alaska's market exceeded the Alaska level by more than 50 percent in personal services, amusement and recreation services, medical and health services, wholesale trade, autodealers and service, apparel and accessories, and furniture and home furnishings.

While employment is not a perfect indicator of local production (since cost conditions may differ between regions), the great difference between Alaska and other areas suggests that Alaska's support sector may be underserved in some areas.

This comparison suggests that import substitution does not necessarily take place automatically. It suggests further that the Alaska goods and services sector may have failed to respond to opportunities and grow to its full potential. Three likely reasons for the less-than-optimum growth are:

Relatively Limited Supply of Entrepreneurs. Entrepreneurs may be relatively limited in regions like Alaska. The small population and the opportunities to earn large incomes in other occupations may result in there being more opportunities than entrepreneurs.

The Immobility of Outside Entrepreneurs. The existence of opportunities in frontier regions may not necessarily attract enough entrepreneurs from outside the region. Entrepreneurs are not perfectly mobile; strong preferences for familiar areas limit their flow to frontier regions. Entrepreneurs generally depend on their knowledge of an area; frontier areas are unknown.

Lack of Information. Research has shown that information on entrepreneurial activities does not flow freely. Knowledge about opportunities in Alaska may not necessarily reach outside entrepreneurs, just as information on product and technology innovations may not flow immediately to Alaska.

In conclusion, import substitution continues to be an important component of Alaska economic growth, and some evidence suggests that it may not

automatically respond to growth opportunities, as is usually assumed. This raises the question: should the government intervene to encourage the process of import substitution? One argument supporting such intervention holds that expansion in the support sector reduces the cost of living and doing business in Alaska. In addition, government intervention to encourage growth in the support sector could be relatively inexpensive. For example, policy aimed at increasing growth through the improved flow of information both to and from Alaska would cost little compared with programs directly aimed at increasing resource exploitation.

This research does not suggest that resource development is unimportant or should be ignored, or that the local support sector can exist without it. However, expansion of the local support sector, while not as dramatic as resource development, offers a potentially profitable area for policy intervention.

This Research Summary is based on the paper "Import Substitution in Frontier Regions," presented by Lee Huskey at the Western Regional Science Conference, Monterey, California, February 1984; and the report The Place of Support Sector Growth, Import Substitution and Structural Change in Alaska's Economic Development (1983, 22 pp.), prepared by Arlon R. Tussing, Lee Huskey, and Thomas Singer through the Institute of Social and Economic Research for the Office of the Governor, State of Alaska. Copies of both the paper and report are available for the cost of reproduction through the Institute of Social and Economic Research, 707 A Street, Suite 206, Anchorage, Alaska 99501. Telephone 278-4621.

RESEARCH SUMMARY (No. 19)

Institute of Social and Economic Research
Lee Gorsuch, Director
707 "A" Street, Suite 206
Anchorage, Alaska 99501

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52

State of Alaska

House Majority Leader

COMMITTEES

HOUSE HEALTH, EDUCATION
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HOUSE RULES



Representative Max F. Gruenberg, Jr.
District 11
Spennard, Upper Midtown Anchorage

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465-4968/4986

914 CLAY COURT
ANCHORAGE, ALASKA 99503
(907) 276-6844

MEMORANDUM

TO: SENATOR TIM KELLY, CHAIR
SENATE LABOR AND COMMERCE COMMITTEE

FROM: MAX F. GRUENBERG, JR., HOUSE CHAIR
JOINT COMMITTEE ON ECONOMIC RECOVERY *MG*

DATE: APRIL 27, 1988

RE: JOINT COMMITTEE LEGISLATION

I would appreciate a hearing of the attached resolution in your committee at your earliest convenience. HCR 52am, relating to state economic indices and reports, was developed and considered by the House side of the Joint Committee on Economic Recovery and was introduced at the House members' request by the House Rules Committee.

This resolution was heard and passed by the House Labor and Commerce and the Finance Committees. HCR 52am passed the House unopposed, under reconsideration, on April 27.

HCR 52am would seek to establish and publish quarterly an Alaskan Economic Index. This would provide a consistent index for use in the development of economic assumptions and policy for Alaska.

Thank you for your timely consideration.

Reporting on
condition of
State Economy

HOUSE CONCURRENT RESOLUTION NO. 52, by the Rules Committee by request of the House members of the Joint Committee on Economic Recovery. Would request that the Department of Commerce and economic development be directed to arrange for the University of Alaska's Institute of Social and Economic Research (ISER) to prepare quarterly economic indices for the state and an annual report of the condition of and outlook for the state's economy; and gather and analyze on a continuing basis the data needed to produce the indices and reports; and that the Dept. of Commerce and Economic Development distribute the report and the indices to the legislature and the public. Cites the importance of accurate and complete economic information to the state, and the current lack of timely information.

Introduced March 24, 1988 and referred to Labor & Commerce; Finance.

HJR

15



Official Business

Alaska State Legislature

House of Representatives

Special Committee on Fisheries,

Pouch V
Juneau, Alaska 99811

Phone:
(907) 465-4924

FOREIGN SQUID AND BILL-FISH DRIFTNET FISHERIES

The impact of Japanese drift nets in the directed salmon fishery has been brought to the attention of legislators and the general public. The potential impact of high seas driftnets that ostensibly target on other fisheries has received less attention, but is of equal or potentially greater detriment.

In addition to the directed salmon fishery, Japan has a 600 vessel fleet that targets on bill-fish such as marlin and swordfish. Japan, Taiwan and Korea all conduct driftnet fisheries for squid. According to a report by Robert Eisnebud of the U.S. Senate Committee on Commerce, Science and Transportation, "There are approximately 1,693 pelagic driftnet vessels fishing in the North Pacific setting at least 20,503 miles of net each day during the fishing seasons for a total of at least 1,065,510 miles each year." The mesh size for these squid nets (about 3.7 inches) is exactly the size that would be used for targeting the immature salmon of the high seas.

