

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990

8672

6588 SENATE RESOURCES

992

**HJR**

**8**



FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: 4/4/89  
Title: Removal of Export Ban on Alaska Oil

Agency Affected: Department of Revenue  
BRU: Oil and Gas Audit

Sponsor: Rep. Davis, Koponen, Navarre  
Requestor: Resources Committee

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE	\$35 to \$250 Million					

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: The above numbers reflect the savings in transportation costs and thus the gain to the state. The number rang assumes upward movement in West Coast prices due to competitive factors.

Prepared By: Chuck Logsdon  
Division: Oil and Gas Audit Division

Phone: 277-5627  
Date: 4/4/89

Approved by Commissioner: Hugh Malone  
Agency: Department of Revenue

Date: 4/6/89

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

## Analysis of SCS HJR 8

Removal of the export ban on ANS (Alaska North Slope) crude oil would have a significant impact on State severance tax and royalties through the enhancement of the value of our oil resource. The increased value would derive from two sources: 1. reduction of the transportation costs of moving our oil to market and 2. bringing the price of ANS sold on the West Coast up to world market levels.

It is not clear what the exact transport cost savings would be since the oil might or might not be eligible to be moved in foreign tankers. It is also not clear how close to the world market price the West Coast would be given the concentration of buyers (refiners) in this market and the integrated nature of the West Coast ANS producer/refiner network. In the long run it is clear however, that competitive forces should raise the price of ANS above its current level.

At a minimum we anticipate the State could realize an additional \$35 million per year in revenue assuming Jones Act tankers move the oil to the Pacific Rim importers and assuming this sale has no effect on the West Coast price. Allowing the price assumption on the West Coast to approach parity with the Gulf Coast price and allowing export in foreign tankers raises an additional \$250 million per year, although as production on the North Slope declines the potential for higher revenues also declines.

ARTPA

ARLON R. TUSSING & ASSOCIATES, INC.  
1001 Fourth Avenue • Suite 4730 • Seattle, Washington 98154 • (206) 447-0321

February 23, 1989

Senator Bettye Fahrenkamp  
Alaska State Senate  
P. O. Box V, Room 125  
Juneau, Alaska 99810

FEB 28 1989

Dear Bettye:

I am writing with some further reflections on the seeming conflict between the campaigns for ANWR leasing and for repealing the ban on exporting Alaska oil. There is no logical policy contradiction between the two issues. I am convinced, moreover, that no damaging connection exists between them in the minds of most members of Congress, which could not be quickly undone. A genuine conflict does nevertheless exist for the Governor's representative in Washington and the Alaska Congressional Delegation. Messrs. Stevens, Murkowski and Katz are simply hostages to various alliances they have built and commitments they have made for the sake of the ANWR legislation. The dilemma they face with regard to exports was pointed up most sharply by John Katz' remark in last week's hearing that "the maritime unions are the only labor organizations supporting ANWR development at this time." I am sure that Mr. Katz was sincere in protesting that a high-profile campaign on the export issue by Stevens, Murkowski and himself at this time would damage their already narrow and fragile ANWR coalition.

The other side of this situation, however, is that a single-minded commitment on the part of the delegation and the State's Washington office, to ANWR and the narrow coalition built around that issue, has been politically costly to Alaska on other matters before Congress, including but not limited to oil exports. On the export question specifically, the most critical force for the State to mobilize in Congress is probably the large delegation from California, which shares a similar fiscal interest to Alaska's, and whose members have great clout on the resources, trade, and budget committees. Because of the environmental politics in California, however, it is unlikely that many of these members could ever support ANWR development openly. This is particularly true of House Democrats from coastal districts, whose active support is absolutely essential on the export question.

Just as the politics of their ANWR campaign effectively prevents the Delegation and Mr. Katz from mounting any aggressive or high-profile campaign on exports, the same politics would also tend to undermine the effectiveness of any pro-export campaign they might try to launch in the near future. The people in Congress whose support and,

indeed, leadership Alaska needs most on exports are exactly those who have been cast as the State's worst enemies with respect to ANWR.

This situation suggests that it might be in order for Alaska to review its national political priorities, on the basis of both the relative prospects of success and the expected benefits from such a success, in the respective campaigns. Even assuming that the present priority for ANWR development can not be questioned, however, you might consider two propositions that I would be happy to elaborate further whenever it is appropriate:

1. The most important tasks to be undertaken now are not high-profile actions by the Delegation or the Washington office. They involve liaison with, and developing a common position with, California State agencies; mobilization of other potential allies in the Lower 48; and middle-level contacts and technical assistance at OMB, the Treasury, and the Energy Department.
2. It is essential there be a responsible strategic and advocacy center for such a campaign, funded by and housed in State Government. It need not, however, be located in Washington or operate through the Governor's representative in Washington. The Legislature could establish such a center responsible to it, and fund its own Washington representative devoted exclusively to this issue, quite independent of Mr. Katz.

Such a two-track strategy would have to be pursued with the explicit agreement of the Administration, however, and the Governor would have to designate some agency or official (again independent of the Washington office) to take the lead for the Administration on the export issue. This kind of two-track approach was, incidentally, Governor Hammond's explicit policy in the mid-1970's when a division of labor existed under which the Legislature took the lead on exports and the other petroleum policy issues, while the Administration took responsibility for the d(2) question. The Commissioner of Natural Resources is probably the logical lead individual for the Governor to designate. Lennie was, incidentally, deeply involved on behalf of Commissioner Martin in the joint Alaska-California efforts on the export question in the 1970's.

Very truly yours,



Arlon R. Tussing

cc: Representative Mike Davis  
Bob Clarke  
Sam Van Vactor

Original sponsors: M.Davis, Koponen,  
Navarre, et al.

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR HOUSE JOINT RESOLUTION NO. 8 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the export of Alaska oil.

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

7 WHEREAS the higher transportation cost associated with shipping Alaska  
8 North Slope crude oil through the Panama Canal to the Gulf Coast states  
9 reduces the wellhead price of the oil; and

10 WHEREAS lower wellhead prices raise the economic threshold for explor-  
11 ing for and producing all North Slope oil and, as a result, production from  
12 certain existing and newly discovered oil fields is currently uneconomic;  
13 and

14 WHEREAS domestic exploration and development of newly discovered oil  
15 reserves will enhance the nation's energy and economic security; and

16 WHEREAS the foreign export of Alaska North Slope crude oil will pro-  
17 vide an incentive for further domestic oil exploration and development; and

18 WHEREAS new discoveries and production resulting from increased  
19 domestic exploration will facilitate the development of infrastructure and  
20 production facilities needed to produce currently uneconomic North Slope  
21 reserves and, thus, lower the average development costs of all North Slope  
22 production; and

23 WHEREAS exporting oil to Pacific Rim nations will decrease the sub-  
24 stantial trade deficit with nations that have expressed a strong interest  
25 in purchasing Alaskan-produced oil, as evidenced by the sale under a United  
26 States Department of Commerce export license of Alaska Cook Inlet oil to a  
27 Taiwanese company; and

28 WHEREAS, Canada, Mexico, and Venezuela, among other neighboring coun-  
29 tries in this hemisphere, may provide stable, secure exports of crude oil

1 to the United States at more competitive prices than North Slope crude oil  
2 because of the transportation savings; and

3 WHEREAS the additional cost of shipping Alaskan North Slope crude oil  
4 to the Gulf Coast and eastern states imposes an unnecessary burden on those  
5 states, reduces federal and state tax revenue, reduces state royalties, and  
6 discourages exploration and development of North Slope reserves;

7 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
8 the United States Congress to enact laws providing for the export of Alaska  
9 crude oil, regardless of the oil's point of production in the state, on a  
10 barrel-for-barrel basis for oil imported from other countries in this  
11 hemisphere, under terms that afford enhanced economic benefits for the  
12 nation without diminishing domestic security or reducing crude oil avail-  
13 able for domestic purposes; and be it

14 FURTHER RESOLVED that the Alaska Congressional delegation and the  
15 Governor are urged to continue using their best efforts to obtain passage  
16 of legislation permitting the export of Alaska crude oil, regardless of the  
17 oil's point of production within the state.

18 COPIES of this resolution shall be sent to the Honorable George Bush,  
19 President of the United States; the Honorable Dan Quayle, Vice-President of  
20 the United States and President of the U.S. Senate; the Honorable Jim  
21 Wright, Speaker of the U.S. House of Representatives; the Honorable George  
22 Mitchell, Majority Leader of the U.S. Senate; and to the Honorable Ted  
23 Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable  
24 Don Young, U.S. Representative, members of the Alaska delegation in Con-  
25 gress.

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

WHEREAS, the higher transportation cost associated with shipping Alaska North Slope crude oil through the Panama Canal to the Gulf Coast states reduces the wellhead price of the oil; and

WHEREAS, lower wellhead prices raise the economic threshold for exploring for and producing all North Slope oil, and as a result, production from certain existing and newly discovered oil fields is currently uneconomic; and

WHEREAS, domestic exploration and development of newly discovered oil reserves will enhance the nation's energy and economic security; and

WHEREAS, the foreign export of Alaska North Slope crude oil will provide an incentive for further domestic oil exploration and development; and

WHEREAS, any new discoveries and production resulting from increased domestic exploration will facilitate the development of infrastructure and production facilities needed to produce currently uneconomic North Slope reserves, and, thus, lower the average development costs of all North Slope production; and

WHEREAS, exporting oil to Pacific Rim nations will decrease the substantial trade deficit with these nations, which have expressed a strong interest in purchasing Alaskan-produced oil, as evidenced by the sale under a U.S. Department of Commerce export license of Alaska Cook Inlet oil to a Taiwanese company; and

WHEREAS, Canada, Mexico, and Venezuela, among other neighboring countries in this hemisphere, may provide stable, secure exports of crude oil to the United States at more competitive prices than North Slope crude oil because of the transportation savings; and

WHEREAS, the additional costs of shipping Alaskan North Slope crude oil to the Gulf Coast and eastern states imposes an unnecessary burden on those states, reduces federal and State tax revenues, and reduces State royalties and discourages exploration and development of North Slope reserves; and

BE IT RESOLVED that the Alaska State Legislature respectfully requests the United States Congress to enact laws providing for the export of Alaska crude oil, regardless of the oil's point of production in the State, on a barrel for barrel basis for oil imported from other countries in this hemisphere under terms which afford enhanced economic benefits for the State.

FURTHER RESOLVED that the Alaska Congressional delegation and the Governor are urged to continue using their best efforts to obtain passage of legislation permitting the export of Alaska crude oil, regardless of the oil's point of production in the State.

COPIES of this resolution shall be sent to the Honorable George Bush, President of the United States; the Honorable Dan Quayle, Vice President of the United States and President of the U.S. Senate; the Honorable Jim Wright, Speaker of the U.S. House of Representatives, the Honorable George Mitchell, Majority Leader of the U.S. Senate; and the the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.



# Alaska State Legislature

Representative Mike Davis

District 19

P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4930/4941

Interim Office  
P.O. Box 81435  
Fairbanks, Alaska 99708  
(907) 456-8161

To: Senate Resources Committee

From: Rep. Mike Davis

Date: March 15, 1989

Re: HJR 8; Relating to the Export of North Slope Oil

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The passage of HJR 8 would send a message to President Bush and the U.S. Congress that the prohibition on the foreign export of North Slope oil should be lifted.

At a time when the state is seeking to increase revenues without adversely affecting individuals or industry, and at a time when the petroleum industry is suffering from the fluctuations of an unstable market, allowing the export of North Slope oil would provide a significant degree of financial relief.

One of the major arguments used by opponents of oil exports is that it threatens the nations' energy security. But a closer examination of the facts shows that the opposite is true.

Due to the lower cost of shipping ANS oil to Pacific Rim markets rather than to the Gulf Coast, oil exported overseas would increase the current wellhead value by as much as 4 dollars per barrel. This, in turn, would spur exploration and development, greater industry profits, and substantial revenues for both the Alaska and U.S. treasuries.

The Institute of Social and and Economic Research at the University of Alaska estimates the potential revenues to the state at anywhere from \$30 million to \$1 billion dollars.

The \$1 billion dollars in potential federal revenues would go a long way to helping reduce our nation's budget deficit as well as significantly cutting our the United States' lopsided trade imbalance.

Today, approximately 3400 barrels of state royalty oil at Cook Inlet is being exported to Taiwan. The recently affirmed Free Trade Agreement with Canada will allow for shipments of 50,000 barrels ANS oil to Canada annually.



STEVE COWPER  
GOVERNOR

STATE OF ALASKA

OFFICE OF THE GOVERNOR  
WASHINGTON, D.C.

