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major processors becomes more likely when the processors are themselves confronted by an oligopsonistic buyer.[5]

In our opinion the best explanation of the events of the last few years is that Bristol Bay sockeye salmon prices fell sharply in July 1989 and then crashed in June 1991 because a few of the large Japanese trading companies active in buying Alaska salmon encouraged them to. It is possible (if not likely) that during the 1989-1991 time period two or more trading companies acting together with a small number of other buyers manipulated prices in a successful attempt to establish control over the buyers' side of the Bristol Bay frozen salmon market, and that these trading companies now exercise oligopsonistic buying power in that market. Prior to 1989, for reasons discussed below, the Japanese side of the Bristol Bay market temporarily functioned in a competitive manner.

We believe that the evidence, when examined in light of the conventional practices of the large Japanese trading companies, strongly suggests that for policy purposes Alaska would be well advised to act as if the buyers' side of the Bristol Bay market were oligopsonistically controlled.[6]

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[4](...continued)
existence of ologopolistic and ologopsonistic behavior by some (but not all) of the larger processors. These large processors are, as a result of their combined market share, in a position to coordinate pricing strategy, which the smaller processors, for lack of an alternative, follow. Japanese trading companies own and directly control several Bristol Bay processors.

[5] Witnesses have testified that, in 1991 and subsequent years, price offers made by various Japanese buyers to various processors are very nearly parallel. Additionally, according to this testimony, in the early part of the 1991 season, the Japanese buyers all withheld any written price offers to the processors for several weeks. Then, within a short period of time, they nearly all made offers. This kind of parallel behavior with respect to pricing is difficult to explain in the absence of at least tacit agreement among the buyers. Price parallelism, combined with evidence of "plus factors", such as exchange of price information, product uniformity and opportunity to meet to form anticompetitive policies has been found sufficient to support a verdict of price fixing. See: Wilcox v. First Interstate Bank of Oregon, 815 F.2d 522, 525 (9th Cir. 1987)

[6] Although space precludes a long discussion of the conventional practices of Japanese trading companies, it is well known that they often work together when dealing in overseas markets; and that in many cases well defined areas of dominance are carved out and then maintained for long periods of time with the blessing of and under the supervision of the Ministry of International Trade and Industry (MITI). Any number of sources could be cited in support of this point. One, in particular stands
(continued...)

The possibility of collusion among major on-site domestic processors in Bristol Bay is also of interest here and is discussed in a later section of this report. First we will focus on the presentation and interpretation of the events that support the premise that a few trading companies gained oligopsonistic control of the buyers' side of the Bristol Bay market during the last four years.

Why Did Bristol Bay Sockeye Prices Rise So Sharply 1984-1988 ?

This particular question appears to have a noncontroversial answer. The average price to Bristol Bay fishers rose from $0.66 per pound in 1984 to $2.10 per pound in 1988 largely for three reasons: (1) the fall in the yen/dollar exchange rate, (2) booming consumer demand for salmon in Japan, coupled with speculative bidding for salmon among Japanese seafood buyers; and (3) the failure of the larger Japanese seafood buyers to exercise their latent market power.

The Japanese economy of the 1980s has been described as a "bubble." In such an atmosphere a speculative boom in Japanese wholesale and retail salmon prices is no surprise. On the contrary, it would have been surprising if Japanese salmon prices had not boomed at this time. A more interesting and difficult question is "Why did the price to fishers boom in Bristol Bay ?"

Why Did The Japanese Not Fix Bristol Bay Prices 1984-1988?

Proponents of the SUPPLY/DEMAND HYPOTHESIS bear no special burden in explaining the price increases in Bristol Bay during the 1984-1988 time period. They need simply point out that in competitive markets an increase in demand at the consumer level raises prices all down the line. No mystery here. Bristol Bay prices rose during 1984-1988 according to the SUPPLY/DEMAND HYPOTHESIS because of the increase in Japanese consumer demand and because, under that hypothesis, competition among wholesalers for raw fish supplies translates immediately into higher prices paid to fishers.

In contrast, if one is ultimately planning to argue that the price crash of 1991 may have been engineered by Japanese trading companies for well-defined reasons, one is under some burden to explain the apparent lack of collusion during the 1984-1988 time

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[6](...continued)
out because of its authorship and sponsorship: Kiyoshi Kojima and Terutomo Ozawa, JAPAN'S GENERAL TRADING COMPANIES, MERCHANTS OF ECONOMIC DEVELOPMENT, (Organization for Economic Cooperation and Development, Washington D.C.) 1984

period. After all, if market power is wielded by certain players in one context why not in another?

Although we are in no position to identify the relative importance of the different factors which we think explain the failure of Japanese buyers to restrain Bristol Bay prices in 1984-1988, we think we can at least identify what they are. The first such factor is the consent decree of 1982 signed by Toshoku, Mitsui, Nippon Suisan, Kyokuyo, and Taiyo, all of whom are active buyers in Bristol Bay. Under this decree, these companies agreed not to fix prices for Alaska crab. Set to expire in 1992, the decree carried the implication of further anti-trust action by the U.S. Department of Justice should these companies be found guilty of so much as communicating prices among themselves, regardless of whether the subject was crab or some other seafood. Given the importance of Alaska seafood supplies to the Japanese it is implausible to assume that the consent decree of 1982 did not temper the behavior of these companies. It is far more likely that, fearing sterner measures should they be taken back to court, the larger Japanese seafood buyers refrained from collusive behavior for a few years. An examination of the list of buyers of frozen sockeye in 1985 and again in 1991 supports this conclusion at least to the extent that it shows more buyers and less concentration on the buyer side in 1985 than in 1991.

The second factor that we think explains the apparent lack of collusion among Japanese buyers of Bristol Bay salmon during the 1984-1988 time period is the same booming consumer demand invoked as an explanation by supporters of the SUPPLY/DEMAND HYPOTHESIS, but with different emphasis. With Japanese consumers showing little resistance to higher prices, there would seem to have been little reason for Japanese buyers in general, and the signers of the 1982 consent decree in particular, to risk attracting the further attention of the U.S. Department of Justice by holding down Bristol Bay prices. A situation in which Bristol Bay prices rose much less rapidly than did Japanese wholesale prices may well have been viewed by the buyers as imprudently greedy.[7]

The third factor which helps explain the Bristol Bay price increases of 1984-1988 is the perceived need of the Japanese buyers to protect their market shares from an announced campaign by

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[7] As noted earlier, the fall in the yen/dollar exchange rate alone offset a rise in Bristol Bay prices from $0.83 per pound in 1985 to over $1.50 per pound in 1988. The remaining sixty cent per pound increase in the Bristol Bay price (to $2.10 per pound) might easily have been viewed by wholesalers as shiftable to consumers, given retail prices in excess of $10 per pound and given the speculative expectations of continued boom that were the order of the day in the Japan of 1988.

American processors to create an "all American industry." Evidence obtained through investigative subpoenas and interviews indicates that a meeting of American processors was at one time set for April 1985. The following paragraphs are taken from a letter that announced the organizational meeting.

> "April 4, 1985 at 9:00 AM in the Meisnet Room (4th Floor) of the Washington Athletic Club to organize the United Seafood Americanization Coalition (USA Coalition)."
>
> "The USA Coalition is being formed to raise funds and conduct a campaign to -totally Americanize the USA seafood industry. Our Industry!!"
>
> "Over the past several years, we have continually seen our opportunity to participate in the growth of our industry frustrated. I don't know about you, but I'm tired of this and I won't take it anymore!!!"

Given the stated intention on the part of American processors to completely Americanize "our industry," it is not at all surprising that Japanese buyers aggressively bid up salmon prices in an attempt to protect their market shares and to deflate the aggression indicated in the quotation above. This is particularly so in light of the fact that CONAGRA, one of the largest food manufacturing companies in the United States, purchased Trident Seafoods in 1987, thereby lending credibility to the suggestion that Americans were preparing to gather their resources in an attempt to drive the Japanese out of the industry.[3]

In summary, then, the Japanese did not use their market power to hold down Bristol Bay prices during the 1984-1988 period because (a) in the aftermath of the 1982 consent decree they may have anticipated a more stringent antitrust response had prices behaved suspiciously, (b) Bristol Bay price increases were at that time relatively easy to pass on to Japanese consumers, and (c) attempts by American processors to create an "all American industry" may have signalled the need (from the Japanese point of view) to bid aggressively for product.

Why Did Prices Fall In July 1989?

According to data provided by Clinton Atkinson, a Seattle fisheries consultant, the Tokyo wholesale price of frozen sockeye averaged 1525 yen per kilogram in June 1989 and then fell abruptly to an average of only 1180 yen per kilogram in July 1989. Why? Supply and demand hardly suffices as an answer, because in this case supply and demand could just as easily (if not more easily) explain

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[3] It is implausible to argue either that Japanese buyers were unaware of attempts to Americanize the industry or that they did not wish to respond to them.

a sharp price increase as a price decrease. With most Prince William Sound salmon removed from the market because of the EXXON VALDEZ oil spill, one might have expected direct and cross price effects to have driven up the price of the remaining stocks. Even the fact that much of the Prince William Sound run was pink salmon would tend to have such an effect, due to substitution effects among the various species.

A somewhat strained explanation which has on occasion been offered is that Japanese consumers suddenly shied away from Bristol Bay sockeye salmon fearing contamination from the EXXON VALDEZ oilspill in Prince William Sound. An alternative explanation is that certain large Japanese trading companies seized the opportunity of the EXXON VALDEZ oilspill to bring prices back down from the speculative highs of 1988, and in the process also seized the opportunity to assert control over both the Japanese side of the Alaska market and the Japanese wholesale market itself.[9] Their desire to assume such control is not only traditional but easy to understand. In order to make this point as clear as possible, a brief theoretical digression is necessary.