This summer the National Marine Fisheries Service impounded 230 tons of juvenile salmon in a Tacoma warehouse. At first it seemed that this Taiwanese salmon had stopped in the U.S. just for "laundering," so it could be transported to Japan in violation of Japanese restrictions. A closer investigation however indicates that the salmon may have been caught in U.S. fishing areas by Taiwanese vessels. First, the Taiwanese don't have a salmon fleet, also the Taiwanese squid fleet was not observed fishing in their usual area this summer, and finally scale analysis seems to indicate that the salmon come from waters of the North Pacific near North America.

In addition to the damage to our fisheries resources, these nets are extremely destructive to marine mammals and sea bird populations.

It is increasingly apparent that we need some way to police the foreign fisheries that have the potential of impacting our domestic fisheries. The State Department should have taken responsibility for resolving this problem, but has failed to do so. The driftnet bill sponsored by Senator Stevens is a Congressional means of mandating the adequate monitoring of these fisheries.



Official Business

Alaska State Legislature

House of Representatives

Pou
Juneau, Alas.

Special Committee on Fisheries

February 11, 1987

TO: Representative Hoffman

FROM: Lee Goodman

SUBJECT: Update on the Japanese Drift-net situation.

A lot has happened since the INPFC agreement last April. While that agreement was much less than the Alaskan interests had hoped, it has had several positive effects. Among these, while the treaty only moved the line of the land-based fleet one degree west, it did result in Coast Guard patrolling of that line. Consequently, the opportunity for foreign vessels fishing well east of the agreed upon line is less. There are also improved attempts to provide more comprehensive observer coverage of the mother ship fishery. As you know, there is now only observer coverage on vessels that fish within our EEZ. Even with this minimal coverage, the U.S. suspects that with one observer and two delivery stations per boat, various methods are used for misrepresenting the catch. NMFS suspects that there was cheating on the sockeye catch.

The most promising and exciting activity has been in Congress. Senator Stevens filed a bill last year that would have imposed strict observer requirements on high seas driftnet vessels in waters outside the EEZ (Attached is a short article I wrote on this bill). The bill also provides a sea-bird protection zone around the Aleutian Islands, and a reward (bounty) to be paid for the retrieval of lost nets. The bill did not pass last session in Congress, but it has been reintroduced by Stevens and Young, and we are optimistic about its chances for passing.

Another opportunity for curtailing the driftnet catch lies with an administrative law judge in Seattle. In catching salmon within our waters, the Japanese necessarily take an incidental harvest of marine mammals. NOAA has to give a permit for this harvest of marine mammals. If it can be shown that the mammals harvested in the driftnets are not at their optimum population, the Judge may recommend that the NOAA administrator refuse to award the permit. The marine mammal species in question here are the fur seal, the sealion, and the hals porpoise.

After the Judge's decision, there will follow a period during which the public may either refute or support his recommendation. It is unclear if the Administrator can give a permit for one or two of the marine mammal species

if it can be shown that one of the species is below optimum population. Apparently we may expect a decision from the judge sometime in early March.

It should be remembered that this permit only applies to fishing within the EEZ. The Japanese are already committed to a three year phase out of fishing in the doughnut (international waters) of the Bering Sea. Apparently the Japanese have threatened to reverse this phase out if they do not get the permit to fish in domestic waters, but this threat does not seem very solid.

Fishermen Praise Stevens Driftnet Bill

A bill introduced in the U.S. Senate by Ted Stevens would make it possible to assess the damage done to our fisheries and other marine resources by foreign high seas driftnet vessels. In introducing Senate bill 2611, Stevens called these foreign driftnets, "A devastating curtain of death for all living marine resources."

Demming Cowles, lobbyist for United Fishermen of Alaska said of Stevens' Bill, "It is the first positive step taken in Congress since the debacle of the [INPFC] agreement with the Japanese. It is the first effort to rectify what [the U.S. State Department] was unwilling to do."

The foreign driftnet fisheries have recently attracted attention for the number of sea birds, marine mammals and 'non-target' fish they entrap. In addition, "The Japanese mothership and land based salmon fleets also harvest 8 million salmon of North American origin each year" Stevens said.

About 640 miles of these gillnets are lost each year, and left to drift around the ocean indiscriminately catching fish, birds and marine mammals. A report by Robert Eisenbud (Counsel for Oceans Policy to the Committee on Commerce, Science and Technology) states that "over 50,000 northern fur seals also become entangled and die each year in lost and discarded nets and debris," and that this mortality "suspected as the chief cause of the continuing decline of the fur seal population."

Senate Bill 2611 would require that U.S. observers be on all foreign fishing vessels in U.S. waters, and on Japanese salmon vessels fishing in accordance with the INPFC agreement. Foreign vessels which are considered unsafe for carrying an observer would be denied fishing permits. Observers would document the number of mammals, birds, and nontarget species taken by the driftnets.

For vessels fishing outside U.S. jurisdiction, the bill includes a provision to encourage cooperation with the observer program. "The bill states that no permits to fish within U.S. waters will be given to a vessel of any government that has not entered into such an agreement," says Mary Munson of the Committee on Commerce, Science and Technology. "It forces them to come up with monitoring even though they are outside 200 miles" Munson said. "If they won't cooperate in international waters, they can't fish in our waters."

The Bill also requires the Department of Commerce to report on the impact of the high seas driftnet fisheries, and to supply the Congress with recommendations for solutions. The bill includes a provision that a study will be made into the practicality of making biodegradable gillnets. If the nets were biodegradable, once lost they would eventually break apart.

Lost nets, referred to as 'ghost nets' continue to fish effectively and are considered to be an un-

controlled and severe hazard to marine mammals, fish and sea birds. "Examination of one such abandoned salmon driftnet revealed ninety nine dead seabirds and more than 200 salmon entangled in just a portion of the net" according to Eisenbud's report. Stevens' Bill requires that a bounty system be established to pay vessel operators who retrieve these ghost nets.

To reduce the tremendous number of seabirds that are caught by high seas driftnets, the Bill establishes a "Seabird Protection Zone." High seas driftnets, will be prohibited around

the Aleutian Islands from the shore out to a distance of sixty miles.