March 17, 1989

MEMORANDUM

TO: THE HONORABLE BETTYE FAHRENKAMP, Alaska State  
Senate

FROM: *JK* JOHN W. KATZ, Director of State/Federal Relations  
and Special Counsel to the Governor

SUBJECT: OIL EXPORT RESOLUTION

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Per my recent discussions with Danny Consenstein, I have attached a revised version of HJR 2. This iteration has been reviewed by the Department of Natural Resources and by others (our lobbying firm, etc.) here in Washington, D.C.

I will give you a call later today to discuss the revised version and the finding implications of an enhanced advocacy effort on oil exports back here.

Hope that all is well with you.

Attachment

cc: Governor Steve Cowper  
Cathy Peska  
Commissioner Lennie Gorsuch  
Denby Lloyd  
Bob Evans  
Jim Eason

From: *John Katz*  
OFFICE OF THE GOVERNOR OF ALASKA  
444 North Capitol Street, N.W. #518  
Washington, D. C. 20001  
(202) 624-5858

XEROX TELECOPIER 7020  
AUTOMATIC (202) 624-5857

TELECOPIER TRANSMITTAL INFORMATION SHEET

PHONE # SENT TO: 463-4867  
DELIVER TO/  
HOLD FOR PICK UP: Senator Fahrenkamp

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SUBJECT: Oil Export Resolution

DATE: 3/17/89

TIME: 12:00 AM  PM EASTERN DAYLIGHT TIME

NUMBER OF PAGES: 4 (including transmittal sheet)

OPERATING SPEED: AUTOMATIC

OPERATOR: Ginger

IF TELECOPY DOES NOT COME THROUGH PROPERLY, PLEASE CONTACT  
THIS OFFICE IMMEDIATELY.

THANK YOU!

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

WHEREAS, the higher transportation cost associated with shipping Alaska North Slope crude oil through the Panama Canal to the Gulf Coast states reduces the wellhead price of the oil; and

WHEREAS, lower wellhead prices raise the economic threshold for exploring for and producing all North Slope oil, and as a result, production from certain existing and newly discovered oil fields is currently uneconomic; and

WHEREAS, domestic exploration and development of newly discovered oil reserves will enhance the nation's energy and economic security; and

WHEREAS, the foreign export of Alaska North Slope crude oil will provide an incentive for further domestic oil exploration and development; and

WHEREAS, any new discoveries and production resulting from increased domestic exploration will facilitate the development of infrastructure and production facilities needed to produce currently uneconomic North Slope reserves, and, thus, lower the average development costs of all North Slope production; and

WHEREAS, exporting oil to Pacific Rim nations will decrease the substantial trade deficit with these nations, which have expressed a strong interest in purchasing Alaskan-produced oil, as evidenced by the sale under a U.S. Department of Commerce export license of Alaska Cook Inlet oil to a Taiwanese company; and

WHEREAS, Canada, Mexico, and Venezuela, among other neighboring countries in this hemisphere, may provide stable, secure exports of crude oil to the United States at more competitive prices than North Slope crude oil because of the transportation savings; and

WHEREAS, the additional costs of shipping Alaskan North Slope crude oil to the Gulf Coast and eastern states imposes an unnecessary burden on those states, reduces federal and State tax revenues, and reduces State royalties and discourages exploration and development of North Slope reserves; and

BE IT RESOLVED that the Alaska State Legislature respectfully requests the United States Congress to enact laws providing for the export of Alaska crude oil, regardless of the oil's point of production in the State, on a barrel for barrel basis for oil imported from other countries in this hemisphere under terms which afford enhanced economic benefits for the nation, without diminishing domestic security or reducing crude oil available for domestic purposes; and be it

FURTHER RESOLVED that the Alaska Congressional delegation and the Governor are urged to continue using their best efforts to obtain passage of legislation permitting the export of Alaska crude oil, regardless of the oil's point of production in the State.

COPIES of this resolution shall be sent to the Honorable George Bush, President of the United States; the Honorable Dan Quayle, Vice President of the United States and President of the U.S. Senate; the Honorable Jim Wright, Speaker of the U.S. House of Representatives, the Honorable George Mitchell, Majority Leader of the U.S. Senate; and the the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

H J R

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## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: Reauthorization of the Clean Air Act  
 Sponsor: Representative Kay Brown  
 Requestor: House Transportation Committee

Agency Affected: Environmental Conservation  
 BRU: \_\_\_\_\_  
 Components: \_\_\_\_\_

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

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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>						

**POSITIONS:** None

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Amy D. Kyle *ADK*      Phone: 465-2600  
 Division: Commissioner's Office      Date: 26 Feb 1989

Approved by Commissioner: *James D. Kelso*      Date: February 27, 1989  
 Agency: Dept. of Environmental Conservation

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

# Kay Brown

## Alaska State Legislature House of Representatives

### M E M O R A N D U M

APR 24 1989

TO: Senator Bettye Fahrenkamp  
Chair, Senate Resources Committee

FROM: Representative Kay Brown

DATE: April 24, 1989

RE: Request for Scheduling of HJR 11

I would like to ask that HJR 11, relating to reauthorization of the Clean Air Act by Congress, be scheduled for a hearing in the Senate Resources Committee.

HJR 11 encourages Congress to reauthorize the Clean Air Act and, in so doing, to adopt an amendment to require vehicle certification at lower temperatures than is now required. This amendment, if adopted, could cut carbon monoxide emissions in Anchorage and Fairbanks by 46%; it is our best hope of solving the serious air pollution problems in those cities as well as elsewhere in the country.

Because Congress is expected to reauthorize the Clean Air Act this year, it's necessary for this resolution to pass both houses this session if we hope to assist the state's efforts to have the "cold start" amendment incorporated into the Act.

I have attached appropriate back-up materials. Should you want any more information, please feel free to contact my office.

Thank you for your consideration.

# Kay Brown

## Alaska State Legislature House of Representatives

### M E M O R A N D U M

TO: Senate Resources Committee Members

FROM: Representative Kay Brown

DATE: May 5, 1989

RE: HJR 11, Relating to Reauthorization of the Federal Clean Air Act

CS for HJR 11, as passed by the House, asks Congress to:

- \* reauthorize the Clean Air Act;
- \* amend the Clean Air Act to require the Environmental Protection Agency to certify motor vehicles for carbon monoxide emission compliance at colder temperatures; and
- \* increase mass transit funding as a means of mitigating air pollution.

Congress is expected to amend and reauthorize the Clean Air Act this year. Passage of this resolution will help Alaska's efforts to have a "cold start" amendment included. Certifying cars at colder temperatures can cut carbon monoxide emissions in Anchorage and Fairbanks by up to 46%.

The resolution in its current form is supported by the local governments of Anchorage and Fairbanks (by resolutions of both assemblies), the Departments of Transportation and Environmental Conservation, and various health and public interest organizations ranging from the Alaska Lung Association and the Clean Air Coalition to the League of Women Voters.

Above all, this is a health issue. The inspection and maintenance programs in Anchorage and Fairbanks have been highly successful in cutting down on carbon monoxide levels. However, those cities, as well as about 70 others around the country, are still out of compliance with clean air standards. Air pollution poses a threat to all our citizens--especially children, the elderly, and those with respiratory illnesses. In 1988 Anchorage and Fairbanks still had 14 air pollution violations each--13 more than each is allowed.

P. O. Box 20-2661  
Anchorage, AK 99520-2661  
(907) 272-0207

During Session:  
P. O. Box V  
Juneau, AK 99811  
(907) 465-4998



Tom Fink,  
Mayor

# Municipality of Anchorage

## Municipal Health & Human Services Commission

825 "L" Street

P.O. Box 196650 • Anchorage, Alaska 99519-6650



Telephone:  
(907) 343-4674

April 20, 1989

Senator Bettye Fahrenkamp, Vice-Chair  
Senate Transportation Committee  
P.O. Box V  
Juneau, Alaska 99811

Subject: CSHJR 11

Dear Senator Fahrenkamp,

The Municipal Health & Human Services Commission strongly supports the Committee Substitute for House Joint Resolution 11, "relating to the reauthorization of the Clean Air Act."

The Municipality of Anchorage has made significant strides during the last few years towards reducing air pollution, including the implementation of a very successful Inspection and Maintenance Program in 1985. (The municipality estimates that CO emissions have been reduced by 50% as a result of this program.) Despite these efforts, the municipality exceeded federal air quality standards for carbon monoxide 15 times on ten different days in 1988.

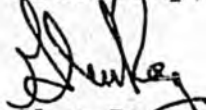
In order to further reduce air pollution in Anchorage additional steps must be taken. Unfortunately, some of the most effective air pollution reduction strategies can only be undertaken by the federal government. Two such strategies relating to federal reauthorization of the Clean Air Act have been identified in CSHJR 11. One part of the bill would require EPA to certify motor vehicles for carbon monoxide emission compliance at a colder temperature range. The Commission believes that implementation of this strategy could achieve the greatest reduction of air pollution of any remaining air pollution strategy.

APR 24 1989

The part of the resolution urging Congress to increase mass transit funding as a means of mitigating the adverse effects of transportation related air pollution is also an important strategy in the effort to improve Anchorage's air quality. However, it should be noted that the Commission is still in favor of the original proposal contained in HJR 11 which would permit the utilization of Federal gas tax money for the operation of mass transit.

If you have any questions regarding the Commission's stance on this issue please contact our staff at 343-4674.

Sincerely,



Glen Ray, Chair  
Municipal Health & Human Services Commission

cc: Senator Lloyd Jones



# Fairbanks North Star Borough

## 25th Silver Anniversary

January 23, 1989

Representative Kay Brown  
Alaska State House  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative *Kay* Brown:

I am writing to thank you for your sponsorship of HJR.11, relating to U.S. Congressional reauthorization of the Clean Air Act. This resolution would support the inclusion of two worthy amendments in any such reauthorization. The first would give communities in nonattainment of federal air quality standards, such as Anchorage and Fairbanks, the local option of using Federal gas tax funds for the operation of mass transit, carpooling, and other transportation measures. Such a provision would utilize monies paid directly by the owners of motor vehicles, whose vehicles account for over 90% of all carbon monoxide (CO) emitted in the Fairbanks area. This "pollution tax" would be a very equitable method for communities to charge the cost of control measures directly to those who are responsible for the problem.

The second amendment would continue the work that the Fairbanks North Star Borough has accomplished over the last two years, in our efforts to get the federal government to mandate the cold temperature CO testing of all new vehicles. Such a certification program, if required down to 20°F, appears to provide the best available method for significantly reducing future ambient CO concentrations on a national level, and would provide even greater benefits in Anchorage and Fairbanks.

The Fairbanks North Star Borough Administration heartily endorses HJR.11. This resolution has our full support, and I am instructing my staff to render any assistance necessary for its passage.

Sincerely,

*Juanita*  
Juanita Helms  
Borough Mayor

JH/RWJ/mnb

rj-5/bud

By: Juanita Helms  
Introduced: 02/23/89  
Adopted: 02/23/89

RESOLUTION NO. 89-022

A RESOLUTION RELATING TO HOUSE JOINT  
RESOLUTION NO. HJR-11 IN THE  
LEGISLATURE OF THE STATE OF ALASKA

WHEREAS, House Joint Resolution No. HJR-11 has been introduced into the Legislature of the State of Alaska, Sixteenth Legislature, First Session, to urge the Congress to support the reauthorization of the Clean Air Act with certain amendments; and

WHEREAS, House Joint Resolution No. HJR-11 would further urge the inclusion of the following amendments to a reauthorized Clean Air Act:

(1) permit cities that exceed emission standards established under the Act the local option of using Federal gas tax money for the operation of mass transit, light rail, ride-sharing systems and other transportation measures as a means of reducing air pollution; and

(2) require the Environmental Protection Agency to certify motor vehicles for carbon monoxide emission compliance at a colder temperature range beginning at 20 degrees Fahrenheit; and

WHEREAS, the people of the Fairbanks North Star Borough are committed to healthy air for residents of the Borough to breathe.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly supports and endorses House Joint Resolution No. HJR-11 in the Legislature of the State of Alaska, Sixteenth Legislature, First Session.

BE IT FURTHER RESOLVED that the Fairbanks North Star Borough Assembly urges the Interior Legislative Delegation to actively support the passage of HJR No. 11 in the Legislature of the State of Alaska, Sixteenth Legislature, First Session.

PASSED AND APPROVED THIS 23RD DAY OF FEBRUARY, 1989.

*Chin Buid*

Presiding Officer

ATTEST:

*Mona Lee Dexter*

Clerk of the Assembly

seen fit to offer.

## Something in the air

Here in Anchorage, the December air has carried more than snow and rain, clouds and sunshine. Four times in the last eight days carbon monoxide pollution has reached unhealthful levels, according to the city health department.

During 1988, Anchorage carbon monoxide levels have exceeded federal standards 14 times.

This news doesn't get the kind of attention it deserves.

