

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990  
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## Farms offer 'surplus' chinook

Surplus chinook smolts offered to the fisheries department by the B.C. Salmon Farmers Association should be destroyed, says the UFAWU, rather than released in a makeshift enhancement scheme.

At least eight farms offered the smolts for sale earlier this month, suggesting that some kind of technological breakthrough led to survival rates above their forecast.

In fact, the proposal to sell the "surplus" chinook to the Salmonid Enhancement Program is a bid for a bail-out by an industry facing collapsing prices, said the UFAWU. May 10, prices for farmed salmon have tumbled a dollar a pound in the past few months," said union spokesman Geoff Meggs. "They simply can't afford to feed these fish and are hoping the taxpayer will bail them out."

Fisheries department spokesman Ted Perry said at least six

million fish were available in farms and hatcheries from Duncan to Powell River. He said DFO would not buy any fish, nor accept donations of fish that were not genetically pure Big Qualicum or Robertson Creek stock.

The fish would be released by DFO into the wild.

At press time, the farmers were insisting on selling the fish, which will starve unless fed by mid-June.

"Release of these fish poses a disease threat to wild stocks and would open the door to private ocean ranching," Meggs said. "Fish farmers have resisted every effort to win appropriate govern-

ment regulations, but they're not shy about asking for government money when times get tight."

"Uncontrolled growth of the industry has seen farm fish harvests rise to 6,000 tonnes last year from 387 tonnes in 1986. Prices have crashed from an average annual farm gate value of \$3.17 to \$2.27, according to B.C. provincial statistics.

"Spending on salmonid enhancement has been frozen," Meggs said, "but apparently money may be found for this boondoggle. It's a slap in the face to SEP volunteers who have donated thousands of hours and faced steady funding cuts to even to consider this kind of a scheme."

## Consumer group urges farm salmon controls

Both levels of government should step up their regulation of the fish farming industry, says the Consumers' Association of Canada (CAC), to protect the consumer and wild salmon stocks.

In a comprehensive task force report on the industry released April 17, the CAC declares that "a self-regulated industry is not in the consumer's best interest."

Farmed fish is being sold "without specific regulations since pre-existing legislation is being used to govern a new industry," the report says.

In particular, the task force recommends:

- stepped-up provincial government monitoring and regulation of the aquaculture industry;
- public sector testing of fish for market to determine levels of residues;
- monitoring of environmental impacts and prosecution of regulatory violations; and
- consumer labelling to distinguish farmed and wild fish and to report harvest dates.

The report also urges the B.C. Salmon Farmers Association to rejoin the Canadian General Standards Board committees on feed and feed additives to seek ways to reduce residues and contaminants.

The task force expressed concern about colorants, drugs and other medication used in aquaculture "which may remain in the product at the point of consumption."

Antibiotics are a very real problem, the report says, because "long-term consumption of sub-clinical dosages of antibiotics by humans (for example, by consuming antibiotic-containing fish) can lead to the development of resistant strains of bacteria in the body system."

Treatment of infection in humans can be undermined by such doses, the report notes and "there is a potential for allergic reactions by individuals sensitive to antibiotic traces."

(The farm industry has established a Quality Assurance program with spot-checking which it says will control this problem. Fish must be held 42 days after drug treatment before going to market. The provincial government is recommending at least double that time.)

The task force recommends much tighter controls and monitoring of antibiotic use, including certification of farmed staff handling drugs.

The CAC proposes an industry commitment to "produce, catch and process fish without negative impact to the environment."

All types of fish, farmed and wild, should be checked for chemical residues, PCBs and pesticides.

Consumers should insist on protection of wild stocks, the CAC concludes. "A fish farm industry at the expense of the wild stock would, in fact, reduce the choices of fish for the consumer."

# Algae, disease, low prices hammer B.C. salmon farmers

British Columbia's fish farming industry, wracked by collapsing prices, disease, algae blooms and bankruptcies, is facing a major corporate shakedown.

Despite continued assurances by industry leaders that all is well, signs of trouble include:

★ a rash of receiverships affecting about 12 farms and three companies;

★ devastating algae blooms throughout the Strait of Georgia which have wiped out some farms and crippled others;

★ industry agreement that the Sunshine Coast, the scene of a salmon farming goldrush only three years ago, may see an exodus of operations to colder, algae-free waters; and

★ continued low prices which are driving down wild salmon prices and forcing more producers to the wall.

The most visible problem has been the algae blooms, which sweep in on hot, calm days and suffocate salmon in their pens within hours. Persistent low levels of algae are believed to contribute to stress and disease.

Losses to various diseases continues to be high on many B.C. farms, according to industry publications.

According to the *Sechelt Press*, a plankton bloom during the Labor Day weekend wiped out five farms, severely damaged five others and destroyed 300 tons of salmon worth about \$2 million. The regional dump, which was to be closed to farm waste Oct. 20, was opened especially to handle the emergency.

Farms in Agamemnon Channel took the brunt of the assault, but the entire

region was affected. Local fishermen heard radio chatter from farmers seeking some place to dispose of the sudden large volumes of dead fish.

Professor Larry Albright of Simon Fraser University told a public meeting on the impact of fish farms later that month that the entire Strait of Georgia is so infested with the algae that farms will be removed from the area completely.

Meanwhile, prices continue to drop, heading below \$1 a pound according to some market reports. The break-even point is estimated to be around \$2.25 to \$2.50 a pound level.

The crunch of falling prices, provoked in part by aggressive marketing by Norwegian producers, is hitting farms hard in many areas.

Coopers and Lybrand, receiver for three firms put into receivership by secured creditors, reports continued financial problems for farms in the Campbell River area.

Eric van Soeren, receiver for North American Salmon Corp., operator of six sites around Quadra Island, and Sea

Grow, with operations at Nelson Island, said Sept. 19 that new buyers had not been found.

But both firms were thrown into receivership by Norwegian banks seeking to slow their losses on loans to B.C. producers. Now van Soeren is seeking a buyer for Atwood Bay farm near Desolation Sound and expects a busy fall with other troubled firms. He would not disclose who is buying the farm.

As a result of the chaos, the normally boosterish industry is shying away from an optimistic DFO analysis of the industry which predicts production could hit 80,000 to 100,000 metric tons by the year 2000.

Product of 50,000 tons is very realistic, the Price Waterhouse report claims. But industry spokesmen believe that disease and other problems will keep them in the low-growth range of about 20,000 tons until the turn of the century.

*(Ed: The above article was reprinted with permission from The Fisherman, Geoff Meggs, Editor)*

## Fish farmer sues foreigners

A Washington state fish farmer and his corporation have sued in U.S. District Court alleging that foreign national interests have attempted to monopolize the commercial fish farming industry in his state. Lee A. Holley III of Lopez Island in northern Puget Sound alleges in his suit that foreign business interests, primarily

Norwegian, operated through American national fronts to destroy competition in the industry, remove local control and violate antitrust laws.

Holley, owner of Northern Nights Fish Farms Inc., is suing several Norwegian corporations that have either sole or partial ownership of farms in Puget Sound. Also named in the suit are state officials and other individuals who allegedly contributed to illegal activity. Holley charges that large financial contributions were made to state political campaigns by the foreign interests, which, he says, also assisted in defeating a moratorium proposed against new businesses in San Juan County, where Holley lives.

Comments from the Norwegian companies and state officials were being withheld pending litigation, according to several reached by telephone.

— Brad Matsen

*The Fisherman January 25, 1989*

## Fish farm drug hits wild stock

Fishermen harvesting shellfish off Scotland say a chemical used by salmon farmers is killing marine life.

Scientists at Aberdeen University have linked the chemical with increasing numbers of wild salmon going blind.

The controversy has erupted over Nuvan 500, which farmers use to control pests. Its byproduct, dichlorvos, is listed by the 1987 North Sea Conference as one of 26 most dangerous chemicals in waterways.

The debate highlights the severe problems salmon farming disease treatment can pose for

the marine environment and other marine life.

According to the *London Observer*, in a report on its wire service Jan. 11, scientists at Norway's Institute of Marine Research in Bergen have found the chemical could be damaging sensitive lobster and crab larvae around the farms. Mussels and oysters also absorb the chemical.

Nuvan is strictly controlled on land, but salmon farmers have easy access because they are not subject to the same regulations.

Fishermen and environmentalists are demanding a ban on Nuvan, but farmers say they will

be decimated by sea lice if Nuvan is taken from their arsenal. They favour voluntary controls.

Nuvan is not registered for use in Canada, meaning it is unavailable. Valery Brooks, of the B.C. Salmon Farmers Association, said sea lice are not a problem in this province, but a special session on lice is scheduled for an aquaculture conference in Dartmouth next month.

Scientists there have concluded that sea lice threaten the viability of salmon farming in Atlantic waters and 90 percent of farms must use treatments to control the parasite.

# A new problem for fish farmers

## Foes of Puget Sound pens make an issue out of virus new to Northwest

By Jane Hadley  
P-I Reporter

An exotic virus that caused fisheries officials to order almost 4 million fish and eggs destroyed at two hatcheries last week has given new ammunition to foe of fish-raising pens in Puget Sound.

Opponents of the net pens said yesterday they plan to make an issue of the virus at hearings tomorrow and Thursday on a state Department of Fisheries environmental impact statement on net pen fish farming.

But proponents of expanded fish farming on Puget Sound say it would be irresponsible to speculate on the source of the virus. They said there is no evidence pointing to Atlantic salmon or net pens as the cause, as some opponents charge.

But, Jerry C. Grover, of the U.S. Fish and

Wildlife Service said logic pointed to the Atlantic salmon.

There are 13 existing net pen operations in the state, most of which grow the Atlantic salmon. Close to 20 other net pens have been proposed.

The virus, known as viral hemorrhagic septicemia or "VHS," was found in cell cultures in two hatcheries in December and positively identified Feb. 17. It has never before been reported in North America. It has caused substantial fish losses in Denmark and other European countries.

No fish reportedly have died of the disease in Northwest waters to date.

The virus was found in cell cultures at the Fish and Wildlife Service's Makah Hatchery near Neah Bay and a joint state-private hatchery at Glenwood Springs on Orcas Island.

"From the conversations I've heard, everyone's

looking at the net pen aquaculture industry in Puget Sound and Canada," said Grover, fisheries associate manager for the U.S. Fish and Wildlife Service regional office in Portland.

Grover said it's important "not to be finger-pointing because we don't know" and labeled such a guess as "speculation."

He added, "It doesn't take too much gray matter to put two and two together. You have to ask how the thing leap-frogs from Europe to Puget Sound. The common denominator would be Atlantic salmon. That's what the scientists are talking about."

The state Department of Fisheries, several scientists and an industry spokesman immediately jumped on Grover's comments.

"I'm certain this issue will be thrown at the

See FISH, Page B4

*Seattle Post-Intelligencer*

*February 25 1989*

## Fish: Virus origin to be probed

From Page B1

industry, when, in fact, I think it's groundless," said Anne Kirske, executive director of the Washington State Fish Growers Association.

But environmentalists were just as indignant yesterday and accused the state Fisheries Department of being a "booster" of net pen farming.

"This is really a terribly threatening thing," said L. Joe Miller, president of the Marine Environmental Consortium, a coalition of numerous local groups fighting proposed net pen operations around Puget Sound.

"It's the kind of thing environmental groups we work with have been anticipating and dreading and, now, here it is," he said. "The state and industry have said, no, this is not a realistic concern. They've said we're only worried about our views. Now they say this (virus) has come in on somebody's boot, which is really an

insulting suggestion."

Grover discounted the "boot" theory and some other suggested sources. He said it's "kind of far-fetched, even impossible" to believe that somebody who traveled in Europe brought the virus in on his or her boot. The virus can survive only a short time outside living tissue, he said.

Grover said his agency, the state Fisheries Department, the Wildlife Department, and Indian tribes are launching a massive testing program to try to track down where the virus might have spread. The U.S. Fish and Wildlife Agency, for example, will test the 35 miles of the Soles River and its tributaries that are upstream of the Makah Hatchery.

The current theory, he said, is that Soles River fish shed the virus and it got into the hatchery through its water intake.

The Fisheries Department will test saltwater around Glenwood Springs as well as some net pen operations. He said test results

should be available in late March.

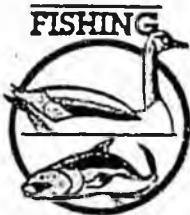
Grover and Dr. Marsha Landholt, a fish pathologist at the University of Washington, said the rainbow trout is the most susceptible species of fish to get the disease from the virus. Coho salmon can carry the virus and pass it on without getting sick. But fisheries experts are worried about steelhead, because they are a type of rainbow trout.

Several weeks ago, Washington state rainbow trout were injected with the VHS virus in a federal laboratory and suffered "a high incidence of mortality," said Perck of the Fisheries Department. Landholt said VHS may seem "like a scourge to us because it's a new disease. But if you talk to people in Denmark and Europe that have VHS, they don't seem to worry to the degree we are. They seem to manage around it."

Landholt said they disinfect and destroy all fish in all infected hatcheries as well as those downstream.

# Puget Sound anglers hooking Atlantic salmon

by Brad O'Connor  
Times staff reporter



**WILDLIFE  
NOTEBOOK**

Steve Loop caused quite a stir in June when he showed up at Seacrest Boathouse in West Seattle with a 5½-pound Atlantic salmon he'd caught while fishing for blackmouth near the Southworth Ferry landing.

Atlantics are not supposed to be swimming around Puget Sound and it was only the second Dave Nelson, Seacrest manager, had seen in his 17

years at the boathouse.

Atlantics — 1 million or more of them — are in the Sound, but all are supposed to be confined to net pens where they are reared by private growers for markets mostly in the south, the East Coast and California.

Loops' Atlantic was an escapee.

Since June, Nelson has weighed about a dozen others, all caught on hook and line, which is remarkable. While Atlantics provide some of the world's greatest freshwater sports fishing, they rarely are caught on sports gear in salt water.

"Ponder this," said Nelson, "if we've seen a dozen here, there must be many, many more swimming around out there."

He's correct. There are more.

Will Sandoval, biologist for the Muckleshoot Tribe, said his tribal fishermen have told of netting several Atlantics during summer and fall salmon seasons.

"Some told of catching three or four a day," he said.

Three that Sandoval checked during a state and tribal test fishery for sockeye in July were approaching sexual maturity.

"What concerns me is that they may have been looking for somewhere to spawn. Even if they can't spawn successfully, there's a risk they could be carrying some exotic disease."

Decades ago, attempts were made to establish spawning runs of Atlantics in Washington and British Columbia. All failed and the belief among some fisheries scientists is that further attempts to establish Atlantic runs on the West Coast also would fail.

In fact, most fisheries managers nowadays shudder at the thought of Atlantics spawning in any West Coast stream — not only because of the risk of disease, but because of increased competition for food and space with native trout and salmon.

Reports of Atlantic catches are funneled to Lee Hoines, a Department of Fisheries biologist at Olympia. Of the 203 reported to him last year, most were caught by commercial fishermen in the Bellingham area and around the San Juans.

However, two were caught in fresh water, including one last October near Everett.

on the Nooksack River and another in July in Cedar Creek, a tributary of the Nisqually.

What if they did spawn successfully?

"My assumption is that they can't. I can't say that absolutely is the case, but I hope they don't," said Tim Funt, another WDF biologist.

# De Yonge was right on fish-farm perils

By Arthur H. Whiteley, John W. Brookbank and Annamarie K. Johnstone

In his article (P-I Op-Ed, March 29), State Land Commissioner Brian Boyle took severe exception to John de Yonge's March 5 Focus Section article on fish farms.

We believe that de Yonge's pithy comments were right on target.

Boyle argues against relating fish-farm pollutants to untreated human sewage. In terms of organic sludge whose combination, combined with oxygen from the water, and loading of the water with various nitrogen compounds and phosphate which act as fertilizers, the two pollutants are essentially alike.

The question of dilution of these discharges is relevant.

Metro's West Point Wastewater Treatment Plant dumps its soluble discharge into the main channel of Puget Sound at considerable depth, permitting dispersion. Fish-pen wastes are deposited on the site as feed pellets and feces, which settle as sediment and dissolved components that enter the water column. The sites are channels or embayments with restricted water flow, not rivers, with a one-way flow that flushes things away. Tides flow and ebb and currents in bays create eddies, leading to retention and accumulation of the pen wastes.

Metro sewage must undergo treatment, at substantial and justified expense to our citizens who create this waste. Discharge is monitored by a permit, mandated by federal Clean Water Act.

The fish-pen solid waste enters the bay raw, untreated, without disinfection — and free to the fish farmer. Washington's pens have avoided the federal discharge permits, although the Sierra Club Legal Defense Fund threatens the state with legal action if this requirement is not enforced.

real, just as it has been in Norway.

Boyle's understanding of the *Gyrodactylus salaris* issue in Norway is at variance with reports from Dag Dolmen of the Directorate for Nature Management in Trondheim. This trematode parasite has been introduced into Norway, according to Dolmen's analysis, "through stocking with salmon parr from infected hatcheries/fish farms." Johnson and Jensen report that total salmon catches in infested Norwegian rivers (1970 to 1984) dropped to 16 percent of levels in uninfested rivers. These were mostly wild fish, which have been nearly decimated by a parasite spread through "hatchery/fish farm" stockings. The smolts that are stocked in salt water fish farms are reared as fry in fresh water hatcheries.

In November, Svein Mehli, head of the division of the Directorate for Nature Management concerned with protection of wild salmon in Norway, testified for Skagit County before the State Shorelines Hearing Board. Mehli reported the escape into Norway waters of thousands of pen-reared salmon carrying furunculosis, the appearance of bacterial kidney disease in farmed stock, the presence of redmouth disease in 300 salmon pens — a disease previously unknown in Norway — and of his concern about "other diseases knocking at the door." Given these facts, we disagree with Boyle's position that "environmental arguments against fish farms are essentially specious."

Boyle objected to de Yonge's extrapolation of the targeted 100 fish pens to the sewage equivalent of Seattle's sewage outfall — as "scientifically absurd." But Boyle can find a graph on pages 133 and 134 of the draft Programmatic Environmental Impact Statement to which he referred that shows that 100 pens will load Puget Sound with biological oxygen demand (organic sludge) 150 percent higher than that of the West Point plant, and add an amount of dissolved nitrogen to the embayments equal to that from this sewage plant. We think de Yonge stated things correctly.

In Norway, which has much smaller farms than are permitted here, pens are moved every couple of years to try to mitigate environmental problems. Moreover, they are located closer to the open water at the mouth of fjords. In some regions, alternate fjords are kept free of pens to create security zones between sites.

Atlantic salmon can become diseased in their pens and they do escape. This year commercial fishermen have recorded many Atlantics caught along with native salmon south of San Juan Island and between Bellingham and Point Roberts. Escaped Atlantics have been picked up in the Nooksack, Skagit and Nisqually rivers. These are adult fish, apparently ready to breed. We feel that there remains a possibility that they will breed, that they will become established and that they will compete on the breeding grounds with native salmonids — how successfully neither we nor Boyle knows yet. The presence of potentially diseased pen escapees among breeding natives poses a danger that in our opinions is

Boyle must be well aware of the current concern about appearance of viral hemorrhagic septicemia (VHS) in resident salmonids and doubtless has seen the U.S. Fish and Wildlife Service summary of March 3, 1989, which reports that this virus is confirmed in yearling coho and steelhead trout and fall chinook salmon fry from the Makah hatchery. We assume that he is aware of the opinion from the U. S. Fish and Wildlife Service that the logical, though not proved, avenue for entry of this new disease is via Atlantic net-pen culture. If these are proved to be "specious arguments," then we can drop them.

Is it fair for "the working stiffs" on the gillnet boats, purse seiners and reef boats — white and Indian alike — to be crowded off their fishing grounds, or worse, to have their resource diminished? Should clam growers, who have husbanded their rich resource for three generations, be forced to contend with pollution from a fish pen?

In order to generate new jobs and revenue, a wiser course for our state would be to accept the mitigation measure in the draft EIS — to culture salmon in tank farms. These should be on privately owned land with effluent monitored and regulated by permit and then discharged into deep water. In this way the negative impacts of floating mariculture — navigation hazards, storm-caused breakup of pens, dissemination of disease, release of untreated wastes, difficulties with antibiotics and impairment of aesthetics — would be eliminated. Lastly, land-based fin-fish culture would place the costs of this industry on those who profit from it.

Dr. Arthur H. Whiteley is professor emeritus of zoology at the University of Washington; Dr. John W. Brookbank is professor emeritus of microbiology and cell biology at the University of Florida. Dr. Annamarie K. Johnstone is a marine microbiologist. Soapbox columns are contributed by readers

Annamarie K. Johnstone

Juneau Empire  
2-20-90

# Japanese buying up Norwegian fish

## Surplus of pen-reared fish threatens Alaska's seafood markets in Japan

THE ASSOCIATED PRESS

**ANCHORAGE** — Norwegian fish farmers are attempting to sell a huge surplus of pen-reared salmon in Japan, long the main market of Alaska seafood processors.

The 88 million pounds of frozen fish could add to an already glutted Japanese salmon market, and drag down prices for this summer's Alaska salmon harvest, according to a U.S. embassy cable from Japan.