Fishermen's groups and environmental groups are praising Senate Bill 2611 as a major step towards assessing and reducing the damage caused by high seas driftnets. "The net bounty system and the sea bird protection zone will immediately reduce much of the damage these nets are doing. The observer program will provide the information to prove what horrible damage the nets are capable of. Stevens is to be congratulated heartily" Cowles said.

*From the Bering Sea Fisherman
August, 1986*

*S-2611 refiled as
S-62*

1 seabirds, and other living marine resources in the
2 Pacific Ocean (including the Bering Sea) off the coasts
3 of the United States;

4 (2) there is a pressing need for detailed and reli-
5 able information on the number of fish, marine mam-
6 mals, seabirds, and other living marine creatures that
7 become entangled and die in actively fished driftnets
8 and in netting that is lost, abandoned, or discarded;
9 and

10 (3) increased efforts are necessary to monitor,
11 assess, and reduce the adverse impacts of driftnets.

12 DEFINITIONS

13 SEC. 3. As used in this Act, unless the context other-
14 wise requires, the term—

15 (1) "driftnet" or "drift gillnet" means a gillnet
16 composed of a panel of plastic webbing one and one-
17 half miles or more in length that is placed in the water
18 and allowed to drift with winds and currents for the
19 purpose of entangling fish in the webbing in the course
20 of commercial fishing operations,

21 (2) "living marine resources of the United States"
22 includes—

23 (A) anadromous species, as defined in section
24 3(1) of the Magnuson Fishery Conservation and
25 Management Act (16 U.S.C. 1802(1)); and

1 (B) species of marine mammals, seabirds, and
2 marine turtles which breed within, or are other-
3 wise dependent upon, areas subject to the jurisdic-
4 tion of the United States, including its territorial
5 waters and its exclusive economic zone; and

6 (3) "Secretary" means the Secretary of Com-
7 merce, or the Secretary's designee.

8 MONITORING

9 SEC. 4. (a) Section 201(i) of the Magnuson Fishery
10 Conservation and Management Act (16 U.S.C. 1821(i)) is
11 amended—

12 (1) in paragraph (1)(A), by striking "(2)," and
13 inserting in lieu thereof "(2) and (3).";

14 (2) in paragraph (2)(A), by inserting immediately
15 after "vessels" the following: ", other than vessels
16 harvesting anadromous species under the International
17 Convention for the High Seas Fisheries of the North
18 Pacific Ocean, and the North Pacific Fisheries Act of
19 1954 (16 U.S.C. 1021 et seq.).";

20 (3) by inserting immediately after paragraph (2)
21 the following:

22 "(3) The requirement in paragraph (1) that a United
23 States observer be placed aboard each foreign fishing vessel
24 may be waived by the Secretary with respect to foreign fish-
25 ing vessels harvesting anadromous species under the Interna-
26 tional Convention for the High Seas Fisheries of the North

1 Pacific Ocean, and the North Pacific Fisheries Act of 1954
2 (16 U.S.C. 1021 et seq.) if the Secretary stations—

3 “(A) at least two research observers aboard each
4 fish processing vessel serving such harvesting vessels;
5 and

6 “(B) a sufficient number of research observers
7 aboard such harvesting vessels to ensure that an ade-
8 quate sample is obtained to estimate, with 95 percent
9 confidence, the number of fish, marine mammals, sea-
10 birds and other living marine resources harvested or
11 killed and discarded or lost by such vessels.

12 The costs of providing such research observers shall be
13 included in the surcharge imposed under section 201(i)(4).”;
14 and

15 (4) by redesignating paragraphs (3) through (6) as
16 paragraphs (4) through (7), respectively.

17 (b) Section 204(b)(6) of the Magnuson Fishery Conser-
18 vation and Management Act (16 U.S.C. 1824(b)(6)) is
19 amended by adding at the end thereof the following:

20 “(C) The Secretary shall not approve any
21 permit for a vessel aboard which the facilities for
22 quartering of any United States observer required
23 by section 201(i) or for carrying out the functions
24 of such observer are determined by the Secretary

1 to be so inadequate that the health, safety, or
2 welfare of such observer cannot be assured.”.

3 (c) The Secretary shall—

4 (1) immediately initiate, through the Secretary of
5 State, negotiations with each foreign government that
6 conducts, or authorizes its nationals to conduct, driftnet
7 fisheries that result in the taking of living marine
8 resources of the United States in waters off the coasts
9 of the United States, for the purpose of arranging for
10 reliable cooperative monitoring and assessment, with
11 95 percent confidence, of the numbers of fish, marine
12 mammals, seabirds, and other living marine creatures
13 killed and retrieved, discarded, or lost by the govern-
14 ment's driftnet fishing vessels in waters beyond the
15 jurisdiction of the United States;

16 (2) not issue any permit under section 204(b) of
17 the Magnuson Fishery Conservation and Management
18 Act (16 U.S.C. 1824(b)) for fishing, other than to re-
19 ceive at sea or transport United States harvested fish
20 from vessels of the United States, to any vessel of any
21 foreign government that fails, within one year after the
22 date of enactment of this Act, to enter into an arrange-
23 ment under paragraph (1) that is determined to be ade-
24 quate by the Secretary after consultation with the Sec-
25 retary of State, except that the Secretary may deny

1 any such permit to receive at sea or transport United
2 States harvested fish for any vessel of any foreign gov-
3 ernment that fails, within two years after the date of
4 enactment of this Act, to enter into such an arrange-
5 ment; and

6 (3) provide to the Congress by not later than one
7 year after the date of enactment of this Act a full
8 report on the results of the Secretary's efforts under
9 this section.