The optimal rate at which inventories of frozen salmon are sold is determined by an equation not unlike the famous Hotelling Rule for optimal extraction of an exhaustible resource.[10] As long as wholesale prices are expected to rise over the holding period (the time between major harvests) at roughly the rate of interest, the wholesale market is well behaved. If, however, price expectations suddenly change and a price drop comes to be expected, inventory holders have an incentive to dump their inventories and limit their losses, or at least to greatly increase the rate at which their inventories are depleted. Of course, such actions serve to ratify the initial expectations of a price decline and even greater losses may then accrue to inventory holders. Large trading companies can limit the potential for dumping and subsequent price collapse by standing ready to support prices by withholding stocks from the market.[11] In return for such services, the trading company

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[9] It also appears that they might have seen an opportunity to try and discipline non-compliant American processors. One witness testified that Mitsubishi spread the rumor that Bristol Bay sockeye was tainted from the oil spill in an attempt to drive down the price and thereby to financially punish an American processor for his over aggressive behavior. A Japanese television documentary aired in August 1989 described this American processor as one who "fights against Japanese!" "Japanese cannot ignore him."

[10] The Hotelling Rule states that a resource should be extracted at a rate consistent with the price of the resource rising over time at the appropriate rate of interest.

[11] "Large" is an understatement. The trading companies to whom we refer are among the ten largest companies in the world ranked by annual sales, and are comparable to General Motors in size.

demands certain behavioral conformities from the smaller players it shields.

Although this much is somewhat theoretical, there is evidence that by 1989 the two trading companies most active in Bristol Bay were becoming increasingly concerned with the disarray in the Alaska side of market. The following has been extracted from public records, documents and testimony obtained through our investigation.

Some of the smaller Japanese fish buyers (spot buyers) were bidding too aggressively for salmon to the dismay of the larger buyers. One such buyer, Hiranori Mitsuhashi, was featured in a 1989 Japanese television documentary on the Alaska salmon industry. Portrayed as something of a gambler and maverick, he was described in the documentary in the following terms (according to a memorandum dated August 30, 1989).

- "Good buyer on a spot basis. He even tries to buy fish already booked with others."

- Mitsuhasni uses guerrilla tactics to wrest fish from others for his company Shin Nihon Global (paraphrase)[12]

- "Mitsuhashi arriving at Bristol Bay. He is still concerned about sluggish Japanese market but this may be time for him to start fighting. He gathers information. He visits many plants. Because his tactics is (sic) so aggressive, once he appears, all other competitors are said to get together."

It is not out of the question that the large trading companies have wished to punish Mitsuhashi and other non-conformist spot buyers by driving down wholesale prices in Japan after relatively high price deals had been made in Bristol Bay. Of course, the desire to punish non-conformist spot buyers may not have been strong enough to trigger the price decline of 1989 and needs to be considered in conjunction with other events.

One particular other event which could have been of major importance in triggering the trading companies' apparent attempt to consolidate the buyers' side of the market in 1989 was Mitsubishi's sudden entry into the arena previously dominated by other large Japanese trading companies.[13] Consider the following chronology

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[12] It is worth noting that although Mitsuhashi's company, Shin Nihon Global, survived the immediate effects of having "aggressively" purchased Alaska salmon in 1988 and 1989, it was reported to have gone out of business in June 1991.

[13] Mitsui and Mitsubishi are two of nine very large Japanese trading companies. The others are C. Itoh, Marubeni, Sumitomo, (continued...)

drawn from Japanese news reports summarized in memoranda and testimony:

- (August 7, 1989) "It is widely reported that Mitsubishi booked 8,000 to 10,000 m/tons of Trident fish at $3.25 per pound. . . . The local industry is concerned how Mitsubishi will make profit at this high price. . . . Mitsubishi had been a 'sleeping lion' for about ten years . . . but they seem to have changed their policy. They seem to have been very aggressive this season."

- (August 8, 1989) "I have confirmed information that Trident has sold 8,000 to 10,000 tons Bristol bay sockeye 1/3 to Mitsubishi and 2/3 to Shin Nishoku, at $3.25/lb. It is believed that Shin Nishoku had insisted lower price but was forced to accept 3.25 very high price as Mitsubishi interfered. . . . This must be a gamble."

- (August 23, 1989) "As said before, Toyo Reizo, 40-50% share owned by Mitsubishi, had had no salmon business before, and seem to even ignore profit on this lot if they can handle volume to express that they will be aggressive in salmon business in future."

Subsequently, Mitsubishi backed out of its contract with Trident, leaving Trident with a large quantity of unsold frozen salmon in Japan. Eventually Trident was able to sell the fish to Kyokuyo, at a much lower price than it had originally negotiated with Mitsubishi.

An interpretation of this episode which we think merits serious consideration is that an attempt by Mitsubishi to trod on turf controlled by other trading companies was beaten back; at least in part by driving salmon prices down to the point where Mitsubishi decided to rethink its strategy. If we acknowledge that negotiations between Mitsubishi and Trident began well before the August 8 date on the first memorandum, it is clearly possible that the sharp drop in Tokyo sockeye prices registered in July 1989 was engineered by the dominant trading companies partly to discourage the intrusion by Mitsubishi into one of their markets (and to punish Mitsuhashi and other spot buyers for their aggressive and very well publicized behavior). At the very least, the timing of events is suggestive.

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[13](...continued)
Nissho-Iwai, Tohmen, Kanematsu Gosho, and Nichimen Jitsugyo. Of these nine, Mitsui, Mitsubishi, Marubeni, and C. Itoh are by far the largest.

In summary, if one is to explain the price decline of July 1989, one must choose between reciting the mantra of "supply and demand" and the possibility that after seven years of self-imposed restraint certain of the signers of the 1982 consent decree used the EXXON VALDEZ oilspill as a cover story (directed mainly at American ears) for their attempt to extend and consolidate their control over the purchase of Alaska salmon. By financially wounding or even bankrupting companies such as Shin Nihon Global, and by thwarting the entry of rival Mitsubishi, the trading companies already entrenched in Bristol Bay may have sought to bring order (a quality much prized by the Japanese) to what had become a very disorderly market.

It is also worth noting the extreme displeasure voiced by the Japanese at the passage by the United States Congress of the 1988 Omnibus Trade and Competitiveness Act. The Act amended section 301 of the 1974 Trade and Tariff Act by ordering the United States Trade Representative to compile a list of unfair trade practices alleged by American companies. Under what have come to be called the Super 301 and Special 301 provisions, Congress is authorized to retaliate within a set period of time if alleged unfair practices are not eliminated. Japan, along with Brazil and India were the first three countries cited under the Act (May 1989). After being cited under the Act, Japan's leaders were in no frame of mind to take such "Aggressive Unilateralism" lying down.[14]

Finally, we should note that the reported demise after 1989 of several of the (relatively) small Japanese buyers of Bristol Bay sockeye has been offered as proof that competition in the American sense of the word is the order of the day in the Japanese seafood industry. Although, in one sense that statement is not wrong, it may greatly miss the point. It is more logical to conclude from our findings that, for a period of time in the 1970s and 80s, competition did (for a variety of reasons) exist, but a few large companies have managed to greatly reduce if not eliminate the competition through the exercise of their increasing ologopsonistic, if not monopsonistic market power.

Who Bore The Burden Of The Price Crash of 1991?

With the exception of the Bristol Bay ex-vessel prices which are season averages obtained from the Alaska Department of Fish & Game, the following price and exchange rate figures have been taken from pages A-28 and A-29 of THE JAPANESE SALMON MARKET[15].

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[14] The words "aggressive unilateralism" are taken from a collection of readings on the economic effects of the 1988 Omnibus Trade and Competitiveness Act. See AGGRESSIVE UNILATERALISM: AMERICA'S 301 TRADE POLICY AND THE WORLD TRADING SYSTEM, (J. Bhagwati & H.T. Patrick (editors) (Harvester Wheatsheaf, New York), 1990

[15] Alaska Department of Commerce and Economic Development, Division of Economic Development, February 1993

TOKYO WHOLESALE PRICE
FROZEN SOCKEYE SALMON

	********* TOKYO WHOLESALE ********			B' Bay
	yen/kilo.	x-rate yen/$	Equivalent $/round lb.	ex-vessel $/l .
July 1990	1166	149.04	$2.63	$1.)
July 1991	836	137.83	$2.04	$0.)
August 1990	1095	147.46	$2.49	$1.09
August 1991	804	136.82	$1.97	$0.70

Prices for frozen sockeye stated in equivalent dollars per round pound fell an average of 21.6 percent between July/August 1990 and July/August 1991. Ex-vessel prices to fishers in Bristol Bay fell 35.8 percent over the same period.[16] In other words, the price to fishers in Bristol Bay fell substantially more (in percentage terms) than did the wholesale price in Tokyo.

Of an average drop of $0.56 (year-to-year) in dollar-equivalent Tokyo wholesale prices, $0.39 or 70 percent was ultimately passed onto fishers. Recalling that initial offers to fishers in June 1991 were $0.50 per pound and were only raised to $0.70 per pound after refusal to fish and considerable opposition from the Governor of Alaska, it is clear that initially the intention was to make fishers bear the entire burden of the drop in Tokyo sockeye prices. Had the fishers actually been paid $0.50 per pound they would have suffered a $0.59 price drop from 1990, an amount precisely equal to the July 1991/July 1990 drop in the dollar-equivalent Toky wholesale price. This suggests the possibility that either the Japanese buyers of Bristol Bay sockeye or the on-site Bristol Bay processors reduced the burden of the price reduction on their own bottom line by passing more than a proportionate share of the price decline onto fishers.