More than 80 percent of Alaska's salmon goes to Japan, most of it frozen.

The Norwegians so far have been unable to sell most of their frozen fish, but may cut prices in order to move it, according to the cable released by the U.S. International Trade Administration. If that happens, the Norwegian salmon "will be a threat to U.S. frozen, chum, coho and sockeye salmon," the cable said.

"If they dump it on the market, that would create one hell of a mess," said Roger Dahlke, market-

ing manager for Trident Seafood, a Seattle processor with plants in Bristol Bay and the Aleutians.

Dahlke said Trident is currently trying to sell a lot of Alaska salmon in Japan. But the company is making little headway in a market swamped with both fresh farm-raised fish and frozen fish left over from last season.

As of December, wholesale prices for sockeye salmon had dropped by more than a third from summertime levels, according to Pacific Fishing Magazine. Prices haven't moved much since then, according to industry officials.

Bill Atkinson, publisher of a seafood newsletter that tracks Japanese markets, doubts the Norwegians will be willing to drop their price low enough to compete on the glutted frozen market.

"The Norwegians are not really interested at selling at a loss," Atkinson said. "And the Japanese are not going to accept a high price for them when there are all the other less ex-

pensive fish available."

But one unnamed importer cited in the embassy cable said at least 44 million pounds of the frozen Norwegian fish probably will end up in Japan, knocking down salmon prices just as Alaska's annual harvest begins.

"This scenario, if true, is very critical for U.S. salmon fishermen," embassy officials said. Japanese buyers might import Norwegian salmon in an attempt to force down Alaska salmon prices during pre-season negotiations, the cable said.

"With this type of volume they could start eroding traditional (Alaska) sockeye markets," said Gary Ervin, president of the Kenai Peninsula-based Seafoods From Alaska.

Pen-reared salmon production has been expanding rapidly since the Norwegians pioneered the aquaculture technology in the early 1980s. Salmon farming has been banned in Alaska but is legal in Europe, South America, the South Pacific, Canada and the Pacific Northwest.

Farmers feed the salmon until they reach market size. They offer the fish fresh on a year-round basis. Most Alaska salmon is sold frozen or canned.

Within the past five years, farm-raised salmon have taken over most of the European market, as well as much of the East Coast market, according to a report by the state-funded Alaska Finfish Farming Task Force.

Last year Norway produced more than 330 million pounds of salmon, a nearly 60 percent increase from 1988, and farmers have been unable to sell all that fish.

That production, combined with a record Alaska salmon harvest and a strong Japanese chum harvest, created a huge glut on the worldwide market. The amount of unsold fish is estimated by the state finfish task force at more than 200 million pounds. That equals the entire 1989 export of Alaska salmon to Japan.

When Norwegian fish farmers could not sell all their fish, they froze large amounts and began pushing it toward Japanese markets long claimed by Alaska.

"I think the impact of farm-reared salmon on traditional Alaska markets is profound, and simply going to accelerate," said Chuck Becker, Anchorage district director of the U.S. Commerce Department's International Trade Administration.

Additives to the Environment of Net-Pen Reared Fish  
Pacific Marine Fisheries Commission 42nd Annual Meeting  
Seattle, Washington, October 16-18, 1989

PHD Arthur H. Whiteley and Annamarie Johnstone

We have been asked to address our remarks to the matter of additives to the environment of net-pen reared fish. In this particular forum, we assume the emphasis should be on additives that may have an impact on humans when these fish come to market, rather than the impact on the plant and animal communities in the natural environment, though these are not wholly separable.

By its very nature, net-pen rearing of salmon requires the use of numerous chemicals, sometimes in large amounts, some used in the fresh water hatcheries to produce the fry and smolts, some used in the grow-out period in the marine pens, and others used during processing of the fish for the market. Partial lists are shown in Table 1, compiled from Austin and Austin, 1987, from a 1988 report for the Nature Conservancy Council by the University of Stirling, and from other sources.

The lists include chemicals used in salmon and in other forms of fish culture, both in this country and in foreign countries. Inasmuch as farmed fish are imported from some of these other countries, inclusion of these chemicals in the lists may be relevant to the matter of seafood surveillance in the United States marketplace.

**Chemotherapeutics.** The most relevant additives for present purposes are antibiotics and therapeutants used to control bacterial diseases. Because of stress, disease may cause losses of 30-40%, sometimes higher. Diseases in salmon farms include *Vibrio anguillarum* (vibriosis), *Aeromonas salmonicida* (furunculosis), *Aeromonas hydrophila* (hemorrhagic septicemia), *Yersenia ruckeri* (red mouth), *Vibrio salmonicida* (Hitra disease), *Renibacterium salmonarum* (bacterial kidney disease). To combat these diseases, medicated food containing antibiotics is supplied. In Washington, the FDA approved antibiotics and therapeutants are oxytetracycline (OTC), Romer 30 (sulfadimethoxine and orhomprim) and sulfamerazine. In addition, Tribissen (sulfadiazine and trimethoprim) is used in Norway and Scotland, and in British Columbia erythromycin is used to control BKD. In Japanese fish culture a wide variety of antibiotics has been used, but has recently restricted the use of chemotherapeutics in cultured fish (Aoki, 1988, pers. comm).

In the US, Norway, BC and Scotland, doses of drugs are as indicated in Table 1B. It is anecdotal, however, that additional amounts of antibiotics are used by farmers, who may mix the drugs with feed and binders. Control of use of antibiotics in Norway and Scotland is regulated by veterinarians, and this is supposed to be the case in B.C. In the British Isles it is apparently easy to find legal loopholes to permit other antibiotics and doses to be used (Austin and Austin, 1987). In Washington fish farmers are supposed to notify the Department of Fisheries if they use antibiotics, but veterinarian supervision is not required. Generally approval exists for only therapeutic use of these

drugs. Nonetheless they often are used prophylactically inasmuch as sick fish may not take the medicated food.

There appears to be no medical or public health supervision or regulation here, or in the other fish farming countries, on the use of antibiotics and chemotherapeutics other than the requirement of FDA approval of the three drugs and their dosages. There appears to be no monitoring by agencies of the use of these drugs or their persistence in marketed fish.

The amounts of drugs used are enormous. In Norway last year, 48 metric tons (105,000 lbs) of OTC alone were used - more than in animal husbandry and human health uses combined (Mehli, 1988, pers. comm. and press accounts). This figure has grown from 13,691 lbs in 1984 (Midtlyng, 1985). The 1984 figure for Tribissen, nitrofurazolidon and sulfamerazine is 30,204 lbs (Midtlyng, 1985). Comparable figures for British Columbia and Washington are not at hand. Assuming the dosages cited earlier for the 13 Washington pens, calculation leads to a first approximation of about one ton of OTC, a figure similar to that given by a Washington fish pen operator (Dr. A. Bill, 1989, pers. comm.).

The relevant issue here is "Do these uses affect man?" Consumers clearly would be exposed to residual antibiotics in the fish meat. Because of the potential for these residues producing a serious problem in public health, Japan has recently restricted the use of chemotherapeutics, and does not allow cultured fish to move to market if residual drugs can be detected in fish meat (Aoki, 1988, pers. comm.). The potential for adverse effects has been emphasized by Austin (1988, conference in Vancouver, B.C.; Austin and Austin, 1987). The current regulations for control of such residues are based on admittedly minimal research. The FDA requires a 21 day withdrawal period after the last medicated feeding of OTC and 42 days for Romet 30 before slaughtering for the market. In B.C. the withdrawal period is 42 days, and in Norway 61 days. Very few data exist for measurement of persistence of these drugs in fish flesh after feeding. McCracken et al (1976) measured the presence of trimethoprim in trout muscle 77 days after medication; Salte and Liestøl (1983) calculated that the withholding period for trout receiving OTC should be 100 days at winter temperatures, and for Romet 30 they recommended withdrawal periods of 60 days, above 10°C. All authors emphasize that temperature is a seriously complicating factor - residues of Romet 30 persisted for several months in fish at colder temperatures, leading Salte and Liestøl to recommend using the component drugs only in summer. Clearly these limited data do not support the FDA regulation of 21 days. New, more refined measurements of drug residues in salmon coming to market clearly are needed - a recurrent theme of the Austins. Some of these measurements are being made now at the University of British Columbia by McErlane et al. (1989), and Grondel et al. (1987) have published a pharmacokinetic analysis of OTC distribution in carp. In the absence of more detailed studies, humans ingesting farmed salmon may be receiving subtherapeutic doses of antibiotics. One would like to see regulations established for testing the product, by agencies, as it comes to market to ensure the absence of detectable residues. Methods used should be such as those approved by the National Committee for Clinical Laboratory Standards

used by the Clinical Laboratories, Laboratory Medicine, University Hospital, University of Washington.

The issue extends beyond the limits of the penned salmon. Much of the antibiotic fed escapes into the fluid environment and, notably, into the sediments that accumulate beneath the pens (Jacobsen and Berglund, 1988), where it may be exposed to native fish, shellfish, and other indigenous species, thus providing another avenue to humans who may catch and consume these forms.

The medical consequences of the mis-administration of antibiotics are numerous, and are well discussed in such modern treatises as Goodman and Gilman (1985) and Kucera and Bennett (1987). A number of them are antigenic and elicit immunological hypersensitivity responses; some have toxic effects in various tissues varying with the physiological and health state of the person; some particularly should be avoided during pregnancy; tetracyclines lead to discoloration of infants' teeth and may interfere with bone growth; some, notably the tetracyclines, may lead to the development of superinfections by resistant strains of bacteria; they may interfere with the normal immune response; and the breakdown products of antibiotics, including OTC, can be toxic particularly in individuals with compromised livers. Basically, it is poor medical practice to ingest unneeded antibiotics or deteriorating antibiotics.

Another cluster of problems associated with use and misuse of antibiotics is the generation of strains of pathogenic bacteria that have resistance to the drugs. Such strains have now appeared in essentially all fish culture communities that have been adequately tested. Mostly the resistance factors are carried on R plasmids, which also usually are found to carry resistance determinants for 1 to 8 additional antibiotics, thus showing multiple drug resistance. In high proportions, these R plasmids are transferable to other bacteria, and thus drug-resistance may be disseminated to other ecosystems. Studies at the Centers for Disease Control have shown that outbreaks of salmonellosis could be traced to drug-resistant *Salmonella* derived through the foodchain back to land farms associated with agricultural antimicrobial use (Cohen and Tauxe, 1986). It is prudent to evaluate the possibility for a similar generation of R plasmids in fish farms and their dissemination to human populations in the marketplace. When drug-sensitive populations of pathogens are replaced by drug-resistant populations, then treatment of the affected fish becomes ineffective, and, if the R plasmids are in human pathogens, treatment of patients would be adversely affected. Particularly, it is a general principle that medically important antibiotics, including oxytetracycline, the sulfas and erythromycin, should be restricted in their nonmedical uses to minimize R plasmid selection and transmission.

When antimicrobials are used in fish farms near commercial or recreational shellfish beds, there is the further potential for drug-resistant organisms to be concentrated by the shellfish, through filtration, and thus enter human populations.

**Food additives.** The dry pellets, fed to the penned fish in the marine environment, contain fish meal, grains, fish oils and carbohydrates, supplemented by minerals and vitamins as indicated in Table 2. While these additives have no direct human import, it is reported that planktonic blooms of

the ichthyotoxic dinoflagellate, *Gyrodinium aureolum*, were enhanced by the biotin in fish farm wastes (Turner et al., 1984). These blooms cause mortalities to cultured fish, and, unfortunately, to wild fish as well (Bullock et al., 1983).

Pigment is added to the feed to produce a colored flesh in farmed salmon, inasmuch as the color of wild salmon flesh is derived from natural food organisms. In Great Britain, the carotenoid canthaxanthin, an analog of astaxanthin common in natural food organisms, is used in the form of carophyll red. It is stated in a report from the University of Stirling that this use is banned in the US because of possible carcinogenic properties of canthaxanthin (NCC Report, 1988). To date a petition for its use has not been submitted to the FDA (FDA, Seattle Office, 1989). A petition is presently under consideration for use of astaxanthin as a colorant. A main local supplier adds canthaxanthin as a colorant. There clearly are gray areas here where research and regulation is sorely needed.

Many wild fish are rich in omega 3, polyunsaturated fatty acids. A higher ratio of omega 3/omega 6 fatty acids is believed favorable for maintaining low cholesterol levels in humans. Cultured fish and other sea foods, because of their artificial diets, may have low levels of omega 3 fatty acids, and thus unfavorable ratios of omega 3/omega 6 (Suzuki et al., 1986; Chanmugam et al., 1986). Consequently, individuals eating farmed salmon in the expectation of gaining this supplement will typically be erring, unless the farmer has specifically added it as a dietary supplement and indicated this in marketing. The dry pellets supplied locally generally do not have omega 3 acids added as a supplement (Moore-Clark Co., 1989, pers. comm.) because these are contained in the fish oils of the fish meal used.

Moist pellets, which are more commonly fed during the hatchery phases of salmon farming, are derived from fish meal that is pasteurized, combined with additives, and frozen. However, moist pellets used in some fish farms in Puget Sound contained *Salmonella* spp. (Draft PEIS, WDF, p. 116, 1989). Moist pellets used in British Columbia have been found to contain *Salmonella* (Kelly, 1988, pers. comm.; Babink, 1988, pers. comm.). In these cases it is unclear whether the pathogens had survived the pasteurization, or had appeared subsequently. These pathogens can persist for a period of time in marine waters, are harbored by fish in polluted waters, without harm to them (Buttiaux, 1963). Marine shellfish can concentrate *Salmonella* and transmit them to humans. There is, therefore, a potential for fish culture to join animal husbandry as a mode for affecting humans in the manner described by Cohen and Tauxe (1986).

**Hormones.** At this time, hormones are being used in B.C., experimentally and perhaps to an extent in actual culture, to control the sex, size and behavior of penned salmon, both *Oncorhynchus* spp. and *Salmo salar*. Gonadotropin, gonadotropin releasing factor and analogs, and antiestrogens have been used in adult females to modify spawning. Androgens and estrogens are used to cause feminization, and, in combination with other techniques, to produce triploid and tetraploid stocks for production of sterile salmon. A review is provided by Donaldson (1986).

In general, these treatments are used on egg-producing females or on eggs and sperm, and the likelihood of carry-over of hormones to adult, marketable fish is tiny. Anabolic steroids including methyl testosterone,

thyroid hormones, somatotropins, certain pituitary hormones can be used to accelerate growth in juveniles and the timing of smoltification (Donaldson, 1986). If these hormones, or androgens and estrogens, were used for growth acceleration or other effects on near-harvest adults, then there would be cause for concern to human consumers.

**Pesticides.** A remarkable list of agents are or have been used in salmon culture. Examples are: formalin, malachite green, acriflavin, Nuvan, Neguvon, Chloramine T, MS222, copper sulfate, tributyltin, diquat, in addition to the chemotherapeutics. Some are used in Scotland and Norway which apparently are not used, or not permitted, in the U.S. and B.C. Lists are incorporated into Table 1 of this presentation.

**Treatment of salmon lice (*Lepeophtheirus salmonis*).** These copepod ectoparasites pose a severe problem for adult penned fish in Scotland and Norway. In Europe, organophosphate pesticides (Nuvan<sup>R</sup> (dichlorvos; Scotland) and Neguvon<sup>R</sup> (trichlorfon which forms dichlorvos; Norway) are primarily used. Fish are treated by immersion in a concentration of 1 ppm for 1 hr, as needed. In 1984 39,600 lbs of Neguvon were used in Norway (Midtlyug, 1985). They are inhibitors of acetylcholinesterase activity in the cholinergic nervous system. These agents not only kill fish lice, but other crustacea in the environment as well, including commercially important species such as crabs, lobsters and mussels (Egidius and Moster, 1987), and they cause potentially serious problems to the treated fish (Davies and McKie, 1987; NCC Report, 1988). These agents are restricted by the EPA in the U.S. (Seattle EPA Office, 1989). In Washington, the carbamate Sevin<sup>R</sup> (carbaryl) has been suggested for use for treatment of salmon lice, and it is used in oyster culture for controlling ghost shrimp. Sevin, also, is an inhibitor of acetylcholinesterase. Sevin has recently been restricted in parts of the United States, and its discharge is regulated by an NPDES permit. BRAVO (chlorothalonil), a fungicide has been suggested for and used recently on fishpen nets, a use banned by EPA because it is a class B carcinogen (EPA, Seattle, 1989).

**Disinfectants and Antifoulants.** Formalin and malachite green have been used for control of ectoparasites and fungi, usually in the fresh water phases of farming. Malachite green, a potential teratogen (NCC Report, 1988), is now banned. MS-222 is used under certain conditions for anaesthesia, but with a 21-day withdrawal period for clearance from tissues. Hatchery ponds are sterilized with chlorine.

To prevent fouling of nets by growth of algae and encrusting invertebrates, fish farmers have treated nets and pen structures with the antifouling agent, tributyltin (TBT). This substance, at exceedingly low concentrations, has a variety of adverse effects on marine invertebrates and perhaps on vertebrates (Bailey, D.S., 1987). When, in 1987, farmed salmon appeared in the Seattle markets carrying substantial amounts of TBT in their flesh, the state enacted a law prohibiting this use and partially eliminating it from use on boats. A similar law exists in the national statutes, in Great Britain and other parts of Europe. Despite this ban, a Canadian Governmental memorandum on August 11, 1988, titled "Private Salmon Hatcheries and Netpen Facilities, Some Serious Concerns" indicates that 25% of BC pens are still treated with unregistered boat hull paints, sometimes including TBT, which liberate

large quantities of particulate paint into the water, sometimes onto oyster beds, thus creating potential hazards for two kinds of aquacultured products.

If antifoulant is used on nets now, usually it is copper-based. Copper and other heavy metals are highly toxic to many marine invertebrates. Standards for permissible amounts of copper in farmed fish flesh appear to be lacking.

**Summary.** There are a number of chemicals and additives used in net pen culture now that have the potential for adverse human impact. Often these are used at the discretion only of the user, and with little or no external monitoring. There appears to be little or no input into this regulation by public health agencies.

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**Table 1**  
**Chemicals Used in Net Pen Culture of Fish**  
 (From Austin and Austin, 1986; The Nature Conservancy  
 Report, Scotland, 1988; and other sources)

**Chemotherapeutics**

Oxytetracycline	Streptomycin
Romet 30 <sup>R</sup> (sulfadimethoxine and orhthomeprim)	Sulfisoxazole
Sulfamerazine	Kanamycin
Tribrissen <sup>R</sup> (trimethoprim)	Fumequine
Erythromycin	Chloramphenicol
Penicillin G	Chloramine T
Oxolinic acid	Acriflavin
Minocycline	Acetic acid
Clindamycin	Formalin
Kitasamycin	Malachite green
Rifampicin	Iodine
Hyamine 3500	Iodophor
Copper sulfate	Benzalkonium
	Nitrofurantoin

**Pesticides**

Dichlorvos (Nuvan<sup>R</sup>, an organophosphate)  
 Trichlorfon (Neguvon<sup>R</sup>, an organophosphate)  
 Carbaryl (Sevin, a carbamate; used in oyster culture)  
 Diquat

**Antifoulants and Disinfectants**

Tributyl tin - now banned  
 Copper paint  
 Bitumen  
 Chlorine  
 Chlorothalonil

**Anaesthetics**

MS-222 (tricaine methane-sulfonate)  
 Benzocaine  
 Carbon dioxide

**Food additives**

Colorants-canthaxanthin  
 Minerals  
 Vitamins  
 Omega 3 fatty acids

Table 1B  
Doses of Antimicrobials Commonly Used in Salmon Net-pen Culture

Antimicrobial	Dose, mg/kg of fish/day	Days of Treatment
Oxytetracycline	75	10
Romet 30	50	5
Sulfamerazine	220	14
Tribriksen	30	10
Erythromycin	10-25, or unspecified	4-21

These regimens are repeated 2 or 3 times a year

**Table 2**  
**Mineral and Vitamin Food Additives**  
**in Salmon Pellets**  
(Data from Nature Conservancy Council Report 1988, and  
Moore-Clark Analysis)

**Minerals**

Calcium phosphate  
Magnesium sulfate  
Sodium Chloride  
Potassium chloride  
Iron sulfate  
Zinc sulfate  
Copper sulfate  
Manganese sulfate  
Cobalt sulfate  
Chromium chloride  
Ethylenediamine dihydroiodide  
Selenium

**Vitamins**

Thiamine hydrochloride  
Riboflavin  
Calcium pantothenate  
Niacin  
Pyridoxine hydrochloride  
Biotin  
Folic acid  
Cyanocobalamin  
Inositol  
Ascorbic acid  
Choline chorlide  
Menadione  
alpha tocopherol acetate  
p-aminobenzoic acid  
Retinol acetate  
Vitamin A  
Vitamin B12  
Vitamin D3  
BHA-BHT, antioxidant

Alaska Water Resources Board  
Resolution No. 89-22

Possible Impacts of Fish Farming

WHEREAS: A strong market for fresh salmon and therefore a demand for rearing areas exists for pen reared salmonid fin fish.

WHEREAS: The State of Alaska has an abundance of salt and fresh water environments ideally suited for this economic activity.