10 IMPACT REPORT

11 SEC. 5. The Secretary shall provide to the Congress,
12 within one year after the date of enactment of this Act, and
13 every twelve months thereafter, a report identifying the
14 nature, extent, and impact upon living marine resources of all
15 driftnet fisheries in waters off the coasts of the United States,
16 both within and beyond the exclusive economic zone of the
17 United States (as defined in section 3(6) of the Magnuson
18 Fishery Conservation and Management Act (16 U.S.C.
19 1802(6)). The report shall include the best available informa-
20 tion on the number and flag state of vessels involved, the
21 areas fished, the length, width, and mesh size of driftnets
22 used, the target species, and the number of fish, marine mam-
23 mals, seabirds, and other living marine creatures killed by
24 such fishery, as well as any other information the Secretary
25 considers appropriate. The Secretary, through the Secretary
26 of State shall request such information for inclusion in such

1 report from the relevant foreign governments and shall in-
2 clude in such report an evaluation of the adequacy and reli-
3 ability of the data and estimates received from such govern-
4 ments or other sources.

5 ENFORCEMENT AND FOREIGN FISHING PERMIT FEES

6 SEC. 6. Section 204(b)(10) of the Magnuson Fishery
7 Conservation and Management Act (16 U.S.C. 1824(b)(10))
8 is amended by adding at the end thereof the following:

9 “(G) The Secretary shall include in the de-
10 termination of the total costs of carrying out the
11 provisions of this Act the costs of an effective en-
12 forcement program for the exercise of exclusive
13 management authority and, in particular, to
14 ensure the conservation and management of all
15 anadromous species throughout their migratory
16 range, consistent with section 101 of this Act.
17 The Secretary shall consult at least annually with
18 the Secretary of the department in which the
19 Coast Guard is operating to determine the costs
20 of an optimally effective enforcement program so
21 that it can be reflected in and fully recovered
22 through the schedule of fees established pursuant
23 to subparagraph (A).”.

24 NET BOUNTY SYSTEM

25 SEC. 7. The Secretary shall promulgate regulations to
26 implement a net bounty system to pay persons who retrieve

1 from the marine waters of the United States and deposit with
2 the Secretary, or the Secretary's designee, lost, abandoned,
3 or discarded driftnet or other plastic fishing net material. The
4 Secretary shall make such payments for this purpose as the
5 Secretary determines to be appropriate from the Fishing
6 Vessel and Gear Damage Compensation Fund established
7 under section 10 of the Fishermen's Protective Act of 1967
8 (22 U.S.C. 1980) to the extent and in such amounts as are
9 provided in advance in appropriation Acts.

10 NET MARKING, REGISTRY, AND IDENTIFICATION SYSTEM

11 SEC. 8. (a) The Secretary shall, in consultation with
12 officials of other Federal agencies and such other persons as
13 may be appropriate, evaluate the feasibility of and develop
14 recommendations for: (1) the establishment of a driftnet
15 marking, registry, and identification system to provide a reli-
16 able mechanism for the determination of the origin by vessel,
17 if possible, of lost, discarded, or abandoned driftnets and frag-
18 ments of driftnets; (2) the establishment of a cooperative
19 driftnet fishing vessel tracking system making use of tran-
20 sponders aboard such vessels and satellites or other equip-
21 ment and techniques to facilitate cooperative efforts to moni-
22 tor the location of driftnet fishing vessels; and (3) the use of
23 biodegradable or other materials in a portion or all of the
24 driftnet that would accelerate the decomposition of driftnets
25 left to float at sea and thereby reduce the hazards such drift-
26 nets pose to living marine resources.

1 (b) The Secretary shall provide to the Congress, not
2 later than six months after the date of enactment of this Act,
3 a report setting forth—

4 (1) the evaluations and recommendations devel-
5 oped under subsection (a) of this section;

6 (2) the most effective and appropriate means of
7 implementing such recommendations;

8 (3) the need, if any, for further research and de-
9 velopment efforts and the estimated cost and time re-
10 quired for completion of such efforts; and

11 (4) the need, if any, for legislation to provide au-
12 thority to carry out such recommendations.

13 SEABIRD PROTECTION ZONE

14 SEC. 9. (a) There is established a seabird protection
15 zone surrounding the Aleutian Islands off Alaska within
16 which no driftnet fishing is permitted. The inner boundary of
17 the zone is a line coterminous with the low water line on the
18 shore of each of the Aleutian Islands and the outer boundary
19 of the zone is a line drawn in such a manner that each point
20 on the line is no less than sixty miles from the inner boundary
21 line, except to the extent that such outer boundary would
22 extend beyond waters or territory subject to the jurisdiction
23 of the United States.

24 (b) The Secretary, in cooperation with the Secretary of
25 the department in which the Coast Guard is operating, shall
26 enforce the prohibition against driftnet fishing in the seabird

1 protection zone established under subsection (a) of this sec-
2 tion. Any such driftnet fishing within the zone shall consti-
3 tute, be treated as, and be deemed to be a prohibited act
4 under section 307 (16 U.S.C. 1857) and subject to sections
5 307 through 311 of the Magnuson Fishery conservation and
6 Management Act (16 U.S.C. 1857-1861) relating to enforce-
7 ment and penalties for such prohibited acts.

8 (c) The Secretary, after consultation with the Secretar-
9 ies of State and the Interior, may modify by regulation the
10 inner and outer boundaries of the seabird protection zone es-
11 tablished under subsection (a) of this section if the Secretary
12 determines, after notice and an opportunity for comment, that
13 such modification will provide an equal or greater degree of
14 protection for seabirds. The Secretary shall not modify the
15 outer boundary of the seabird protection zone to extend
16 beyond waters or territories subject to the jurisdiction of the
17 United States.

18 CONSTRUCTION WITH OTHER LAWS

19 SEC. 10. Nothing in this Act shall serve to be construed
20 to expand or diminish the sovereign rights of the United
21 States, as stated by Proclamation Numbered 5030, dated
22 March 10, 1983, and reflected in existing law on the date of
23 enactment of this Act.