Too many people are still under the misapprehension that this corner of the last frontier is free of big-city air pollution problems.

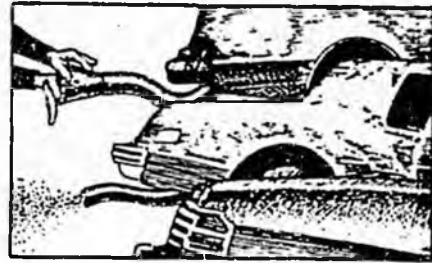
On a human level, this ignorance can be harmful. When air pollution reaches unhealthy levels, it begins to pose risks to people with heart and lung ailments.

On a policy level, ignorance of local air pollution breeds complacency. Public indifference increases the chances the city will try to continue business as usual, catering to the cars that cause the pollution and short-shrifting strategies needed to clear the air.

In the short run, Anchorage needs to clean up its cars. The city is studying the possibility of expanding the emissions testing program to include Mat-Su Valley commuters. If that doesn't work, Anchorage may have to consider mandating use of pollution-reducing oxygenated fuels, as Denver now does.

In the long run, Anchorage needs to cut its dependence on the automobile. That will take careful planning of future growth and a much stronger commitment to transit.

Anchorage's 14 air pollution violations in 1988 are 13 more than federal law allows. If the violations persist, the city faces the loss of federal highway funds. That threat, and the prospect of having air worthy of Los Angeles, should keep air pollution control at the top of the public agenda.



ADN 12/28/88

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# Municipality of Anchorage



P.O. BOX 196650  
ANCHORAGE, ALASKA 99519-6650  
(907) 786-8402

TOM FINK,  
MAYOR

TRANSIT DEPARTMENT

March 1, 1989

Representative Bette Cato  
Chairperson, House Transportation Committee  
Pouch V  
Juneau, Alaska 99811

Dear Representative Cato:

I am writing in support of House Joint Resolution 11 as amended during the hearing and teleconference held Tuesday morning, February 28, 1989.

Air Quality Compliance is clearly an issue that Anchorage will continue to grapple with for some time to come. Even with the benefit of a population decline and a very effective inspection and maintenance program, we have not been able to reduce carbon monoxide emissions to levels within federal standards.

We are fully supportive of HJR 11, both with respect to its call for increased funding of mass transit and its provision urging the certification of motor vehicles for CO emissions at colder temperatures. If both provisions were to become reality, air quality in Anchorage - along with many other northern-climate cities - would be substantially improved. Clean, or more accurately, non-poisonous air is something especially important to Alaskans who, unlike New Yorkers, don't have to be able to see the air they breathe in order to trust it.

HJR 11 deserves the support of the House Transportation Committee as well as the full Legislature.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Tom Brigham', is written over the typed name.

Tom Brigham  
Transit Director

cc: Representative Kay Brown  
Don Simmons, MOA

ATB2/lr26

Submitted by: Assemblyman Barnett  
Prepared by: Assembly Budget Analyst  
For reading: March 28, 1989

AMENDED AND APPROVED

Date: 4-4-89

ANCHORAGE, ALASKA  
AR NO. 89-69

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING HOUSE  
JOINT RESOLUTION NO. 11 (HJR 11) RELATING TO CONGRESSIONAL  
REAUTHORIZATION OF THE CLEAN AIR ACT

WHEREAS, HJR 11 has been introduced in the legislature; and

WHEREAS, this proposed resolution addresses an innovative approach to requirements of the Clean Air Act as it relates to colder climates; and

WHEREAS, Anchorage's air quality stands to benefit if the concepts of HJR 11 is acted upon by the U. S. Congress.

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

Section 1: That this body endorses <sup>CS</sup> HJR 11 in its entirety and urges immediate and appropriate action by the U. S. Congress.

Section 2: That copies of this resolution be forwarded to Alaska Congressional Delegation and the Alaska legislature.

PASSED AND APPROVED by the Anchorage Assembly this 4th  
day of April, 1989.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Municipal Clerk

EJG:eg  
DOCA/AR22

Attachment (HJR NO. 11)

AIM 60-89

HJR 11

AMENDMENT

by Rep. Brown

Page 2, lines 15 to 18

Delete subparagraph (1) regarding the local option of using federal gas tax money for transit.

Insert instead a new paragraph following line 21, to read:  
FURTHER RESOLVED that the Alaska State Legislature urges the Congress to increase mass transit funding as a means of mitigating the adverse impacts of transportation-related air pollution.



*Department of Transportation  
and Public Facilities*

# POSITION PAPER

BILL NO: HJR 11

APPROVED: M. L. H. J.

TITLE: A Resolution relating to  
Congressional reauthorization  
of the Clean Air Act.

DATE: February 27, 1989

The problem of winter time air pollution in Anchorage and Fairbanks is a serious health issue. The department supports that portion of the resolution that would require EPA to certify motor vehicles for carbon monoxide emission compliance at a colder temperature.

We oppose Alaska taking a position at the national level that would contravene a long standing prohibition against the use of federal-aid highway receipts for operating purposes. We believe this message would be detrimental to the on-going, emotionally-laden debate concerning how the formula for allocating the federal gas tax receipts should be constructed.

Presently, Alaska is the greatest beneficiary state receiving over \$5 for every \$1 dollar of contribution. Many high-population states which receive less than their total gas tax contributions find this inappropriate. At this time, the 50 state highway or transportation administrators (equivalent to our DOT&PF Commissioner) have been debating a policy position for submittal to Congress. At the root of our basic argument for maintaining Alaska's high ratio of receipts to contributions is the premise that we are a young, sparsely populated state, hampered by a significant percentage of federal in-holdings, which has yet to complete a basic highway network.

With this resolution we would seriously deflate this argument. The idea that we have such an "abundance" of federal-aid that we can divert some of it to transit operating assistance instead of our basic highway needs would seriously undermine our position. We, of course, already have a difficult job of persuasion, given our low state gas tax and the permanent fund dividends which are generally misunderstood by officials from other states.

At this time, some of the federal-aid highway receipts are used by the Anchorage Transit Authority for capital purposes. Approximately \$1 million per year is appropriated for this purpose. However, there has been a long-standing prohibition on the use of the highway funds for state operating purposes, whether for highway operations or transit operations.

For more information contact Catherine McHugh - 465-3900

There is already a federal program for providing operating assistance to municipal transit authorities. The Urban Mass Transit Authority (UMTA) has a transit-aid program for this purpose. In the near future the Congress will consider the new budget. In the current submittal the UMTA federal transit aid program would be slashed by 50% including total elimination of operating assistance aid for all municipalities greater than 200,000 population.

In addition, both Anchorage and Fairbanks have the ability under state law to levy fuel tax increments for transit related projects. That they have not yet utilized this avenue for revenue would not be lost on defenders of the highway trust fund.

In conclusion, we believe the request that Congress permit the use of federal-aid highway receipts for transit operating purposes would be controversial and unattainable and therefore detrimental to sensitive on-going discussion concerning how the new formula will allocate federal gas tax receipts. As an alternative, we recommend a resolution supporting an enlarged UMTA transit aid program as an appropriate method by which to pursue resolution of the winter time air problem.

This position is not meant to be contrary to the public need for transit or clean air. At present, the federal-aid received by the state is insufficient for our capital needs. Deteriorating highways and important new routes yet unbuilt speak volumes to this fact. Given the strength of the highway lobby at the national level, the resolution is not likely to achieve the intended result. But on the downside, the resolution could undermine the state's vigorous defense of our share of the federal gas tax receipts. If this debate is lost Alaska stands to lose millions of dollars annually. It is in this context that our position is proffered.

For more information contact Catherine McHugh - 465-3900

# Kay Brown

## Alaska State Legislature House of Representatives

### M E M O R A N D U M

TO: Rep. Bette Cato, Chair  
House Transportation Committee

FROM: Rep. Kay Brown *Tam*

DATE: February 27, 1989

RE: HJR 11, Relating to Congressional reauthorization of  
the Clean Air Act

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Reauthorization of the federal Clean Air Act is again before Congress. HJR 11 urges Congress to support the reauthorization. Moreover, it urges Congress to include two amendments that will help address the carbon monoxide problems in Alaskan cities, as well as in the rest of the country. Currently, neither Anchorage nor Fairbanks are in compliance with air quality standards; the high levels of carbon monoxide present in cold weather pose a serious health hazard to our citizens, particularly infants, the elderly, and those with heart and lung diseases.

The first amendment supported by HJR 11 would permit cities that exceed air quality standards (Anchorage and Fairbanks as well as about 60 other cities in the nation) the local option of using federal gas tax funds to operate transportation programs that can reduce air pollution. The utilization of federal gas taxes for mass transit, light rail, ride-sharing systems, and similar transportation measures would allow nonattainment cities to address their transportation needs in an overall plan that includes air quality and health concerns.

The second amendment to the Clean Air Act supported by HJR 11 would require the Environmental Protection Agency to certify motor vehicle emission compliance at a colder temperature range. Certification at temperatures beginning at 20 degrees Fahrenheit instead of only at 68 to 86 degrees could reduce carbon dioxide emissions by as much as 28 percent. This amendment has been urged by Alaska successfully in the past; last year it was included in legislation approved by the U.S. Senate and incorporated into a version of the Clean Air Act reauthorization. The 100th Congress failed to pass a reauthorization bill, but, according to the Governor's Washington office, the state is continuing this "cold start" effort with the current Congress.

HJR 11 has been endorsed by the Fairbanks Assembly, the Alaska Lung Association, the League of Women Voters, and others. The Anchorage Assembly is taking up a resolution of support on Feb. 28. A resolution very similar to HJR 11 was previously adopted by the U. S. Conference of Mayors.

I thank you for hearing HJR 11. I hope the committee will agree that the Alaska Legislature's support of reauthorization of the Clean Air Act, with the proposed amendments, is important to the health of Alaskan residents.

Cost - cold weather <sup>clean</sup> start - \$45-50 per car

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amendment p. 2, line 15

**Date:** 2-27-89

**To:** Kay Brown

**From:** Marge Hays *M.H.*  
Natural Resource Director  
AK League of Women Voters

**Re:** House Joint Resolution 11

The Alaska League of Women Voters supports House Joint Resolution 11 concerning air pollution controls.

The League's position on natural resources includes the following:

"Promote an environment beneficial to life through the protection and wise management of natural resources in the public interest by recognizing the interrelationship of air quality, energy, land use, waste management and water resources."

We support the concept that the protection of our natural resources and environment is the responsibility of all levels of government.

We find the proposed legislation compatible with this and wish to encourage further legislation which would promote a healthy environment.

Thank you.

# Transportation

## NATIONAL POSITION

**Position in Brief:** *Promote energy-efficient and environmentally sound transportation systems that improve the well-being of cities and other communities and afford better access to housing and jobs.*

### The League's History

League concern at the national level about public transportation first surfaced as a result of League efforts on behalf of equal opportunity for employment and housing. The 1971 Air Quality position added another dimension to this concern by urging "measures to reduce vehicular pollution . . . and development of alternate transportation systems." In 1972, the national board responded to questions of interpretation with respect to national action on a balanced system of transportation by synthesizing the two positions into a unified Transportation position. The six-point position was announced in the form of a memorandum on guidelines for action on transportation under existing national Human Resources and Environmental Quality positions. In 1976, following League concurrence on the Energy Conservation position, the national board reaffirmed the national League's Transportation position. In 1979, the Urban Policy position reinforced the theme that federal aid for highway construction should be reduced, and the Transportation

position wording was changed to make that point clear.

The League first put the position to work by backing the efforts of a national coalition to amend the Federal Aid Highway Act of 1972 to permit financing part of the costs of urban mass transit from highway trust funds. The League also supported the National Mass Transportation Assistance Act of 1974. More recently the focus has been to prevent stalling or cutting federal assistance to mass transit systems.

In response to the growing urgency to improve and promote public transportation systems as effective alternatives to automobiles, the 1980 convention voted to give greater visibility to the Transportation position by listing it as a separate item.

Leagues continue to use the Transportation position together with their own local or ILO positions to back local and regional moves to improve mass transit and to support other alternatives: such as reserved express lanes for buses and carpools.

### The League's Position

#### **Statement of Position as Announced by National Board, December 1972 and Revised June 1979:**

The League of Women Voters of the United States believes that federal aid for highway construction should be reduced and that cities must have the opportunity to plan and adequately finance integrated transportation systems of their own choice. The League believes that the highway trust fund should be restructured so that cities and states may use the fund to build whatever form of ground transit they find necessary. Alternate forms of transportation such as trains, buses, moving sidewalks, bicycles and street cars must be integrated into comprehensive transit systems for our cities. Transportation systems dependent on public financing should be publicly controlled. Transportation should be considered a public service whose operating costs are subsidized as are the operating costs of all public services.