WHEREAS: There is a persistent and ever growing clamor on the part of fin fish growers to have Alaskan water resources made available to them.

WHEREAS: The State of Alaska has a very large, extremely valuable wild fish population distributed throughout the state upon which very valuable commercial, subsistence and recreational fisheries are also dependent.

WHEREAS: After an initial period of very rapid growth and expansion into lucrative markets for their product the fin fish industry elsewhere in the world is now beset with problems of disease, parasitic infestations and escapement of penned stocks leading to the degradation of wild salmon stocks.

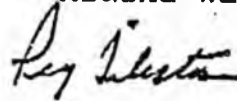
WHEREAS: There are among the so far identified dangerous diseases and infestations those that are demonstrably able to be transported from country to country and from continent to continent under present conditions.

WHEREAS: Among these afflictions there are disease infestations for which there is no known treatment and parasitic infestations which once established would require the roetinone treatment of entire river systems to eradicate.

NOW THEREFORE BE IT RESOLVED: The Alaska Water Resources Board recommends that there be no fin fish farming of salmon or trout in Alaska until it can be established that the disastrous consequences of inadequately regulated fin fish farming now being experienced in other parts of the world will not occur here; and

NOW THEREFORE: The Board further recommends that the Fin Fish Task Force created but not funded by the 15th Alaska Legislature be reactivated, funded and charged with the task of assembling the necessary information to assure that fin fish farming, if allowed, will not constitute a deadly hazard to our wild stocks.

Adopted this 9th day of March, 1989  
Alaska Water Resources Board



Peg Tileston, Chairwoman  
Alaska Water Resources Board

# Alaska

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# Mariculture Association

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TO: Senate Labor and Commerce Committee

FROM: Rodger Painter

DATE: April 18, 1990

RE: Upland Finfish Farming

The Alaska Mariculture Association (AMA) respectfully requests that you consider amending House Bill 432 to allow upland finfish farms. While there may be room for legitimate disagreements over the impacts of salmon net pen culture in marine waters, there's a great body of research and experience showing that the environmental and biological effects of upland fish farms are negligible. This conclusion was unanimously supported by the Alaska Finfish Farming Task Force.

Opponents of finfish farming have attempted to suggest that land-based farms can harm wild stocks through groundwater contamination. Often cited as an example is a report by the Washington Department of Ecology (DOE) which concluded that a 1989 fish kill in the Black River probably was caused by pollutants discharged from a land-based fish farm. What is not mentioned is that the report was thoroughly discredited by an independent group of state and federal scientists.

Attached is a critique of the DOE study by the Interagency Work Group on Fish Health, which is comprised of recognized experts in fish health issues. The review was prepared at the request of the Washington House Fisheries and Wildlife Committee. The group unanimously determined it was impossible to justify DOE's conclusions and that DOE erred in ruling out ambient river conditions as a cause of the kill.

The Alaska Department of Fish and Game should be provided with the authority to require upland farms to treat discharges to protect wild stocks on a case-by-case basis. ADFG already requires a few state hatcheries to treat wastewater discharges as a safeguard against transmission of pathogens to wild stocks. Indeed, ADFG's success in preventing disease transmission to wild stocks from hatcheries demonstrates the safety of upland fish farms.

## HB 432 & SB 397 and Upland Finfish Farming in Alaska

House Bill 432 and its companion measure (SB 397) would impose a ban on all finfish farming activities. This is an unreasonable response to the concerns of fishing groups which have focused on the net pen rearing of salmon in the marine environment.

The Alaska Finfish Farming Task Force spent several months grappling with these concerns, and determined that net pen rearing of salmon can be regulated in a manner minimizing environmental and biological impacts. The task force also stated that upland finfish farms present few potential problems, and the impacts of marine culture of non-salmon species would be much less than salmon in net pens.

Upland fish farming virtually eliminates the potential for escapees and impacts on the genetic integrity of wild stocks. Likewise, the potential for transfer of disease from fish cultured in upland farms to wild stocks can be eliminated with proper treatment of wastewater discharges.

Why should operations such as the small-scale coho salmon farm in Fairbanks two years ago be banned? Under a narrow exception in the three-year moratorium on finfish farming, Andy and Pam Wescott of Fairbanks started farming in tanks in their workshop, using water from a private well and disposing of wastewater in the city sewer system. The broodstock came from surplus salmon returning to a local stream. The operation had no disease problems, and the director of the state's hatchery program said the fish were very healthy and were in excellent condition. The Wescotts were forced to close down their farm when the Board of Fisheries (six of seven members are commercial fishermen) refused to approve the required authorizing regulations.

There now are several arctic char farms in Canada including a freshwater tank farm in Whitehorse. The Mat-Su valley has tremendous aquifers and could be suitable for the culture of char, salmon or trout. Should the residents of the Mat-Su and other Alaskans be denied these economic development opportunities? What are the objections to these land-based aquatic farms? Are there valid public policy reasons to prevent an environmentally and biologically sound industry?

The fishermen's concerns always have been the net pen rearing of salmon. The primary objection to other forms of finfish farming is that it represents the camel's nose under the tent and it might set the stage for later approval of salmon farming. Is that how Alaska is going to diversify its economic base? Passage of HB 432 in its present form would be quite a statement about the legislature's commitment to economic development.

UNIVERSITY OF WASHINGTON  
SEATTLE, WASHINGTON 98195

*College of Ocean and Fishery Sciences  
Office of the Dean, HN-15*

February 6, 1990

Representative Richard A. King  
Chair, House Fisheries and Wildlife Committee  
House of Representatives  
State of Washington  
Olympia, WA 98504

Dear Mr. King,

In December, 1989, members of the Interagency Work Group on Fish Health received copies of the following documents: (1) the Black River Fish Kill Report, (2) the Appendices to the Black River Fish Kill Report, (3) a document prepared by Washington Department of Fisheries that was mistakenly omitted from the Appendices, and (4) the Department of Ecology news release regarding the kill. Work Group members were asked to review the Report and Appendices in the manner they would normally apply to the peer review process for scientific journals. On January 8, 1990, the committee convened in Seattle to discuss the documents and to prepare a response to the House Fisheries and Wildlife Committee. A list of Work Group members who participated in the review are attached to this letter.

Work Group members concurred that Department of Ecology (DOE) and Department of Fisheries (WDF) personnel expended a considerable amount of energy in attempting to determine the cause of the fish kill; however, the members were unanimous in their opinion that the conclusions drawn from the study (Report Section 6.0) cannot be supported by the data collected (Report Section 4.0).

**Conclusion 1--"fish kill event was not caused by ambient river conditions."**

Although DOE was notified of the fish kill on August 8, 1989, and had personnel on site within hours, ambient river condition surveys were not conducted until August 17-18 (Report Table 7). This 10-11 day delay in collecting samples makes it impossible to reconstruct the conditions existant at the postulated onset of the kill (August 6-7).

The data collected in the August 17-18 survey included measurements of water temperature, dissolved oxygen (DO), percent saturation, and conductivity, but did not include measurements of river flow. Considering the season of year (summertime; period of elevated productivity), the high daytime temperatures (>19 C) and the low-gradient nature of the Black River, flow rate was a critical factor for evaluation.

DO levels of 6.7-11.8 ppm measured in surface waters contrasted sharply with the life threatening DO levels (<1.1- 2.6 ppm) measured near the bottom of the river (the portion of the water column utilized by many aquatic species, including salmonids). While it is true that fish avoid low dissolved oxygen levels whenever it is possible to do so, it is well known that avoidance may not be possible when DO levels decline over large areas as a result of nighttime aquatic plant respiration.

Given the low oxygen levels, the high water temperatures, and the absence of flow rate data, it is not possible to rule out ambient river conditions as a cause of the kill. In fact, the Report states (p. 29) that the "combination of low river velocity, high nutrient concentrations, high productivity, and stratified pools is one which can put the lower Black River at risk to conditions which induce anoxia."

### **Conclusion 2--"the fish kill was caused by a pollutant."**

The Report states (p. 29) that "no pesticides or herbicides were found in the Black River sediment samples" and that "metals were below toxic levels." The Report further states (p.29) that the finding of a whitefish carcass near river mile 13 provided indication that "a limited summer kill was occurring", an event "which is normal."

The Appendices contain (1) correspondence from Dick Huntamer (DOE) to Steve Hunter (DOE) stating that acid/base neutral organics, volatile organics, pesticides/PCB's, organo-phosphorous pesticides and herbicides were not present in significant levels; (2) correspondence from Margaret Stinson (DOE) to Dave Halleck (DOE) stating that bioassays conducted at Biomed Research Laboratories revealed no evidence of toxicity; (3) data from Analytical Resources Incorporated indicating that while residual formaldehyde (12.74 ppm) was present in the sediment of the settling pond at Global Aqua, none was detected in water samples taken from the river. Not included in the Appendices (but provided to Work Group members) was a report from Patrick F. Chapman (WDF) stating that fish mortality patterns in the river did not support the theory of a toxic pollution spill.

In the absence of any data indicating the presence of chemicals in water, sediments, or flesh, and in the face of a statement that limited summer kills are normal on the Black River, it is impossible to justify the definitive statement made in Conclusion 2.

### **Conclusion 3--"kill...probably occurred on August 6, 1989, and began in the vicinity of river mile 9.2."**

On August 8, 1989, WDF personnel collected fish carcasses at river mile 6.5. Based upon the degree of decomposition noted in the tissues, they speculated that the fish had been dead for 24-48 hours. That observation forms the basis for fixing the onset of the kill. Given the statement (p. 15) that "carcasses were not visible from the shore", it is possible that the kill started earlier but was not detected.

The conclusion that the kill began in the vicinity of river mile 9.2 is based upon stream and shoreline surveys conducted by WDF, DOE, and the Chehalis Indian Nation. The data presented in the report (Table 5) and in the Appendices (Attachment 7) are not sufficiently quantitative to permit evaluation of this conclusion. Therefore, lacking further documentation, the conclusion is unwarranted.

**Conclusion 4--"Black River contained elevated levels of ammonia, nitrites, nitrates and phosphorous."**

Dr. Gary Wedemeyer, a physiologist specializing in water quality factors that affect fish health, reviewed the data contained in the Report and Appendices and stated, based on his experience, that the nutrient levels in themselves did not appear to be life threatening to salmonids. He cautioned, however, that the data were difficult to interpret because nitrite levels were lumped together with nitrate levels and reported as a single value. The interpretation problem arises from the fact that nitrite is extremely toxic to fish, while nitrate is essentially non-toxic.

**Conclusion 5--"investigators were not able to find physical evidence of pollutants being actively discharged into the Black River."**

No comment.

**Conclusion 6--"Results...indicate discharge permits in this area warrant upgrading."**

The evidence presented in the Report is inconclusive. It neither supports nor refutes this statement.

Summary of Comments--The Work Group members who independently and then jointly reviewed the study unanimously concur that the evidence presented in the Report is mixed and that it does not support any particular cause for the fish kill. We recommend, therefore, that the Summary (1.0) and Conclusions (6.0) sections be re-written to reflect this fact, and that the body of the text be edited to remove unsupported and unprofessional innuendo.

Recommendations for future fish kill studies--Fish kills are reported in the State of Washington on a regular basis. Some kills arise through natural causes (e.g. poor ambient conditions, epizootics, toxic phytoplankton blooms, supersaturation), others through the activities of man (e.g. chemical spills, toxic discharges, physical disruption of habitat). In investigating fish kills, it is important (1) that data collections be initiated in a timely fashion, (2) that appropriate data be collected, (3) that studies be approached in a scientific manner, and (4) that studies be conducted in a way that will utilize the strengths of appropriate State agencies and that will draw upon the expertise of qualified professionals whose training and credentials are relevant to the investigation.

Points 1 and 2--In 1972, the Department of Ecology published a manual entitled "Guidelines for Evaluating Fish Kill Damages". Detailed in that publication are the procedures to be used when investigating a kill as well as the types of data to be collected. A number of the Guidelines were not followed in the present study, and their omission contribute to deficiencies in the Report. We recommend that DOE review and update this publication, and implement the guidelines in all future investigations.

Point 3--Members of the Work Group were troubled by the tone of the Report and by the apparent desire of the author(s) to identify a culprit. In investigations of this type it is critical that agency personnel take a dispassionate, open-minded approach to the investigation.

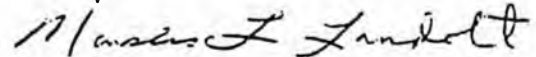
We realize that fish kills can be dramatic, disheartening events to the on-site investigator, and that they can create a storm of public outrage. However, if the investigator allows personal feelings to come into play or if he/she makes a priori assumptions regarding the cause of the kill, important points can be overlooked and critical data can be lost.

Because of the high visibility of fish kills and because of the potential damage that can result from incomplete investigation or incorrect interpretation of data, we also recommend that reports be subjected to peer review by non-agency personnel prior to publication.

Point 4--The various State agencies differ in the range of expertise that their staff may bring to the investigation of a fish kill. For example, DOE personnel are uniquely well qualified to conduct chemical analyses, but WDF and WDW personnel have the knowledge that is required to evaluate fish pathology, fish habitat requirements, hatchery operations, etc. While there was interagency co-operation in this study, increased effort should be made in the future to utilize the expertise of appropriate State agencies and to address differences of opinion that may arise regarding interpretation of data. When necessary, investigators also should make efforts to capture skills from other organizations (e.g. universities, federal laboratories).

We hope that this letter has provided the assistance you requested. If the Work Group can be of further service to your Committee or if you require additional information, please feel free to contact me.

Sincerely,



Marsha L. Landolt, Chairman  
Interagency Work Group on  
Fish Health Issues

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APR 18 1990

April 12, 1990

Senator Bettye Fahrenkamp  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Fahrenkamp,

I would like to commend you for your opposition to a permanent moratorium on finfish mariculture. As a fisheries economist at the University of Alaska, I am amazed at the level of legislative support in favor of a permanent moratorium. Alaska is in desperate need of new industries to mitigate the inevitable decline of the oil industry. There is limited potential for expansion in the fishing industry since virtually all State and Federal fisheries are fully Americanized. Timber markets are saturated to such an extent that the timber industry is unlikely to expand without substantial subsidization. Alaska is disadvantaged in most agricultural production. Although there is potential for some expansion, particularly in the area of game culture, it is unlikely that the agricultural sector will become a major source of revenue. Hard rock minerals and coal could be greatly expanded. Mining combined with processing and in-state manufacturing of export goods, would result in considerable revenues. However, the mineral industry is hobbled by the lack of roads, numerous state and federal hurdles, and the prevailing high wage rate. Tourism is a wonderful source of revenue that can be anticipated to continue to expand. Finfish mariculture also has the potential for generating substantial revenues.

Alaska has a comparative advantage in finfish mariculture for several reasons. Firstly, there are many protected waters with excellent exchange all along the extensive coastline (especially in Southeast Alaska, Prince William Sound, Kodiak, and along the Aleutian Peninsula.

Secondly, the fishing industry is under increased pressure to more fully utilize their catch and to reduce discharges of fish processing byproducts. After the roe has been stripped or fillets removed, fishmeal is about the only product that can be made out of the residuals. The world price for fishmeal is so low that it barely covers shipping costs. Finfish mariculture would use fishmeal as a primary input. Alaskan mariculturists would be able to buy fishmeal at below world prices (since they would face lower transportation costs). Alaskan fish processors would be able to sell fishmeal at higher prices than they currently receive because of the increased local demand.

Thirdly, finfish mariculture would be able to provide fish processors with deliveries out of season. This could increase the number of processors able to operate on a full year rather than seasonal basis. Full year employment opportunities would encourage processor employees to relocate to Alaska, spend their wages in Alaska, become Alaskans. Since mariculture is a nearshore operation, it would increase the profitability of shorebased processors thereby improving their ability to compete with offshore processors.

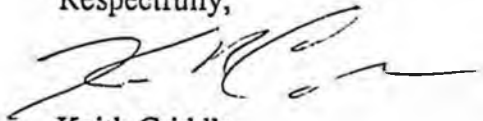
Provided by Rodger Painter

Fourthly, finfish mariculture is a compliment to fishing. The same vessels that are locked in an ever faster Olympic race for a share of the limited fishery resources could be used out of season to tend mariculture operations. The costs of developing and operating small scale salmon pen operations are far less than the costs of purchasing a Bristol Bay gillnet permit, and could easily be financed through commercial agriculture or fishing banks. Smolts could be purchased from state or cooperative hatcheries, with the proceeds of smolt sales available to subsidize current fisheries enhancement programs.

Finally, concerns about genetic pollution of wild fisheries, localized eutrophication and disease are not entirely unfounded, however, they are not unique to mariculture. Current enhancement programs alter genotypic frequencies and offer conditions which increase the potential for disease. One possible solution to concerns about genetic pollution would be mandated sterilization of penned fish (the economic feasibility of sterilization has been demonstrated in a number of cultured fish species). Localized eutrophication is also a problem with agriculture, urbanization, and the discard of fishery and fish processing byproducts. In mariculture, eutrophication is evidence of a poorly run operation, too much feeding and excessive stocking densities.

Although mariculture is not a panacea, it is an opportunity that Alaska shouldn't ignore.

Respectfully,



Keith Criddle  
4530 Stanford Drive  
Fairbanks, AK 99709

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### SOUTHEAST REGIONAL OFFICE DIVISION OF LAND AND WATER MANAGEMENT

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVENUE  
SUITE 400  
JUNEAU, ALASKA 99801-1000  
PHONE: (907) 465-3400

March 23, 1990

Re: Thorne Ferguson

Honorable Richard I. Eliason  
c/o Pouch V  
Juneau, Alaska 99811

Dear Senator Eliason:

Research of our records indicates that T. Ferguson Construction, Inc. did purchase U.S. Mineral Survey 419B, known as the Maine, Monterey and San Francisco claims from Georgia-Pacific Corporation, (Warranty Deed, 1984). The property is located at Copper Harbor, Hetta Inlet, on the west side of Prince of Wales Island. In 1985 In 1985 Mr. Ferguson submitted applications intended to obtain approval of what appeared to be a multi-stage development. According to one of the cover letters, the initial stage of construction (development of a seasonal resort for hunting as well as fresh and salt water fishing) was intended to support the second stage (the development of a hatchery and fish farm); see ADL lease application 104488.

In September of 1987 the applicant indicated to DNR they had received a Army Corps of Engineers permit dated in June of 1986. Proposed construction under the Corps permit consisted of a lodge, barge ramp, and docks to be constructed in conjunction with the proposed private fish hatchery. The permit stated that the lodge and docks would supported by approximately 100 piles, and the barge ramp would consist of a timber crib bulkhead placed at M.L>L>W. and back-filled with approximately 1,800 cubic yards of shot rock fill (see Army Corps of Engineers Public Notice of Application for Permit Hetta Inlet 7, dated September 3, 1985).

However, contrary to the lease application and corps notices, a letter from the State Office of Management and Budget dated August 22, 1985 appears to indicate that the applicant dropped the hatchery portion of its proposal at that time. Mr. Menzies letter of June 2, 1986 appears to furnish the reason. The OMB consistency determination of May 9, 1986 purposely dropped consideration of the hatchery and hydroelectric plant.

Re: Thorne Ferguson

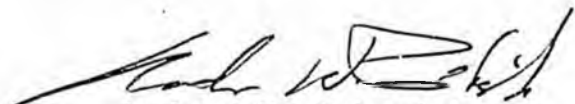
March 23, 1990

The 1986 Army Corps of Engineer Permit is the only document that appears to still imply a remaining interest in a hatchery. None of the State approvals, including Water Use Applications LAS 6089 and 6090 involve the hatchery proposal directly.

It appears clear from the file that the applicant was never assured of being able to develop a hatchery. That although it is something that he wanted to do, he decided to proceed with the lodge with no guarantees that he would be able to construct the hatchery. It is possible that the \$500,000 figure thrown around would include the \$370,000 initial purchase price.

Please let me know if there is anything else I can do.

Sincerely,



Andrew W. Pekovich  
Regional Manager, SERO

CC: Larry Ostrovsky  
Gary Gustafson  
Janet Burleson

**HB**

**442**

SENATE COMMITTEE REPORT

DATE: 2/15/90

FURTHER:

DATE TURNED INTO OFFICE: 3/29/90

Labor and Commerce Committee considered CSHB 442 (L&C) am

Alaska Tourism Marketing Council; efd.

and recommended:

replace with SCS CS HB 442 (L+C)  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_  
 attached amendment(s)  
 \_\_\_\_\_ letter of intent adopted

same title  
 new title  
 technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

APPROVES PREVIOUS:

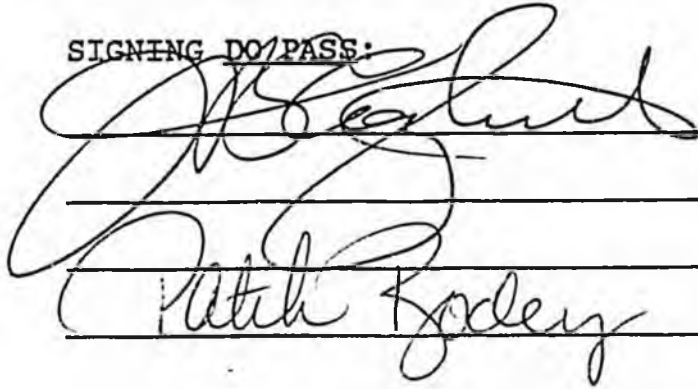
Dept/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) Dept of Commerce 1/29/90

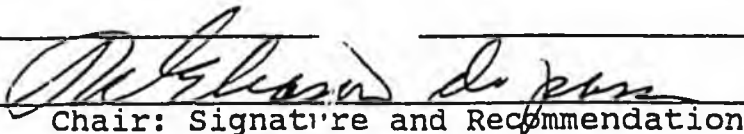
Governor's bill w/fiscal note

SIGNING DO/PASS:

  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Chair: Signature and Recommendation

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: Relating to the Alaska Tourism Marketing Council; and providing an effective date.  
 Sponsor: House Spec. Comm. on Tourism  
 Requestor: House Spec. Comm. on Tourism  
 Agency Affected: Commerce & Economic Dev. BRU: Alaska Tourism Marketing Council  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING:** (Thousands of Dollars)


GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	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)

Passage will not increase FY90 expenses.