The definition of "market power" implies the ability of the party wielding the power to extract a disproportionate share of the profits when times are good, and to avoid a disproportionate share of the losses when times are bad. The fact that fishers were initially asked to bear 100 percent of the decline in Tokyo wholesale prices and, in fact, bore 70 percent of the decline is a strong indication that Bristol Bay fishers are lacking in market power relative to those to whom they sell.

Of course, the dollar equivalent price per round pound is not the price paid to Alaska on-site processors, and so it remains possible that the price paid to the on-site Bristol Bay processors fell as much as the price to fishers. To clarify this issue we need

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[16] The equivalent price per round pound equals .74*(yen/kilo)/2.2046/xrate. This calculation assumes 2.2046 pounds per kilogram and a 26 percent weight loss in processing.

to examine the 1990/1991 change in prices paid to processors by Japanese buyers of frozen sockeye salmon.

Definitive prices received by Bristol Bay processors often include payments received several months after the date of sale. This makes it difficult to determine exactly what prices are comparable to those shown in the table above. However, an examination of sales records subpoenaed for this investigation shows the following range of prices paid to Bristol Bay processors by Japanese buyers. The prices are F.O.B. Alaska for four-six pound frozen sockeye.

July 1990 $ 2.10 - $ 2.30 per pound

July 1991 $ 1.45 - $ 1.95 per pound

In other words, the prices recorded on July sales contracts suggest that Bristol Bay processors received prices in July 1991 that were on the order of $0.55 per pound to $0.85 per pound lower than they had received the previous year. This in turn suggests that the market power that was being felt by Bristol Bay fishers when they were first asked to accept $0.50 per pound and then received $0.70 per pound emanated from the Japanese buyers. The on-site processors who were the bearers of bad tidings to the fishers may have simply been conduits through which Japanese market power was funneled.

Our investigation uncovered a document tending to support this theory. In an agenda for a December, 1990 meeting in Japan between a Japanese buyer and a processor, the buyer repeatedly advocates cooperation between buyers and processors to reduce grounds prices for the 1991 season. The agenda concludes with the buyer's confident statement that: "We are assure (sic) that (the processor) as a leader of this industry can establish reasonable FOB prices by enforcing to control the grounds prices." The document accurately described, in advance, the 1991 emphasis on quality control, and it presaged the price crash of the 1991 season. Taken together with the circumstantial evidence gathered in this investigation, a strong inference can be drawn that some concerted effort was afoot in 1991 to drive down grounds prices, and that at least some Japanese buyers discussed those efforts with some processors in advance of the season.

At least one important conclusion comes out of all of this.

EVEN IF THE 1991 DROP IN TOKYO WHOLESALE PRICES CAN BE FULLY JUSTIFIED BY "SUPPLY/DEMAND" CONSIDERATIONS, IT REMAINS TRUE THAT THE DISTRIBUTION OF THE RESULTANT LOSSES AMONG JAPANESE BUYERS, BRISTOL BAY PROCESSORS, AND ALASKA FISHERS WAS CRITICALLY DEPENDENT UPON THEIR RELATIVE BARGAINING POWER. THE EVIDENCE IS THAT ALASKA FISHERS CERTAINLY RANK LOWEST IN THIS REGARD.

Why Did Prices Crash In 1991?

Here we offer what amounts to an informed conjecture, but little hard evidence. As previously stated, this investigation gathered documents from processors, publicly available publications, and interviews with others in the industry. We were not able to obtain documents or testimony directly from the foreign companies that buy frozen Bristol Bay salmon from the processors.

We begin our analysis with a series of questions:

If, indeed, a few Japanese trading companies were nearing a position of oligopsonistic control by early 1990 why did both Japanese and Bristol Bay sockeye prices crash in 1991? Could not the dominant companies have simply withheld supplies from the Japanese market and thereby slowed the decline in prices?

The SUPPLY/DEMAND answer to this question is that a combination of rising supplies of coho salmon from Chile, an abundant high seas catch, and large carryover inventories from previous years completely accounts for the price crash of 1991. In our opinion, these factors may explain why prices fell at least somewhat in 1991, but fail to explain why they fell so far and so fast and why the prices paid to Bristol Bay processors appear to have fallen by the full amount of the decline in Tokyo wholesale prices. We think there are several factors that show that the price decline of 1991 was deliberately accelerated and deepened.

First, consolidation of the frozen sockeye market on the Japanese side may not have been complete as of early 1991. Some of the spot buyers were still active in 1990 (in particular Shin Nihon Global, the company who employed the maverick spot buyer Hiranori Mitsuhashi, and Mr. Sudo, a Japanese buyer who is credited by many for changing the way salmon was bought during the 1980s, and for bidding up the prices). It is unlikely that the few entrenched trading companies would have been pleased to have the spot buyers continue their aggressive buying behavior in Bristol Bay very much longer.

Second, a very large high seas salmon catch hit the Japanese market in early 1991. This was the last season during which the Japanese would be allowed to legally harvest high seas salmon. The large high seas catch clearly put downward pressure on all salmon prices. (The high seas salmon represent the top of the market in quality and price.) In addition to the legal catch, however, there was apparently a significant influx of illegally caught high seas salmon. One company that has reportedly gone out of business after the crash of 1991 had been suspected of illegally purchasing high seas salmon from the North Koreans and from the Peoples' Republic of China (according to a July 1991 memorandum). With the 1982 consent decree set to expire, companies subject to it with a large share of the Bristol Bay market would clearly not have been happy had it become common knowledge in the United States that Japanese seafood buyers were violating the recently signed high seas salmon accord by illegally buying high seas salmon from other

countries. Punishment of illegal traders by depressing prices would not have been unprecedented.

Third, Trident Seafoods (owned by CONAGRA, a large American food manufacturer) was continuing to protest Mitsubishi's abrogation of their 1989 sales contract, and may have been the target of price retaliation that contributed to the price crash of 1991. It appears from a series of memoranda that, after first buying the 1989 fish that Trident had originally "sold" to Mitsubishi, Kyokuyo went on to also market large quantities of Trident salmon in 1990 and 1991 and on several occasions offered the Trident fish at what observers referred to as shockingly low prices. For example (October 19, 1990):

> "Assistant manager of Kyokuyo's Sapporo office . . . and told him that Kyokuyo might be able to move some Trident fish at 850 level. . . . Some customers who had bought our fish have cancelled orders today after they heard Kyokuyo's extremely low price."

Also (October 24, 1990):

> "(a representative) of Kyokuyo, Tokyo firmly told him . . . that Kyokuyo is working to sell Trident's fish without any risks for Kyokuyo."

Finally (October 26, 1990):

> "heard from him (the representative of Kyokuyo) that Kyokuyo . . . decided to lower offer price substantially (for Trident fish) hoping that market would bottom and to see reaction."

From the documentation that is available it seems that Kyokuyo may have been taking advantage of the fact that other Japanese buyers were reluctant to handle Trident fish in the wake of Mitsubishi's rejection of their 1989 contract with Trident. Kyokuyo apparently had the fish on consignment and simply took a brokerage fee for their services. (See the above reference to "without any risks for Kyokuyo.") Certainly, sale of the Trident fish put some additional downward pressure on market prices and reduced Trident's potential profits.

Finally, the Japanese found themselves in September 1990 with an Indonesian company operating in their wholesale salmon markets. The company, Ikamuda, had closed the deal to purchase Ocean Beauty Seafoods from SEALASKA Corporation in September 1990. Along with Ocean Beauty's U.S. operations came a Japanese marketing unit, Kabushiki Kaisha SEALASKA Japan, now Kabushiki Kaisha Ocean Beauty. Although we have seen no evidence that would indicate the attitudes of players such as the entrenched trading companies toward the entry of an Indonesian firm into their home markets, our initial assumption would have to be that they were less than pleased.

Ikamuda apparently received considerable support from the Indonesian government in its negotiations with SEALASKA.

In summary, we can then identify four reasons why a price crash of the sort that occurred in 1991 may not have been unwelcome to and may have been nudged along by the dominant trading companies: (1) a desire to punish if not eliminate spot buyers such as Shin Nihon Global for over aggressive behavior in Bristol Bay, (2) a similar desire to punish a now bankrupt company for illegal buying of high seas salmon, (3) a willingness to let Trident fish be sold at low prices in retaliation for Trident's continued protestations of Japanese practices,[17] and (4) unhappiness at the entry of a government supported Indonesian firm, Ikamuda, into the Japanese wholesale salmon market.

Although these four reasons hardly account on their own for the crash, they may explain why once prices started to decline, they fell so far and so fast. Losses were certainly incurred by Japanese buyers in 1991, but the losses would not have been unmanageable to the larger companies and may have been intentionally inflicted on the smaller buyers for the reasons cited above. The above discussed agenda, wherein the buyer exhorts the processor to cooperate with the buyers to drive down grounds prices shows that an overriding objective of some buyers was to drive down the prices as far as possible, and it shows a lack of qualms about using collusion to do it.

At this point a fact noted earlier bears repetition.

EVEN IF THE 1991 DROP IN TOKYO WHOLESALE PRICES CAN BE FULLY JUSTIFIED BY "SUPPLY/DEMAND" CONSIDERATIONS, IT REMAINS TRUE THAT THE DISTRIBUTION OF THE RESULTANT LOSSES AMONG JAPANESE BUYERS, BRISTOL BAY PROCESSORS, AND ALASKA FISHERS WAS CRITICALLY DEPENDENT UPON THEIR RELATIVE BARGAINING POWER. THE EVIDENCE IS THAT ALASKA FISHERS CERTAINLY RANK LOWEST IN THIS REGARD.