The League believes that transportation planning and construction must weigh all social and environmental costs, and that continuous and widespread community participation must be ensured throughout the planning, development and operation of any transit program.

#### **Further Guidelines on Energy Efficiency, as Developed by National Board, January 1976:**

- Government policy should promote the development, nationwide, of transportation systems, in particular rail systems, where they can move people, goods and raw materials in a more energy-efficient manner than alternative systems.
- Federal, state, regional and local funding for public transportation (private as well as publicly owned) should support energy-efficient, suburban and urban transportation projects. States should be encouraged to allocate highway funds for mass transit. Disincentives should be enacted to discourage the use of private automobiles (except for car-pooling) where alternative public transportation exists.
- Government policy should encourage the manufacture and purchase of more efficient cars. Mandatory fuel economy performance standards for automobiles should be established with no relaxation of the auto emission standards.
- Government policy should encourage community development/transportation patterns that promote efficient energy use.



# Fairbanks North Star Borough

25th Silver Anniversary

February 10, 1989

Representative Kay Brown  
Alaska State House  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Brown:

I am writing to you on behalf of the Fairbanks North Star Borough's Pollution Control Commission to thank you for your sponsorship of HJR.11, relating to U.S. Congressional reauthorization of the Clean Air Act. This resolution supports the inclusion of two possible amendments to the reauthorization. The first would give the communities in nonattainment of federal air quality standards, such as Fairbanks and Anchorage, the local option of using federal gas tax funds for the operation of mass transit, carpooling, and other transportation measures. Such a provision would utilize monies paid directly by the owners of motor vehicles, whose vehicles account for over 90% of all carbon monoxide (CO) emitted in the Fairbanks area. The Pollution Control Commission believes that this "pollution tax" would be a very equitable method for communities to charge the cost of control measures directly to those who are responsible for the problem.

The second amendment would continue the work accomplished by the Borough in the last two years to get the federal government to mandate cold temperature CO testing of all new vehicles. This certification program, if required down to 20°F, would provide the best available method for significantly reducing future ambient CO concentrations on a national level, with even greater benefits in Fairbanks and Anchorage.

The Pollution Control Commission is a commission appointed by the Borough Mayor, and charged with advising the Mayor, staff and Assembly on environmental matters. As such, the Commission is very interested in pursuing whatever means available to reduce CO levels in Fairbanks. HJR.11 would help accomplish this goal. For this reason, it has our full support and endorsement.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Scott C. DeClue', followed by a long horizontal line.

Scott C. DeClue, Vice-chair  
Pollution Control Commission

RJ/SCD/mnb

jh-28/jhl

BRIEFING PAPER:  
COLD TEMPERATURE CO EMISSIONS REDUCTIONS

1. CARBON MONOXIDE AIR POLLUTION IN THE UNITED STATES IS A COLD TEMPERATURE PROBLEM.

Over the last five years, the average temperature during CO violations, nationwide, was 45°F. Not a single CO nonattainment area in the United States had temperatures averaging higher than 65°F during violations.

2. FUTURE PROJECTIONS OF CO CONCENTRATIONS ACROSS THE NATION ARE OVERLY OPTIMISTIC.

The use of the MOBILE 3 computer model to forecast future CO levels has resulted in projections much more optimistic than actual concentrations. This is because MOBILE 3 underpredicts CO emissions at lower temperatures for new cars (1980 and later model years), and overpredicts the expected benefits from I/M programs. Thus, many of the areas projected to reach attainment within a short time will not do so.

3. DUE TO COLD TEMPERATURES AND HIGH GROWTH RATES, MANY AREAS ACROSS THE UNITED STATES WILL NOT ATTAIN THE CO STANDARD BY THE END OF 1987.

Our projections show between 27 and 42 areas may be post-'87 CO nonattainment areas. While all areas are showing some improvement, growth in vehicle miles traveled and the likelihood of numerous occurrences of cold temperature-related CO episodes in these cities, will result in continued long-term nonattainment for most areas.

4. COLD TEMPERATURE EMISSIONS CERTIFICATION WILL PROVIDE DRAMATIC NATIONWIDE BENEFITS.

EPA, by administrative regulation, has set emissions certification of vehicles at a temperature range of 68° to 86°F, with actual certification occurring normally at about 75°F. Emissions at colder temperatures are much higher than certification levels. Our projections show that as much as a 28% reduction in actual CO emissions could result from a cold temperature certification program. A reduction of this magnitude is tremendous, and would probably result in attainment in most areas across the country.

5. COLD TEMPERATURE CERTIFICATION IS REQUIRED BY THE CLEAN AIR ACT.

The cold temperature language which Alaska is proposing simply clarifies the original intent of the Clean Air Act. The Clean Air Act currently states that vehicles must meet a 90% reduction from 1970 baseline year emissions while "in actual use throughout their useful life." The 68° to 86°F emissions certification program was set by federal regulation for ease of testing. The proposed language would clarify that this 90% reduction must also be accomplished at temperatures other than 68° to 86°F. This approach has already been proposed in the past by EPA. In 1978, a draft EPA advisory circular recommended cold temperature emissions certification, at temperatures of 20° and 50°F, in addition to the 75° standard, in order to demonstrate compliance with Sections 202(a)(4) and 206(a)(3) of the Clean Air Act. Under heavy pressure from the automobile manufacturers, this draft circular was withdrawn and never implemented.

Because of the possibility of citizen suits over enforcement of Clean Air Act provisions, there exists a strong possibility that communities and/or other groups may sue EPA to begin such a cold temperature certification program, especially if EPA begins to impose sanctions on recalcitrant areas while continuing to ignore the problem of cold temperature CO emissions. It appears that there is a strong basis for the success of such suits.

6. COLD TEMPERATURE EMISSIONS REDUCTIONS CAN BE ACCOMPLISHED WITH EXISTING TECHNOLOGY.

The technology required by the auto manufacturers to achieve this standard is available. Multi-point fuel injection, currently being utilized by many of the manufacturers on some of their vehicle families, will allow the manufacturers to meet this standard, as well as providing better fuel economy, improved engine performance, fewer customer complaints, and lower carbon monoxide and hydrocarbon emissions at all temperatures. This standard will result in a better performing, lower polluting automobile. It would result in a better operating car at all temperatures.

However, there is currently no direct incentive for auto manufacturers to use multi-point fuel injection on all vehicles. Because this type of fuel injection is more expensive than single-point, the manufacturers will not move further in this direction unless required to do so.

7. MILLIONS OF DOLLARS ARE BEING SPENT NATIONWIDE ON CO CONTROL STRATEGIES THAT DON'T DIRECTLY TARGET THE ACTUAL PROBLEM.

Fairbanks spent one million dollars for our I/M program in 1986. Nationwide, the annual bill for I/M must total hundreds of millions of dollars per year. This is for programs that result in actual emissions reductions far below their MOBILE 3 projections. Many additional transportation control measures, such as traffic flow improvements or improved mass transit, involve tremendous expenditures of money which result in fairly small reductions in carbon monoxide emissions. None of these approaches directly target the emissions which cause the great majority of CO violations in this country.

8. POST-1987 CO NONATTAINMENT AREAS SHOULD NOT BE REQUIRED TO ADOPT ADDITIONAL INEFFECTIVE CONTROL STRATEGIES UNTIL MOTOR VEHICLES ARE CLEANED UP AT COLD TEMPERATURES.

EPA's draft FY 1988 Operating Guidance did not even address the problem of post-'87 carbon monoxide nonattainment areas. We feel that Congress and the agency must address this problem, through the avenue of cold temperature emissions certification. Until such time as EPA or Congress forces the auto manufacturers to lower these emissions, Fairbanks and many other areas across the country will continue to have great difficulty in making progress toward carbon monoxide attainment. Fairbanks is the extreme example, but many other communities are also deeply affected by the current inaction on cold temperature emission reductions.

9. ALL PARTICIPANTS IN THE EFFORT TO ACHIEVE THE AMBIENT STANDARD FOR CARBON MONOXIDE SHOULD BE TREATED EQUALLY.

Local nonattainment areas are allowed only one violation per year of the 9 parts per million CO standard, no matter what temperatures or weather conditions occur. Yet EPA does not require vehicle manufacturers to meet applicable emission standards at all temperatures. Ambient temperatures should not be an excuse for anyone, be they local communities, vehicle manufacturers, or EPA, to evade their legal responsibilities under the Clean Air Act.

10. WE THEREFORE PROPOSE THAT VEHICLE MANUFACTURERS BE REQUIRED TO REDUCE COLD TEMPERATURE CO EMISSIONS, THROUGH A SPOT CHECK EMISSIONS CERTIFICATION PROGRAM.

Light-duty vehicles, trucks and engines manufactured during and after model year 1990 should be required to meet a reduction of at least 90% from the average CO emission of 1970 model year vehicles, during cold temperature operation at 20°F and 45°F.

H J R

25

BILL NUMBER: HJR 25  
SPONSOR: REP. CLIFF DAVIDSON  
BILL TITLE: RELATING TO SUPPORT FOR THE FEDERAL  
SALTONSTALL-KENNEDY GRANTS PROGRAM AND  
THE ROLE OF INDUSTRY DIERECTED PRIVATE  
FOUNDATIONS IN THE PROGRAM.

The Senate Resources CS adds in language, Page 2, Lines 14 -25, which outlines the Marine Safety Education Program offering safety and survival workshops and Alaska Vocational Technical Center establishment of vessel crew member training program made possible through the help of the Saltonstall-Kennedy grants.

*A Fiscal Note*

*See the attached.*

January 24, 1989

Ms. Margaret Cumiskey  
Senator Daniel Inouye's Office  
722 Hart Senate Building  
Washington, D.C. 20510

Dear Margaret:

RE: SALTONSTALL-KENNEDY INDUSTRY GRANTS

I am writing to ask your help on behalf of the Pacific Fisheries Development Foundation. The Foundation has used S-K funds to provide coordinated development assistance to the U.S.-affiliated Pacific Islands for the past 15 years.

We need your assistance at this time to ensure that S-K funds are adequate to continue its work in the Pacific.

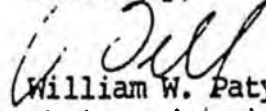
Please help us by:

1. keeping the S-K grants program funded at \$8-10 million; and
2. returning the S-K program to its original intent--i.e., to assist industry-based foundations and associations with support for research and development projects.

The fisheries development foundations, which are regional organizations made up of fishing industry associations and businesses, were established in large part to carry out the S-K Program. Over the past few years, however, funding for the foundations has diminished at the expense of research institutes, state agencies and other non-industry based entities. In 1986, foundations received 63% of S-K funds; in 1988, that figure was 46%. Research institutes, on the other hand, received an increase of approximately 20% more funding over the same period.

Thank you for considering this request. If you have any questions, please call me at (808) 548-6550.

Sincerely,

  
William W. Paty  
Chairman/President

cc: PFDF Board of Directors, Fishery  
Officers and Project Directors,  
Executive Directors  
Regional Fisheries Development Foundations ✓



PO Box 222 - Honolulu, Hawaii 96804  
(808) 548-6409 FAX (808) 548-8989

January 24, 1989

The Honorable Patricia Saiki  
United States Representative  
1407 Longworth House Office Building  
Washington, D.C. 20515

Dear Pat:

RE: SALTONSTALL-KENNEDY INDUSTRY GRANTS

I am writing to ask your help on behalf of the Pacific Fisheries Development Foundation. The Foundation has used S-K funds to provide coordinated development assistance to the U.S.-affiliated Pacific Islands for the past 15 years.

We need your assistance at this time to ensure that S-K funds are adequate to continue its work in the Pacific.

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1. keeping the S-K grants program funded at \$8-10 million; and
2. returning the S-K program to its original intent--i.e., to assist industry-based foundations and associations with support for research and development projects.

The fisheries development foundations, which are regional organizations made up of fishing industry associations and businesses, were established in large part to carry out the S-K Program. Over the past few years, however, funding for the foundations has diminished at the expense of research institutes, state agencies and other non-industry based entities. In 1986, foundations received 63% of S-K funds; in 1988, that figure was 46%. Research institutes, on the other hand, received an increase of approximately 20% more funding over the same period.

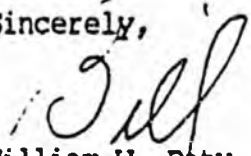


P.O. Box 2359, Honolulu, Hawaii 96804  
(808) 548-3469 FAX (808) 548-R989

The Honorable Patricia Saiki  
Page 2

Thank you for considering this request. If you have any questions,  
please call me at (808) 548-6550.

Sincerely,

  
William W. Paty  
Chairman/President

cc: PFDF Board of Directors, Fishery  
Officers and Project Directors,  
Executive Directors  
Regional Fisheries Development Foundations ✓

P.S. Attached, for your information, is a list of projects in the Freely  
Associated States funded by the Japanese government. The projects total  
about \$10 million a year over the past six years. The U.S. commitment  
to this area, on the other hand, has been a fraction of this amount.