Prepared by: Robert Miller, Executive Director Phone: 563-2239  
 Division: Alaska Tourism Marketing Council Date: January 26, 1990  
 Approved by Commissioner:  Date: 1/26/90  
 Agency: Department of Commerce & Economic Development

**Distribution (by preparer):**

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

# MEMORANDUM

State of Alaska  
Department of Law

TO Designated Supervisor

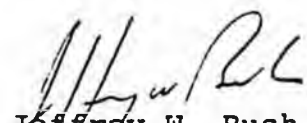
DATE February 20, 1990

FILE NO 663-90-0288

TEL NO 465-3600

SUBJECT Right of member to bid on  
contracts  
(Executive Ethics Act --  
AS 39.52)

FROM

  
Jeffrey W. Bush  
Assistant Attorney General  
Commercial Section-Juneau

A representative of an advertising and public relations agency is a member of the Alaska Tourism Marketing Council (ATMC) appointed by the governor under AS 44.33.705(c)(3). The agency is now interested in submitting proposals on advertising and public relations contracts let by the ATMC. You have asked whether the agency may submit a proposal while its representative is on the ATMC.

Briefly, we conclude that the agency is prohibited from submitting a proposal so long as its representative remains on the ATMC. We have also concluded that his membership on the board does not impact the right of the agency to bid on contracts with the Alaska Visitors Association (AVA). Finally, we will briefly discuss the impact of CSHB 442(L&C)am on the conclusions reached in this memorandum.

The Alaska Executive Ethics Act, AS 39.52, prohibits a public officer or a member of his immediate family from attempting to acquire a personal or financial interest in, \*/ or otherwise become a party to, a state contract, if the public officer is in a position to potentially take or withhold official action with respect to the award, execution, or administration of the contract. AS 39.52.150(a). A "public officer" is defined to include a member of a board or commission. AS 39.52.960(21)(B). As a member of the ATMC, the agency's representative squarely falls under this prohibition and, unless some statutory exclusion can be found, is prohibited from attempting to acquire or submitting a proposal on any contract issued by the ATMC.

AS 39.52.150(b) sets out the only possible exclusion applicable in this case. This subsection provides that a public officer otherwise prohibited from acting under the provisions of AS 39.52.150(a) is permitted to bid on a contract if the contract is competitively solicited,

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\*/ As the term is defined in AS 39.52.960(9)(B), the public officer in this case has a "financial interest" in the agency.

unless the officer

(1) is employed by the administrative unit awarding the grant, contract, or lease or is employed by the administrative unit for which the grant, contract, or lease is let; or

(2) takes official action with respect to the award, execution, or administration of the grant, contract, or lease.

AS 39.52.150(b). Were the ATMC member to avoid any involvement with the awarding or execution of an ATMC contract with his agency, he would not be subject to AS 39.52.150(b)(2). The issue, then, would be whether he falls under the exclusion to the prohibition in AS 39.52.150(b)(1).

Although the ATMC member is not technically "employed" by the ATMC, we believe that the appropriate application of AS 39.52.150(b)(2) to board members is to deem them employed by the board on that they serve. Otherwise, the prohibition in AS 39.52.150(a) would never apply to board members, an interpretation which would be inconsistent with the language used in this section. The prohibition in AS 39.52.150(a) specifically applies to "public officers," which by definition include board members, rather than to "public employees." Had the legislature not intended this prohibition to apply to board members, it would have limited this section's applicability to public employees, as it did when it adopted AS 39.52.170. Therefore, we conclude that the agency may not bid or otherwise submit a proposal on any contracts let by the ATMC so long as its representative remains on the ATMC board.

You have also asked whether the existence of the contract between the state and the AVA creating the ATMC in any way restricts the agency's ability to bid on Alaska contracts with the AVA while its representative sits on the ATMC board. We are aware of no reason why the existence of this state/AVA contract would restrict the agency's ability to bid on a contract with the AVA, which is a private nonprofit organization not subject to the Executive Ethics Act.

Finally, we note that the conclusions reached in this memorandum would be overturned if CSHB 442(L&C)am passes the legislature and becomes law. Section 1 of that bill provides that notwithstanding the prohibitions of the Ethics Act, an ATMC member may vote or take action on a matter that might benefit the AVA or members of the AVA. By making this very broad exemption, a board member would be able to submit a contract proposal to the ATMC and

Designated Supervisor  
Our file: 663-90-0288

February 20, 1990  
Page 3

even vote or take action, such as sitting on the contract review committee, with respect to the awarding of that contract.

I have discussed this situation with representatives of the Division of Tourism and the ATMC, who agree that the exemption in section 1 of CSHB 442(L&C)am was not intended to go this far. I would suggest that section 1 of the bill be revised to add a new paragraph to read:

(12) a board member, or an immediate family member, may not attempt to acquire, receive, apply for, be a party to, or have a personal or financial interest in a grant or contract issued by the council.

We hope this answers your questions.

JWB:jf

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 26, 1990

SUBJECT:           Constitutionality of CSHB 442 (L&C) am  
TO:                 Senator Dick Eliason  
FROM:              Theresa L. Bannister <sup>23</sup>  
                    Legislative Counsel

You have asked whether the above-referenced bill has constitutional problems. There do not appear to be constitutional problems with the bill. Although the language in sec. 4 of the bill requires examination in light of the constitutional prohibition against the creation of dedicated funds, the language does not appear to create a dedicated fund. The reference to certain funds appears to be solely for the purpose of establishing how much credit will be applied against the marketing association's required contribution. The section requires that the funds be turned over to the Alaska Tourism Marketing Council for deposit in the general fund. Therefore, the funds are not diverted to other purposes, but are placed in the general fund from which the legislature may make the appropriations that it determines to be appropriate. The use of the phrase "amount of the funds" in conjunction with "shall be applied", rather than "paid" or a similar word, supports the conclusion that the funds are being used solely to provide a reference point for calculating a credit to be applied to the required contribution. The section does not direct that the funds be paid out for any purpose, and they are available for appropriation. This availability of the funds is the purpose of the dedicated fund provision. Therefore, the language of sec. 4 does not appear to be constitutionally defective. Nor does the rest of the bill. If I may be of further assistance, please advise.

TLB:lmb  
L9/130



# SPECIAL COMMITTEE ON TOURISM

House of Representatives  
Alaska State Legislature

P.O. Box V, Juneau, Alaska 99811  
465-2435 • FAX (907) 465-2718

Rep. David Finkelstein, Chair  
Rep. Johnny Ellis  
Rep. Richard Foster  
Rep. Curt Menard  
Rep. Richard Shultz  
Rep. Fran Ulmer  
Rep. Jim Zawacki

March 20, 1990

To: Senate Labor and Commerce Committee members

From: David Finkelstein *DF*

Re: CS HB 442 (L & C) am, relating to the Alaska Tourism  
Marketing Council

The House version of HB 442 addresses three issues that surfaced recently with regard to provisions in ATMC's enabling law. This legislation will allow the ATMC to continue operating under their current policies.

1) Should ATMC board members, whose businesses are also members of the "qualified trade association," be barred from active participation on matters that might benefit the association?

The House version of HB 442 makes it clear that such activity is not prohibited under the ethics law (AS 39.52). The law allows ATMC to take action (such as providing space to the qualified trade association in publications and promotional material) which might be construed to be of benefit to the association. Denying members of the association the ability to vote on matters "benefitting" the association would cripple the ATMC's ability to effectively pursue the state's cooperative marketing program. HB 442 does require that any potential conflict be made part of the public record.

2) Should the ATMC be able to grant exclusive distribution rights for marketing information produced by the program?

Current law (AS 44.33.715 (a) (2)) provides that the ATMC board may:

"prescribe, adopt, amend, and repeal bylaws relating to the internal management and operations of the council, including the granting of distribution rights to tourism mailing lists."

DURING INTERIM:

3111 C Street, Anchorage, Alaska 99503  
(907) 561-7626 • FAX (907) 562-4376

The House version of HB 442 clarifies the original intent of the Legislature by making it more explicit that the distribution rights for tourism mailing lists granted by ATMC are exclusive.

3) How should monies raised through the cooperative marketing program be handled by the trade association?

The exact procedure for the management of funds raised by the qualified trade association from their participation in the cooperative marketing program is not dealt with in the law. HB 442 provides that funds obtained by the qualified trade association from the sale of space in publications and promotional materials and from the sale of mailing labels will be transferred to the ATMC for deposit in the General Fund. The trade association receives credit for this deposit towards the satisfaction of its required contribution to the cooperative marketing program.

The continuation of Alaska's cooperative tourism marketing program depends on these amendments. Thank you for your consideration.

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

January 10, 1990

Hon. H. A. "Red" Boucher  
House of Representatives  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Re: Tourism mailing lists  
Our file: 663-90-0214

Dear Representative Boucher:

You have asked for our comments on certain practices of the Alaska Tourism Marketing Council (ATMC) and the Alaska Visitors Association (AVA) related to the distribution of mailing lists, or labels, generated through the ATMC's cooperative marketing program. We conclude that the lists are public records and must be produced to those who request them, for cost.

Pursuant to AS 44.33.705(b), the commissioner of the Department of Commerce and Economic Development (DCED) has entered into a contract with the AVA to jointly manage the ATMC. As required under AS 44.33.705(b) and the contract, the AVA contributes to the state 15 percent of the total operating expenses of the ATMC. These contributions are received by the state, deposited in the general fund, and then appropriated back each year by the legislature to the ATMC for operations. See AS 44.33.730 and secs. 27 & 29, ch. 116, SLA 1989, at 49, 108.

The primary responsibility of the ATMC is to manage the state's multi-million dollar cooperative tourism marketing program. AS 44.33.720. As part of this program, the ATMC places advertisements in various magazines and newspapers and on television. With respect to the print media ads, business reply cards (BRCs) are also placed in the ads, and a potential tourist may then clip out the BRC and mail it back to the state. A respondent also can provide certain information and demographic data on the BRC, such as age, probable mode of travel (RV, cruise ship, etc.), and interests (sport fishing, hiking, photography, etc.).

The ATMC has entered into a contract with a private company to handle BRC responses. When a BRC or a general request for tourism information is received by the state, it is forwarded

REPLY TO:

1031 W 4th AVENUE SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 276-3550  
FAX: (907) 276-3697

1st NATIONAL CENTER  
100 CUSHMAN ST. SUITE 400  
FAIRBANKS, ALASKA 99701-4679  
PHONE: (907) 452-1568  
FAX: (907) 456-1317

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 463-5295

to the contractor. The contractor first inputs onto computer tape all the information provided by the person who sent in the BRC or information request -- name, address, interests, and demographic information. The contractor sends to the person a copy of the ATMC's principal publication, the official state Vacation Planner. The computer tape is then used to produce mailing labels identifying potential tourists by demography or stated areas of interest.

The Vacation Planner is produced by the ATMC. The ATMC sells space in the Planner to the AVA at cost, which in turn the AVA sells to its marketing partners at a premium in order to raise money for its required 15 percent contribution to the program. As a further incentive to encourage marketing partners to participate in the program, the AVA offers each partner a certain number of "free" mailing labels based upon the size of the ad purchased. 1/ With the contractor's ability to sort labels based upon the potential tourists' stated interests, a purchaser may request and receive labels for potential tourists who have expressed an interest in the purchaser's particular business (i.e., a lodge owner may request 1000 labels of persons who expressed an interest in fishing or hunting), or profile (i.e., a cruise ship operator may request persons over age 50). If a purchaser wants more labels than the "free" number offered as part of its ad purchase, or if a nonpurchaser wants labels, these may be bought for a fee significantly more expensive than the actual cost of producing the labels. 2/ All funds generated from these label sales are sent

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1/ The ATMC has voted to purportedly grant to the AVA the exclusive distribution rights for these mailing lists. See AS 44.33.715(a)(2). This distribution, however, is provided and paid for pursuant to the ATMC's contract with the private contractor. For a number of reasons not relevant to this discussion, we do not believe this grant is binding on the state.

2/ In general, we have held that distribution of state records to private parties that wish to use the information to produce mailing lists may violate the privacy rights of the persons whose names and addresses are released. 1979 Inf. Op. Att'y Gen. (April 17; J66-642-79); 1987 Inf. Op. Att'y Gen. (July 15; 663-87-0598). In this case, however, where those submitting the information do so for the purpose of obtaining tourism information, and where the use of these records for mailing lists is well-established and will benefit the public through increased tourism, we do not believe that there is an expectation of privacy sufficient to protect the information.

to the AVA and are also used by the AVA to make up part of its required 15 percent contribution to the program.

You have asked whether these practices with respect to the mailing lists comport with Alaska law. Specifically, you have asked whether it is permissible for the AVA to sell these mailing labels at a premium, or if the information must be treated as public records and distributed to whomever requests it at cost.

As indicated above, the data used to compile the computer tapes, and the actual labels themselves, are in the possession and control of the ATMC's private contractor. These tapes and labels are not directly controlled by any state agency.

Not all records in the possession of a private contractor are public records. For example, the general business records of a corporation do not become subject to the same rules as a state agency's records merely because the corporation is a successful bidder on a state contract.

We conclude, however, that where a contractor is essentially performing a state function, all records produced as a result of that performance are public documents. <sup>3/</sup> Although we are aware of no Alaska cases discussing this issue, other jurisdictions that have looked at the question have held that, when a state contracts with a corporation to perform a public function, records related to that particular contract or function are treated as public records. Fox v. News-Press Publishing Co., 545 So. 2d 941 (Fla. App. 1989); Fritz v. Norflor Construction Co., 386 So. 2d 899 (Fla. App. 1980); Westchester Rockland Newspapers v. Kimball, 408 N.E.2d 904 (N.Y. 1980). This is also consistent with language contained in the state's standard contract form, which was used by the parties in this case. Article 10 of the standard contract provides, in relevant part:

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the Contractor. The Contractor agrees not to assert any rights and not to

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<sup>3/</sup> To the extent that this conclusion is inconsistent with our earlier advice, contained in 1988 Inf. Op. Atty. Gen (Aug. 8; 663-88-0464), we overrule that opinion at this time.

establish any claim under the design patent or copyright laws.

Thus, we conclude that the data tapes, mailing labels and other documents created as a result of the state's contract for handling BRC responses are subject to the state's public disclosure laws, AS 09.25.110--09.25.120 and 6 AAC 95. 4/

Because the computer tapes are public documents, they must be produced at cost for anyone who requests them (6 AAC 95.130). Since these records are presently kept in computer tape form, they must be produced in that form. Szikszy v. Buelow, 436 N.Y.S.2d 558, 563 (N.Y. Super. 1981); State v. Harder, 641 P.2d 366, 374 (Kan. 1982). Also, to the extent that the agency chooses to make available these records in some other form, such as hard copy or sorted mailing labels, it must do so for all members of the public. We presume that the ATMC will want to continue making mailing labels available to tourism businesses, and if so, such labels must be available for all.

Further, because these are state records, any costs recovered from the distribution of these records by the ATMC through label sales are state program receipts and should be deposited directly into the general fund. These cost recovery receipts should not be credited to the AVA as part of its required contribution to the cooperative marketing program. See 1987 Inf. Op. Att'y Gen. (Sept. 15; 663-88-0080).

We caution that this opinion is based solely on our analysis of the applicable law in this area. We know there are significant arguments that can be made that distribution of these labels to the general public at cost may be detrimental to either the cooperative marketing effort (since these lists will now be available to competitor destinations) or the contractual arrangement between DCED and the AVA that created the ATMC (because the AVA may find it more difficult to raise its required contribution to the program). On the other side are arguments that the easy, wide-spread distribution and availability of these labels can only enhance Alaska's overall tourism efforts, by allowing more businesses to distribute their tourism fliers. It will be up to the legislature and the governor to weigh these competing arguments and decide if a statutory exception to the general open-records policy and laws is appropriate for these public records.

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4/ These records are also subject, of course, to otherwise generally recognized exceptions to those laws.

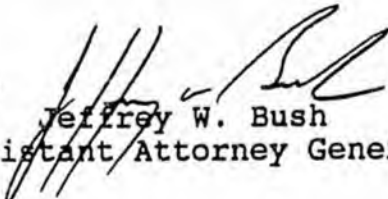
Hon. H. A. "Red" Boucher  
House of Representatives  
Our file: 663-90-0214

January 10, 1990  
Page 5

We hope this answers your questions. If this office can be of further assistance in this matter, please do not hesitate to contact us.

Sincerely yours,

DOUGLAS B. BAILY  
ATTORNEY GENERAL

By:   
Jeffrey W. Bush  
Assistant Attorney General

JWB:jf

cc: Larry Mercurieff, Commissioner, DCED  
Jane Angvik,, Assistant Commissioner, DCED  
Dana Brockway, Director, Division of Tourism and Chair, ATMC  
Bob Miller, Executive Director, ATMC  
Bob Dindinger, President, AVA

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

FILE COPY

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE  
SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 276-3550

1st NATIONAL CENTER  
100 CUSHMAN ST.  
SUITE 400  
FAIRBANKS, ALASKA 99701-4679

January 29, 1990

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600

Donald L. Smith  
Smith Enterprises, Inc.  
3002 Spenard Rd., Ste. 1  
Anchorage 99503

Re: Request for ATMC computer tapes

Dear Mr. Smith:

Bob Miller, Executive Director of the Alaska Tourism Marketing Council (ATMC), has requested my assistance in responding to your letter of January 22, 1990, in which you request copies of computer tapes maintained by the ATMC containing names, addresses and demographic information of people who have requested tourism information. You have requested this information pursuant to the state's public records statute, AS 09.25.110, and you cite for authority my informal attorney general opinion of January 10, 1990 (#663-90-0214).

Unfortunately, I cannot approve release of this information to you at this time. In response to my informal opinion, the House Special Committee on Tourism introduced House Bill 442, which if passed will create an exception to the general public records statute for all marketing information and data generated by the ATMC, including the information you seek. Although this is still a bill and not law, we believe that the status quo should remain in effect while the legislature has a reasonable opportunity to consider this legislation. This is especially true in light of the fact that the release of this information to you or anyone else at this time might make any subsequent legislation meaningless, at least in the short term.

Therefore, by copy of this letter to Mr. Miller, I am advising him not to release to you the information you requested,

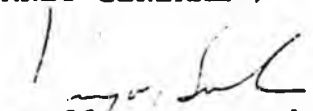
Donald L. Smith  
Smith Enterprises, Inc.

January 29, 1990  
Page 2

until such time as the legislative session ends or it becomes apparent that HB 442 or similar legislation will not pass.

Sincerely yours,

DOUGLAS B. BAILY  
ATTORNEY GENERAL .

By:   
Jeffrey W. Bush  
Assistant Attorney General

JWB:jf

cc: Bob Miller, Executive Director, ATMC  
Dana Brockway, Chair, ATMC and director, Division of Tourism

2/26/90

PROPOSED AMENDMENTS TO CSHB 442(L&C) am:

I. Amend new subparagraph (14) [Page 2, lines 26-29] to read:

(14) grant exclusive rights to a qualified trade association to sell or lease tourism mailing lists developed by the council if the trade association has contracted with the deparatment under AS 44.33.705(b).

II. Amend new AS 44.33.723 [Page 3, lines 2-9] to read:

Sec. 44.33.723. INFORMATION AND DATA. Marketing information and data generated by the council, including tourism mailing lists containing consumer names, addresses, and demographic information, are not public writings or records under AS 09.25.110 or 09.25.120. Tourism mailing lists sold or leased by the qualified trade association under AS 44.33.715(a)(14) shall be made available without discrimination [FOR SALE] to any individual or business for the purpose of promoting an Alaska tourism product or service. The qualified trade association may impose restrictions to prohibit subsequent sale or lease of the lists by purchasers.

III. Amend new AS 44.33.727 [Page 3, lines 11-18] to read:

Sec. 44.33.727. FUND TRANSFER AND REQUIRED CONTRIBUTION. (a) All of the funds obtained by the

qualified trade association from the sale of space in publications and promotional materials under AS 44.33.714(a)(13) and from the sale or lease of tourism mailing lists under AS 44.33.715(a)(14) shall be transferred to the council for deposit in the general fund, less the association's expenses related to the sale of space in publications and promotional materials and the sale or lease of tourism mailing lists. The amount of funds turned over to the council under this section shall be applied to the required contribution of the association under AS 44.33.705(b).