ECONOMIC INDICATORS OF PRICE FIXING BY THE JAPANESE

Because our investigation focused on Bristol Bay processors, very little hard evidence showing the existence of collusion (or the lack of it) on the part of the Japanese buyers is available. This should not be taken as grounds to believe that if price fixing occurred, only domestic processors are suspected or that, to the extent it might have occurred, domestic price fixing is the more serious problem. Indeed, our investigation strongly suggests that the domestic U.S. processors are now (post-1991 in contrast to the 1985-1988 period) simply price takers when

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[17] In the 1989 Japanese television documentary referred to earlier Chuck Bundrant was described as "fighting against the Japanese." The program itself had as one of its reported purposes to "show you closely how the U.S. and Japanese will fight for salmon."

"bargaining" with the Japanese, and that even though they may have the upper hand when dealing with fishers, there is relatively little surplus left to extract at that point.

There is strong circumstantial evidence, as shown by economic analysis, that the Japanese used their monopsonistic power (or at least ologopsonistic market power) to lower prices and exclude competition. The fact that both the price paid to Bristol Bay processors and the prices paid to Bristol Bay fishers fell in 1991 by nearly the entire amount by which the Tokyo wholesale price fell is a powerful indicator that they were able to wield their power successfully. (See the text table on page 16, above.) In a situation in which both Japanese buyers and American sellers had equal bargaining power, one would expect t some portion of the decline in wholesale prices would be passed onto suppliers, but not the entire amount, nor even nearly the entire amount.[18]

We believe on the basis of established Japanese business practices that the maintained hypothesis for purposes of Alaska policy formulation in fisheries markets (the hypothesis that guides policy until it is disproved) should be that Japanese trading companies typically work together when dealing with foreign suppliers. Space does not permit an extensive treatment of this point, but the following quotation from established investigators will at least make it clear that the point is not being made for the first time in this report.

> "Yet when it comes to overseas transactions, where trading companies are often confronted with a common competitive threat or want to reach the same objectives, they forego their fierce rivalry and join forces. Even information is actively shared for mutual benefit, so long as it is not directly commercial and proprietary. In fact companies go so far as to form joint ventures abroad. This need to collaborate no doubt induces trading companies to cluster together in a given location overseas."[19]

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[18] To be a little technical, the neoclassical theory of supply and demand tells us that after a drop in the price received for something it sells, a firm will attempt to pass on the entire price decline to its suppliers. In general the fraction of the price decline which is passed on will depend upon the relative price elasticities of supply and demand in the market where the firm (in this case the Japanese buyer of Alaska fish) purchases its raw product. Only if the firm's suppliers (in this case the Alaska processors) are in a weak bargaining position would one expect to see all, or almost all, of the price decline passed on.

[19] By way of example, a long time observer of the Bristol Bay market told us that sharing of technical information is common

(continued...)

(Kiyoshi Kojima & Terutomo Ozawa, JAPAN'S GENERAL TRADING COMPANIES, MERCHANTS OF ECONOMIC DEVELOPMENT, OECD Development Center, Paris 1984) page 32.[20]

A 1992 incident involving two Japanese owned Bristol Bay processors may be illustrative of this type of cooperation. According to reports and testimony, the two processors simultaneously sold their early Bristol Bay production, in Japan, at a price substantially below the then prevailing market rate. Before the sale, Bristol Bay sockeyes were selling at a relatively strong price of about 1,060 Yen per kilogram. The sale at below market rates had the effect of depressing Bristol Bay sockeye prices from 1,060 yen per kilogram to about 900. Since the Japanese owned processors were presumably selling the early production to their parent companies (presumably under orders from the parent), the parent companies did not lose money in the transaction, and presumably benefitted from the lower market price for frozen sockeyes that the dumping episode caused. As a result of these transactions, the prices at which the salmon were dumped became the new prevailing price, and Japanese buyers subsequently refused to pay Bristol Bay processors a price above that level for the rest of the season. According to testimony, this was not an isolated incident.

A brief review of certain Japanese institutions and business practices may help one to understand the mistakes that can be made by analyzing Japanese behavior in an American framework. Much of the following has been drawn from a variety of sources including but not limited to E.J. Lincoln, JAPAN'S UNEQUAL TRADE (Brookings Institution, Washington D.C., 1990), H. Patrick and H. Rosovsky, ASIA'S NEW GIANT (Brookings Institution, Washington

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[19](...continued)
among Japanese companies in Bristol Bay. He believes that Japanese technicians, placed in processing plants pursuant to contracts between the Japanese buyers and processors for the preparation of sujiko (salmon roe), use their presence in the plants to painstakingly compile information on how much salmon is being processed in each plant, and how it is processed -- canned or frozen (round or head off). This information is then shared among the Japanese companies, and enables them to make well informed, coordinated pricing decisions.

[20] The Organization For Economic Cooperation and Development (OECD) is an international organization formed by treaty to promote economic growth and development in its member countries, which are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

D.C., 1976) and the publication by K. Kojima and T. Ozawa cited above.

The principal way the Japanese business environment differs from that in the United States is in the primacy of large business. The Japanese government tends to work closely with big business to the semi-exclusion of consumers and independent small business. This contrasts sharply with the United States where great emphasis is placed on consumer protection and the development of small business. Despite the efforts of the post World War II American occupying forces in obtaining anti-monopoly legislation, a large number of legal cartels exist in Japan. By the mid-1970s their number exceeded nine hundred, and it remains large today. Ostensibly,these cartels can be formed for only certain purposes. DEPRESSION CARTELS are allowed in those industries which are deemed to be in temporary recession. Other legal cartels which have been formed include RATIONALIZATION CARTELS, EXPORT CARTELS, IMPORT CARTELS, CARTELS UNDER MEDIUM AND SMALL ENTERPRISES ORGANIZATION ACT, CARTELS UNDER ENVIRONMENT SANITATION ACT, AND CARTELS UNDER COASTAL SHIPPING ASSOCIATION ACT.

In actual practice, implicit cartels may be more directly relevant to the problem faced by Alaska interests. Edward Lincoln reached the following conclusion in his recently published study.

> "Japanese behavior patterns provide good reason to be discouraged about how fast and how far Japanese trade behavior will change. The close social bonds between established buyers and sellers, the strong sense of hierarchy (in which foreign products and firms are relegated to low priorities) explicit or implicit cartels (often with informal government approval or encouragement) and the sense that at the broadest level Japan is a group to be protected from foreign products are daunting obstacles to be overcome."

(JAPAN'S UNEQUAL TRADE, op cit, pages 99-100)

Finally, professors Kojima and Ozawa make the point as clearly as it can be stated.

> "Japan's major trading companies enjoy monopsonistic positions in securing vital industrial resources and foodstuffs from overseas, partly as a result of the commercial tradition dating back to the Meiji period."

(JAPAN'S GENERAL TRADING COMPANIES, op cit, page 62)

Probably the outstanding feature of Japanese industrial structure which is of interest here is the *keiretsu*, or enterprise group. Successors to the pre-World War II *zaibatsu*, these enterprise groups consist of a large number of companies linked by

mutual stock ownership, and generally centered about a major bank. The six largest *keiretsu* which together with the nine largest trading companies dominate the Japanese economic landscape are Mitsui, Mitsubishi, Sumitomo, Fuyo, Sanwa, and Ikkan. Nothing like the *keiretsu* and their group mentality exists in the United States or, for that matter, is legal in the United States. Inter-locking ownership and directorates such as that found in the *keiretsu* were prohibited in the United States by the Clayton Act of 1914.[21]

The point of this brief recitation of Japanese emphasis on big business, group formation, and collusive behavior is simply this: To believe that companies such as Mitsui and Marubeni somehow change their spots when buying Alaska seafood is naive and probably detrimental to the Alaskan economy. And yet this is indeed the argument put forth by many Alaska analysts, and forms at least an implicit basis for policy decisions made by governmental institutions and groups such as Alaska Seafood Marketing Institute. Based on our investigation, we suggest that for the purposes of determining an appropriate Alaska policy toward seafood markets, the operative assumption should be that our Japanese customers behave toward us in a manner which is entirely consistent with how they behave toward all of their other trading partners.

IS THERE PRICE FIXING BY BRISTOL BAY PROCESSORS?

At the outset, we wish to make it clear that we found no smoking gun evidence proving that any specific price fixing agreements have ever been made between Bristol Bay processors. But our investigation found that the processor level of the Bristol Bay market is very much an oligopoly because the same few firms consistently control 50% or more of the annual production. As discussed below, it does not take an express agreement between oligopolists to show an antitrust violation, if certain other practices exist among the oligopolists.

Since 1975, the first year of limited entry into the Bristol Bay sockeye salmon fishery, there have never been more than seventy-two fish buyers and never fewer than one thousand six hundred salmon permits fished. Between 1985 and 1990 the six largest buyers of salmon from Bristol Bay fishers accounted each year for at least 51 percent of the total pounds processed. In most of those years, four firms accounted for 50% of production, which economists generally agree amounts to an oligopoly. The text table shows the percentages of the total Bristol Bay harvest processed by these six largest processors.

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[21] For a discussion of the Japanese economy and business practices from a somewhat sympathetic analyst one should read Takatoshi Ito, THE JAPANESE ECONOMY (MIT Press, Cambridge Mass.) 1992. But even this author makes it very clear that collusive practices which are illegal in the United States are common in Japan.

Share of Bristol Bay Sockeye Production
(percent of total production)

Processor	1985	1986	1987	1988	1989	1990
A	16.4	10.3	13.6	6.4	8.9	10.1
B	9.8	8.9	10.5	6.7	7.4	7.5
C	4.3	9.7	12.0	2.2	5.8	6.9
D	16.0	10.5	9.6	11.2	13.9	NA
E	20.9	11.5	13.9	14.0	13.3	16.5
F	NA	NA	NA	17.4	9.4	15.8
TOTAL	67.4	50.9	59.6	57.9	63.7	56.8

SOURCE: Compiled from data provided by the Alaska Department of Fish & Game, Commercial Fisheries Entry Commission

The majority of the processors active in Bristol Bay purchase salmon from fishers and then either freeze for further sale to the Japanese, or can for further sale under either their own label or under that of a larger retailer. A small percentage of Bristol Bay sockeye is sold fresh or cured. With few exceptions, Japanese buyers obtain their fish from a domestic Alaska processor, some of which are wholly or partially owned by the buyers.