○

HJR

17

RECEIVED

FEB 18 1987

DISPOSITIONS OF PETITIONS FOR EXEMPTION

Doc#& No.	Petitioner	Regulations affected	Description of relief sought (registered in . . .)
23863	Florida Express	14 CFR 81.207	To amend Exemption No. 2902 to add 3 aircraft. The present exemption allows operation in the United States, under a service to small communities exemption, of specified two-engine airplanes, identified by registration and serial number, that have not been shown to comply with the applicable operating noise limits as follows: Until not later than January 1, 1988.
23418	Continental Airlines	14 CFR 81.207	To amend Exemption No. 26526 to add 7 aircraft. The present exemption allows operation in the United States, under a service to small communities exemption, of specified two-engine airplanes, identified by registration and serial number, that have not been shown to comply with the applicable operating noise limits as follows: Until not later than January 1, 1988. 75-DC-8 GRANTED 12/31/86
20548	Boeing Commercial Airline Company	14 CFR 25.130(c); 14 CFR 25.1300(b), 14 CFR 21.801, 14 CFR 37.170(a)	To amend exemption No. 20358 to remove the operating limitation that restricts operation of Model 747 airplanes configured as described to certain operators retaining only the limitation requiring crews to be trained in a specific configuration. PARTIAL GRANT, January 22, 1987.

[FR Doc. 87-3561 Filed 2-19-87; 8:45 am]
BILLING CODE 4910-12-M

Radio Technical Commission for Aeronautics (RTCA), Special Committee 161—Minimum Aviation System Performance Standard for Radio Determination Satellite System; Meeting

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463; 5 U.S.C. App. I), notice is hereby given of a meeting of RTCA Special Committee 161 on Minimum Aviation System Performance Standard for Radio Determination Satellite System to be held on March 5-6, 1987, in the TRCA Conference Room, One McPherson Square, 1425 K Street, NW., Suite 500, Washington, DC, commencing at 9:30 a.m.

The Agenda for this meeting is as follows: (1) Chairman's Introductory Remarks; (2) Approval of Minutes of the First Meeting Held December 9, 1986; (3) Report on Radio Technical Commission for marine Services SC-108 Activities; (4) Briefing on Geostar Submission to Federal Communications Commission; (5) Briefing and Discussion of Geostar Accuracy Analysis; (6) Briefing and Discussion of Geostar Communications Structure; (7) Briefing by Other Potential Providers of RDSS; (8) Discussion on Content of Minimum Aviation System Performance Standards; (9) Assignment of Tasks; and (10) Other Business.

Attendance is open to the interested public but limited to space available. With the approval of the Chairman, members of the public may present oral statements at the meeting. Persons wishing to present statements or obtain

information should contact the RTCA Secretariat, One McPherson Square, 1425 K Street, NW., Suite 500, Washington, DC 20005; (202) 682-0206. Any member of the public may present a written statement to the committee at any time.

Issued in Washington, DC, on February 13, 1987.

Wendie F. Chapman,
Designated Officer.

[FR Doc. 87-3562 Filed 2-19-87; 8:45 am]
BILLING CODE 4910-12-M

DEPARTMENT OF THE TREASURY

Customs Service

[T.D. 87-27]

Recordation of Trade Name; "Alaskan Seafood Company"

AGENCY: Customs Service, Treasury.
ACTION: Denial of Recordation.

SUMMARY: On November 20, 1986, a notice of application for the recordation under section 42 of the Act of July 5, 1940, as amended (15 U.S.C. 1124), of the trade name "ALASKAN SEAFOOD COMPANY" was published in the Federal Register (51 FR 42966).

The notice advised that before final action was taken on the application, consideration would be given to any relevant data, views, or arguments submitted in writing by any person in opposition to the recordation and received not later than January 20, 1987. Numerous responses were received in opposition to the notice.

Upon consideration of the views of the opposition, the Customs Service has

decided not to record the trade name "ALASKAN SEAFOOD COMPANY" for the following reasons:

(1) There is a likelihood of confusion on the part of U.S. purchasers of seafood if the words "Alaska or Alaskan" were included as part of a recorded trade name for fresh-frozen seafood produced in Mexico, other countries and other States.

(2) The recordation of the trade name "ALASKAN SEAFOOD COMPANY" by an Arizona company would mislead the public to believe that the products of the company are of Alaskan origin or affiliation, and would thus unfairly compete with genuine Alaskan products or companies.

(3) The recordation by the Customs Service of the trade name "ALASKAN SEAFOOD COMPANY" may have the result of depriving other firms located in Alaska of the right to import merchandise bearing designations accurately identifying their Alaska origin or affiliation.

For the foregoing reasons the Customs Service has determined that the recordation of the subject trade name by the applicant is contrary to the public interest, and accordingly, the application is denied.

DATE: February 20, 1987.

FOR FURTHER INFORMATION CONTACT:
Beatrice E. Moore, Entry, Licensing and Restricted Merchandise Branch, 1301 Constitution Avenue, NW., Washington, DC 20220 (202-566-5765).

Dated: February 13, 1987.

Steven Finler,
Chief, Entry, Licensing and Restricted Merchandise Branch.

[FR Doc. 87-3634 Filed 2-19-87; 8:45 am]
BILLING CODE 4910-02-M



CITY OF KENAI
"Oil Capital of Alaska"

210 FIDALGO KENAI, ALASKA 99611
TELEPHONE 283-7535

TO WHOM IT MAY CONCERN:

Enclosed for your information please find a copy of the City of Kenai's Resolution 87-7 which was passed at its regularly scheduled City Council Meeting of February 4, 1987. This resolution was written in cooperation with the City of Kodiak and the Kodiak Island borough opposing recordation of the trade name "Alaskan Seafood Company" for a Chandler, Arizona corporation.

If you have any questions or require any further information, please do not hesitate to contact this office.

Sincerely,

CITY OF KENAI

Wm. J. Brighton
City Manager

WJB/clf
Enclosure

CITY OF HOMER
HOMER, ALASKA

RESOLUTION 87-7

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF HOMER OPPOSING
RECORDATION OF TRADE NAME "ALASKAN SEAFOOD COMPANY".