6-1975D  
Bannister  
3/27/90

Original sponsor(s): House Special Committee On Tourism

1 IN THE HOUSE

BY THE LABOR & COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 442 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Tourism Marketing  
7 Council; and providing for an effective date."

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

9 \* Section 1. AS 44.33.705(c) is amended by adding a new paragraph to  
10 read:

11 (1) notwithstanding AS 39.52, a board member who is a  
12 member of the qualified trade association that has contracted with the  
13 department under (b) of this section may vote or take action on a  
14 matter that might benefit the trade association or members of the  
15 trade association, including the issuance of contracts or the granting  
16 of rights to the trade association, but shall disclose the person's  
17 membership in the trade association before the vote or action; this  
18 paragraph may not be interpreted to allow a board member or an immedi-  
19 ate family member of a board member to receive, apply for, be a party  
20 to, have a personal or financial interest in, or attempt to acquire a  
21 grant or contract made by the council; in this paragraph, "immediate  
22 family member" has the meaning given in AS 39.52.960.

23 \* Sec. 2. AS 44.33.715(a) is amended to read:

24 (a) The board may

25 (1) adopt, alter, and use a corporate seal;

26 (2) prescribe, adopt, amend, and repeal bylaws relating to  
27 the internal management and operations of the council [, INCLUDING THE  
28 GRANTING OF DISTRIBUTION RIGHTS TO TOURISM MAILING LISTS];

29 (3) sue and be sued in the name of the council;

1 (4) enter into [ANY] agreements necessary to perform its  
2 functions;

3 (5) cooperate with a public or private board, organization,  
4 or agency engaged in work or activities similar to the work or act-  
5 ivities of the council, including entering into contracts for joint  
6 programs of tourism advertising and marketing;

7 (6) receive contributions of money;

8 (7) establish offices in the state and otherwise incur  
9 expenses incidental to the performance of its duties;

10 (8) appear on behalf of the council before boards, commis-  
11 sions, departments, or other agencies of municipal, state, or federal  
12 government except as provided under (b) of this section;

13 (9) acquire, hold, lease, sell, or otherwise dispose of  
14 property, but such property is limited to that which is necessary to  
15 the administrative functioning of the council;

16 (10) appoint committees comprised of board and nonboard  
17 members; the presiding officer of each committee shall be a board  
18 member;

19 (11) prepare and implement plans for the promotion of  
20 travel to and inside the state;

21 (12) sell, at fair market value, tourism advertising space  
22 in publications and promotional materials developed by the council;  
23 [AND]

24 (13) provide space to a qualified trade association in  
25 publications and promotional materials developed by the council if the  
26 trade association has contracted with the department under AS 44.33.-  
27 705(b) and pays its pro rata share of the production costs for the  
28 publication or promotional material; payment under this paragraph is  
29 not part of the association's required contribution under AS

1 44.33.705(b); and

2 (14) grant exclusive rights to a qualified trade associa-  
3 tion to sell or lease tourism mailing lists developed by the council  
4 if the trade association has contracted with the department under  
5 AS 44.33.705(b).

6 \* Sec. 3. AS 44.33 is amended by adding a new section to read:

7 Sec. 44.33.723. INFORMATION AND DATA. Marketing information and  
8 data generated by the council, including tourism mailing lists con-  
9 taining consumer names, addresses, and demographic information, are  
10 not public writings or records under AS 09.25.110 or 09.25.120.  
11 Tourism mailing lists sold or leased by the qualified trade associa-  
12 tion under AS 44.33.715(a)(14) <sup>originally was "be made available"</sup> shall be sold or leased without dis-  
13 crimination to any individual or business for the purpose of promoting  
14 an Alaska tourism product or service. The qualified trade association  
15 may restrict the subsequent sale or lease of the tourism mailing lists  
16 by purchasers or lessees.

17 \* Sec. 4. AS 44.33 is amended by a new section to read:

18 Sec. 44.33.727. FUND TRANSFER AND REQUIRED CONTRIBUTION. All of  
19 the funds obtained by the qualified trade association from the sale of  
20 space in publications and promotional materials under AS 44.33.-  
21 715(a)(13) and from the sale or lease of tourism mailing lists under  
22 AS 44.33.715(a)(14), less the association's expenses related to those  
23 sales and leases, shall be transferred to the council for deposit in  
24 the general fund. The amount of the funds turned over to the council  
25 under this section shall be applied to the required contribution of  
26 the association under AS 44.33.705(b).

27 \* Sec. 5. This Act is retroactive to July 1, 1988.

28 \* Sec. 6. This Act takes effect immediately under AS 01.10.070(c).  
29

# Sitka

Sitka Convention & Visitors Bureau  
P.O. Box 1226  
Sitka, Alaska 99835  
(907) 747-5940

February 16, 1990

Senator Dick Eliason  
Alaska State Legislature  
P.C. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Senator Eliason:

I am writing in regard to Senate Bill 419 relating to the Alaska Tourism Marketing Council and the distribution of labels produced as a product of that program.

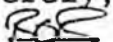
I support the legislation on a number of grounds. #1, the labels are the product of a legislatively mandated cooperative marketing program. The enabling legislation stipulates that the private sector match State funding at a rate of 15%. To make the labels available to those private businesses which do not contribute to the 15% match devalues the investment made in the program by those who support the cooperative marketing effort.

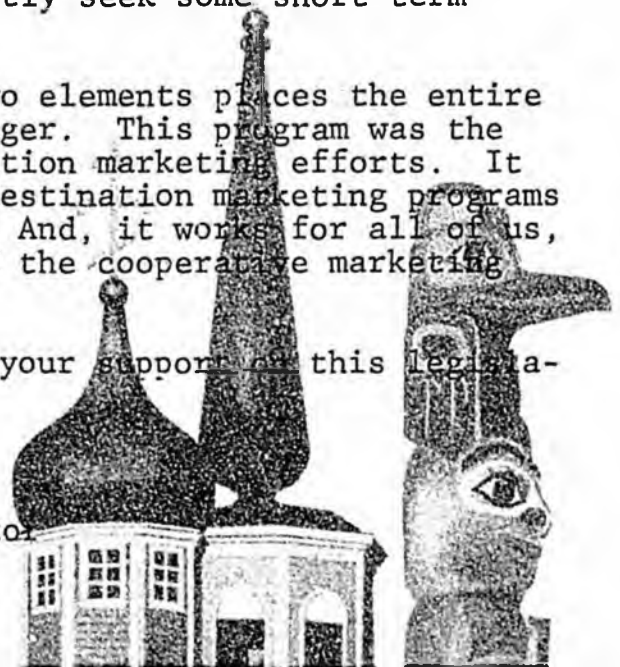
#2, the inherent value of the label program is the integrity of the mailing list. I have recently returned from a travel show in California where the number of people refusing to give their address to our staff so that we could send them Alaska information was incredible. Their fear was that they would be placed on some mailing list for a time share in Mexico. Should our list be made available to anyone, including potential destination competitors, those people requesting information on Alaska could also receive unwanted literature from travel insurance companies, luggage manufacturers, shock absorber salesmen, etc.. This makes these once valuable names of potential Alaska visitors less attractive to everyone, including those who currently seek some short term advantage from their use.

Finally, the combination of these two elements places the entire cooperative marketing program in danger. This program was the forerunner of public/private destination marketing efforts. It remains the model upon which other destination marketing programs are fashioned. In short, it works! And, it works for all of us, large or small. We all will lose if the cooperative marketing program is lost.

The visitor industry is counting on your support of this legislation.

Sincerely,

  
Robert W. Ward Jr., Executive Director  
Sitka Convention & Visitors Bureau



**Anchorage Daily News**


Gerald E. Grilly, Publisher

Howard Weaver, Managing Editor

Michael Carey, Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983  
Lawrence Fanning, Editor and Publisher 1967 to 1971

Founded in 1948 by Norman C. Brown



WINNER PULITZER PRIZE  
GOLD MEDAL FOR PUBLIC SERVICE 1976

## Sell 'em cheap

Visitor lists should be offered at a token price. The state of Alaska does many things to promote tourism. It spends millions of dollars to run the ever-popular state ferries. It spends millions more to convince the world Alaska is not a wasteland of glaciers and igloos. It spends thousands of dollars to help compile names of people who are interested in visiting Alaska. But one thing the state doesn't do is allow cheap, easy access to those names.

That list is a tourist marketer's dream. It can be broken down by where in Alaska visitors might come, when, and what they'd like to do. It's invaluable to any Alaska tourist business, but especially those that can't afford to develop their own lists.

But the state allows the list to be treated as a hot commodity. Buyers must pay \$150 per 1,000 names, or 15 cents each. (Big advertisers in the state travel planner qualify for discounts.) And that price, high as it is, was only recently cut by 50 percent. By comparison, other non-proprietary state lists, such as registered voters, can be purchased for a few cents a name from commercial vendors.

In other words, the state acts more like a business jealously guarding trade secrets than a friendly partner willing to share valuable data.

The visitor list needn't be treated as public information, available to any comer. The state can properly decide to sell the list only to firms promoting Alaska tourism — as the House of Representatives recently voted to do.

But the House measure says nothing about what buyers must pay for the list. Lawmakers should consider the visitor list an investment in "information infrastructure." Selling the list at nominal cost is one concrete way the state can help almost any tourist business, big or small.

Small

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE SUITE 200  
ANCHORAGE, ALASKA 99501-1694  
PHONE: (907) 278-3650  
FAX: (907) 278-3697

161 NATIONAL CENTER  
100 CUSHMAN ST. SUITE 400  
FAIRBANKS, ALASKA 99701-4679  
PHONE: (907) 452-1568  
FAX: (907) 456-1317

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 463-5295

January 10, 1990

Hon. H. A. "Red" Boucher  
House of Representatives  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Re: Tourism mailing lists  
Our file: 663-90-0214

Dear Representative Boucher:

You have asked for our comments on certain practices of the Alaska Tourism Marketing Council (ATMC) and the Alaska Visitors Association (AVA) related to the distribution of mailing lists, or labels, generated through the ATMC's cooperative marketing program. We conclude that the lists are public records and must be produced to those who request them, for cost.

Pursuant to AS 44.33.705(b), the commissioner of the Department of Commerce and Economic Development (DCED) has entered into a contract with the AVA to jointly manage the ATMC. As required under AS 44.33.705(b) and the contract, the AVA contributes to the state 15 percent of the total operating expenses of the ATMC. These contributions are received by the state, deposited in the general fund, and then appropriated back each year by the legislature to the ATMC for operations. See AS 44.33.730 and secs. 27 & 29, ch. 116, SLA 1989, at 49, 108.

The primary responsibility of the ATMC is to manage the state's multi-million dollar cooperative tourism marketing program. AS 44.33.720. As part of this program, the ATMC places advertisements in various magazines and newspapers and on television. With respect to the print media ads, business reply cards (BRCs) are also placed in the ads, and a potential tourist may then clip out the BRC and mail it back to the state. A respondent also can provide certain information and demographic data on the BRC, such as age, probable mode of travel (RV, cruise ship, etc.), and interests (sport fishing, hiking, photography, etc.).

The ATMC has entered into a contract with a private company to handle BRC responses. When a BRC or a general request for tourism information is received by the state, it is forwarded

to the contractor. The contractor first inputs onto computer tape all the information provided by the person who sent in the BRC or information request -- name, address, interests, and demographic information. The contractor sends to the person a copy of the ATMC's principal publication, the official state Vacation Planner. The computer tape is then used to produce mailing labels identifying potential tourists by demography or stated areas of interest.

The Vacation Planner is produced by the ATMC. The ATMC sells space in the Planner to the AVA at cost, which in turn the AVA sells to its marketing partners at a premium in order to raise money for its required 15 percent contribution to the program. As a further incentive to encourage marketing partners to participate in the program, the AVA offers each partner a certain number of "free" mailing labels based upon the size of the ad purchased. 1/ With the contractor's ability to sort labels based upon the potential tourists' stated interests, a purchaser may request and receive labels for potential tourists who have expressed an interest in the purchaser's particular business (i.e., a lodge owner may request 1000 labels of persons who expressed an interest in fishing or hunting), or profile (i.e., a cruise ship operator may request persons over age 50). If a purchaser wants more labels than the "free" number offered as part of its ad purchase, or if a nonpurchaser wants labels, these may be bought for a fee significantly more expensive than the actual cost of producing the labels. 2/ All funds generated from these label sales are sent

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1/ The ATMC has voted to purportedly grant to the AVA the exclusive distribution rights for these mailing lists. See AS 44.33.715(a)(2). This distribution, however, is provided and paid for pursuant to the ATMC's contract with the private contractor. For a number of reasons not relevant to this discussion, we do not believe this grant is binding on the state.

2/ In general, we have held that distribution of state records to private parties that wish to use the information to produce mailing lists may violate the privacy rights of the persons whose names and addresses are released. 1979 Inf. Op. Att'y Gen. (April 17; J66-642-79); 1987 Inf. Op. Att'y Gen. (663-87-0598). In this case, however, where those submitting the information do so for the purpose of obtaining tourism information, and where the use of these records for mailing lists is well-established and will benefit the public through increased tourism, we do not believe that there is an expectation of privacy sufficient to protect the information.

to the AVA and are also used by the AVA to make up part of its required 15 percent contribution to the program.

You have asked whether these practices with respect to the mailing lists comport with Alaska law. Specifically, you have asked whether it is permissible for the AVA to sell these mailing labels at a premium, or if the information must be treated as public records and distributed to whomever requests it at cost.

As indicated above, the data used to compile the computer tapes, and the actual labels themselves, are in the possession and control of the ATMC's private contractor. These tapes and labels are not directly controlled by any state agency.

Not all records in the possession of a private contractor are public records. For example, the general business records of a corporation do not become subject to the same rules as a state agency's records merely because the corporation is a successful bidder on a state contract.

We conclude, however, that where a contractor is essentially performing a state function, all records produced as a result of that performance are public documents. <sup>3/</sup> Although we are aware of no Alaska cases discussing this issue, other jurisdictions that have looked at the question have held that, when a state contracts with a corporation to perform a public function, records related to that particular contract or function are treated as public records. Fox v. News-Press Publishing Co., 545 So. 2d 941 (Fla. App. 1989); Fritz v. Norflor Construction Co., 386 So. 2d 899 (Fla. App. 1980); Westchester Rockland Newspapers v. Kimball, 408 N.E.2d 904 (N.Y. 1980). This is also consistent with language contained in the state's standard contract form, which was used by the parties in this case. Article 10 of the standard contract provides, in relevant part:

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the Contractor. The Contractor agrees not to assert any rights and not to

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<sup>3/</sup> To the extent that this conclusion is inconsistent with our earlier advice, contained in 1988 Inf. Op. Atty. Gen (Aug. 8; 663-88-0464), we overrule that opinion at this time.

establish any claim under the design patent or copyright laws.

Thus, we conclude that the data tapes, mailing labels and other documents created as a result of the state's contract for handling BRC responses are subject to the state's public disclosure laws, AS 09.25.110--09.25.120 and 6 AAC 95. 4/

Because the computer tapes are public documents, they must be produced at cost for anyone who requests them (6 AAC 95.130). Since these records are presently kept in computer tape form, they must be produced in that form. Szikszay v. Buelow, 436 N.Y.S.2d 558, 563 (N.Y. Super. 1981); State v. Harder, 641 P.2d 366, 374 (Kan. 1982). Also, to the extent that the agency chooses to make available these records in some other form, such as hard copy or sorted mailing labels, it must do so for all members of the public. We presume that the ATMC will want to continue making mailing labels available to tourism businesses, and if so, such labels must be available for all.

Further, because these are state records, any costs recovered from the distribution of these records by the ATMC through label sales are state program receipts and should be deposited directly into the general fund. These cost recovery receipts should not be credited to the AVA as part of its required contribution to the cooperative marketing program. See 1987 Inf. Op. Att'y Gen. (Sept. 15; 663-88-0080).

We caution that this opinion is based solely on our analysis of the applicable law in this area. We know there are significant arguments that can be made that distribution of these labels to the general public at cost may be detrimental to either the cooperative marketing effort (since these lists will now be available to competitor destinations) or the contractual arrangement between DCEL and the AVA that created the ATMC (because the AVA may find it more difficult to raise its required contribution to the program). On the other side are arguments that the easy, wide-spread distribution and availability of these labels can only enhance Alaska's overall tourism efforts, by allowing more businesses to distribute their tourism fliers. It will be up to the legislature and the governor to weigh these competing arguments and decide if a statutory exception to the general open-records policy and laws is appropriate for these public records.

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4/ These records are also subject, of course, to otherwise generally recognized exceptions to those laws.

Hon. H. A. "Red" Boucher  
House of Representatives  
Our file: 663-90-0214

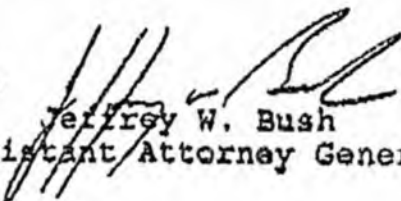
January 10, 1990  
Page 5

We hope this answers your questions. If this office can be of further assistance in this matter, please do not hesitate to contact us.

Sincerely yours,

DOUGLAS B. BAILY  
ATTORNEY GENERAL

By:

  
Jeffrey W. Bush  
Assistant Attorney General

JWB:jf

cc: Larry Mercurieff, Commissioner, DCED  
Jane Angvik,, Assistant Commissioner, DCED  
Dana Brockway, Director, Division of Tourism and Chair, ATMC  
Bob Miller, Executive Director, ATMC  
Bob Dindinger, President, AVA

# Smith Enterprises, Inc.

Donald L. Smith  
President

Kollette Schroeder  
Secretary/Treasurer

February 10, 1990

*Distributed by  
request so back up  
by Rep. Terry  
Martin*

TO: State House of Representatives  
RE: House Bill 442

I would strongly urge you to vote against HB 442.

You are being asked to pass a bill which is unconstitutional. I understand that the letter attached to this bill from the lawyer in Legislative Affairs that drafted the bill clearly indicates that the bill is unconstitutional.

The reason HB 442 is before you is because on January 10th of this year the Attorney General issued an opinion which indicated that the Visitor Mailing List is a public record and as such must be made available to the public at cost.

I realize that millions of State dollars are spent each year to develop these names. No different I might add than the millions spent to maintain and up-date voter files, business licenses mailing lists and other State data bases which by law are made available to the public at cost.

HB 442 is being fast tracked through the Legislature so that the MONOPOLY held by a handful of outside travel companies for the past several years can be maintained!

The losers are the THOUSANDS of small Alaskan Tourism businesses who cannot afford to make use of the lists because of their costs. The smoke screen being used that Hawaii would use these names is phoney. This is just a basic list of responses to the State Ad campaign and simply are names of people who have indicated an interest in possibly visiting Alaska.

How ironic that a FEW outside travel firms can exercise such influence!

These massive companies with their ships, hotels, railroad cars and buses can tie up ALL the business and then parcel it out to the local Alaskan Tourism firms IF they are willing to pay a 20% FINDER FEE.

Up until November of last year the AVA sold the visitor lists for \$300.00 per thousand - that's 30 cents per name! How would you like to pay 30 cents per name so you could mail out a newsletter to voters in your district?

Page Two

In October last year I raised Hell and they (the AVA Board) agreed to lower the rate to \$150.00 per thousand. They feared a challenge under Freedom of Information. \$150.00 per thousand is really still too high but a lot better than \$300.00 per thousand. I might add that \$150.00 per thousand is still one of the most expensive lists in the United States. You wouldn't pay that much for a list of names of the Presidents of the Fortune 500 companies.

The Alaska Travel Planner should have a stand alone advertising rate that reflects the value of what the ad is worth. Today the large outside travel companies pay \$174,000 for a two page ad in the planner. Over 700,000 planners are distributed each year and I would guess that each has a readership of 3 or 4 people. This means that a two page ad costs between 4 cents and 8 cents per person looking at the planner. I'll bet that's not considered a bad ratio in the industry.

The gimmick being used to limit access to the visitor names is that advertisers are being given a label for each dollar of advertising placed in the planner. This lets the large outside travel companies have access to the best names and through prohibitive pricing keeps the small Alaskan tourism firms from utilizing or only mailing to a very small number of names.

Imagine what would happen if several hundred Alaskan firms were able to afford to mail out their promotional literature to the visitor names. My guess is that we would see a lot more people coming up here as well as seeing more independent travelers.

Independent travelers spend more money and generally would stay in the state longer. These people would be coming up to stay in Lodges, Bed & Breakfasts and other Alaskan facilities. These Alaskan tourism attractions would not have to be paying 20% of their gross to the handful of outside travel companies.

I have a list of over 2,400 Alaskan owned and operated tourism businesses. There are HUNDREDS in each of your districts. These are the people you will be voting against if you pass this bill.

I would also bring to your attention the fact that conversions are down from previous years. Conversions are lower because our potential visitors who respond to the state tourism advertising campaign are receiving only a few letters and brochures. Those that are sent are basically from the large tour operators and thus the interest in visiting Alaska is not as high as it should be.