It is clear from the table above that a small number of processors is responsible for a large proportion of the purchases from a large number of Bristol Bay sockeye salmon permit holders. Concentration of this sort, while not in itself proof of collusion or price fixing, greatly facilitates oligopolistic or oligopsonistic coordination of prices. In particular when a small and cohesive number of buyers confronts a large and disorganized group of sellers, the temptation to wield market power by controlling prices can be very great.

It is worth emphasizing that in an oligopoly, only a few firms need to coordinate their activities for market power to exist. In this investigation, we saw no evidence of any wrongdoing, or even suspicious activity, by most of the processors. Most processors simply follow the lead when setting prices, and have neither the means not the inclination to do otherwise.

In addition to the fact that a small number of processors buy between one-half and two-thirds of the harvest each year from a large number of sellers, a feature which enables price fixing but does not prove it, there is direct statistical evidence that prices have been manipulated by processors in the Bristol Bay ex-vessel market. The first piece of statistical evidence is the fact noted above that the initial 1991 prices offered to Bristol Bay fishers fell by the entire amount of the 1990-1991 average decline in Tokyo wholesale prices. A higher price was paid only after the Governo of Alaska intervened in negotiations.

The second is the fact that over the 1975-1991 period the within season prices paid to fishers for sockeye salmon (ex-vessel prices) almost always rose during the season regardless of the

relationship between the forecast of run size and the actual size of the run.[22] In years when the actual run came in higher than the forecasted run, one would expect competitively set prices to decline as it became clear that the run was larger than anticipated. That does not happen even in years when prices on the Tokyo wholesale market did decline. The implication is that the Bristol Bay processors with market power have long used their power to control prices in a way that forces fishers to insure processors against ever finding out that they have paid too high a price for early season salmon.

The issue of always rising within season ex-vessel prices has been discussed in detail by David Reaume in a paper entitled "On The Financial Risk Borne By Bristol Bay Fishers."[23] The original version of the paper based its analysis on prices proviced by only one Bristol Bay salmon buyer, and was criticized for that fact. Information obtained from Bristol Bay processors during this investigation verify that even the prices paid by the large processors rise consistently within season. This issue will be discussed in additional detail in the next section of this report. One point made there is that post-season bonuses paid sporadically to fishers since 1985 do not appear to compensate for the lower prices received by fishers in the first one-third to one-half of the season. This means that wealth is transferred from the fishers to the processors in a way that would not occur in a competitive market.

In an interesting and important contribution to our understanding of collusive behavior, Steven C. Salop has identified a number of "Practices that (Credibly) Facilitate Oligopoly Coordination."[24] The practices which he identifies are designed to promote (1) information exchange, and (2) incentive management so that collusive agreements can be established and enforced. He lists the following practices as "classic examples of information exchange."

- inter-seller verification of price quotations
- advance notice of price changes

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[22] The only exception was in 1989 the year of the July price collapse and the EXXON VALDEZ oilspill.

[23] Available upon request from the author or from the Anchorage office of the Alaska Attorney General.

[24] Steven C. Salop, Georgetown University Law Center, the chapter so titled appears as chapter 9 in Stiglitz, J.E. and Mathewson G. Frank, NEW DEVELOPMENTS IN THE ANALYSIS OF MARKET STRUCTURE, (MIT Press, Cambridge, Mass.) 1986 As mentioned in an earlier footnote, the 9th Circuit has recognized that many of these practices, when shown to exist together, can be sufficient proof to support a finding of an antitrust violation. Wilcox v First Interstate Bank of Oregon, 815 F2d 522, 524-5 (9th Cir. 1987).

Examples of incentive management devices include:

- most favored customer clauses
- relative value scales
- product standardization

Techniques employed in Bristol Bay which are not identified by Salop, but which are effective in maintaining oligopsonistic and oligopolistic price agreements, and which would be considered by the courts are:

- the payment of bonuses to fishers who "loyally" deliver 100 percent of their catch to a particular processor
- custom processing agreements between processors
- opportunities to meet to coordinate anticompetitive strategy

The presence of such practices suggests the possibility that some sort of collusive behavior may be occurring, but does not prove that it does beyond a reasonable doubt. Even so, from the point of view of showing that the preponderance of evidence points to concerted price coordination among some large processors as having taken place, their presence in Bristol Bay is important to this report.

In understanding the discussion below, one must distinguish between oligopoly (few sellers) and oligopsony (few buyers). There is reason to believe based on circumstantial evidence obtained in the course of the investigation that Bristol Bay processors have attempted to set prices both in the market in which they sell salmon and in the market in which they buy salmon. In particular, during the 1985-1988 time period they may have been successful both in negotiating and maintaining higher prices from Japanese buyers and in paying a lower than competitive price to fishers. In other words, during that period they may have been successful both as price controlling oligopolists and as price controlling oligopsonists. Since 1989, it appears that their ability to set prices when dealing with Japanese buyers has been significantly reduced. Indeed, it now appears that for all intents and purposes the Bristol Bay processors are simply price takers when it comes to selling their fish.[25] However, the ability to set prices in the Bristol Bay ex-vessel market does not appear to have changed. What is more, the incentive to reduce ex-vessel prices may

[25] The switch from price setter to price taker after 1988 may help to explain the sale of Ocean Beauty by SEALASKA and also the recent announcements that Wards Cove and Icicle are up for sale.

be greater now that the prices processors receive from the Japanese are much lower than they were in the mid to late 1980s.

The following practices have been used commonly by Bristol Bay processors and are relevant to their ability to coordinate pricing strategy. We discuss each in turn.

Verification Of Price Quotations

Several processor representatives testified under oath that they routinely telephone each other in order to verify ex-vessel price changes which have either been reported by fishers, or over the local radio station. Verification of ex-vessel price changes shortens or eliminates detection lags. "Detection lag" means the time lag between an act of price cheating and its detection by other members of the group engaged in a price fixing conspiracy, if one exists. The sooner cheating is discovered, the less likely it is that the cheater will individually profit from breaking the price agreement.

The effect of this practice is to reduce the chances that a particular processor's fleet of fishers will deliver its fish to processors offering higher prices.

Advance Notice Of Price Changes

Two of the six largest Bristol Bay processors post ex-vessel price changes when they make them, which are then routinely verified by other processors within one or two hours. During the 1991 season, rumors of an increase in the offered price to fishers from $0.50 to $0.70 per pound were circulated for at least twenty-four hours before taking effect. As in the case of the verification of price changes, advance notice serves to shorten or eliminate detection lags. In addition, as practiced in Bristol Bay, the advanced posting of price changes may allow price leader(s) to notify the price followers that a change is forthcoming.

Most Favored Customer Clauses

Such clauses in sales contracts guarantee customers the lowest price charged to other customers. They are similar to the most favored nation clauses which appear in international bi-lateral trade agreements.

Members of a price fixing oligopoly have an incentive to offer their customers such clauses because they provide a disincentive for members of the price fixing ring to cheat by offering lower prices. In effect, the oligopoly's customers are given an incentive to police the price structure. Such clauses are found in the sales contracts negotiated between Bristol Bay processors and Japanese buyers. For example clauses such as the following commonly appear in sales contracts.

> "Above minimum guaranteed prices shall be adjusted under the contract, to the major Bristol Bay

salmon processors' actual selling price to their major buyers of the equivalent quality product."

Although most favored customer clauses appeared in contracts throughout the 1985-1991 time period, their importance to Bristol Bay processors as a coordination device may have evaporated in recent years. They may exist now solely for the benefit of the Japanese buyer.[26]

Relative Value Scales and Product Standardization

A relative value scale assigns prices to different grades of a product in proportion to the price on a reference grade. Relative value scales increase the chances that a buyer of one grade will detect that a buyer of another grade has paid a lower price. Again, the oligopoly's customers are enlisted to police the price fixing agreement. A second effect of a relative value scale is to limit the scope for non-price competition by pre-specifying prices for all grades.

Product standardization also increases the chances that cheating will be detected and also limits the scope for non-price competition by clearly defining the grades to which different prices are to be applied.

Relative value scales and product standardization facilitate both oligopolistic and oligopsonistic price fixing.

Loyalty Bonuses

All of the major Bristol Bay processors pay a bonus per pound of salmon delivered to members of their fleet of fishers who deliver 100 percent of their catch to them. The following is a typical notification to fishers:

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[26] Further support for the proposition that the processors have lost bargaining power against the Japanese buyers is found in contracts in effect during the period 1985-87 where the processors were guaranteed an increase in the price paid them by the importer for each increase in the price paid by the processor to the fishers. Testimony from processors is that the Japanese buyers no longer are willing to offer these terms. There is no doubt that the processors benefited from such contracts while they were available, because they passed the risk of grounds price increases on to the buyers. Such contracts were probably an illegal restraint of trade because they typically had an additional requirement that the processor keep the price paid to fishers at a level no higher than the average price paid by several other named processors, which restrains trade by forcing price parallelism on the market, and discouraging price competition. Such clauses further illustrate the lack of bargaining power of the fishers during that era.

> "--- will pay all our Bristol Bay permit holders an incentive for delivering all of your 1991 salmon to our tenders and plants."
>
> "To be eligible to receive this incentive, we must receive all your 1991 production except for overlimit fish or fish caught in areas not regularly serviced by our tenders."