WHEREAS, the seafood resources and the developing seafood industry of the State of Alaska are vital to the State's over all economy, especially in view of declining oil revenues; and

WHEREAS, since 1980 the State of Alaska has expended significant financial resources through the Alaska Seafood Marketing Institute to successfully promote Alaskan seafood products in U.S. and international markets; and

WHEREAS, consumers are entitled to expect products labeled in any form suggesting "Alaskan Seafood" to be, in fact, seafood of Alaskan origin; and

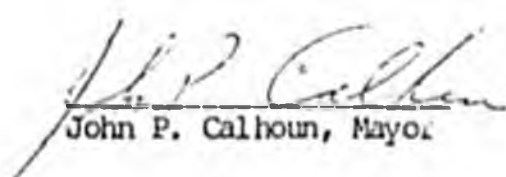
WHEREAS, appearing in Volume 51, No. 228 of the Federal Register, dated Wednesday, November 26, 1986, is the announcement of an applicant for recordation of Trade Name "Alaskan Seafood Company" of Chandler, Arizona, which applicant proposes to use said trade name in connection with fresh-frozen seafood manufactured in Mexico and the U.S.,

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Homer, Alaska, joins the Kodiak Island Borough Assembly and the Kodiak City Council in opposition to the recordation of the trade name "Alaskan Seafood Company" to the Arizona Corporation in connection with Mexican manufactured seafood products.

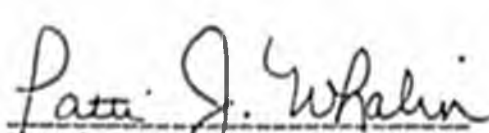
BE IT FURTHER RESOLVED that the Homer City Council strongly urges the Commissioner of Customs, and the Entry, Licensing, and Restricted Merchandise Branch to reject the application of any corporation proposing use of a trade name suggesting Alaskan Seafood products, unless such products are, in fact, of Alaskan origin and U.S. manufacture.

DATED this 26th day of January, 1987.

CITY OF HOMER


John P. Calhoun, Mayor

ATTEST:

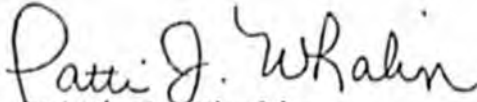

Patti J. Whelan, City Clerk

William Von Raab, Commissioner
February 2, 1987
Page 2

Development, and the Alaska Seafood Marketing Institute be informed of such applications before action is taken to consider them for approval.

Sincerely,

City of Homer


Patti J. Whalin
City Clerk

PW/

Enclosure - Resolution 87-7

cc: The Honorable Steve Cowper, Governor, State of Alaska
The Honorable Frank H. Murkowski, U. S. Senator
The Honorable Ted Stevens, U. S. Senator
The Honorable Donald E. Young, U. S. House of Representatives
The Honorable C. E. Swackhammer, Alaska House of Rep.
The Honorable Mike Navarre, Alaska House of Rep.
The Honorable Paul A. Fischer, Alaska State Senate
Tony Smith, Commissioner, Alaska Dept. of Commerce
Ms. Merry Tuten, Exec. Dir., AK Seafood Marketing



CITY OF HOMER

CITY HALL

491 EAST PIONEER AVENUE

HOMER, AK., 99603-7624

(907)235-8121

February 2, 1987

Mr. William Von Raab, Commissioner
United States Customs Service
1021 Constitution Avenue, N.W.
Washington, DC 20229

Dear Commissioner Von Raab:

The Homer City Council, as indicated by the attached resolution passed at their regular meeting of January 26, 1987, joins the City of Kodiak and other Alaskan communities in opposition to the announcement of an application notice carried in the Federal Register for November 26, 1986 (Vol. 51 #228), to record the trade name "Alaskan Seafood Company" of Chandler, Arizona who propose to use the trade name in connection with fresh-frozen seafood manufactured in Mexico and the United States. Use of the word "Alaska" or "Alaskan" in a trade name either now or in the future for any seafood product produced which is not caught, processed or produced in any manner in Alaska or Alaskan waters is unfair both to the consumer, and the Alaskan fishing and fish-processing industry which the State of Alaska has invested so much to promote.

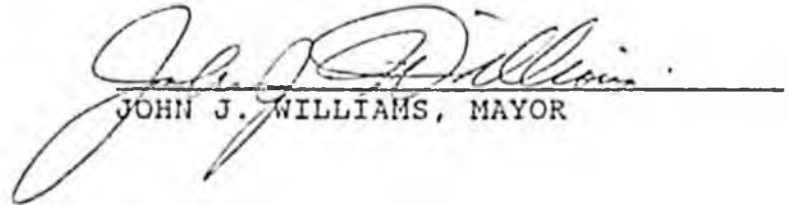
The Council of Homer strongly urges that any future applications for seafood products which contain the words "Alaska" or "Alaskan" be investigated and verified for origin of the product and that the State of Alaska, Department of Commerce and Economic

*PAK -
Let's consider a
resolution on this...
MMJ*

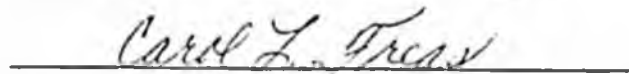
NOW THEREFORE, BE IT RESOLVED THAT THE COUNCIL OF THE CITY OF KENAI, ALASKA, joins with the City of Kodiak and the Kodiak Island Borough in opposition to the recordation of the trade name "Alaskan Seafood Company" to the Chandler, Arizona corporation in connection with Mexican manufactured seafood products.

BE IT FURTHER RESOLVED BY DIRECTION OF THE KENAI CITY COUNCIL, that copies of this resolution be sent to the Honorable Steve Cowper, Governor; the Honorable Frank H. Murkowski, U.S. Senator; the Honorable Ted Stevens, U.S. Senator; the Honorable Donald E. Young, U.S. House of Representatives; the Honorable Paul Fischer, Senator, State of Alaska; the Honorable Mike Navarre, Representative, State of Alaska; the Honorable C.E. Swackhammer, Representative, State of Alaska; Tony Smith, Commissioner, Alaska Department of Commerce; Ms. Mary Tuten, Executive Director, Alaska Seafood Marketing Institute; Kodiak Borough Assembly; and, City of Kodiak City Council.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, the fourth day of February, 1987.