Page Three

Please do not allow yourself to be rushed into passing this illegal act. You cannot make an unconstitutional document legal by simply voting to call the visitor names something they are not.

I realize that many of you have received contributions from the AVA Pac and from various tourism companies. I also realize that the AVA Lobbying team of Gruening and Kito are very powerful. Think about the thousands of small Alaskan tourism firms who are going to be cut out of using this state resource.

I personally have plans which would utilize the tourism names to promote Alaskan manufactured products as well as to assist many small Alaskan tourism firms in reaching their potential customers through cooperative advertising. Many other Alaskan tourism firms would use these lists if they were available and were cost effective.

Please do not violate Alaska's Freedom of Information Law!

Thank you very much for reading this memo.

Sincerely,  
  
Don Smith

# Smith Enterprises, Inc.

Donald O. Smith  
President

Kollette Schroeder  
Secretary/Treasurer

March 20, 1990

The Printin' Place  
Impressions  
Smith Computer Services  
The Old Anchorage Salmon Bake

TO: Senate Labor & Commerce Committee

RE: House Bill 442

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Imagine what would happen if several hundred Alaskan firms were able to afford to mail out their promotional literature to the visitor names. My guess is that we would see a lot more people coming up here as well as seeing more independent travelers.

Independent travelers spend more money and generally would stay in the state longer. These people would be coming up to stay in Lodges, Bed & Breakfasts and other Alaskan facilities. These Alaskan tourism attractions would not have to be paying 20% of their gross to the handful of outside travel companies.

I have a list of over 2,400 Alaskan owned and operated tourism businesses. There are HUNDREDS in each of your districts. These are the people you will be voting against if you pass this bill.

I would also bring to your attention the fact that conversions are down from previous years. Conversions are lower because our potential visitors who respond to the state tourism advertising campaign are receiving only a few letters and brochures. Those that are sent are basically from the large tour operators and thus the interest in visiting Alaska is not as high as it should be.

Page Three

Please do not allow yourself to be rushed into passing this illegal act. You cannot make an unconstitutional document legal by simply voting to call the visitor names something they are not.

I realize that many of you have received contributions from the AVA Pac and from various tourism companies. I also realize that the AVA Lobbying team of Gruening and Kito are very powerful. Think about the thousands of small Alaskan tourism firms who are going to be cut out of using this state resource.

I personally have plans which would utilize the tourism names to promote Alaskan manufactured products as well as to assist many small Alaskan tourism firms in reaching their potential customers through cooperative advertising. Many other Alaskan tourism firms would use these lists if they were available and were cost effective.

The solution to the problem would be for the Legislature to change the financial matching formula in the Statutes that created the Alaska Tourism Marketing Council. Make the dollar match 8% or 10% rather than 15%. Force the Alaska Travel Planner to stand alone on its advertising revenues. Let the mailing labels be sold for \$25.00 to \$30.00 per thousand. You might be surprised how many Alaskan firms would buy the lists and REALLY promote Alaska.

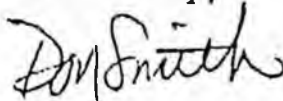
Tourism is Alaska's best hope for the future. Let it open up to Alaskans rather than continue the Monopoly currently enjoyed by the major Seattle tour companies.

If you look closely at the make up of the AVA Board of Directors, you will see the heavy influence of the Seattle based companies. Many of the directors rely on the major companies for much of their business.

Please do not violate Alaska's Freedom of Information law! These lists are a public record of the State and no bill can change that fact. I'm convinced that the Judicial System would clearly find that these names are a State public record and as such, like the business license lists and other, must be made available to anyone at cost.

Thank you very much for reading this memo.

Sincerely,



Don Smith

Appendix A

Re: Proposed Amendment by Lobbyist Gruening

I am not an Attorney so I'm not quite sure what is being attempted by this amendment.

I've never heard of anyone "leasing" a mailing list. Normally a mailing list house will clearly state in their sale documents that the list can only be used one time.

Any names generated by the use of a list, ie a person buying an advertised product, would become the property of the person or company who sent out the mailing. I am enclosing a copy of my Alaska Visitor's Brochure. I fully expect to sell my products as well as receive a sizeable response to my Visitor Survey. These names will belong to my company and I can use them in any way I wish.

I might add that the Alaska Tourism Advertising Campaign each year buys mailing lists from List Houses. Many of the people that appear in the Alaska Tourism Mailing list were generated from the purchased lists. The names are then sold as part of the State list. *They paid \$50 per M to \$80 per M.*

As I mentioned in my memo, you should change the Statutes that govern the ATMC. For all the money the State of Alaska spends, the tiny amount put into Tourism is probably the best investment we can make. Lower the match required by the Tourism Industry. Make all parts of the Tourism Advertising Campaign stand on their own. The Ads in the Travel Planner should NOT be tied to the label program. Insist that the Visitor Labels be made available to Alaska Tourism businesses at COST!

Thank you very much.

*Don Smith*

*This is a  
sample of  
eleven (11)  
names from  
the state  
tourism mailing  
list -*

*can you really  
believe that  
this list is  
worth \$150<sup>00</sup> per M  
of 15¢ EACH!*

DENNIS BUSINESS  
6688 ZACHARY LANS  
OSSEU MN 55369

KAREN D. MUIZKO  
118 RIVERVIEW  
ROCKFORD MN 55373

CLYDE VELDHUIZEN  
13580 LYNN AVE S  
SAVAGE MN 55378

JOHN P HAGEN  
4748 WEST ARM RD  
SPRING PARK MN 55384

JAMES B PETTEY  
12385 FREMONT LN  
ZIMMERMAN MN 55398

CLARENCE SARKIS  
3500 12 AVE SO  
MINNEAPOLIS MN 55407

DEWEY WALLACE  
3024 GRAND AVE S  
MINNEAPOLIS MN 55408

JIM STRICKLAND  
1609 N DUPONT AVE  
MINNEAPOLIS MN 55411

THERESA CESAFSKY  
1426 WASHINGTON ST NE  
MINNEAPOLIS MN 55413

NICOLE KRUEGER  
2223 FRANCE AVE S  
MINNEAPOLIS MN 55416

JOHN DAHMEN  
2403 CENTRAL NE #1  
MINNEAPOLIS MN 55418

# FREE

Begin your Alaska adventure right now by sending for your free 1990 Official Alaska Vacation Planner. This colorful 124 page book has all the facts, information and travel tips you need to plan the perfect Alaska vacation.



Alaska Vacation Planner - 124 pages of beautiful color photographs, maps, travel tips and listings of restaurants, hotels, campgrounds and things to do.

Please allow 4 to 6 weeks.

622

Please make address corrections here.

Ms. Virginia L. Acton  
130 Church Street  
Jackson, California 95642

Phone number: (209) 223-1574

# A L A S K A

So we can help you plan your Alaska vacation, please answer these questions.

## Send for your free Vacation Planner.

You've dreamed about discovering for yourself Alaska's timeless beauty. Now begin the adventure by sending for your free 1990 Official Alaska Vacation Planner.



- Have you already decided to visit Alaska?  
 a Yes  b No
- When are you likely to visit Alaska?  
 a 1990  
 b 1991  
 c Likely, but don't know when  
 d Not likely
- When are you likely to travel?  
 a Jan-Mar  
 b April-May  
 c June-Sept  
 d Oct-Dec
- What regions of Alaska will you be visiting?  
 a Interior/Far North  
 b Southeast  
 c Southcentral  
 d Southwest  
 e Underdeveloped
- Have you taken a vacation at a destination 2,000 miles or more from your home in the last five years?  
 a Yes  
 b No
- Have you previously visited Alaska?  
 a Yes, plan to go again  
 b Yes, but not planning to go again  
 c No
- Educational background  
 a High School  
 b Attended College  
 c Graduated College  
 d Post Graduate
- What is your age? 60
- Also, I'm interested in:  
9. Travel to Alaska  
 a. By Cruise/ship  
 b. By Air  
 c. By Car or RV/Camper  
 d. By Ferry/liner  
 e. Packaged Tour
- Accommodations  
 a. Lodges, Resorts & Cabins  
 b. Hotels & Motels  
 c. Camping Out Facilities Modest  
 d. Bed & Breakfast
- Activities in Alaska  
 a. Trips/Excursions  
 b. Sport Fishing  
 c. Charter Boats  
 d. Guided Hiking, Canoeing and Raft Trips  
 e. Guided Bird-watching, Wildlife and Photo Trips

(Offer good while supply lasts. expires 8/31/90)

*This matter came back as a part of a list bought by the state & this name will be used by the state as part of its marketing list.*

**\*THE UPPER 1%**

With Phone Numbers

Quantity	Price Per 'M'
906,000	\$85.00M
384,000	\$115.00M

**\*THE UPPER 5%, 3% & 1% Will Generally Vary Geographically Across The United States:****IE** The UPPER 1% In A State Such As Arkansas Will Generally Be Lower Than The UPPER 1% In A State Such As Connecticut.**NOTE: A GOVERNMENT SURVEY OF CONSUMER FINANCES & WEALTH DISTRIBUTION, CONDUCTED BY FEDERAL AGENCIES, REVEALS THE FOLLOWING:**

- A. The Top 5% Of American Families Hold Approximately 28% Of The Nation's Wealth  
 B. The Wealthiest 5% Owned 71% Of All Tax Exempt Municipal Bonds, 38% Of All Taxable Bonds, 22% Of The Individual Checking Accounts, 19% Of The Money Market Accounts, 29% Of Certificates Of Deposit & 10% Of The Money In Savings Accounts. They Also Owned 62% Of All Stocks In Private Hands & 42% Of All The Real Estate Purchased As An Investment  
 C. The Top 5% Of American Families Reported AVERAGE Financial Holdings Of \$123,000  
 D. More Than 15% Of All American Households Had A Net Worth Of Over \$100,000  
 E. They Are Estimated To Give An Average Of \$2,000 Per Household, To Various Charitable Causes.  
 F. In A Survey Conducted By Cigna Insurance Company, It Was Shown That The Vest Majority Are Products Of The Work Ethic, With The Entrepreneurial Urge Coming Later In Life. They Continue To Add To Their Nest Egg.

**\*\*\*THE BASIC TREND OF THE SURVEY INDICATES A GROWING CONCENTRATION OF WEALTH IN THE COFFERS OF A SMALL NUMBER OF FAMILIES, WITH HIGH ANNUAL INCOMES\*\*\*****"YUPPIE," HIGH INCOME EXECUTIVES & PROFESSIONALS (MOSTLY UNDER THE AGE OF FORTY), WHO GENERALLY EARN WELL OVER \$65,000 PER YEAR, AT HOME ADDRESSES, WHO INVEST EITHER THEIR OWN OR THEIR COMPANY'S MONEY IN STOCKS, BONDS, TREASURY BILLS, C.D.'s, MONEY MARKET FUNDS, COMMODITIES OR REAL ESTATE**

With Phone Numbers	2,932,000	\$75.00M
	2,242,000	\$95.00M

**WOMEN INVESTORS**

At Home	543,000	\$75.00M
At Home, With Phone Numbers	383,000	\$75.00M
At Large Corporations	155,000	\$95.00M
At Large Corporations, With Phone Numbers	60,000	\$75.00M
	45,000	\$95.00M

**WOMEN SMALL BUSINESS OWNERS & ENTREPRENEURS, MOSTLY IN SMALL BUSINESSES, WITH UNDER EIGHT EMPLOYEES, WHO INVEST IN STOCKS, BONDS, TREASURY BILLS, C.D.'s, MONEY MARKET FUNDS, PRECIOUS METALS OR REAL ESTATE**

With Phone Numbers	379,000	\$75.00M
	324,000	\$95.00M

**I.R.A. LISTS****IRA HOLDERS/INQUIRERS & PROSPECTS**-Individuals, Who Previously Inquired, Have Been Prospected Or Hold & Have Indicated A Willingness To Still Continue Investing In IRA's, Despite Losing The Tax Advantage

With Phone Numbers	3,718,000	\$75.00M
	3,484,000	\$95.00M

**IRA HOLDERS/INQUIRERS & PROSPECTS**-Individuals, Who Previously Inquired, Have Been Prospected Or Hold & Should Still Be Qualified To Take The IRA Deduction, Under The New Tax Laws

With Phone Numbers	2,216,000	\$75.00M
	1,964,000	\$95.00M

These would be considered "Hot" names

**CONSERVATIVE TYPE INVESTORS LISTS**

Quantity Price Per 'M'

**AFFLUENT OLDER INVESTORS** Above Fifty Years Of Age - Net Worth Of \$500,000 & Over - Names Above Sixty Years of Age May Be Selected

Above Fifty	3,962,000	\$75.00M
Above Sixty	1,701,000	\$85.00M
With Phone Numbers	1,903,000	\$95.00M

**CONTROLLING STOCKHOLDERS, AT HOME ADDRESSES, IN PUBLIC & PRIVATE CORPORATIONS**

With Phone Numbers	71,000	\$75.00M
	27,000	\$95.00M

**COUNTRY CLUB MEMBERS, WHO INVEST IN STOCKS, BONDS, C.D.'s, TREASURY BILLS, MONEY MARKET FUNDS OR REAL ESTATE**

	432,000	\$75.00M
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**DENTISTS, AT OFFICE, WHO ARE HEAVY INVESTORS**

With Phone Numbers	128,000	\$75.00M
	56,000	\$95.00M

**DENTISTS, MOSTLY AT HOME ADDRESSES, WHO ARE HEAVY INVESTORS**

	15,000	\$75.00M
--	--------	----------

**DISCOUNT STOCK SERVICE BUYERS/INQUIRERS & PROSPECTS**

With Phone Numbers	3,211,000	\$75.00M
	2,413,000	\$95.00M

**DOCTORS, AT HOME ADDRESSES, WHO ARE HEAVY INVESTORS**

With Phone Numbers	108,000	\$75.00M
	94,000	\$95.00M

**DOCTORS, AT OFFICE, WHO ARE HEAVY INVESTORS**

With Phone Numbers	412,000	\$75.00M
	198,000	\$95.00M

**ENTERTAINMENT & SPORTS FIGURES, WHO INVEST IN STOCKS, BONDS, C.D.'s, MONEY MARKET FUNDS, COMMODITIES OR REAL ESTATE**

	5,600	\$85.00M
	2,400	\$289.60

**\*\*\*TOP WEALTHIEST OF THE GROUP\*\*\*****ENTIRE LIST****FORBES TOP LARGEST "PUBLICLY HELD" CORPORATIONS, WITH THE CHIEF EXECUTIVE OFFICER, AT BUSINESS ADDRESSES**-These Ratings Were Established By Combining Assets, Sales & Market Value-Total Sales Exceed Two & One Half Trillion Dollars & These Companies Are Responsible For Approximately 17% Of All The Jobs In The United States-This List Is Alphabetized & Zip Coded, But Not In Sequence

	798	\$149.60M
<b>ENTIRE LIST</b>		\$169.60
<b>ENTIRE LIST</b>		

With Phone Numbers

**FORTUNE'S TOP 3,000 LARGEST CORPORATIONS, WITH THE PRESIDENT, CHAIRMAN OF THE BOARD & CHIEF FINANCIAL OFFICER, AT BUSINESS ADDRESSES**-They Would Be Responsible For Mergers Or Other High Level Stock Transactions, If Any Should Occur

All Per Company	9,000	\$75.00M
Two Per Company	6,000	\$75.00M
One Per Company	3,000	\$75.00M
With Phone Numbers	9,000	\$95.00M

**GNMA BUYERS/INQUIRERS & PROSPECTS**

	639,000	\$75.00M
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**GROWTH MUTUAL FUND (NO LOAD) BUYERS/INQUIRERS & PROSPECTS**

	572,000	\$75.00M
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# Anchorage Daily News

Gerald E. Grilly  
Publisher

Howard Weaver  
Managing Editor



Michael Carey, Editorial Page Editor

Katherine Fanning, Editor and Publisher 1971 to 1983

Lawrence Fanning, Editor and Publisher 1967 to 1971

Founded in 1946 by Norman C. Brown

## Sell 'em cheap

Visitor lists should be offered at a token price. The state of Alaska does many things to promote tourism. It spends millions of dollars to run the ever-popular state ferries. It spends millions more to convince the world Alaska is not a wasteland of glaciers and igloos. It spends thousands of dollars to help compile names of people who are interested in visiting Alaska. But one thing the state doesn't do is allow cheap, easy access to those names.

That list is a tourist marketer's dream. It can be broken down by where in Alaska visitors might come, when, and what they'd like to do. It's invaluable to any Alaska tourist business, but especially those that can't afford to develop their own lists.

But the state allows the list to be treated as a hot commodity. Buyers must pay \$150 per 1,000 names, or 15 cents each. (Big advertisers in the state travel planner qualify for discounts.) And that price, high as it is, was only recently cut by 50 percent. By comparison, other non-proprietary state lists, such as registered voters, can be purchased for a few cents a name from commercial vendors.

In other words, the state acts more like a business jealously guarding trade secrets than a friendly partner willing to share valuable data.

The visitor list needn't be treated as public information, available to any comer. The state can properly decide to sell the list only to firms promoting Alaska tourism — as the House of Representatives recently voted to do.

But the House measure says nothing about what buyers must pay for the list. Lawmakers should consider the visitor list an investment in "information infrastructure." Selling the list at nominal cost is one concrete way the state can help almost any tourist business, big or small.

# THE Alaska TRAVEL SWEEPSTAKES

MY TOURISM MAILER -  
you were sent an actual copy yesterday!

Yes! You can win 2 free round trip tickets to Alaska simply by filling out our Visitor Survey.\* No purchase required. What a deal!



You can earn extra chances in our airline ticket giveaway ordering any of the 4 Alaska travel guides described inside this brochure. Help us get ready for our summer visitors by replying promptly. Surveys mailed back within 10 days will get an extra entry in our Alaska Travel Sweepstakes. Don't delay!

\* Survey respondents must be at least 18 years old to win. Tickets not transferable. Travel to Alaska must begin by December 31st, 1990. The winner will be drawn in our raffle June 30, 1990 in Anchorage, Alaska. The winner will be notified immediately. Once again, no purchase is needed to win. Just fill out and return the Visitor Survey form to us. Do it right away and earn your extra chance.

## VISITOR SURVEY

1. Have you made travel arrangements to visit Alaska this summer? \_\_\_\_\_ yes \_\_\_\_\_ no
- 2.a. If your answer is yes, when are you traveling? leave \_\_\_\_\_ return \_\_\_\_\_
- b. How many will be traveling in your party? Number \_\_\_\_\_
3. Tell us in a few words why you chose to visit Alaska: \_\_\_\_\_
4. Which of the following best describes your mode of travel?
  - A pre-paid package including transportation, lodging or sightseeing.
  - Completely on your own WITHOUT any sightseeing purchases in Alaska.
  - Completely on your own WITH a purchase of some sightseeing trips while in Alaska.
5. How are you traveling to Alaska?
  - Cruise ship  Airline  Car or Camper (Private vehicle)
  - Ferry  Other. \_\_\_\_\_
6. Have you made reservations for accommodations yet? \_\_\_\_\_ yes \_\_\_\_\_ no
7. If yes, what kind of accommodations?
  - Hotels and motels  Camping facilities
  - Bed & breakfasts  Lodges, resorts, and cabins
8. If not would you like someone to contact you? \_\_\_\_\_ yes \_\_\_\_\_ no
9. Have you made arrangements for optional tours? \_\_\_\_\_ yes \_\_\_\_\_ no
10. If you have NOT made plans to visit Alaska this summer, are you still thinking about visiting? \_\_\_\_\_ yes \_\_\_\_\_ no
11. If your answer was yes, would you like someone to contact you about planning your trip? \_\_\_\_\_ yes \_\_\_\_\_ no
12. How many different brochures have you received from Alaskan tourism firms? \_\_\_\_\_ Number
13. Were these mailers helpful to you? \_\_\_\_\_ yes \_\_\_\_\_ no
14. If not, why: \_\_\_\_\_
15. Did you receive a copy of the Alaska Travel Planner?  yes  no  not sure
16. If your answer was yes, on a scale of 1-7, with 7 meaning "very useful" and 1 meaning "not useful at all," how would you rate the Alaska Travel Planner (Circle the appropriate number). \_\_\_\_\_

## OLD ANCHORAGE SALMON BAKE



Over 200 years ago, Captain James Cook surveyed the bluff where the Old Anchorage Salmon Bake now nestles, just steps away from Anchorage's historic downtown.

Savor succulent salmon or halibut in a rustic setting reminiscent of the brawling teni city of yesteryear. Enjoy lunch or dinner at the Salmon Bake, which overlooks Ship Creek and Cook Inlet.

Stop by! The Old Anchorage Salmon Bake is a must see for visitors to Alaska's largest city.

# ALASKA

## the last frontier

1990

Dear Visitor,

Please allow me to introduce myself. My name is Don Smith, I'm a third generation Alaskan and 50 year resident.

I've put together a package of 4 Alaska travel guides that I hope you will find both interesting and useful in planning your Alaska vacation.

My videotape, "Alaska A Video Experience," gives you a 32 minute view of our spectacular state from the perspective of a visitor. This video is a must see for anyone who wants to know and see what a tour of Alaska is all about.