The loyalty bonus provides fishers with a disincentive to seek out higher prices from other buyers. This is particularly so in light of the fact that most fishers believe that failure to deliver all or most of one's catch to one's processor will result in having one's non-cash benefits eliminated. Non-cash benefits include but are not limited to boat storage, bunk and messhall privileges and prompt off-loading of one's catch.

Custom Processing Agreements

Bristol Bay processors routinely can and freeze the fish of other processors. The written contractual agreements specify prices to be paid and other details, and represent an ideal way in which to convey to one another information on costs of processing and on the prices received from buyers. Although we found no evidence that they have been used as such, custom processing agreements also provide a vehicle for making side payments, that is, payments from one processor to another which would enable the group of oligopolists to divide a season's profits in a pre-arranged manner.[27]

Opportunities to Meet and Coordinate Anticompetitive Strategy

The final ingredient mentioned by courts is the opportunity for the companies to meet and coordinate strategy. Testimony in this investigation shows that executives from four processors whose combined market share frequently accounts for 50% of the market regularly take vacations abroad together. While there is no evidence that they discuss business strategy during those vacations (in fact, they deny doing so), the opportunity at least exists, and that fact is a "plus factor" of the type the courts consider important in proving the existence of a price coordinating oligopoly.

As with most industries, most processors belong to a trade association, the Pacific Seafood Processors Association, which has regular meetings. This association has an antitrust compliance

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[27] For example, processor A may pay processor B an additional $.05 per pound for custom processing (over and above the price that might otherwise be agreed upon) in compensation for processor B's agreement to abide by a previous collusive agreement. Again, we emphasize that no evidence that custom processing agreements have been used for this purpose has been found, but the opportunity presented by them is legally relevant.

program, and an attorney attends their meetings to warn them in the event that the discussion enters forbidden territory. But the meetings nevertheless bring processors together in a common venue, and the opportunity exists for after hours meetings among processors, when the antitrust compliance lawyer might not be present. Again, while these facts do not prove price fixing, courts have been willing to infer the existence of at least implicit price fixing agreements under similar circumstances.

Summary

There is circumstantial evidence consistent with a finding that some of the major processors in Bristol Bay sought to fix prices both in the markets in which they sell and in the market in which they buy. A few of the processors can, given their combined market share of approximately 50%, wield ologopsonistic market power, which makes it possible to influence prices without the agreement of the other processors, who have no choice but follow the market price established by those wielding the market power. Between 1985 and 1988 the few large processors appear to have been successful in maintaining and possibly even raising prices charged to Japanese buyers of frozen salmon. In so doing however, they may have stimulated two large Japanese trading companies to come together as a countervailing force that now dominates the market for frozen Alaska salmon. With regard to fixing prices paid to fishers (ex-vessel prices), there is evidence that some of the larger processors (but certainly not all of them) have engaged in conduct that courts have found sufficient to infer at least an implicit price fixing agreement. The economic data indicate that they may have been partially successful in efforts to manipulate prices to their advantage. There is evidence to believe that those efforts continue today, although given the superior market power of the Japanese buyers, there is not much extra that can be extracted from the fishers in recent years.

In the next section of this report we estimate the costs to Alaskans of price fixing behavior both by the Bristol Bay processors and by the dominant Japanese trading companies.

COST ESTIMATES

If the SUPPLY/DEMAND hypothesis is correct and there is no collusive market power being wielded in Bristol Bay by either the Japanese buyers in their dealings with processors, or by the processors in their dealings with fishers; then the cost of collusion is zero. Briefly put, where there is no collusion, there is no cost of collusion.

The assumption of no collusion and, therefore, no cost of collusion governs Alaska fisheries policy today. Under the SUPPLY/DEMAND hypothesis all of the players are equally impotent. The fishers received low prices in 1991 because, in the language of that hypothesis, the fishers' supply curve of sockeye salmon is a vertical straight line. With the fishers' supply curve a vertical straight line fishers are not only price takers as individuals, but

also collectively. The vertical supply curve is taken as a datum, as an immutable fact of life that the fishers must simply learn to live with and cannot hope to change.

In keeping with this assumption fishers are told that only if the final market demand for salmon is increased (by, say, the actions of the Alaska Seafood Marketing Institute) can they expect to receive a higher price per pound for their efforts. The policy recommendations forthcoming from the SUPPLY/DEMAND school of thought are then: (1) develop new products, (2) improve product quality, and (3) develop new markets. The SUPPLY/DEMAND school never recommends that Alaska take direct action to improve the bargaining position of fishers vis a' vis processors or processors vis a' vis their Japanese customers.

In contrast, if the Japanese buyers of Alaska salmon wield collusive market power in their dealings with processors, or if the processors do so in their dealings with fishers, then direct action to level the playing field becomes a priority. The improvement of product quality and the development of new products and new markets remain important goals but in addition two new goals are added: (1) to extract the maximum dollar return from Alaska's salmon resources by actively intervening to counterbalance Japanese market power, and (2) to eliminate practices that artificially and illegally reduce the price paid to fishers.

In this section of the report we present estimates of (a) the dollar cost to Alaska processors and fishers of their inability to negotiate higher prices for Bristol Bay sockeye from Japanese buyers, and (b) the additional dollar cost to fishers of their inability to bargain equally with Bristol Bay processors. The estimates are somewhat broadbrush and therefore should be viewed only as suggestive of the amounts involved.

A point needs to be made before proceeding. Our estimates are made within the framework of neoclassical supply and demand analysis because we wish to show that even using conventional analytical tools one can reach the conclusion that collusion may indeed matter to Alaska. We do not, however, find this a very fruitful way to proceed in general. A framework for analysis which may prove more useful than neoclassical supply and demand theory is the modern theory of bargaining as developed in the context of the theory of games. Analysis of the relative positions of Japanese buyers, Alaska processors, and Bristol Bay fishers in a bargaining framework may lead one to ask more pertinent questions than are suggested by the framework offered by neoclassical supply and demand. There is no space for an extended treatment here, but it is worth noting, for example, that analysts working within bargaining models have tended to ask how one side or the other can go about increasing its bargaining strength, and what sort of strategic

threats are credible.[28] These are questions that almost never occur to a supply/demand theorist operating strictly within that framework.

The Cost To Alaska Of Japanese Cohesiveness

For every ten cents per pound extra that Bristol Bay processors receive for frozen sockeye their collective net revenue from sales of frozen sockeye goes up by between $8 million and $12 million, depending upon the volume of sales. If this increment is distributed equally between processors and fishers, the collective revenue of each group goes up by between $4 million and $6 million.[29] Conversely, for every ten cent per round pound reduction in price the net revenue of Alaska fishers and processors from sales of frozen sockeye goes down by $8 million to $12 million.

Although there is no way to know for certain what Alaska processors and fishers might have been paid in 1991 and 1992 in the absence of collusion, some rough estimates can be made. We know, for example, that the wholesale price of sockeye salmon in Japan over the January 1991/October 1992 period averaged $2.56 per pound and that its standard deviation was $0.41 per pound.[30] A variation month to month of ten cents per pound represents, therefore, a change of only one-fourth of one (month-to-month) standard deviation and for that reason might reasonably be considered small and well within the bounds of random variation. If so, there is reason to believe that an improvement in bargaining strength on the Alaska side of the negotiations over salmon prices might readily yield an increase in revenue to Alaska interests of at least ten cents per pound or some $8 million to $12 million per year. Indeed, by this standard a gain in revenue of $20 million to $30 million per year is plausible.

In a market in which the buyer exercises monopsonistic or oligopsonistic power the amount paid for a good or service falls short of the price that would be paid in a fully competitive market.

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[28] For example, a strike by fishers is not a credible threat because processors know that fishers have no financial resources to offset the loss of fishing income. This, in turn, leads one to ask how fishers might go about accumulating such resources. The supply/demand framework could encompass such considerations but it does not suggest them.

[29] This calculation is based on a 95 percent confidence interval for harvest levels, calculated from data for the time period 1979 through 1991, and assumes a 26 percent weight loss in processing at Bristol Bay. The mean harvest of Bristol Bay sockeye 1979-1991 was 136,424 thousand pounds with a sample standard deviation of 40,509 thousand pounds.

[30] calculated from data printed on page A29 of THE JAPANESE SALMON MARKET: AN INTRODUCTION FOR ALASKANS (Alaska department of Commerce & Economic Development, Juneau) February 1993

Traditional analysis of supply and demand tells us that the amount by which it falls short depends, in general, upon the price elasticity of the supply curve.[31] In the special case where the supply curve is vertical the amount by which price falls short of the competitive price is determined solely by the monopsonist.[32]

In contrast, if the market in which Alaska processors sell to Japanese buyers were really competitive, the processors' supply curve would not be vertical. Under these conditions we can calculate the amount by which the actual price falls short of the competitive price. Given a reasonable estimate of the price elasticity of the processors' supply curve in a competitive market (say between 0.1 and 10 over the range defined by the competitive price at the high end and the monopsony price at the low end), then the competitive price would be at least 10 percent higher than the monopsony price and possibly much higher.

Translating this into dollar estimates, if the monopsony price paid to processors for frozen sockeye were $1.50 per pound, a middling figure for the 1991 Bristol Bay season, the price received by processors from sales of frozen sockeye under a competitive regime would be at least $0.15 per pound higher and revenue at least $12.5 million higher than under monopsony.

It would be ideal if we could be more precise about these estimates, but the information needed to make such calculations is not available. What we can say is this. It appears that the amount at stake is significant, conservatively on the order of $10 million to $20 million per year or more. This seems to us to be a large enough amount to justify further inquiry into the question of competitive balance in the market for Alaska salmon. In particular, to assert, as one Alaska economist has been quoted in the press as asserting, that even if the Japanese are guilty of collusion "it does not matter very much," is, in our opinion, to go too far. The estimates offered here, crude as they are, indicate that the existence or lack of existence of Japanese collusion may matter a great deal.