JOHN J. WILLIAMS, MAYOR

ATTEST:


Carol L. Freas, Acting City Clerk

(1/30/87)

Suggested By: City Council

CITY OF KENAI

RESOLUTION 87-7

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, IN COOPERATION WITH THE CITY OF KODIAK, ALASKA AND THE KODIAK ISLAND BOROUGH OF THE STATE OF ALASKA OPPOSING RECORDATION OF THE TRADE NAME "ALASKAN SEAFOOD COMPANY" FOR A CHANDLER, ARIZONA CORPORATION.

WHEREAS, the seafood resources and the developing seafood industry of the State of Alaska are vital to the State's overall economy; and,

WHEREAS, since 1980, the State of Alaska has expended significant financial resources through the Alaska Seafood Marketing Institute to successfully promote Alaskan seafood products in the U.S. and international markets; and,

WHEREAS, consumers are entitled to expect products labeled in any form suggesting Alaska seafood to be, in fact, seafood of Alaskan origin; and,

WHEREAS, appearing in Volume 51, No. 228 of the Federal Register, dated Wednesday, November 26, 1986, is the announcement of an applicant for recordation of trade name, "Alaskan Seafood Company" of Chandler, Arizona which applicant proposes to use said trade name in connection with fresh frozen seafood manufactured in Mexico and the U.S.; and,

WHEREAS, a product bearing a trade name "Alaska" or "Alaskan," which is faulty or substandard, which in fact, did not originate in Alaska, would cause undue economic harm to the fishing industry in the State of Alaska; and,

WHEREAS, the Alaskan seafood image is one of clean, cold water, clean air, shining mountains, and untouched wilderness, all of which imply superior products from the northern seas; and,

WHEREAS, a corporation not even remotely close to Alaska is trying to cash in on superior products from the State of Alaska;



City and Borough of Sitka

304 LAKE STREET. SITKA, ALASKA. 99835

January 27, 1987

Mr. William Von Raab, Commissioner
United States Customs Service
1021 Constitution Avenue, N.W.
Washington, D. C. 20229

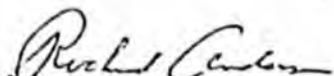
Dear Commissioner:

Enclosed is a copy of City and Borough of Sitka's Resolution No. 87-332 which urges you to reject the application of any corporation which proposes the use of a trade name which implies that their seafood products are of Alaskan origin unless, in fact, they are.

We also call your attention to the letter written to you by Mr. Samuel C. Gesko, Jr. addressing this subject. I have enclosed a copy for your easy reference. Mr. Gesko's letter does a good job of expressing our concern. We also believe that his request to have applications verified to insure that their products are of Alaskan origin is a reasonable and fair request.

We appreciate the attention that you will give to this matter.

Sincerely yours,


Richard Anderson
Administrator

cc: Governor Steve Cowper, State of Alaska
Frank H. Murkowski, U.S. Senator
Ted Stevens, U. S. Senator
Don Young, U.S. House of Representatives
Senator Dick Eliason, Alaska Legislature
Rep. Ben Grussendorf, Alaska Legislature
Senator Fred Zharoff, Alaska Legislature
Rep. Clifford Davidson, Alaska Legislature
Tony Smith, Commissioner, Alaska Dept. of
Commerce
Ms. Merry Tuten, Exec. Dir., Alaska Seafood
Marketing Institute
Commissioner of Patents & Trademarks
Patent and Trademark Office
Department of Commerce
Washington, D. C. 20231

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 87-332

A RESOLUTION OF THE ASSEMBLY OF THE
CITY AND BOROUGH OF SITKA
OPPOSING RECORDATION OF TRADE NAME
"ALASKAN SEAFOOD COMPANY"

WHEREAS, the seafood resources and the developing seafood industry of the State of Alaska are vital to the State's overall economy, especially in view of declining oil revenues; and

WHEREAS, since 1980 the State of Alaska has expended significant financial resources through the Alaska Seafood Marketing Institute to successfully promote Alaskan seafood products in United States and international markets; and

WHEREAS, consumers are entitled to expect products labeled in any form suggesting "Alaskan Seafood" to be, in fact, seafood of Alaskan origin; and

WHEREAS, appearing in Volume 51, No. 228 of the Federal Register, dated Wednesday, November 26, 1986, is the announcement of an applicant for recordation of Trade Name "Alaskan Seafood Company" of Chandler, Arizona, which applicant proposes to use said trade name in connection with fresh-frozen seafood manufactured in Mexico and the United States,

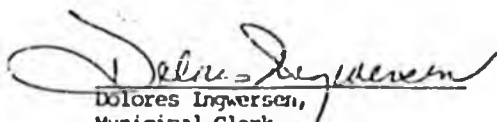
NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska joins the City of Kodiak and the Kodiak Island Borough in opposition to the recordation of the trade name "Alaskan Seafood Company" to the Arizona Corporation in connection with Mexican manufactured seafood products.

BE IT FURTHER RESOLVED that the Assembly of the City and Borough of Sitka strongly urges the Commissioner of Customs, and the Entry, Licensing, and Restricted Merchandise Branch to reject the application of any corporation proposing use of a trade name suggesting Alaskan seafood products, unless such products are, in fact, of Alaska origin and United States manufacture.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 26th day of JANUARY, 1987.


Dan Keck, Mayor

ATTEST:


Dolores Ingwersen,
Municipal Clerk



January 12, 1987

Mr. William Von Raab, Commissioner
United States Customs Service
1021 Constitution Avenue, N.W.
Washington, DC 20229

Dear Commissioner Von Raab:

The Federal Register for November 26, 1986 (Vol. 51 #228) carried an announcement of an application to record the trade name "Alaskan Seafood Company" of Chandler, Arizona. The application proposes to use that trade name in connection with fresh-frozen seafood manufactured in Mexico and the United States.

As indicated by the attached resolution, the City of Kodiak, Alaska strongly objects to the allowance of that trade name for a product which will not originate or be manufactured in Alaska. Further, we object to the recording of any trade name now, or in the future, which would include the word "Alaska" or "Alaskan" for any seafood product which does not originate in Alaska.