My two directories are handy tools for the visitor who wants an out-of-the-ordinary, bed & breakfast experience or to get out and see outdoor Alaska.

My staff and I have listed all the exciting things to do while in the state plus we include discount coupons worth many times the price of the directories.

Our third publication is a booklet called, "How to Visit Alaska... On a Limited Budget." This is probably the best investment you could make in putting together your dream vacation to Alaska.

I've tried it all: Roads, camping and RV parks, hunting and fishing, wilderness experiences, cruise ship and ferry schedules, calendars of special events as well as guides to prices and accommodations.

I also own and operate the popular Old Anchorage Salmon Bake. Stop by and say "Hi!" when you get to town.

Don't forget to fill out and return the Visitor Survey, which makes you eligible to win 2 free, round trip airline tickets to Alaska.

Good luck. I hope to see you here in the Last Frontier.

Sincerely,

*Don Smith*

P.S. All of my travel guides come with my pledge of satisfaction, or your money back.

Also, if you would like help in planning your adventure to Alaska, check the box on the order form.



DIRECTORIES

The **Outdoor Alaska Directory** by Don Smith, is THE reference book for the real Alaska.

Including hundreds of adventure possibilities and exciting places to visit, it is a listing of resorts and cabins.

The "Outdoor Directory" gives you a hand where to go in Alaska - in one convenient place.

The directory, which lists all establishments region as well as by category of activity.

While Alaska's outdoor tourism businesses advertise in our directory, advertising is not a thing is listed.

As a part of "Outdoor Alaska Directory," coupons, each worth \$5 off participating attractions.

Price includes \$2.00 for shipping and handling.

## ORDER FORM



For each item purchase you earn an extra sweepstakes entry. Buy all 4 items and get 5 sweepstakes entries. This brochure is designed to be mailed back. Fold over and staple or tape shut. If you are enclosing a check, please staple or tape it to the order form.

# LASKA... A VIDEO EXPERIENCE

Minutes of Alaska's breathtakingly beautiful wilderness.



Starting in Southeastern Alaska with stunning shots of calving glaciers and shy wildlife, the camera follows an ideal tour, from Ketchikan, Juneau and Sitka to Skagway, the gateway to Klondike gold, then on through to Fairbanks, McKinley Park, Anchorage, the Arctic, and Prince William Sound.

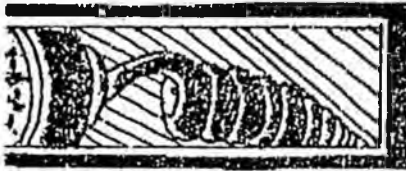
It's all here! Sweeping vistas of towering mountains, high meadows alive with wildflowers, berries and bears, endless grassy plains teeming with wild animals, salmon-choked streams and much, much more.

Don Smith, a third-generation Alaskan, produced "Alaska... A Video Experience" and is pleased to offer you this glimpse of his state, America's last frontier.

"Alaska... A Video Experience" will show you what a trip to Alaska can be like. It's a great tool to help plan your trip.

Price includes \$3.50 for shipping and handling.

Only \$23.95



## The Alaska Bed and Breakfast Directory

by Don Smith lists over 300 bed and breakfasts in 40 communities across the state. Bed and Breakfast travel can provide you with a comfy way to see the real Alaska - and meet real Alaskans!

Staying in Alaska's bed and breakfast accommodations can not only save you money, but gives you an introduction to some of the state's most interesting people. You will find that Alaska's B & B hosts can guide you in finding places to go and see while filling you in on local history and the best places to eat and be entertained.

The "Alaska Bed and Breakfast Directory" lists ALL establishments and each Alaskan community is listed separately.

As a bonus, we include 10 discount coupons, each worth \$2.50 toward a night's stay in participating bed & breakfasts.

price includes \$1.50 for shipping and handling.

Only \$11.45

Interested in seeing  
hundreds of unique  
Alaska's lodges,  
what to do and  
broken down by  
encouraged to  
ment. Every  
er 10 discount  
Only \$14.95

## HOW TO VISIT ALASKA... ON A LIMITED BUDGET



### Planning a trip

to Alaska can be a major undertaking.

Few travel agents know where to go and what to see around the state. About all they can do is sell you a package tour that hustles you past the sights you'd rather linger over, at a price that could break the bank. We've compiled a booklet that can save you time and money in planning your trip. We tell you when you should travel, discuss the different modes of transportation, help you find economical lodgings and offer suggestions on what to see and do.

With our guide, you can shave hundreds of dollars from the price of a package tour and see Alaska at your own leisurely pace.

Don Smith has lived in Alaska for 50 years and knows his home state. If you are planning a trip or are thinking about visiting Alaska, his guide could be the wisest investment you make.

Sold only through this mailer. Price includes \$1.00 for shipping and handling.

Only \$8.95

Print Clearly

## Satisfaction Guaranteed or Your Money Back

Name \_\_\_\_\_  
Address \_\_\_\_\_  
State \_\_\_\_\_ Zip \_\_\_\_\_

Quantity	Description	Item Price	Total Cost
	How to Visit Alaska on a Limited Budget	8.95	
	Alaska — A Video Experience	23.45	
	Outdoor Alaska Directory	14.95	
	Alaska Bed & Breakfast Directory	11.45	
	All 4 Items for "Only"	49.95	
Please call — I'd like some help in planning my trip to Alaska.		Total Order Amount	

Phone Number \_\_\_\_\_

Thank you for your order

Date \_\_\_\_\_

Check enclosed (Sorry No C.O.D.)

Visa  Mastercard  American Express

\_\_\_\_\_

Credit Card Number

Expiration Date \_\_\_\_\_

Name of Bank \_\_\_\_\_

X \_\_\_\_\_

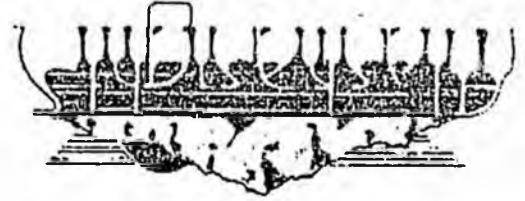
Signature for Credit Card Orders

(Free and no purchase required)

# 2 ROUND TRIP TICKETS TO ALASKA ....



3002 Spenard Road, Suite One  
Anchorage, Alaska 99503



BULK RATE  
U S POSTAGE  
PAID  
Permit No. 443  
Anchorage, AK

## There is NO QUESTION....



*Morris Air Service has changed the Alaskan Marketplace and will continue to do so.*

When Morris Air Service entered the Alaska Marketplace with regularly scheduled flights in December 1988, the response was immediate and overwhelming. Alaskans were ready for lower air fares and fewer travel restrictions.

Morris Air Service, based in Salt Lake City, is part of one of the largest travel companies in the United States. What began as an air charter for tour groups to Mexico and Hawaii eventually evolved into additional daily service between Salt Lake City, Los Angeles and San Francisco, and most recently with chartered Continental aircraft and crew between Anchorage and Seattle.

Since Morris Air Service has been operating scheduled flights, travelers now have affordable travel choices not only to Seattle but also to over 120 cities in the lower 48 states.

The benefits of flying the Morris Shuttle include not only low fares

to Seattle, which begin at \$198.00 OW to \$298.00 RT, but also the no-advance purchase requirements and up to 45 hours prior to flight departure for cancellation or change of itinerary. A \$20 change fee is issued for either contingency.

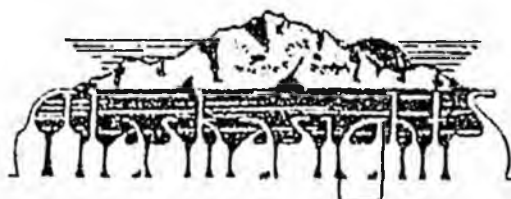
Also available for travel to and from Alaska are low "through fares" to over 120 cities. These airfares are for travel through Seattle with connections to other carriers. For example, a passenger can fly the Morris charter to Seattle then board a connecting flight to Boston for a one way fare of \$349.00.

**1 (800) 444-5660**

\* All flights to Seattle are via Charter Air. Charter flights are via Continental Airlines and are subject to the terms of the Operator/Participant contract. Flights from Seattle to cities other than Anchorage are via U.S. Air. Please add \$30-\$50 per peak fare. Prices are subject to change without notice. Restrictions apply. Please call for complete details.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STAMP



3002 Spenard Road, Suite One  
Anchorage, Alaska 99503

# Smith Enterprises, Inc.

Donald L. Smith  
President

March 20, 1990

Kellita Schroeder  
Secretary/Treasurer

The Printon' Place  
Impressions  
Smith Computer Services  
The Old Anchorage Salmon Bake

TO: Senate Labor & Commerce Committee Members

RE: HB 442

Just today I received a copy of next years prices for advertising in the Alaska Travel Planner.

The two page ad with BRC (business reply card) cost \$174,000.00 in this year's planner. Next year that same ad will cost \$150,000.00 or \$24,000.00 less. This reduction reflects a discount of approximately 14%.

The \$174,000.00 Ad entitled the purchaser to 174,000 free labels. Non Marketing Partners (advertisers) would have had to pay \$300.00 per M for labels.

This next year AVA will be charging \$150.00 per M for labels. This means that the same two page ad will cost \$176,100.00 with 174,000 labels ordered.

It has been estimated that Ad sales for this years planner would generate \$1,237,048.00 in gross sales. Calculating a 14% over all reduction in ad sales to reflect the new prices will mean that gross revenues from ad sales next year, if everything stayed equal, would be \$173,000.00 less than this year.

The bottom line is that I am fighting AVA over \$173,000.00 which needs to be made up in either additional ads being sold or from label sales. You would need to sell 1,153,000 labels at \$150.00 per M to raise \$173,000.00.

I have a Division of Tourism report dated 9/15/88 which shows that the FY89 vacation planner sold 4,204,000 labels to it's Marketing Partners. If 4.2 million labels are sold next year like in 1988, the revenue at \$150.00 per M would generate \$630,000.00.

Said another way, if 4.2 million labels were sold at \$50.00 per M the revenue generated would be \$210,000.00. That would be \$38,000.00 more than is needed to fund the difference between ad sales and needed revenues.

A \$50.00 per M rate would be an acceptable rate for this list. I would also guess that at \$50.00 per M many, many more of the small Alaskan Tourism Companies would consider using the State Tourism Mailing List.

Page Two

Another point to consider is that this mailing list has over 600,000 names. If 4 million names are run, it only means that each person on the list is receiving 6 or 7 mailers.

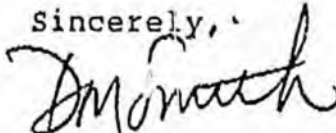
Enclosed is a copy of the DOT Report which listed the tourism companies, their ad size plus the number of labels ordered. I might add that from my research I cannot find any records or anyone who knows of a single label being sold to anyone other than a Marketing Partner. No one has ever bought labels at the \$300.00 rate and as of this moment no one has purchased labels at the new \$150.00 per M rate. It must mean that they are too expensive!

Were you also aware that there is a new policy which will require that everyone listed in the Travel Planner will pay a minimum of \$150.00 for a narrative ad? The current Travel Planner has 1,600 listings. If only 1,200 list their tourism business in next years Planner the new revenue generated at \$150.00 would raise an additional \$180,000.00 of new money.

You should really let HB 442 Die or amend it so any Alaskan Tourism Business could have access to the Alaska Tourism Mailing List at cost.

Again, thank you for taking the time to review all the material I've sent.

Sincerely,

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

Don Smith

Enclosure

# 1991 Alaska Vacation Planner

## Advertising Rates and Conditions

(circ. 750,000)

### Alaska Vacation Planner Rates—FY 91

Rates quoted are for ads only, labels must be rented separately

Ad Size	Rates	1990
2 pages (Display ad) + BRC	\$150,000	174,000
1 page (Display ad)	\$ 57,000	62,100
1/2 page (Display ad)	\$ 28,500	34,080
1/4 page (Display ad)	\$ 15,000	<del>29,700</del>
2-Inch (Display ad)	\$ 1,000	1,600
Narrative Ad	\$ 150	

### Where to Ask

Chambers of Commerce  
Convention & Visitors Bureau  
Disabled Visitors Information  
Alaska Travel Agents & Trip Planners  
Guides and Outfitters  
Fish and Game Information  
Guidebooks, Charts and Maps

### Payment & Materials Schedule

May 1, 1990	Contract, completed Narrative ad form and full payment for Narrative ad.
June 15, 1990	Contract & Payment deadline. 100% of space cost for 2" display ads. Initial 33% payment due for one-fourth page and larger ads with 3-payment plan.  Deadline for all 2-inch directory ad materials which require production work by the Vacation Planner staff.
July 10, 1990	Deadline for all finished advertiser materials. Firm!
August 1, 1990	33% of space cost due for ads one-fourth page or larger.
January 2, 1991	34% of space cost due for ads one-fourth page or larger.

A monthly interest rate of 1.5% will be charged on all overdue accounts.

### Conditions of Advertising

Ad positioning cannot be guaranteed, however, you are encouraged to indicate which section of the Directory you want your ad to appear in. Unless stated otherwise ads under full-page size will be placed within the category in which your Narrative ad appears, if you order one. One-fourth page and smaller ads will be placed adjacent to your Narrative ad wherever possible.

The Directory is organized as follows:

Regions:	Statewide	South Central
	Southeast	Interior/Far North
	Southwest	

Within each Region will be (where appropriate):

How to Get There (Statewide only—travel to and from Alaska)

How to Get Around (Statewide and regions—travel within the state)

By Air  
By Sea  
By Highway  
By Train  
By Package Tour

Where to Stay

Hotels, Motels, Inns, Bed & Breakfast  
Wilderness Lodges and Resorts  
Camping Facilities / RV Parks / Service Centers

What to Do

Regionwide Attractions  
Local Attractions  
Restaurants  
Gift Shops

Multiple buys of ads are allowed under these conditions:

Narrative ads—Only one ad is allowed per category unless the name of the service/attraction is different.

Two-inch ads—first ad is purchased at published rate. Subsequent ads purchased for same firm are purchased at \$3,800 each.

One-quarter page and larger—all ads are purchased at published rates.

Business reply cards for two-page spread ads are black and white only, non-bleed, and will be jogged at the bottom of the spread. Call for BRC specifications.

Sharing of advertising space by two or more companies is not permitted. All orders for the purchase of advertising space are subject to approval by the Alaska Tourism Marketing Council.

Bleed ads allowed only on one page or larger size. Color at no extra charge on ads one-fourth page or larger. Two-inch Display ads are black and white only.

All rates quoted are net. Media and production commissions are not included in these rates.

### Bingo Card Numbers

All Display ads will be assigned a Bingo Card number unless specified otherwise by the advertiser. For this purpose, display ads must leave space at the bottom for one line of type within the ads. Bingo Card numbers will be placed below display two-inch ads.

### Advertising Space Dimensions

	Horizontal x Vertical Spread
(gutter bleed)	15" x 10"
Full page	7-7/16" x 10"
One-half page (horizontal only)	7-7/16" x 5"
One-fourth page (vertical only)	2-1/4" x 7-1/2"
Two-inch directory (b&w only)	2-1/4" x 2"
Narrative Ad	30 words

### Bleed Ad Dimensions

Spread	16-3/4" x 11-1/8"
Full page	8-1/2" x 11-1/8"
Trim Size: 8-3/8" + x 10-3/4" +	Provide at least 1/8" + bleed beyond 8-3/8" + x 10-3/4" + to ensure full bleed. Live matter should be no closer than 5/16" + to trim size.

### Address Code

All camera-ready ads must include AK after their address on the ads. Example: P.O. Box 615-AK or 615-AK Cordova St.

(continued on reverse side)

## Direct Mail Label Rental Rates and Conditions FY 91

# **Rent 1,000's of Names and Addresses by Geographic Region of Interest as well as by likelihood of Travel, Age, Activity Interest, Season, Education, and other categories.**

Selection of Direct Mail Names and Addresses is more valuable than ever before! Consumers sending for the Planner can indicate which regions of Alaska they would like to visit. **Southeast, Southwest, South Central, and Interior/Far North.** This makes your selection of labels easier and more highly qualified. Choose only names and addresses of consumers interested in your part of the State.

Last year over 12% of all Consumers requesting the Vacation Planner came to Alaska the following year. 20% came to Alaska over a 2-year period. Average traveling party size was 2.5 persons.

The geographical selection may be used in combination with other selection criteria like, year and season of visit, education, mode of travel, type of accommodation, and specific activity.

### **Label Rental Rates**

Businesses may rent demographically sorted labels for the purpose of promoting an Alaska tourism related product or service at the following rates.

Non-Sorted Labels . . . . . \$ 70 per thousand  
Sorted Labels . . . . . \$150 per thousand

### **Here's How to Order**

1. Everyone who receives this sales kit will automatically receive a Label Order form in September, 1990.
2. Or you can request one from the Alaska Visitors Association at (907) 276-6663.
3. Between October, 1990 and May, 1991 you may rent your labels generated by the Campaign for your own direct mail purposes.

### **Conditions of Use**

- All prices are per thousands labels ordered (minimum 1,000).
- Labels are available to any business promoting an Alaska tourism product or service.
- No volume discounts.
- Rates are for single product mailings with a single response address/reservation number.
- Multiple Products (with multiple response address/phone number) mailings may be done. Labels are charged as follows:  
First Product . . . . . \$150 per thousand  
Each subsequent Product . . . . \$ 30 per thousand.
- Labels may not be resold.

*Label rate*

## **1991 Alaska Vacation Planner Advertising Rates and Conditions**

(circ. 750,000)

(continued from reverse side)

### **Printing Materials Specifications**

Please furnish color film as follows:

1. Emulsion up right reading negative.
2. 133 line screen recommended, 150 line screen maximum acceptable.
3. Density: 260 percent tone density recommended. 300 percent maximum acceptable.
4. Furnish chromalins or match print in accordance with SWOP standards.
5. Film to be stable base of .004 thickness, each piece of film identified for color with register marks in the center of head, foot, and both sides. Color progression should be black, blue, red, yellow.
6. Inks used in press proofing should be AAAA/MPS web offset standards. Densities of color should be run to within  $\pm .05$  of the standard offset color references.
7. We recommend first generation film for quality reproduction. Film for multiple page advertising must be numbered sequentially.
8. Paper stock used in the Planner is 40 lb. pub coated stock.
9. Conversion of positives to negatives, and materials supplied with the emulsion on the wrong side will be billed to the advertiser. If original artwork is furnished the advertisers will be billed for camera work. All corrections will be charged extra at standard rates.

Bluelines of all 4-color ads are sent to advertisers for approval. If not signed and returned within the date specified on the blueline, publisher is not responsible for errors therein. If film is delivered after July 10, 1990, blueline will not be submitted for approval and publisher is not responsible for errors therein.

### **HERE'S HOW TO ORDER**

1. Choose the size ad you want from the rate card on the reverse side of this card.
2. Fill out the Advertising Contract and mail it with your check to the address on the contract.
3. Prepare your finished ad or gather your copy and artwork and send them to the address on the contract. If necessary, we will prepare your finished ad from your materials and bill you.
4. You will receive Bingo Card names and addresses automatically beginning in November, 1990.

### **Shipping Instructions**

Send your ad space contract, initial payment and ad materials to: 1991 Official Alaska State Vacation Planner/Alaska Visitors Association, 501 W. Northern Lights Blvd. Suite 201, Anchorage, AK 99503 Telephone: (907) 276-6663.

**Sales Information:** Call In Alaska—Alaska Visitors Association, (907) 276-6663, In Lower 48 States—AVA Marketing Facilitator, (906) 236-2305.