RECEIVED FEB 2 1989

CITY OF KODIAK  
RESOLUTION NUMBER 02-89

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK SUPPORTING THE FEDERAL SALTONSTALL-KENNEDY PROGRAM AND THE ROLE OF INDUSTRY DIRECTED FOUNDATIONS IN THE PROGRAM

WHEREAS, the federal government established a seafood industry grants program in 1980; and

WHEREAS, this grants program was established to fund the development and promotion of the U.S. seafood industry and fisheries products; and

WHEREAS, the program is directed towards strengthening the U.S. seafood industry in the face of increasing foreign competition and a fluctuating resource base; and

WHEREAS, the program is funded from tariffs on imported seafood and seafood products; and

WHEREAS, program projects receive matching funds and in-kind services from the seafood industry; and

WHEREAS, the Saltonstall-Kennedy program is unique because it sets goals based on industry priorities and works with industry to accomplish projects to achieve those goals; and

WHEREAS, the primary method the seafood industry has used to participate in the Saltonstall-Kennedy program is through regional fisheries development foundations; and

WHEREAS, the Alaska Fisheries Development Foundation was put together by the Alaska seafood industry to maximize the benefit of the Saltonstall-Kennedy program in Alaska; and

WHEREAS, the Saltonstall-Kennedy program has resulted in several projects which have had significant national and regional benefits to the seafood industry; and

WHEREAS, in Alaska five shore-based and at least ten vessel-based surimi processing firms have begun operations since the initiation and completion of the Alaska Fisheries Development Foundation's surimi demonstration project; and

WHEREAS, two more recent Foundation projects, flatfish fishery development and by-product utilization, are having the same level of positive impact on the Alaska seafood industry; and

WHEREAS, this unprecedented level of success in development efforts can be directly related to the unique industry/foundation

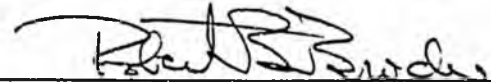
participation in the Saltonstall-Kennedy program,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Kodiak, Alaska, expresses its appreciation for the results of past Saltonstall-Kennedy program projects and gratitude for their support to the United States Congress, the United States Department of Commerce, the National Oceanic and Atmospheric Administration, the National Marine Fisheries Service, and the many industry organizations, fishery groups, and individuals that contribute to the success of this program.

BE IT FURTHER RESOLVED the Council of the City of Kodiak respectfully requests the United States Congress, the United States Department of Commerce, the National Oceanic and Atmospheric Administration, the National Marine Fisheries Service, and other concerned groups to continue their support for this program and the unique industry/foundation involvement which provides beneficial results and directed, efficient projects.

PASSED AND APPROVED this 26TH day of JANUARY, 1989.

CITY OF KODIAK



MAYOR

ATTEST:

  
CITY CLERK

4.

THE HONORABLE WILLIAM E. EVANS  
 UNDER SECRETARY FOR OCEANS AND ATMOSPHERE  
 NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION  
 MAIN COMMERCE BUILDING  
 WASHINGTON, D.C. 20230

**U.S. House of Representatives**  
**Committee on**  
**Merchant Marine and Fisheries**

Room 1334, Longworth House Office Building  
 Washington, DC 20515-6230

January 12, 1989

The Honorable William E. Evans  
 Under Secretary for Oceans and Atmosphere  
 National Oceanic and Atmospheric Administration  
 Main Commerce Building  
 Washington, D.C. 20230

Dear Dr. Evans:

A recent opinion prepared by the Office of General Counsel of the National Oceanic and Atmospheric Administration (NOAA) indicates that NOAA may intend to divert funds that Congress specifically provided for the Saltonstall-Kennedy Grant Program for Fisheries Research and Development (hereinafter "Grant Program"). According to the opinion, NOAA could then use the diverted grant funds to implement a "National Program" or for NOAA in-house activities, including salaries. We believe that this diversion would be inappropriate and would violate the intent of Congress regarding the Saltonstall-Kennedy Act.

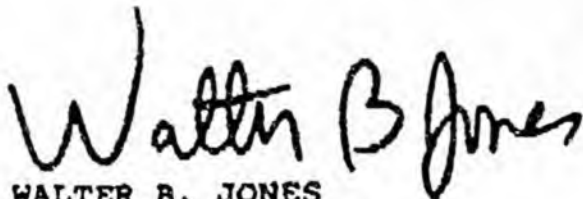
As part of last year's Conference agreement, the Appropriations Committees recommended that \$45.6 million be transferred from the S-K Fund to offset NOAA's Operations, Research, and Facilities account with the remaining funds to be made available for the Grant Program. The Conference Report states that the agreement "provides for \$7,700,000 for Saltonstall-Kennedy Grants to conduct educational, technological, and biological related research and marketing pertaining to American fisheries" (emphasis added). Moreover, the Report directs NOAA to distribute more equitably these grants based on the level of fisheries activities within each region.

The Honorable William E. Evans  
January 12, 1989  
Page Two

There can be no question that Congress intended these remaining funds to be used only for the Grant Program. Unfortunately, for fiscal year 1989 only about \$5 million will be available for the Grant Program because of the statutorily required transfer of \$3 million into the Fisheries Promotional Fund. We request that you ensure that none of these funds will be diverted from the Grant Program to pay for in-house or other NOAA activities.

We want to thank you in advance for your personal attention to this important matter.

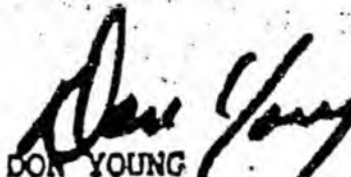
Sincerely,



WALTER B. JONES  
Chairman  
Committee on Merchant Marine  
and Fisheries



GERY E. STUDDS  
Chairman  
Subcommittee on Fisheries  
and Wildlife Conservation  
and the Environment



DON YOUNG  
Ranking Minority Member  
Subcommittee on Fisheries and  
Wildlife Conservation and  
the Environment



# STATE OF ALASKA

HOUSE OF REPRESENTATIVES

Box V, Juneau, Alaska 99811

(907) 465-2487 • 465-2498

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REPRESENTATIVE CLIFF DAVIDSON • DISTRICT 27 • Box 746, Kodiak, Alaska 99615 • (907) 486-8250

TO: Senator Bettye Fahrenkamp  
Chair, Senate Resources Committee

FROM: Representative Cliff Davidson *cliff*

DATE: March 15, 1989

SUBJECT: House Joint Resolution 25

I respectfully request that the Senate Resources Committee schedule a hearing on House Joint Resolution 25 at the earliest convenience of the chair.

HJR 25 expresses support for the federal Saltonstall-Kennedy grants program that provides money for fisheries research for the development and promotion of the U.S. seafood industry and fisheries products. The program has enabled valuable research to occur, greatly benefiting Alaska for the past six years.

There has been some indication from the National Oceanic & Atmospheric Administration, U.S. Department of Commerce, that this program is no longer considered a priority and that the funds may be diverted elsewhere. This resolution lets the Bush Administration and the U.S. Congress know that this program is very important to Alaska and that we want this to remain a priority.

I will be happy to provide your committee with background materials on the S-K grants program. For additional information, please call Lourene Miovski on my staff at X2487. Thank you for your consideration.

# Alaska Marine Safety Education Association

Box 2592, Sitka, Alaska 99835

(907) 747-3287

March 16, 1989

Senator Richard Eliason  
Pouch V  
Juneau, AK 99811  
FAX # 465-4928

RE: House Joint Resolution  
No. 25

Attn: Mary McDowell

As appreciation for the accomplishments of the Saltonstall-Kennedy grant program are being expressed in House Joint Resolution 25, those of us at Alaska Marine Safety Education Association (AMSEA) and Alaska Vocational Technical Center (AVTEC) would like point out that our organizations have benefited greatly from S/K funding and that we would appropriately be included in the resolution.

AVTEC and AMSEA, through S/K funding, have worked together to increase the safety climate in the Alaska commercial fisheries by the following means:

AVTEC: Development of a 5 day crew member training program covering shipboard medical emergencies, stability, navigation, safety equipment, and firefighting. This course, available at the AVTEC facility and recently offered in Homer, can be taken in one day increments or by going for the full five days.

AMSEA: Development of an instructor network that is available to teach marine safety training and distribute information to their "home communities" and resident fisheries throughout the state. This has been accomplished through:

1. Development of a curriculum for the instruction of marine safety in Alaska.
2. Instructor training classes to improve the efficiency of marine safety instructors.
3. Staff able to put on classes in communities where no instructors exist, develop additional training aids, loan survival equipment to trainers doing exercises in their own communities, produce a quarterly marine safety update to give new information to fishermen on safety topics, and conduct more instructor training classes.

#### MEMBER ORGANIZATIONS

Alaska Department of Health & Social Services,  
Emergency Medical Services Section  
Alaska Department of Public Safety  
Northstar Survival, Inc.  
Southeast Alaska Regional Health Corporation

Southeast Regional Emergency Medical Services Council  
United States Coast Guard  
University of Alaska Marine Advisory Program  
Alaska Department of Education  
Alaska Vocational Technical School (AVTEC)

There are now over eighty people teaching marine safety from Kotzebue to Ketchikan who have gone through the AMSEA instructor class. Annually another 3000+ go through AMSEA training classes. Hundreds more make use of our video lending library, newsletter, and pamphlets.

These activities are supported solely by Saltonstall-Kennedy fundings and in-kind matches from AMSEA support agencies. Despite intensive searching through state and private foundations and within the commercial fishing industry itself, no other funds have been located that will support this program.

In view of the above reflecting the support that we have received from Saltonstall-Kennedy funds, we would like to propose some sample "Whereas" additions to House Joint Resolution 25 as follows:

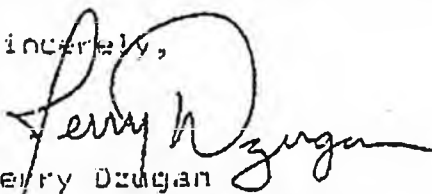
" WHEREAS, through the Saltonstall-Kennedy Grants Program, the Alaska Marine Safety Education Program has developed a volunteer network of marine safety instructors available throughout Alaska to give safety and survival workshops to commercial fishermen, and has become a model for other regions of the country;

WHEREAS, the Alaska Vocational Technical Center (AVTEC) in Seward has established a vessel crewmember training program with the help of Saltonstall-Kennedy funding, and offers an intensive course in marine safety; and

WHEREAS, AMSEA's and AVTEC's cooperative efforts in marine safety training represent a major effort in reducing the number of casualties in the commercial fishing industry;"

Thank you for your consideration of this.

Sincerely,



Jerry Dzuga  
Training Coordinator



ALASKA FISHERIES DEVELOPMENT FOUNDATION, INC.

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“

“We look to AFDF as a fountainhead of information about the industry. The seafood and surimi industry is growing in volume and potential, and as a major food ingredients supplier, we have to know what the latest developments are. I look to AFDF for the latest information. They know what's happening faster than most other organizations do. AFDF is riding the crest of a huge new industry that is just being born, and which is going to have a huge impact in feeding the world. We consider our membership in AFDF a tremendous benefit, because they tell us what we need to know.”

-- Bob Campbell  
Pfizer Chemical Division

“During our three-year membership in AFDF, we have seen opportunities become realities, as a direct result of the Foundation's development projects. Membership in AFDF allows direct participation in the design and guidance of the Foundation's projects. This ensures that the Foundation funds are channeled into areas that open doors for the industry and enhance the opportunities available to our companies, our clients and suppliers.”

--Steve Smith, President  
Kemp Pacific Fisheries, Inc.

“We first joined AFDF in its early years to channel S-K dollars into projects that would have the greatest benefit to the fishing industry. Since then, AFDF has helped Alaskan fishermen tremendously, not by direct grants — we never needed anyone to teach us how to fish! — but through their projects, which opened up new markets and new opportunities. The results have brightened the future for fishermen operating small, medium and large vessels. The spinoff has been tremendous, and we look forward to the same kind of new opportunities as AFDF broadens its focus toward flatfish and other underutilized species.”

-- Al Burch  
Alaska Draggars Association

“We joined AFDF to have access to its technical literature, and to establish contact with people in the business. As a Midwestern egg company that knows very little about the seafood industry, AFDF seemed best equipped to help us make the contacts we needed and to provide technical data we could use to expand our market base. The Foundation promotes the Alaskan industry, but with far-reaching ramifications for the future of U.S. seafood industry in general.”

-- John Toney  
Henningsen Foods, Inc.