Fish consumption is on the increase in the U.S.A., and rightfully so, since fish has been proven to be nutritious, healthful, safe--and actually deters or retards the formation of cholesterol. But such an increase in consumption is not accidental or coincidental. Much of it has resulted from recent scientific research, but much also has resulted from extensive financial expenditures by the State of Alaska promoting Alaskan seafood products in the U.S.A. Alaskan seafood resources and the developing seafood industry of the State of Alaska are vital to the State's overall economy.

Several years ago there was a recall of canned Alaskan seafood, and the repercussions of that recall were--and still are--felt significantly. Those who buy a product suggesting "Alaskan seafood" are entitled to a product of Alaskan origin. Should a product be recalled bearing a trade name "Alaska" or "Alaskan" which, in fact, did not originate in Alaska, the impact of that recall would nevertheless be felt strongly in the Alaskan fishing and fish-processing industry. Hence, we cannot allow any company

Commissioner William Von Raab
January 12, 1987
Page 2

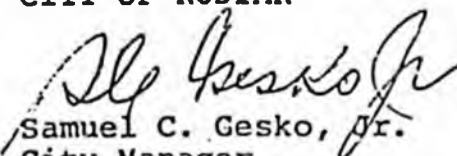
dealing in products which do not originate in Alaska, to trade on the "Alaskan" image. The Alaskan image is one of clean, cold water, clean air, shining mountains and untouched wilderness--all of which imply products which are uncontaminated by high populations and/or commercial and industrial activity.

We urge that the application of the Chandler, Arizona firm for the trade name "Alaskan Seafood Company" be denied. We urge further that any future, similar attempt by any company to exploit the words "Alaska" or "Alaskan" be disallowed, when the product produced is not caught, processed or produced in any manner in Alaska or Alaskan waters.

We respectfully request, if possible, that any future applications for seafood products which contain the words "Alaska" or "Alaskan" be investigated and verified for origin of the product, or that the State of Alaska, Department of Commerce and Economic Development, and the Alaska Seafood Marketing Institute be informed of such applications before action is taken to consider them for approval.

Respectfully,

CITY OF KODIAK


Samuel C. Gesko, Jr.
City Manager

BY DIRECTION

SCG/keh

cc: The Honorable Steve Cowper, Governor, State of Alaska
The Honorable Frank H. Murkowski, U. S. Senator
The Honorable Ted Stevens, U. S. Senator
The Honorable Donald E. Young, U. S. House of Rep.
The Honorable Fred Zharoff, Senator, State of Alaska
The Honorable Clifford Davidson, Alaska House of Rep.
Tony Smith, Commissioner, Alaska Dept. of Commerce
Kodiak Area Native Association, OEDP Committee
Ms. Merry Tuten, Exec. Dir., Alaska Seafood Marketing Inst.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version : CSHJR 17 (L&C)
Publish Date : _____

REQUEST: _____

Revision Date: _____
Title: Trade names/Alaska seafood products
Sponsor: Navarre et al
Requestor: _____

Agency Affected: _____
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

REVENUE	0	0	0	0	0	0
----------------	---	---	---	---	---	---


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: House Labor & Commerce Phone: 465-3892
Division: _____ Date: 3/5/87

Approved by Commissioner: _____ Date: _____
Agency: _____

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

HJR

18

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSHJR 18(Jud)
PUBLISH DATE: HOUSE 1/20/88

FISCAL NOTE

REQUEST:

Revision Date: 1/15/88
Title: Constitutional Amendment
Resident Preference/Equal Protection
Sponsor: Donley
Requestor: House Judiciary

Agency Affected: Office of the Governor
BRU: Elections
Components: II

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0	2.2	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	2.2 *	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	2.2	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	2.2	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

* Costs included cover 2 to 3 additional pages in each Official Election Pamphlet, for printing and typesetting, and costs estimated to cover computer programming requirements for vote (continued pg. 2)

Prepared by: Linda Edgeworth
Division: Elections

Phone: 465-4611
Date: 1/15/88

Approved by Commissioner: [Signature]
Agency: Office of the Governor

Date: 1/15/88

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HJR #18

counting purposes. However, these costs are based on the assumption that all candidates and issues will fit on three ballot cards, which is the norm. It should be noted, however that should the inclusion of this issue require a 4th ballot to be printed, the cost increase would have to be calculated at 16 cents per ballot x approximately 320,000 voters. The total cost of printing the additional ballot card would be \$51.2.

Under these circumstances the fiscal note would be:

53.4

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

P.O. BOX Y, JUNEAU 99811

(907) 465-3892

Chairman-Representative Dave Donley



April 14, 1988

M E M O R A N D U M

To: Senator Tim Kelly, Chair
Senate Labor and Commerce Committee

From: Representative Dave Donley *JD*

Re: Request for hearing - HJR 18

HJR 18 is currently before the Senate Labor and Commerce Committee. I am writing to request a hearing on the measure at your earliest convenience.

HJR 18 would place a ballot question before the voters to amend Alaska's constitution to authorize the state to grant preferences to its own citizens, consistent with the U.S. Constitution.

HJR 18 was introduced in response to Justice Burkes' comments in the Francis case that Alaska's constitution contains a much stronger prohibition against local hire laws than what is required by the equal protection and privileges and immunity provisions in the U.S. Constitution. Burke went on to say that future local hire laws and other resident preferences would have a hard time meeting constitutional muster under Alaska's constitution, even if they did satisfy the federal constitution.

HJR 18 seeks to give the voters an opportunity to correct this problem and to pave the way for reasonable resident preference laws, including an Alaska business bidders' preference.

HJR 18 has a further referral to Senate Judiciary Committee. The measure currently has a small fiscal note to cover costs associated with printing ballots, if needed. I believe the fiscal note is unnecessary as the costs can easily be covered within the existing budget, and I ask that the Senate Labor and Commerce Committee replace it with a zero fiscal note.

Please contact me or Ginger Baim at 4954 if you have any questions or need additional information.