9/15/88  
9:40 AM

108 x 1/2  
1,188,000  
3,016.6  
4,204.6

Fy 89 Alaska Vacation Planner Sales

<u>Marketing Partner</u>	<u>Committment</u>	<u>Space</u>	<u>Free Labels</u>	<u>\$60 Labels</u>	
Afognak Wilderness Lodge	750	1"	5,000	6,000	11
Alaska Airlines	52,000	full-page	52,000	99,000	157
Alaska B&B Assoc.	750	1"	5,000	6,000	11
Alaska Discovery	750	1"	5,000	6,000	11
Alaska Marine Hwy.	1,400	2"	6,000	6,000	12
Alaska Motel	750	1"	5,000	6,000	11
Alaska Naturalist & Photography	1,400	2"	6,000	6,000	12
Alaska NW Publishing	750	1"	5,000	6,000	11
Alaska Panorama RV Rentals	750	1"	5,000	6,000	11
Alaska Private Lodgings	750	1"	5,000	6,000	11
Alaska Publishing Properties	1,400	2"	All labels at \$60/m (special situation)		
Alaska Railroad	12,800	1/6 page	12,800	24,000	36.8
Alaska Rainbow Lodge	750	1"	5,000	6,000	11
Alaska Rainforest Treks	750	1"	5,000	6,000	11
Alaska Recreation Network	750	1"	5,000	6,000	11
Alaska Riverways	750	1"	5,000	6,000	11

9/13/88  
12:26 PM

Alaska Sightseeing	17,668	1/6 page 2"(2)	27,878	30,000	57.8
Alaska Sportfishing Lodge Assoc.	750	1"	5,000	6,000	11
Alaska Sportfishing Packages( 2nd Keene ad)	1,734	1"	9,078	-0-	9
Alaska Travel Adv.	750	1"	5,000	6,000	11
Alaska Travel Bureau	750	1"	5,000	6,000	11
Alaska Travel Guide	750	1"	5,000	6,000	11
Alaska Video Publishing	750	1"	5,000	6,000	11
Alaska Village Tours	2,484	1" (2)	9,539	6,000	15.5
Alaska Wildland Adventures	1,400	2"	6,000	6,000	12
Alaska Yukon &V Caravans	28,400	1/2 page	28,400	54,000	82
Alaskabound	1,400	-0-	-0-	-0-	
Alaskan Hotel	750	1"	5,000	6,000	11
Alaskan Sojourns	750	1"	5,000	6,000	11
Alaskan Wilderness Outfitting Co.	750	1"	5,000	6,000	11
Alaskan Wilderness Sailing Safaris	750	1"	5,000	6,000	11
Alaska's Wilderness Lodge	750	1"	5,000	6,000	11
Alyeska Resort	1,400	2"	6,000	6,000	12
Anchorage CVB	1,400	2"	6,000	6,000	12
Anchorage Days Inn	750	1"	5,000	6,000	11
Anchorage Hotel	750	1"	5,000	6,000	11
Atlas Tours	750	1"	5,000	6,000	11
Avis	750	1"	5,000	6,000	11
Baycrest Motel	750	1"	5,000	6,000	11
B.C. Ferries	1,400	2"	5,000	6,000	11
Best Western Lake Lucille Lodge	750	1"	5,000	6,000	11
Bettles Lodge	750	1"	5,000	6,000	11
Biological Journeys	750	1"	5,000	6,000	11

9/13/88  
12:26 PM

Bob & Sally's Lodge	750	1"	5,000	6,000	✓
Brooks Range					
Wilderness Trips	750	1"	5,000	6,000	✓
Camp Alaska Tours	750	1"	5,000	6,000	✓
Camp Denali	2,484	1"(2)	9,539	6,000	15.5
Captain Bartlett	750	1"	5,000	6,000	✓
Captain's Choice	750	1"	5,000	6,000	✓
Chinook Charters	750	1"	5,000	6,000	✓
Clarion Hotel	750	1"	5,000	6,000	✓
Clippership	750	1"	5,000	6,000	✓
Motorhome					
CompuTours	750	1"	5,000	6,000	✓
Cruise Alaska	750	1"	5,000	6,000	✓
Tours					
Cruise Masters	750	1"	5,000	6,000	✓
Cunard Lines	52,000	full-page	52,000	99,000	151
Custom Alaska	750	1"	5,000	6,000	✓
Denali Grizzly Bear					
Cabins &	750	1"	5,000	6,000	✓
Campground					
Denali Nat'l Park					
Central Res.	750	1"	5,000	6,000	✓
Elfin Cove	750	1"	5,000	6,000	✓
Sportfishing Lodge					
ERA Aviation	4,868	2" (1)	15,078	6,000	21.
		1" (2)			
Evergreen Lodge	750	1"	5,000	6,000	✓
Exploration	67,272	full-page	103,392	105,000	208
		2" (1)			
		1" (8)			
Fairbanks CVB	4868	2" (2)	15,078	6,000	21
GrayLine of Alaska	1,400	2"	42,314	6,000	48
	13,872	1"(8)			
Great Alaska	1,400	2"	6,000	6,000	12
Fish Camp					
Great Alaskan	750	1"	5,000	6,000	✓
Holidays					
Gustavus Inn	750	1"	5,000	6,000	✓
Haines CVB	750	1"	5,000	6,000	✓
Hatcher Pass Lodge	750	1"	5,000	6,000	✓

9/13/88  
12:26 PM

HeliTour/Alaska Helicopters, Inc.	1,400	2"	6,000	6,000	12
Holland Am. Westours	145,000	4-pages	145,000	278,000	423
Hook-M-Up Tours	750	1"	5,000	6,000	✓
Hotel Captain Cook	750	1"	5,000	6,000	✓
Hotel Halsingland	1,400	2"	6,000	6,000	12
Ingersoll Hotel	1,400	2"	6,000	6,000	12
Juneau CVB	750	1"	5,000	6,000	✓
Juneau Lodges	1,400	2"	6,000	6,000	12
Kachemak Bay Wilderness Lodge	750	1"	5,000	6,000	✓
Kantishna Roadhouse	1400	2"	6,000	6,000	12
Kantishna Wilderness Trails	750	1"	5,000	6,000	✓
Katmailand	750	1"	5,000	6,000	✓
Kenai Guide Service	750	1"	5,000	6,000	✓
Kenai Rivers Sport-fishing Guide, Inc.	750	1"	5,000	6,000	✓
Kennicott Glacier Lodge	1,400	2"	6,000	6,000	12
Ketchikan VB	750	1"	5,000	6,000	✓
Ketchum Air Service	750	1"	5,000	6,000	✓
King Ko Inn	750	1"	5,000	6,000	✓
Kobuk Motel-Hotel	750	1"	5,000	6,000	✓
L.A.B. Flying Service	750	1"	5,000	6,000	✓
Leisure Tours	750	1"	5,000	6,000	✓
Mariah Charters	750	1"	5,000	6,000	✓
MarkAir	28,400	1/2 page	34,400	60,000	94
	1,400	2"			
Mat-Su CVB	750	1"	5,000	6,000	✓
McKinley/Denali Salmon Bake	1,400	2"	6,000	6,000	12
MidnightSunTours	1,400	2"	6,000	6,000	12
National Car Rental	750	1"	5,000	6,000	✓
Nature Expeditions	750	1"	5,000	6,000	✓
Nome CVB	750	1"	5,000	6,000	✓
North To Alaska	750	1"	5,000	6,000	✓
OomingmakMuskOx	750	1"	5,000	6,000	✓
Outdoor World	1,400	2"	6,000	6,000	12
Petersburg COC	750	1"	5,000	6,000	✓
Phillips Cruises	750	1"	5,000	6,000	✓

9/13/88  
12:26 PM

& Tours						
Pt. South R.V. Tours	1,400	2"	6,000	6,000	12	
Potpourri	750	1"	5,000	6,000	✓	
Prince Rupert CVB	750	1"	5,000	6,000	✓	
Prince William Sound Charters	750	1"	5,000	6,000	✓	
P&O Princess	52,000	full page	52,000	99,000	151	
Princess Cruises/ Tours	145,000	4-pages	145,000	278,000	423	
Quest Charters	750	1"	5,000	6,000	✓	
Quinnat Landing Hotel	1400	2"	6,000	6,000	12	
Regency Cruises	28,400	1/2 page	28,400	54,000	82	
Regency Fairbanks Hotel	750	1"	5,000	6,000	✓	
Royal Viking	52,000	full-page	52,000	99,000	151	
Rural Route Tours	750	1"	5,000	6,000	✓	
Salmon Falls Resort	1,400	2"	6,000	6,000	12	
Select Sportfishing Pkgs.	750	1"	5,000	6,000	✓	
Sheep Mt. Lodge	750	1"	5,000	6,000	✓	
Sheraton Anchorage	750	1"	5,000	6,000	✓	
Sitka CVB	750	1"	5,000	6,000	✓	
Sitmar	56,800	1/2 page(2)	56,800	108,000	164	
Skagway CVB	750	1"	5,000	6,000	✓	
Skwentna Roadhouse	750	1"	5,000	6,000	✓	
Sourdough Bed & Brkfast	750	1"	5,000	6,000	✓	
Sourdough Camper Rentals	750	1"	5,000	6,000	✓	
Sourdough Outfitters	750	1"	5,000	6,000	✓	
Southeast Marketing Council	52,000	full-page	58,000	105,000	163	
Spirit Walker Exped.	750	1"	5,000	6,000	✓	
St. George Tanaq Corp.	750	1"	5,000	6,000	✓	
Stan Stephens Charters	750	1"	5,000	6,000	✓	

9/13/88  
12:26 PM

Stay With A	750	1"	5,000	6,000	✓
Friend B&B					
Super Eight Motels	1,400	2"	6,000	6,000	12
Sweet Retreat	750	1"	5,000	6,000	✓
Motorhome Rentals					
Talkeetna Air Taxi	750	1"	5,000	6,000	✓
Tanadgusix Corp.	1,400	2"	6,000	6,000	12
Temsco Helicopters	750	1"	5,000	6,000	✓
Tides Inn	750	1"	5,000	6,000	✓
Top of the World Hotel	750	1"	5,000	6,000	✓
Tourism Yukon	187,100		97,100	-0-	97
Travel Associates	750	1"	5,000	6,000	✓
Tutka Bay Lodge	750	1"	5,000	6,000	✓
University of AK Museum	750	1"	5,000	6,000	✓
Viking Travel	750	1"	5,000	6,000	✓
Waterfall Resort	1400	2"	6,000	6,000	12
Westmark Hotels	28,400	1/2 page	28,400	54,000	82
Whale Pass Resort	750	1"	5,000	6,000	✓
Whaler's Cove Lodge	750	1"	5,000	6,000	✓
White Pass RR	28,400	1/2 page	28,400	54,000	82
Wilderness Place Lodge	750	1"	5,000	6,000	✓
Wings of Alaska	750	1"	5,000	6,000	✓
Wood River Lodge	750	1"	5,000	6,000	✓
World Explorer Cruises	12,800	1/6 page	12,800	24,000	36
W.T. Fugarwe Lodge	750	1"	5,000	6,000	✓

Planner Totals \$1,194,050

4,204,600 labels  
@ 150<sup>00</sup>/<sub>m</sub> =  
\$630,600<sup>00</sup>

# Smith Enterprises

3002 Spenard Road #1  
Anchorage, Alaska 99503

□ THE PRINTIN' PLACE

FAX (907) 272-1220  
Office (907) 276-4325

□ SMITH COMPUTER SERVICES

□ *impressions*

FAX (907) 344-9323  
Office (907) 522-3144

TO SENATOR DICK ELIASON  
SENATE LABOR & COMMERCE COMMITTEE

FROM ADAM SMITH

RE HB 442

Dick — The following three pages are  
lists which show the potential businesses  
in Sitka that are involved in tourism.

I believe that many of these businesses  
would consider using the tourism lists if  
they were available at a "reasonable price"

94 Businesses with 1 or more employees  
who derive all or part of their income from  
tourism.

FAX TRANSMISSION

PAGES TO FOLLOW 3

IF FAX IS NOT CLEARLY RECEIVED PLEASE CALL

SITKA BUSINESS LISTS

16.43.36 27 MAR 1990

PH. F. BUSINESS	OWNER	STREET	CITY	ST ZIP
052597 AK MCHD CATERING/CAKES	HONEYCUTT D/FRANILEY D	236 LINCOLN ST	SITKA	AK 99835
023170 AKK B-E-Q EXPRESS	LARUE CLIFFORD C	801 LINCOLN	SITKA	AK 99835
051981 AMERICAN LEGION POST #13		P. O. BOX 13	SITKA	AK 99835
076284 BARANUF SEAFOOD CAFE		BOX 64	SITKA	AK 99835
041512 BAYVIEW RESTAURANT INC		407 LINCOLN ST	SITKA	AK 99835
035466 BURGER BUCCY JIM'S	DAHL JAMES L	BOX 2842	SITKA	AK 99835
051902 CHANNEL CLUB THE	CHANNEL CLUB INC	2906 HPR	SITKA	AK 99835
030577 CHIEF EXPRESS	WINFIELD/DURHAM JUYCE	BOX 2801	SITKA	AK 99835
059805 COLUMBIA BAR	NESS, PATRICK AND LORETT	326 LINCOLN ST	SITKA	AK 99835
	n			
062078 CUSTER GREGORY R		327 SEWARD ST	SITKA	AK 99835
104515 DELL'S SITKA CAFE	GERARDO, A. JUAN	P O BOX 866	SITKA	AK 99835
108495 DIP N STP ICE CREAM PARK	WOOD, VIRGINIA & NORMAN	236 LINCOLN STREET	SITKA	AK 99835
033396 EL DORADO	VASQUEZ, ANTONIO AND DOR	1311 27 SAWMILL CREEK RD	SITKA	AK 99835
	A			
004214 ERNIES BAR	ERNIES BAR, INC.	BOX 777	SITKA	AK 99835
080549 HAWKWOOD	DEHAAS KATHY	BOX 1746	SITKA	AK 99835
050026 HAWKWOOD THE	HOWARD R S	BOX 850	SITKA	AK 99835
008568 JUDYS VALLEY RESTAURANT	GALLACHER JUDY	327 SEWARD PLAZA	SITKA	AK 99835
040143 KEIKO OF KYOTO	FREDRICK ERIS INC	BOX 1641	SITKA	AK 99835
015259 KIKSADJ CLUB	SAM'S CLUB, INC.	BOX 77	SITKA	AK 99835
042793 LUIS AMIGUS	KARRAGAN, JUAN ANTONIO	BOX 475	SITKA	AK 99835
056488 MCDONALDS	DIGGER, INC.	BOX 2967	SITKA	AK 99835
027529 MOVING FEAST CATERG SVC	SCHAEFER DORAZMAX VIVIAN	717 SAWMILL CK HWY	SITKA	AK 99835
022707 MUGGET SALOON	HINWARD RAYMOND S SR	BOX 850	SITKA	AK 99835
035651 MUGGET SALOON	GREGG LAWRENCE SANDRA	600A AIRPORT RD	SITKA	AK 99835
058422 PIONEER BAR AND LIQUOR STORE	PIONEER LIQUOR, INC	BOX 599	SITKA	AK 99835
033165 PIONEER BAR/LIQUOR STORE	SILSFER HARRY	BOX 599	SITKA	AK 99835
009747 RENNICK'S	RENNICK ROSE	BOX 806	SITKA	AK 99835
011329 REWARDS RESTR	REWARD E.I.	BOX 1051	SITKA	AK 99835
078673 ROSE CATERERS	RUISE FRANK	BOX 1395	SITKA	AK 99835
069657 SEAFOOD MAMAS OF SITKA	BAUER MARY JANE	BOX 3021	SITKA	AK 99835
016576 SILVER SPOON CATERING	CRASKE, KATHERINE	107 FISH ALLEY	SITKA	AK 99835
004483 SITKA CAFE	HINWARD RAYMOND S SR	BOX 850	SITKA	AK 99835
073922 SITKA CAFE	DIEGO ANDRE JUAN GERALDO	116 LINCOLN ST	SITKA	AK 99835
054081 SITKA COMMUNITY ASSOCIATION		BOX 1450	SITKA	AK 99835
055398 VALLEY RESTAURANT	LUCIANO DDDIE E	327 SEWARD ST	SITKA	AK 99835

37 ITEMS LISTED.

## SITKA TOURISM BUSINESSES

3/27/90

FIRST NAME	LAST NAME	ADDRESS COMPANY	ADDRESS 2	CITY	STATE	ZIP CODE
Tarleton	Smith		Box 1132	Sitka	Alaska	99834
		Alaska Adventures Unlimited	1809A Edgcomb Dr.	Sitka	Alaska	99835
		Alaska Arts S.F. Fine Arts	P.O. Box 2131	Sitka	Alaska	99834
		Alaska Holiday Charter	P.O. Box 1792	Sitka	Alaska	99834
Oliver	Bickar	Alaska Logging Championships	Box 1017	Sitka	Alaska	99834
		Alaska Hydrowind Charters	P.O. Box 617	Sitka	Alaska	99835
Robert	Allen	Allen Marine Tours	Box 1049	Sitka	Alaska	99835
		Apple Island Charter/Lodging	P.O. Box 541	Sitka	Alaska	99835
		Skidarka Boats	P.O. Box 2156	Sitka	Alaska	99835
Ken	Bellows	Bellair	P.O. Box 371	Sitka	Alaska	99834
		Connie Lynn Charters	1101 Edgcomb Dr.	Sitka	Alaska	99835
		Daves Marine Charters	P.O. Box 3014	Sitka	Alaska	99835
William	Edgcomb	Edgcomb's Sitka Arts & Crafts	P.O. Box 138	Sitka	Alaska	99835
		Explore Alaska Charter	P.O. Box 1477	Sitka	Alaska	99835
		Foolish Pleasure Cruises	Box 1194	Sitka	Alaska	99834
Ken	Farber	Farber Marine Service	Box 557	Sitka	Alaska	99834
		Greater Sitka Chamber of Com.	Box 638	Sitka	Alaska	99835
Roger	Hanus	Hanus Corporation	P.O. Box 1960	Sitka	Alaska	99835
		Isabel Miller Museum	330 Harbor Drive	Sitka	Alaska	99835
		Mountain Air	P.O. Box 875	Sitka	Alaska	99835
Allen	Cunningham	New Archangel Dancers	Box 1657	Sitka	Alaska	99834
		Pacific Charters	P.O. Box 1194	Sitka	Alaska	99835
William	Peterson	Peterson's Guide & Charter Ser	Box 1402	Sitka	Alaska	99834
		Potters' House	P.O. Box 58	Sitka	Alaska	99835
	Wilkinson	Raven Copters	Box 2247	Sitka	Alaska	99835
		Rockwell Lighthouse	P.O. Box 277	Sitka	Alaska	99834
		Rusty's Charter Service	108 Shellhof	Sitka	Alaska	99835
Paul	Haug	am's Club, Inc.	P.O. Box 17	Sitka	Alaska	99835
William	Campbell	Carar Fine Arts Camp	Box 2133	Sitka	Alaska	99835
		Seafish Alaska	P.O. Box 1885	Sitka	Alaska	99835
		Sealaska Cruises, Inc.	P.O. Box 1479	Sitka	Alaska	99835
		Sealing Cove	304 Lake Street	Sitka	Alaska	99835
Gene	Liebertz	Shee Atika Lodge	501 Seward Street	Sitka	Alaska	99834
Gene	Hulbert	Sheldon Jackson Museum	Box 479	Sitka	Alaska	99835
		Silver Bay Tour	P.O. Box 1049	Sitka	Alaska	99835
		Sitka Chamber Commerce	P.O. Box 638	Sitka	Alaska	99835
		Sitka Historical Tour	P.O. Box 1001	Sitka	Alaska	99835
		Sitka Hotel	P.O. Box 679	Sitka	Alaska	99835
		Sitka Nat'l Historical Park	Box 738	Sitka	Alaska	99835
		Sitka Summer Music Festival	P.O. Box 1133	Sitka	Alaska	99835
		Sitka Visitor Museum	Box 1220	Sitka	Alaska	99834
		Sitka Youth Hostel	P.O. Box 2645	Sitka	Alaska	99834
		Sitka's Secrets	500 Lincoln Street #641	Sitka	Alaska	99834
		Sitka Charters	315 Peterson	Sitka	Alaska	99835
		The Observatory	227 Matlian Street	Sitka	Alaska	99835
		Toten Travel	Box 4	Sitka	Alaska	99834
		U.S. Forest Serv. Seb. Canyon	Box 1980	Sitka	Alaska	99835
		U.S. Forest Serv. Supervisors	221 Sigirawa Way	Sitka	Alaska	99835
		Wastark Inn	P.O. Box 41	Sitka	Alaska	99835
		Western Lake Atika	P.O. Box 115	Sitka	Alaska	99835

Clia	Duchan	The Korper House	Box 724	Seward	Alaska	99664	274-3231
		The White House Bed & Breakfast	Box 1157	Seward	Alaska	99664	724-3614
		Bed Inn 518 Monastery	518 Monastery Street	Sitka	Alaska	99835	907-747-3305
		Riorka Bed & Breakfast	611 Riorka Street	Sitka	Alaska	99835	747-3111
		Creek's Edge Guest House	Box 2941	Sitka	Alaska	99835	747-6484
Donna	Burnett	Dondonn House	Box 262	Sitka	Alaska	99835	747-6357
Carol	Siapsen	Eagle's Nest Bed & Breakfast	Box 405	Sitka	Alaska	99835	747-5501
		Edgecube View Bed & Breakfast	1715 Edgecube Drive	Sitka	Alaska	99835	747-3675
		Hannahs Bed/Breakfast	504 Monastery Street	Sitka	Alaska	99835	907-747-8309
		Helen's Bed & Breakfast	Box 345	Sitka	Alaska	99835	747-8578
		Helga's Bed & Breakfast	P.O. Box 1865	Sitka	Alaska	99835	907-747-5697
Gertha	Karras	Karras Bed & Breakfast	230 Kogwanton Street	Sitka	Alaska	99835	747-3978
		<del>Karras Bed/Breakfast</del>	<del>230A Kogwanton Street</del>	<del>Sitka</del>	<del>Alaska</del>	<del>99835</del>	<del>987-747-3978</del>
		Mountain View Bed & Breakfast	Box 119	Sitka	Alaska	99835	747-8966
		The Eagles Nest Bed/Bkfst	P.O. Box 405	Sitka	Alaska	99835	907-747-5501
		Heigas Bed/Breakfast	P.O. Box 1885	Sitka	Alaska	99835	907-747-5497
		Harry's Bed & Breakfast	Box 72	Skagway	Alaska	99840	983-2875
Carl & Alice	Mundell	Bed & Breakfast on the Kenai	645 Ripley	Soldotna	Alaska	99669	262-4286

13 - Bed & Breakfasts in Sitka