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## *Bridging the gulf in new seafood technology*

Alaska Fisheries Development Foundation bridges the gulf between current technology and new opportunities in Alaska's seafood industry. The Foundation helps its members and the industry gain new knowledge, develop new technology, and make new contacts that help the industry become more stable, grow more consistently, and become more profitable year by year.

AFDF is a catalyst between the seafood and the food and protein industries, bringing together problems, possibilities and potential solutions. We provide the impetus for new ventures that bring the promise of a more stable, vivacious seafood industry in Alaska.

We are a non-profit, industry-directed firm funded by the Saltonstall-Kennedy program administered through the National Marine Fisheries Service. These funds come from import tariffs on foreign-produced marine products.

### *Setting a new course*

AFDF sponsors research and demonstration projects that open the way to significant new opportunities, but which are too risky or expensive for a single company to conduct. We demonstrate for Alaskan fishermen and processors how to adapt new technologies to their boats or plants, and profitably expand their participation in the world food industry.

From trying out a new gear type to developing a whole new seafood industry, AFDF has expedited development in all sectors of the industry. These projects are always guided by the firm hand of experience provided by AFDF's members and other industry leaders.

### *Informing our members*

The information generated from Foundation projects is immediately accessible to AFDF members, and to the industry. The Foundation publishes technical data and industry information in its journal, *The Lodestar*, and AFDF reports, and disseminates new information through other industry publications. Project data, technical information, and the resulting discussions are the lifeline of our vital projects. Members also use our information network to promote their new systems or services.

### *Making creative contacts*

One of the Foundation's essential services is its interactive information channel, through which the staff, AFDF members and those on the leading edge of their industries exchange data, ideas and concerns.

AFDF maintains a broad network of industry experts who, through AFDF, exchange the kind of information not available through conventional industry channels. We preserve and nurture these communication lines with dedication and verve, believing that if we can get the right people together in the right environment, the industry's potential for creative development is unlimited.

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## Harvesting

AFDF is dedicated to increasing the ex-vessel value of Alaskan seafood resources by enhancing quality and consistency, developing new on-board technology, and testing gear modifications. In addition, AFDF has:

- Studied the effects of refrigerated seawater (RSW) holding on Alaska pollock quality;
- Applied RSW studies to the end quality of pollock surimi;
- Sponsored test conversion of a large crabbing vessel to longline gear to demonstrate new opportunities for Alaska's idle crab fleet;
- Initiated a project demonstrating optimum flatfish handling techniques to increase ex-vessel value of groundfish by-catch and to investigate opportunities for small boats in the trawl fisheries;
- Sponsored several projects for small-boat harvesters focusing on remote-area cod, squid, octopus and other underutilized species;
- Worked with pink and chum salmon harvesters to open new opportunities for their products.

Five Alaskan harvesters sit on the AFDF Board of Directors.

## Processing

AFDF was the primary architect of the U.S. surimi industry. Through our five-year surimi industry development project, AFDF designed and contracted for the first commercial shore-based pollock surimi facility in the U.S. We have dedicated nearly \$4 million to testing and upgrading the traditional surimi production process by incorporating Japanese skills with new technologies from the European seafood industry and the sophisticated U.S. food industry.

As a result of our surimi project, several processors and a number of food companies have entered the surimi business. A reliable U.S. surimi supply is now established, and many other Alaskan seafood processors now are participating in the profitable bottomfish processing industry.

AFDF also:

- Helped ease financial and technical barriers for Alaska's first large-scale white fish plant as it pioneered shore-based processing of cod and pollock, providing the industry with a model plant by which to assess their own opportunities in Alaska's cod and pollock fisheries;
- Sponsored a new processing technology demonstration for flatfish to expand profit opportunities for processors;
- Conducted numerous seafood and surimi quality studies to help processors achieve greater product consistency; and
- AFDF also has sponsored several small-scale industry development projects to benefit small and large seafood processors.

Five Alaskan processing companies are represented on AFDF's Board of Directors.

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## *Product and technology development*

The most effective way to increase profitability of a certain seafood species is to increase the number of potential uses for the product. Some of AFDF's most dramatic successes have come from product development projects, in which we have provided samples, technical advice and financial assistance to companies experimenting with new uses for seafood proteins. These projects open opportunities to food companies looking for new protein sources with high functionality, and also benefit seafood producers willing to adjust their product mix to capture new, profitable markets.

In this area, AFDF has:

- Distributed samples of frozen and dried surimi, salmon and other products free of charge to companies experimenting with new systems, ingredients, or flavors, or testing Alaskan seafood proteins in their formulations;

- Allowed equipment and systems manufacturers to test their equipment during AFDF's demonstration projects to determine the potential profitability of new technologies in Alaska's fisheries;

- Encouraged experimental use of different ingredients, flavors, and cryoprotectants to improve the quality and profitability of Alaska's seafood products;

- Sponsored the industry's pursuit of USDA approval for surimi in processed meats. This effort helped develop several new surimi/meat products, and a significant data bank regarding the interaction of surimi and muscle meats and the microbiology of surimi. Several meat companies now are actively studying surimi as a binder and a protein ingredient;

- Made profitable connections for companies making salmon or pollock leather, salmon patty ingredients, new food products, fish oils and gelatins and other seafood-related products in their pursuit of seafood processors who could supply their needs;

- Sponsored a nationwide New Product Development Contest to encourage innovative uses for Alaska's seafoods. This contest resulted in nearly \$100,000 in financial aid for new product development demonstrations that focused only on Alaskan seafood; and

- Made a pilot-scale surimi and crab analogue line available to equipment and ingredients companies and food processors for experimental purposes.

Two members of the food, ingredient, equipment or support industries sit on the Board of Directors.





Alaska Fisheries Development Foundation, Inc.

FAX TRANSMITTAL COVER SHEET

TO: Lawrence Mirovski  
Rep. City of Anchorage  
465-3841

FROM: Barbara Culver  
\_\_\_\_\_  
\_\_\_\_\_

Number of Pages including transmittal sheet: 18 DATE: 2/16/89

IF TELECOPY DOES NOT TRANSMIT PROPERLY, PLEASE CALL (907) 276-7315

\*\*\*\*\*

Here is the info you requested re: SK projects funded for the Alaska Region. For 1979, 1980 and 81, <sup>and 1987</sup> there may have been a few projects funded in addition to those for AFDF, but were unable to locate the info today. Please call if you need clarification.

*Barbara Culver*

## 1988 S-K Projects Selected for Funding

<u>Project Title</u>	<u>Recipient</u>	<u>Funding</u>
<u>Alaska Region</u>		
1. Marine Safety: Reduced Accident Rates thru Education and Training	Alaska Dept. of Health and Social Services Juneau, AK	\$190,000
2. Flatfish Utilization	Alaska Fisheries Development Foundation Anchorage, AK	151,000 ✓
3. Alaska Groundfish Quality Enhancement	Alaska Fisheries Development Foundation Anchorage, AK	366,700 ✓
4. Multi-species By-Product Utilization	Alaska Fisheries Development Foundation Anchorage, AK	479,000 ✓
5. The Role of Groundfish in International Trade	Oregon State University Corvallis, OR	69,683
6. Unobservable Mortality on Red King and Bairdi Tanner Crab	Alaska Department of Fish and Game Kodiak, AK	22,600
7. Conflict Between the Sablefish Longline Fishery & Killer Whales	Sea World Research Institute San Diego, CA	130,000
<u>Northeast Region</u>		
8. Fishing Vessel Safety Training Programs	University of Rhode Island Kingston, RI	56,975
9. Development of Canned Mackerel - Year 1	New England Fisheries Development Foundation Boston, MA	88,000 ✓
10. Quality Improvement of Mackerel and Hake thru Extra Cold Storage - Year 1	Mid-Atlantic Fisheries Development Foundation Annapolis, MD	49,500 ✓

NAOIA FORM 36-27  
(1-88)

U.S. DEPARTMENT OF COMMERCE  
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

GRANT  
 COOPERATIVE AGREEMENT

## FINANCIAL ASSISTANCE AWARD

NUMBER: NA-87-ABR-00020

PROJECT TITLE: Full Utilization of White Fish Through Multi-Species Processing

ACCOUNTING CODE: 75A004/78G22YRW/6119

U.S. SHARE OF COST: \$ 240,200.00

RECIPIENT'S SHARE OF COST: \$ 132,000.00

TOTAL ESTIMATED COST: \$ 372,200.00

AWARD PERIOD: FROM July 1, 1987 TO November 30, 1988

RECIPIENT'S NAME: Alaska Fisheries Development Foundation

STREET ADDRESS: 508 W. Second Avenue, Suite 212

CITY: Anchorage STATE: AK ZIP CODE: 99501

SPECIAL AWARD CONDITIONS:

The Recipient will accomplish the objectives of this project in accordance with the attached Federal Assistance Application dated 87/02/10, with the attendant technical and cost proposals, and all Special Award Conditions.

Continued on attached sheet(s).

The recipient agrees to execute the work in accordance with the Act and pertinent rules and regulations checked below; the approved application to the extent encompassed by this award; the attached documents; and the non-discrimination requirements set forth on the reverse of this document.

- Coastal Zone Management Act, as amended (Section \_\_\_\_\_)
- National Sea Grant College Program Act
- OMB Circular A-108
- OMB Circular A-116 (Specifying use of the Patent Rights Clause.)
- Cost Principles: Circular A-122
- Others: P.L. 96-561, as amended

SIGNATURE: <i>Robert L. Abbott</i>	TITLE: GRANTS OFFICER	DATE: 7-13-87
SIGNATURE: <i>Carl S. Boice</i>	TITLE: Federal Program Officer	DATE: 7/16/87

## 1986 S-K Awards

<u>Project Title</u>	<u>Recipient</u>	<u>Funding</u>	
		<u>Federal</u>	<u>Match</u>
<u>Alaska Region</u>			
1. Alaska Pollock Market Development	Alaska Seafood Marketing Institute Juneau, AK	\$254,530	\$229,035
2. Full Utilization for American Salmon and Other Underutilized Species	Alaska Fisheries Development Foundation Anchorage, AK	875,000	553,000
3. Marine Safety-Reduced Accident Rates Through Education and Training	Marine Advisory Program University of Alaska Anchorage, AK	77,000	50,570
<u>Northwest Region</u>			
4. NEFVOA Vessel Safety Program	North Pacific Fishing Vessel Owners Association Seattle, WA	199,700	91,000
5. Minimization of Crab Bycatch in Groundfish Trawl	Highliners Association Seattle, WA	325,723	150,000
6. Seafood and Health: Promotion and Market Development	West Coast Fisheries Development Foundation Portland, OR	150,000	50,000
7. Alaska Pollock Development Through New Product Development, Promotion & Marketing	Alaska Factory Trawlers Association Seattle, WA	300,000	129,200
8. Impact of Alaska Pollock Foreign Fishing Allocation on U.S. Harvesters and Processors	Alaska Factory Trawlers Association Seattle, WA	123,800	58,050
9. International Competitiveness of the North Pacific Seafood Industry	Pacific Seafood Processors Association Seattle, WA	215,000	102,000

## 1985 S-K Awards

<u>Project Title</u>	<u>Recipient</u>	<u>Funding</u>	
		<u>Federal</u>	<u>Match</u>
<u>Alaska Region</u>			
1. Quality Assurance Education for the Alaska Groundfish Industry	University of Alaska Marine Advisory Program Anchorage, AK	\$50,000	\$48,468
2. Alaska Pollock Market Development	Alaska Seafood Marketing Institute Juneau, AK	250,000	210,600
3. Pacific Pollock Protein Project	Alaska Fisheries Development Anchorage, AK	1,190,202	752,900
<u>Northwest Region</u>			
4. Impacts of Fish Oils on Plasma Lipids in Humans	University of Washington Seattle, WA	53,297	11,169
5. Sablefish Soft Flesh Analysis	University of Washington Seattle, WA	37,818	17,337
6. Optical Parasite Detection System	Design Systems, Inc. Auburn, WA	70,000	38,050
7. Seafood and Health: Promotion and Market Development	West Coast Fisheries Development Foundation Portland, OR	150,000	37,500
8. Development of Washed Fish Flesh Production and Utilization	West Coast Fisheries Development Foundation Portland, OR	108,750	52,662
9. Pacific Whiting Industry Development Program	West Coast Fisheries Development Foundation Portland, OR	100,000	52,000
10. Restaurant Marketing Development of Albacore Tuna	West Coast Fisheries Development Foundation Portland, OR	29,350	15,000