The Cost To Fishers Of Collusion By Processors

The following discussion has been condensed from a previous paper available upon request.[33] Under the assumption that

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[31] The equation is CP/MP = A*(1 + 1/E) where CP/MP is the ratio of the competitive price to the monopsony price, A is a positive factor which tends to infinity as E tends to zero, and E is the price elasticity of the supply curve.

[32] This is approximately the case in the ex-vessel market where fishers sell to processors. However, it need not remain the case if appropriate policy is devised.

[33] Reaume D.M. & Lew W., "On The Financial Risk Borne By Bristol Bay Fishers," September 1992

bargaining power is equally distributed between buyers and sellers (Assumption 1), and the further assumption that all agents negotiate in light of an unbiased forecast of the number of salmon to be harvested (Assumption 2), the ex-vessel market clearing price (price to fisher) of Bristol Bay sockeye salmon will vary inversely with the expected harvest level, if all other factors are held constant.

This is a minimal prediction of the theory of downward sloping demand. Although additional factors such as unsold stocks of salmon from previous harvests, the volume supplied from other sources, and foreign exchange rates also play a role in determining the ex-vessel price of Bristol Bay sockeye, once they have been accounted for, the graph of the partial relationship between price and expected harvest in the Bristol Bay ex-vessel market should be a downward sloping curve. Evidence which shows this relationship to be upward sloping casts doubt on the validity of either Assumption 1 or Assumption 2.

Table -2 shows our basic data. Column one and two compare (a) the forecasts of the annual run of Bristol Bay sockeye made by the Alaska Department of Fish & Game in the spring of each year; to (b) the actual run size as eventually tabulated. The actual run size is itself an estimate made by adding the number of fish commercially harvested and reported on ADF&G "fish tickets" to an estimate of the number of fish escaping into spawning streams. The prices shown in the table above are within-season prices paid to fishers by a small cash buyer, Oceanic Seafoods.[29]

TABLE -2
RUN SIZE, RUN FORECAST, & PRICES
BRISTOL BAY SOCKEYE SALMON

	RUN, MILLIONS OF FISH		PRICES, $ PER LB.		
	ADF&G Forecast	Actual	Open	Mid	Close
1975	12.9	24.2	NA	NA	NA
1976	12.0	11.5	NA	NA	NA
1977	8.4	9.7	NA	NA	NA
1978	11.5	19.9	NA	NA	NA
1979	22.7	39.9	NA	NA	NA
1980	54.5	62.5	0.35	0.40	0.40
1981	26.7	34.5	0.75	0.80	1.00
1982	34.6	22.2	0.60	0.60	0.80
1983	27.1	45.9	0.65	0.70	0.70
1984	31.1	41.1	0.60	0.70	0.85
1985	34.7	36.9	0.85	0.80	1.15
1986	22.0	23.7	1.00	1.30	1.65
1987	16.1	27.5	NA	1.35	1.35
1988	28.3	23.4	NA	1.75	2.25

[29] The tendency for within season prices to rise is the rule, not the exception. Price data obtained during this investigation shows that the same pattern obtains for the largest processors as well.

1989	30.3	44.0	1.25	1.05	1.05

DATA SOURCES: Run size & forecast: ADF&G, Division of Commercial Fisheries, special tabulation. Prices: Oceanic Seafoods (obtained by Werner Lew)

NOTE: The dates applicable to prices vary season to season and are given in Appendix Table AI of Reaume & Lew, op cit.

In eight of the ten years 1980-1989 for which within-season price data were collected, the actual run came in greater than the ADF&G forecast. In only two of these ten years (1982 and 1988) did the actual run come in lower than the forecast. If over this period both fishers and fish buyers had accepted the ADF&G forecast as unbiased, and if fishers and fish buyers were of equal bargaining strength, one would expect a certain symmetry in the relationship between the behavior of prices during the season, on the one hand, and the level and direction of run forecasting error, on the other. In particular, one would expect that in the eight years when the run came in higher than the forecast that prices would fall in response to the information that an excess supply was developing relative to pre-season expectations. The only time this occurred was in 1989, the year of the July price collapse discussed above. ("Why Did Prices Fall In July 1989?") In the remaining seven instances wherein the ADF&G forecast subsequently proved to be too low, prices steadfastly rose during the season even though in four of these seven cases (1981, 1983, 1984, and 1987) the absolute error of forecast exceeded 20 percent.

Comparison Of Tokyo Wholesale and Bristol Bay Ex-vessel Prices

One might argue that Bristol Bay sockeye prices simply mimic seasonal trends in Japanese wholesale prices. If so, the explanation for the persistent within season increases in Bristol Bay prices would be found by examining the determinants of Japanese wholesale prices. Japanese data are relevant because the Japanese wholesale market is the primary market on which Bristol Bay frozen and fresh sockeye salmon are sold once they leave Bristol Bay.

Table -3 shows the behavior of Tokyo wholesale sockeye salmon prices during the critical months of June and July. Presented there are prices stated in yen per kilogram. These are then converted to prices stated in dollars per pound using the monthly average yen/dollar exchange rate and a volume conversion factor of 2.2046 pounds per kilogram.

Over the sixteen year 1975 through 1990 time period, the Tokyo wholesale price of frozen sockeye (converted to U.S. dollars per pound) rose seven times between June and July, fell eight times and remained unchanged once. (Recall that the Bristol Bay sockeye run begins in mid to late June and is largely over by the end of the third week in July.) The sample mean change in this price from June to July is -$0.09 per pound. This contrasts sharply with the mean change in price of +$0.32 per pound between the opening and closing Bristol Bay ex-vessel prices.

TABLE -3
WHOLESALE PRICE OF FROZEN SOCKEYE SALMON
TOKYO, JAPAN

	***** JUNE *****			***** JULY *****		
	yen/kg	xrate	$/lb.	yen/kg	xrate	$/lb.
1975	1161	293.45	1.79	1164	296.38	1.78
1976	1293	299.19	1.96	1226	294.64	1.89
1977	1774	272.84	2.95	1320	264.86	2.26
1978	1688	213.93	3.58	1742	199.60	3.96
1979	1710	218.58	3.55	1583	216.50	3.32
1980	1001	217.89	2.08	1160	221.08	2.38
1981	1455	224.11	2.94	1587	232.26	3.10
1982	1302	251.20	2.35	1453	255.03	2.58
1983	1149	240.03	2.17	1151	240.52	2.17
1984	1240	233.57	2.41	1414	243.07	2.64
1985	1883	248.84	3.43	1496	241.14	2.81
1986	1015	167.54	2.75	1104	158.61	3.16
1987	1300	144.55	4.08	1193	150.29	3.60
1988	1470	127.47	5.23	1500	133.02	2.10
1989	1525	143.98	4.30	1180	140.42	3.81
1990	1179	153.70	3.48	1166	149.04	3.55
1991	930	139.75	3.02	836	137.83	2.75

NOTE: Tokyo prices supplied by Clinton Atkinson, Seattle fisheries consultant. Exchange rates from the FEDERAL RESERVE BULLETIN, (Board of Governors, Federal Reserve System).

One should note also [illegible] Tokyo price fell between June and July in three of the ei[illegible]s when Bristol Bay prices perversely rose during the season. [illegible]rly, the behavior of Tokyo wholesale prices over the course of the Bristol Bay salmon run suggests that the pronounced tendency for Bristol Bay ex-vessel prices to rise over the same period cannot be explained by simple reference to the Tokyo market.

Two possible explanations for the "perverse" behavior of Bristol Bay ex-vessel prices come to mind. The first is that the ADF&G forecast of run size is known to be negatively biased and, therefore, is not the forecast actually used in setting pre-season prices. In this case the perverse results might either disappear or lose significance if examined in light of the (unreported) actual forecasts of run size. This possibility has been examined. Replacement of the biased ADF&G forecast by an unbiased forecast does not change the results.

The second explanation is that bargaining power is not equally distributed between fishers and fish buyers, so that one should not necessarily expect to see prices and quantities behave in a competitive manner. If this is true, then one can tentatively conclude that Bristol Bay fishers insure processors against unexpectedly large runs because they lack the bargaining

power to achieve a more favorable (to them) result. It is this explanation which appears to be the more plausible.

An Estimate

Large quantities of sockeye salmon are sold by fishers early in the Bristol Bay run before the full size of the run is known with any degree of certainty. For example, the 1989 sockeye harvest is now estimated officially to have weighed 140.5 million pounds. Escapement tallies published by the Alaska Department of Fish & Game show that the 1989 run began June 21 and by July 1 approximately 25 percent of the escapement had occurred.[30] This is typical timing. If initial prices are set on the basis of a pre-season forecast of the size of the run, how many dollars are at risk if the pre-season forecast is in error ? Although available data do not allow one to be precise, a rough estimate can be made.

A look back at Table -2, above, shows that season closing prices paid to fishers averaged $1.12 per pound over the 1980 - 1989 period, while season opening prices averaged $0.76 per pound and mid-season (July 2) prices averaged $0.95 per pound. Therefore, a price increase of 20 cents per pound can reasonably said to be "typical" between the season's opening date and the point in time when (roughly) 25 percent of the escapement has occurred. Assuming that the graph of price against time is linear between the date of opening and July 1, then on average the 1980 - 1989 price paid for the first 25 percent of the harvest was 10 cents per pound below that of the mid-season price.