## 1984 S-R Awards

<u>Project Title</u>	<u>Recipient</u>	<u>Funding</u>	
		<u>Federal</u>	<u>Match</u>
<u>Alaska Region</u>			
1. Pollock Industry Development	Alaska Fisheries Development Foundation Anchorage, AK	\$1,300,000	\$849,200
2. Alaska Pollock Promotion and Education	Alaska Seafood Marketing Institute Juneau, AK	321,000	232,700
3. Recommended Whitefish Quality Guidelines	Alaska Seafood Marketing Institute Juneau, AK	18,700	11,300
4. Americanization of the Northeast Pacific Fisheries	Pacific Seafood Processors Association Seattle, WA	250,000	132,080
5. Quality Assurance Education Program/Groundfish	University of Alaska Anchorage, AK	112,570	49,227
<u>Northwest Region</u>			
6. Food Service and Institutional Seafood Marketing Development	West Coast Fisheries Development Foundation Portland, OR	250,000	117,500
7. Development of Methods for Washed Fish Flesh Production Utilization	West Coast Fisheries Development Foundation Portland, OR	100,000	45,880
8. Restaurant Training Module	West Coast Fisheries Development Foundation Portland, OR	33,460	17,000
9. White-Fleshed Fish in the Diet	West Coast Fisheries Development Foundation Portland, OR	23,730	13,733

## 1983 S-R Awards

<u>Project Title</u>	<u>Recipient</u>	<u>Funding</u>	
		<u>Federal</u>	<u>Match</u>
<u>Alaska Region</u>			
1. Pollock Industry Development	Alaska Fisheries Development Foundation Anchorage, AK	\$1,644,123	\$1,167,500
2. Mincod Pollock Pilot Project	Alaska Fisheries Development Foundation Anchorage, AK	143,715	105,000
3. Groundfish (Whitefish) Marketing	Alaska Seafood Marketing Institute Juneau, AK	100,000	99,675
4. Sablefish Market Development	Alaska Longline Fishermen's Association Anchorage, AK	132,500	52,215
<u>Northwest Region</u>			
5. West Coast Seafood Marketing Program	West Coast Fisheries Development Foundation Portland, OR	540,000	270,000
6. White Fish in the Diet & Plasma Cholesterol Level	West Coast Fisheries Development Foundation Portland, OR	18,000	12,000
7. Assessment of Fishery Potential for <u>Loligo Opalescens</u>	West Coast Fisheries Development Foundation Portland, OR	60,000	17,467
8. Development of an Oregon Squid Fishery Market	Southwestern Oregon Community College Coos Bay, OR	70,000	65,000
9. Development of a Washington Squid Fishery	Washington State Department of Fisheries Olympia, WA	41,493	17,603
10. Public Education Program for Recreational Shellfish Fishery	Washington State Department of Fisheries Olympia, WA	26,060	11,200

## 1982 S-K Awards

<u>Project Title</u>	<u>Recipient</u>	<u>Funding</u>	
		<u>Federal</u>	<u>Match</u>
<u>Alaska Region</u>			
1. Model Whitefish Processing Plant	Alaska Fisheries Development Foundation Anchorage, AK	\$548,825	\$195,000
2. Demonstration Longliner - Processor Aleutian Mistress	Alaska Fisheries Development Foundation Anchorage, AK	123,825	95,200
3. Sablefish Market Development	Alaska Fisheries Development Foundation Anchorage, AK	186,325	123,500
4. Octopus Fishery in the Aleutian Area	Alaska Fisheries Development Foundation Anchorage, AK	70,825	22,000
5. Hydraulic Clam Dredge	Alaska Fisheries Development Foundation Anchorage, AK	123,325	76,000
6. Quality and Preservation of Alaska Groundfish	Alaska Fisheries Development Foundation Anchorage, AK	85,725	21,000
7. Canned Pollock Marketing Test	Alaska Fisheries Development Foundation Anchorage, AK	93,225	19,100
8. Atka Mackerel Product Evaluation	Alaska Fisheries Development Foundation Anchorage, AK	187,825	130,600
9. Pacific Salmon Export Development Program	Alaska Seafood Marketing Institute Juneau, AK	302,825	254,000

RECEIVED FEB 16 1988

## ALASKA FISHERIES DEVELOPMENT FOUNDATION

## PROJECTS LIST

FEBRUARY 1982

Legend: O Closed out  
 \* Winding down  
 \*\* On hold  
 \*\*\* About to be active  
 \*\*\*\* Active  
 R Reprogrammed

(Note: Budgets for projects designated O and R should not be included when calculating total program budget sums.)

NMFS Contract 79-ABH-0034

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
	250,000	O	1.	Demonstration Administration. Fy 1979 AFDF Admin. budget
500	30,000	**	2.	Demo. Public Info. Contractors: George Fiqdor, Neil Rabinowitz, Wes Johnson (NFFD - North Pacific Fisheries Development, Inc.) to develop published/displayed materials about the Harvesting Demo. program. Harvesting Demo. includes Longline (Aleutian Mistress) Trawl; Trawler Demo has been reprogrammed, but this public info project still exists to support both demos.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
504	275,000 (15,000 now)	*	3.	Demo. Trawler. Contractors: Wes Johnson, Helge Christiansen (NFFD) Vessel "Smaragd", owned by NFFCO, originally chosen as demo. vessel before NEFCO bankruptcy. This was companion project to Aleutian Mistress, intended to convert a shrimp trawler to trawling and provide risk guarantee. \$15,000 spent on conversion design for Smaragd, remaining \$260,000 reprogrammed to AFDF's Acc'ts # 552 and 564 plus others.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
504	475,000	*	4.	Demo Longline (Aleutian Mistress I) Contractors: Aleutian Mistress Associates. Business manager Don Barton, Gordon Lovell. President Seawest Industries (part owner and Project Director), Darryl Pedersen. This budget is just for A. Mistress Phase I: \$200,000 for conversion work, \$275,000 for risk guarantee. See AFDF Acc'ts # 548 and 544 for Phase II and III, respectively.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
506	90,000	R	5.	Demo. Training Originally intended for training program aboard demo. vessels. Cancelled and reprogrammed to various projects.
	35,000	O	6.	Demo. Quality Assurance. Project intended to implement quality assurance research and demo. program aboard demo. vessels. This budget transferred to 80-ABH-00067, #10 with \$100,000 added; Then eventually reprogrammed.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
508	195,000	****	7.	Demo. Monitoring and Evaluation. Contractor: Frank Orth and Associates (\$90,000). Observer: Sandi McKenzie. Remaining budget is for contingencies, advisory services, etc. - About \$27,000 went to Was Johnson for report on Conversion of Aleutian Mistress. Project purpose is to analyze and report on the technological and economic feasibility of Aleutian Mistress. Budget can be used for monitoring trawler projects also, if funds remain.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
510	1,100,000	****	4.	<p>Model White Fish Processing. Contractors: 1979-80, NEFCO originated 1st project and went bankrupt before project awards made by NMFS. 1980, Alaska Food Company (James Kross, President) chosen as Contractor. Contract signed November 80, dissolved April 1981. About \$110,000 disbursed to AFC, \$95,000 of which is in litigation. Other expenses related to AFC contract are for Technical Advisory Team travel and consulting, to Barlindhaug, Fleming, Lowell, Pennington. 1981-82, RFP issued July 1981, Trident Seafoods Corporation chosen as contractor September 1981. Expenses incurred for Palmi Ingvarsson report and for Proposal Review Committee meeting. Contract signed December 1981. Trident President Charles H. (Chuck) Bundrant, Project Manager Todd Shaw. Budget for Trident Contract is \$800,000.</p>

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
528	30,000	****	5.	<p>Extension Services. NMFS Title "Establishment of a Fisheries Extension Service for Rural Western Alaska". Contractor: Bering Sea Fishermen's Association.</p>

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
514	98,736	*	6.	<p>Arctic Sea - CEDC NMFS Title "Marketing Assistance Program for Small Rural Fisheries". Contractor: Arctic Sea, Inc., subsidiary of CEDC (Community Enterprise Development Corporation) Terry Peeve, President Arctic Sea, and Gretchen Mannix, Vice President, CEDC.</p>

NMFS Contract 80-ARH-00067

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>
520	7,450	0	1.

Title, Contractors, Description

Roundtable Workshop on Rural Fisheries  
 Contractor: Bering Sea Fishermen's Association. Funds used to pay travel expenses for workshop attendees, and for Mark Rove to write report. If funds remain in budget, they can be used to publish report after Sharon Gwinn edits.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>
512	20,000 78,940	** R	2.

Title, Contractors, Description

Opilio Crab Marketing.  
 NMFS Title "Marketing Demonstration Project for Opilio Tanner Crab". Original project budget \$98,940; contracted to 13th Regional Corporation (Jim Strichartz, counsel and Project Director) and partially subcontracted to Guenter Conradus of Applied Economics Associates. Contractor did not perform adequately - \$78,940 of budget was reprogrammed to ANUKA (AFDF Acc't # 512.6 and 550) \$20,000 kept in budget for contingencies associated with original project.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>
516	18,000	0	3.

Title, Contractors, Description

Rockfish Jigging.  
 NMFS Title "Exploratory Hydraulic and Electric Jig Fishing for Rockfish in the Seward Area." \$18,000 State cost share added to this budget.  
 Contractors: Don Hanson, F/V Prospector, Harry Mitchell, F/V Blue Dolphin  
 Mike Broili did some observer work on contract.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
522	12,900	****	7A.	Annual Report. NMFS Title "Status and Scope of domestic commercial groundfish and other domestic underutilized fisheries in Alaska". Contractor: Natural Resources Consultants, Dr. Lee Alverson and Steve Hughes (Seattle).

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
524	11,100	****	7B.	Long Range Plan. NMFS Title "Regional Five Year Development Plan". 1981 - Leslie Robinson and Mark Hutton contracted to do update. 1982 - Update being done by staff, if at all.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
526	36,000	***	7C.	Investment Profiles - Dr. Abby Gorham NMFS Title "Investment Profiles for Small Vessels." Contractor: Dr. Abby Gorham, University of Alaska-Fairbanks. In old files, this project may be referred to as "Small Vessel Conversion." NMFS contract stipulates it shall include "a projection of fuel consumption by the nearshore and offshore fleets."

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
518	12,700 plus 24,900 (81-ABC-00279. FAK-81-27)	*	8.	Pollock Conference. NMFS Title "Trawl Fishing Technology Workshop." Contractor: Natural Resources Dr. Lee Alverson. Other expenses associated with Pollock Conference at Sheraton Anchorage, November 1981.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
530	9,960	0	9.	Friedrich Busse NMFS Title "Foreign Factory Trawler Observation and Training Program." Contractor: Applied Economics Associates, Guenter Conradus. Observers: Mark Pennington, Terry Elwell. \$10,000 State cost share added to this budget.
<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
532	135,000	R	10.	Quality Assurance and Training, Expanded Program
<u>NMFS Contract 81-ABH-00014</u>				
<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
536	150,000	****	1.	Sablefish Marketing. NMFS Title "Marketing of Sablefish". Contractor: ALFA (Alaska Longline Fisherman's Association) - Project Manager Greg Baker. Also involved: Halibut Producers Cooperative.
<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
538	25,000	**	2.	Auto-Longlining Demo., Small Boat. NMFS Title "Automated Longline Gear Demonstration". No contractor yet - Will issue RFP.
<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
540	25,000	***	3.	Baiting Systems. NMFS Title "Baiting Systems for Longline Gear." Contractors: John Enge, Jr., and Kurt Wohlhueter.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
542	23,700	**	4.	Remote Area Small Vessel Cod (Rove). Contractor: Mark Rove. This is a demonstration of small-vessel longlining cod and salting for preservation in remote area of Bristol Bay where no processing facilities exist.
<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
544	67,000	****	5.	Aleutian Mistress III. NMFS Title "Processing Cod at Sea." This project is intended to provide technical assistance and overall evaluation and documentary services during and after Phase II operations. Technical Assistance Contractors: Baadar (Eydfinn Tausen, Juergen Nagrodski, Bob Witte). Mustad (William Nygaard, Arni Thomson). North Pacific Fisheries Development (Sig Jaeger).
<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
546	169,700	****	6.	Arctic Trawler (Minced Pollock). NMFS Title "Minced Pollock Processing". Contractor: Trans-Pacific International Industries, Seattle, owner M/V Arctic Trawler. Project Manager - Michael Nordby Skipper - Conrad Uri President Trans-Pacific - John Sjeng Observer - John Dent, employee of Trans-Pacific.

NMFS Contract 81-ABH-00114 (Reprogramming)

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
548	325,000	****	7.	<p>Aleutian Mistress II.            NMFS Title "Demonstration Longliner - Processor F/V Aleutian Mistress, Phase III".            Contractor: Aleutian Mistress Associates.            Project Director Darryl Pedersen, President, Seawest Industries.            Business Manager Gordon Lowell, Sea-Quest Enterprises and Jonah, Inc.            Skipper Terry Sparks.            \$125,000 for vessel modifications, \$200,000 for risk guarantee (45 fishing days).</p>
<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
550	78,940	*	8.	<p>ANUGA            NMFS Title "ANUGA '81 European Show".            Contractors: Richard Montague, Bob Bowser (Gene Davis &amp; Associates), others.</p>
<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
552	60,000	***	9.	<p>Refrigerated Sea Water (RSW) Trawler.            Contractor: Willivaw Fish Company, part owner F/V Storm Petrel.            F/V Storm Petrel, Captain George Fulton.            MARCO (Marine Construction &amp; Design Co.), Seattle, part owner and project conception.            Eldon Grimes - Quality assurance            Stuart Poach - RSW technology            Paul Gilliland - finance, communication w/vessel.</p>
<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
554	40,000 (Add to Admin?)	****	10.	<p>Reporting on AFDF Projects.            This money allows us to expand staff to take care of reporting responsibilities.</p>

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
556	10,000	**	11.	Aleutian Mistress Reports. NMFS Title "Publication of Reports on Automated Longliner-Processor." Contractor: Printmore Corporation Report Publishing Costs for: Wes Johnson Conversion Report and Executive Summary Orth Interim Report Orth Final Report (to come)

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>Status</u>	<u>NMFS Project #</u>	<u>Title, Contractors, Description</u>
558	10,000	**	12.	Atka Mackerel Report. Contractor: To be done by staff with assistance from Barry Fisher. Funds are for research and publication of a report summarizing existing knowledge on Atka mackerel.

(The following projects have no NMFS Contracts yet, Project Director has arbitrarily assigned NMFS Project numbers)

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>NMFS Status</u>	<u>Project #</u>	<u>Title, Contractors, Description</u>
560	25,000	**	13.	Salt Cod Production. Contractors: Unknown. Probably some combination of Jangaard Alaskan Fisheries, Universal Seafoods, and Pelican Cold Storage (Presidents Atle Ramms, Dick Pace, Jim Ferguson, respectively). Needs Board direction and NMFS OK to become active.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>NMFS Status</u>	<u>Project #</u>	<u>Title, Contractors, Description</u>
562	50,000	**	14.	Small Boat Demonstration Project. Project coordinated with Sea Grant: Hank Pennington, Kodiak Brian Paust, Petersburg. Probably will be a squid project using David Street's vessel out of Ketchikan, and a flatfish trawling project in Kodiak. Needs NMFS OK to become active.

<u>AFDF Acc't #</u>	<u>Budget</u>	<u>NMFS Status</u>	<u>Project #</u>	<u>Title, Contractors, Description</u>
564	30,000	**	15.	Small Trawler. NMFS Title "Quality and Handling of Trawl-Caught Cod and Pollock." Needs Board direction and NMFS OK to become active.
<u>AFDF Acc't #</u>	<u>Budget</u>	<u>NMFS Status</u>	<u>Project #</u>	<u>Title, Contractors, Description</u>
526	20,000	**	16.	Investment Profiles Worksheets. This \$20,000 has been added by NMFS to the Investment Profiles - Abby Gorham project, but the money stays with AFDF, does not go to Gorham. It is for translating Gorham's results into worksheets to be used by Foundation.



**SENATOR FRED F. ZHAROFF**  
**ALASKA STATE LEGISLATURE**

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


DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

**DISTRICT N**

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIIN ISLANDS

TO: Senator Bettye Fahrenkamp  
Chair - Senate Resources Committee

FROM: Senator Fred F. Zharoff 

DATE: March 6, 1989

RE: Senate Joint Resolution 24 - "Relating to support for the federal Saltonstall-Kennedy program and the role of industry-directed private foundations in the program."

I respectfully request that SJR 24 be scheduled for a hearing at the Senate Resources Committee's earliest convenience.

SJR 24 expresses the Alaska Legislature's support for the federal Saltonstall-Kennedy (S-K) program, and for role the Alaska Fisheries Development Foundation (AFDF) has played in securing funds from the program for projects that benefit Alaska.

The S-K program is funded from tariffs on imported seafood and seafood products. Thirty percent of the tariffs are turned over to the U.S. Secretary of Commerce to use for the development and promotion of the U.S. fishing industry and fisheries products. These funds are made available nationally, on a competitive basis, to private groups with projects that match the above purpose. In Alaska and other parts of the nation, fisheries development foundations have been established to evaluate the needs of the regional industry and to submit grant proposals for projects that meet these needs.

AFDF, established in 1978, has been very successful in securing millions of federal dollars for Alaska. These dollars have had an important spinoff effect as the projects they funded were used by the industry as models for continuing commercial ventures. AFDF's biggest success probably was its 1983-86 surimi project, which pioneered processing techniques that led to the construction of shorebased surimi plants throughout southwestern Alaska.

The timing on this resolution is particularly crucial. Throughout the years of the Reagan administration, federal officials tried to divert the S-K funds for other purposes. Congress, however, opposed these actions. The Bush administration's policy on the S-K program is not yet clear. SJR 24 provides Alaska with an opportunity to express its opinion before the decision is made.

The following backup information is attached:

1. "A League Ahead of Industry Evolution", brochure about the Alaska Fisheries Development Foundation.

2. List of projects the S-K program has funded in Alaska, 1982-88.
3. Resolution of support from the City of Kodiak.
4. Letter from the U.S. House Committee on Merchant Marine and Fisheries, detailing recent efforts to divert S-K funds.
5. Letter from the Pacific Fisheries Development Foundation, describing recent changes in the program.
6. The 10th Anniversary issue of the Lodestar, AFDF newsletter, containing articles about the history of AFDF and current projects (7 copies).
7. The S-K Review, containing general information about the S-K program and current projects nationwide (7 copies).

FISCAL NOTE

REQUEST:

Revision Date: 2/22/89  
Title: SALTONSTALL KENNEDY GRANTS & PROJECTS.  
Sponsor: Prime: Rep. Davidson  
Requestor: House Resources Committee

Agency Affected: Fish & Game  
BRU:  
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: House Resources Committee  
Division: Representative Cliff Davidson, Chairman  
Approved by Commissioner:  
Agency:

Phone: 465-2487  
Date: 2/22/89  
Date:

Distribution (by preparer):

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

Original sponsors: Davidson, Cotten,  
Hoffman, et al.

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR HOUSE JOINT RESOLUTION NO. 25 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to support for the federal  
6 Saltonstall-Kennedy grants program and  
7 the role of industry-directed private  
8 foundations in the program.

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

10 WHEREAS the federal government established the Saltonstall-Kennedy  
11 seafood industry grants program; and

12 WHEREAS the Saltonstall-Kennedy grants program was established to fund  
13 the development and promotion of the United States seafood industry and  
14 fisheries products; and

15 WHEREAS the Saltonstall-Kennedy grants program is directed towards  
16 strengthening the United States seafood industry in the face of increasing  
17 foreign competition and a fluctuating resource base; and

18 WHEREAS the Saltonstall-Kennedy grants program is funded from tariffs  
19 on imported seafood and seafood products; and

20 WHEREAS Saltonstall-Kennedy grants program projects receive matching  
21 funds and in-kind services from the seafood industry; and

22 WHEREAS the Saltonstall-Kennedy grants program is unique because it  
23 sets goals based on industry priorities and works with industry to accom-  
24 plish projects to achieve those goals; and

25 WHEREAS the primary method that the seafood industry has used to  
26 participate in the Saltonstall-Kennedy grants program is through regional  
27 fisheries development foundations; and

28 WHEREAS the Alaska Fisheries Development Foundation was established by  
29 the Alaska seafood industry to maximize the benefit of the Saltonstall-

1 Kennedy grants program in Alaska; and

2 WHEREAS the Saltonstall-Kennedy grants program has resulted in several  
3 projects that have had significant national and regional benefits to the  
4 seafood industry; and

5 WHEREAS in Alaska five shore-based and at least 10 vessel-based surimi  
6 processing firms have begun operations since the completion of the Alaska  
7 Fisheries Development Foundation's surimi demonstration project; and

8 WHEREAS two recent projects of the Alaska Fisheries Development Foun-  
9 dation, flatfish fishery development and by-product utilization, are having  
10 a similar positive effect on the Alaska seafood industry; and

11 WHEREAS this unprecedented level of success in development efforts is  
12 directly related to the unique joint industry and foundation participation  
13 in the Saltonstall-Kennedy grants program; and

14 WHEREAS, through the Saltonstall-Kennedy grants program, the Alaska  
15 marine safety education program has developed a volunteer network of marine  
16 safety instructors available throughout Alaska to give safety and survival  
17 workshops to commercial fishermen and has become a model for marine safety  
18 education programs in other regions of the country; and

19 WHEREAS the Alaska Vocational Technical Center in Seward has estab-  
20 lished a vessel crew member training program with the help of Saltonstall-  
21 Kennedy grant funds and offers an intensive course in marine safety; and

22 WHEREAS the cooperative efforts of the Alaska marine safety education  
23 program and the Alaska Vocational Technical Center in marine safety train-  
24 ing represent a major effort to reduce the number of casualties in the  
25 commercial fishing industry;

26 BE IT RESOLVED that the Alaska State Legislature expresses its appre-  
27 ciation for the results of past Saltonstall-Kennedy grants program projects  
28 and gratitude for their support, to the President and Vice-President of the  
29 United States, the United States Congress, the United States Department of

1 Commerce, the National Oceanic and Atmospheric Administration, the National  
2 Marine Fisheries Service, and the many industry organizations, fishery  
3 groups, and individuals that contribute to the success of this program; and  
4 be it

5 FURTHER RESOLVED that the Alaska State Legislature respectfully re-  
6 quests the President and Vice-President of the United States, the United  
7 States Congress, the United States Department of Commerce, the National  
8 Oceanic and Atmospheric Administration, the National Marine Fisheries  
9 Service, the seafood industry, and other concerned groups to continue their  
10 support for this program and the unique joint industry and foundation  
11 cooperation that provides such beneficial results from well-directed and  
12 efficient projects.

13 COPIES of this resolution shall be sent to the Honorable George Bush,  
14 President of the United States; the Honorable Dan Quayle, Vice-President of  
15 the United States and President of the U.S. Senate; the Honorable Richard  
16 G. Darman, Director of the Office of Management and Budget; the Honorable  
17 Robert A. Mosbacher, U.S. Secretary of Commerce; the Honorable William E.  
18 Evans, Administrator of the National Oceanic and Atmospheric Administra-  
19 tion; the Honorable James W. Brennar, Assistant Administrator for Fisher-  
20 ies, National Marine Fisheries Service; the Honorable George J. Mitchell,  
21 U.S. Senate Majority Leader; the Honorable Bob Dole, U.S. Senate Minority  
22 Leader; the Honorable Ernest F. Hollings, Chairman of the U.S. Senate  
23 Committee on Commerce, Science, and Transportation and Chairman of the  
24 Subcommittee on Commerce, Justice, State, the Judiciary, and Related  
25 Agencies of the U.S. Senate Committee on Appropriations; the Honorable  
26 Warren B. Rudman, Ranking Minority Member of the Subcommittee on Commerce,  
27 Justice, State, the Judiciary, and Related Agencies of the U.S. Senate  
28 Committee on Appropriations; the Honorable John C. Danforth, Ranking Minor-  
29 ity Member of the U.S. Senate Committee on Commerce, Science, and

1 Transportation; the Honorable John B. Breaux, U.S. Senator; the Honorable  
2 Jim Wright, Speaker of the U.S. House of Representatives; the Honorable  
3 Thomas S. Foley, U.S. House Majority Leader; the Honorable Robert H.  
4 Michel, U.S. House Minority Leader; the Honorable Walter B. Jones, Chairman  
5 of the U.S. House Committee on Merchant Marine and Fisheries; the Honorable  
6 Robert W. Davis, Ranking Minority Member of the U.S. House Committee on  
7 Merchant Marine and Fisheries; the Honorable Gerry E. Studds, Chairman of  
8 the Subcommittee on Fisheries and Wildlife Conservation and the Environment  
9 of the U.S. House Committee on Merchant Marine and Fisheries; and to the  
10 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and  
11 the Honorable Don Young, U.S. Representative, members of the Alaska delega-  
12 tion in Congress.

A M E N D M E N T

OFFERED IN THE SENATE

BY ELIASON

TO: HJR 25

Page 2, line 13 after "program;":

Insert "and

WHEREAS, through the Saltonstall-Kennedy grants program, the Alaska marine safety education program has developed a volunteer network of marine safety instructors available throughout Alaska to give safety and survival workshops to commercial fishermen and has become a model for marine safety education programs in other regions of the country; and

WHEREAS the Alaska Vocational Technical Center in Seward has established a vessel crew member training program with the help of Saltonstall-Kennedy grant funds and offers an intensive course in marine safety; and

WHEREAS the cooperative efforts of the Alaska marine safety education program and the Alaska Vocational Technical Center in marine safety training represent a major effort to reduce the number of casualties in the commercial fishing industry;"