The average Bristol Bay sockeye catch for the 1980 - 1989 period was approximately 115 million pounds, according to the Alaska Department of Fish & Game. If 25 percent of this average was priced 10 cents per pound lower than the mid-season average price, then fishers were paid an average of 2.875 million dollars less than they would have been paid for the first 25 percent of the harvest had mid-season prices prevailed.

Clearly, there are significant dollars at stake here. Surely, if fish buyers had it within their power they would seek to insure themselves against the risk of a forecast error that resulted in their paying too high a price for early season sockeye. In particular, they might seek to depress the initial price paid to fishers below that which was consistent with a best unbiased forecast, so that the probability of their paying too much was at an acceptably low level.

Post-Season Bonuses

Contractual arrangements began to evolve in the mid-1980s which ostensibly have relieved fishers of a portion of the burden of insuring buyers against the risk of a bad forecast of run size. In

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[30] At the time this was written the most recent data published were for 1989.

response to the late 1970s entry of Japanese buyers into Bristol Bay and the subsequent competition for fish, some of the incumbent processors began to pay a post-season "bonus" to the fishers from whom they purchase their catch, with the size of the bonus determined at least in part by the actual price received by the buyer for the fish in wholesale markets. By 1990 the eight largest buyers all paid bonuses, according to the Alaska Department of Fish & Game, Commercial Fisheries Entry Commission.[31]

The bonus is in addition to the price paid to the fishers during the season. Buyers who pay these bonuses, and the fishers from whom they buy, agree to a two part payment schedule in which the immediate (within season) payment is expected by both parties to be low enough to insure the buyer against the risk of paying too high a price during the season. Although such agreements may have been reached from time to time for a number of years, they did not begin to become widespread until 1987.

Fishers agree to deferred payment in return for assurances that they will have a buyer near at hand who will unload their catch in a timely manner. Prompt sale and offloading of catches enables fishers to increase their time on the grounds during the hectic Bristol Bay season and thereby enables them to increase their overall harvest. Some fishers also believe that the deferred payment system means higher prices for them because they view the bonuses as a net increase in the price they receive. Evidence examined in Reaume & Lew (op cit) suggests that this view may not be correct. The bonuses may, in fact, be offset by lower within season prices than would have been paid in their absence.

As far as we have been able to determine, no independent auditing has ever been conducted of the process by which buyers determine post-season bonuses. In order to find out whether or not the post-season bonuses compensate for persistently low season-opening prices, one would need data for individual fishers that revealed the size of their catch, the price paid to them during the season, the size of the post-season bonus, and finally the date on which the bonus was paid (for purposes of calculating interest on the delayed payment). To our knowledge such detailed data are to be found only in the private files of the fish buyers themselves. A thorough review of this information was not within the scope of this investigation.

CONCLUSION

Bristol Bay fishers have never had a significant amount of bargaining power in relation to their customers. In the past, the Bristol Bay processors have enjoyed a significant amount of

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[31] The very existence of such bonuses is prima facie evidence that at least some buyers in Bristol Bay seek to and are able to avoid paying more to fishers than ultimately is justified by the price they themselves receive, and ipso facto, that the risk is quantitatively important.

power, but there has been a major shift in recent years between the processors and Japanese buyers. Before 1989, the processors were able to wield market power against Japanese buyers in some respects, but that situation has been virtually reversed. The Japanese buyers now appear to simply offer prices to Bristol Bay processors on a "take it or leave it" basis, with no real opportunity for negotiation. The processors now appear to be in the position of "price takers" when dealing with their Japanese buyers, and while they still have the upper hand in their dealings with the fishers, there has been very little surplus to extract from them in the last two years. The result may be that profits from the sale of Bristol Bay salmon primarily wind up in Japan.

The risk of loss when markets are down, as they were in 1991, is borne by parties on this continent. The 1991 losses would have probably been entirely borne by the fishers but for the intervention of the Governor and his staff.

Supply and demand theorists have proposed some solutions to the problem, such as the development of new salmon products which would be sold in markets other than Japan. Such solutions would theoretically reduce the monopsonistic power that appears to be currently exercised by Japanese trading companies, and benefit the Alaskan and U.S. economies. But it is unlikely that new markets alone can reliably or quickly produce equilibrium in bargaining power between the Japanese buyers of Bristol Bay salmon and the processors and fishers, whose income is vital to the economic well being of the Alaskan communities involved.

As long as Japan is a major market for Bristol Bay salmon, Alaskans should expect the Japanese trading companies to continue doing business as described in this report. These practices are not generally subject to antitrust enforcement in Japan, and most of their activities are, for a number of reasons, beyond the reach of Alaskan antitrust enforcers. Alaskan policy makers should consider how statutes and regulations affect the relative bargaining strengths of the parties involved in Bristol Bay. The time may have come to consider an antitrust exemption for U.S. based interests when they deal with Japanese buyers. Steps could be taken to allow fishers and U.S. based processors to collectively bargain for sales of seafood products when dealing with foreign buyers, which might restore some of the bargaining power lost to Japanese buyers in recent years. Without a level playing field, a disproportionate amount of the value of Alaskan salmon will probably continue flowing out of the state and the country, where it can provide no benefit to the owners of the resource.

For obvious reasons, such steps must be taken cautiously. The Sherman Antitrust Act has, for over 100 years, effectively protected the free markets of this country. As a result, we enjoy practically the best standard of living in the world, because small business are allowed to flourish, and the efficiencies of production are passed along as savings to consumers. Consumer goods cost far less in this country than in Japan, where there is little or no antitrust enforcement or consumer protection, and where governmental

policy is designed to promote the economic interests of the large companies at the expense of small companies and individuals.

Two wrongs do not make a right, and the answer to Japan's lack of antitrust enforcement is not the abandonment or dilution of antitrust enforcement at home. Antitrust laws protect free markets, and do so effectively in this country. But where Alaskans sell resources into markets that do not have the same protection, we stand to lose the value of the resource if we do not act according to economic reality. The ideal solution would be for the Japanese government to enforce antitrust laws with all the vigor of American enforcers. But that is beyond our control, and we cannot realistically expect them to do so in the near future. Policy makers may, therefore, wish to consider whether the time has come to adopt a limited antitrust exemption for those who sell Alaskan resources to foreign markets which are not actively protected by the equivalent of our antitrust laws.

JF/bev

SB

321

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: SB 321

Revision Date: _____ Dept. Affected: Public Safety

Title: Fingerprinting/Crime Records BRU: Alaska State Troopers

_____ Component: Detachments

Sponsor: Senator Halford _____

Requestor: Senator Halford COMPONENT SERIAL NO. 799

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ( ) Revenue Code	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 94) impact: $ _____

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.)
No fiscal impact anticipated.

Prepared By: Lee Ann Lucas Phone: 465-4322

Division: Commissioner's Office Date: 02/28/94

Approved by Commissioner: _____ Date: 02/28/94

Agency: Richard L. Burton, Dept. of Public Safety

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Rev 01/94

FISCAL NOTES

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO: SB 321

Revision Date: _____ Dept. Affected: Public Safety

Title: Fingerprinting/Crime Records BRU: Statewide

Component: Alaska Criminal Records

Sponsor: Senator Halford

Requestor: Senator Halford COMPONENT SERIAL NO. 1190

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES ( ) Revenue Code	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 94) impact: $ _____

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.)
No fiscal impact anticipated.

Prepared By: Lee Ann Lucas Phone: 465-4322

Division: Commissioner's Office Date: 02/28/94

Approved by Commissioner: _____ Date: 02/28/94

Agency: Richard L. Burton, Dept. of Public Safety

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Rev 01/94

ALASKA STATE LEGISLATURE

Senator Rick Halford

President of the Senate

MEMORANDUM

While in Session:
State Capitol
Juneau, AK 99801-1182
907-465-4958

While in Interim:
P.O. Box 670190
Chugiak, AK 99567
907-694-4958

TO: Senator Robin Taylor, Chairman
Senator Judiciary Committee

Senator George Jacko
Senator Dave Donley
Senator Suzanne Little

FROM: Senator Rick Halford

DATE: February 25, 1994

SUBJECT: Sponsor Statement - Senate Bill 321

Senate Bill 321 relates to the taking of fingerprints and the uniform reporting of homicides to the Federal Bureau of Investigations and the Violent Crimes Apprehension Program (VICAP).

Today, fingerprints are used to identify and apprehend suspected criminals. However, in some instances criminals who either post bail immediately or are summoned to appear in court may never be officially fingerprinted. SB 321 specifies when and how fingerprints are taken in order to enhance the criminal records in our state.

The Violent Crimes Apprehension Programs (VICAP) was created in 1985 at the request of law enforcement agencies attempting to share information across the country. VICAP is a national computer data information center located in the Behavioral Sciences Unit at the Federal Bureau of Investigations in Quantico, VA. The program deals with solved or unsolved homicides, missing persons who are suspected homicide victims and unidentified bodies suspected to be victims of foul play. VICAP provides the tool which enables law enforcement agencies nationwide to close-in on and arrest the 4000 people who get away with murder each year -- literally. To date there have been 457 known serial murderers across the United States.

This legislation will increase the efficiency and effectiveness of the criminal justice system. I encourage all members of the committee to give Senate Bill 321 your favorable consideration.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM February 18, 1994

SUBJECT: Sectional Summary of SB 321. (Work Order No. 8-LS1649\K)

TO: Senator Rick Halford
Attn: Kelly

FROM: Jerry Luckhaupt JEB
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill - the bill itself is the best statement of its contents.

Section 1 of the bill amends AS 12.55 to add a new section that provides that whenever a person is arrested for an offense, and is not issued a citation under AS 12.25.180 and released, the person shall be fingerprinted at a correctional facility and the fingerprints shall be forwarded within five days to the Department of Public Safety.

Section 2 of the bill repeals and reenacts AS 12.55.147 and requires that whenever a defendant is convicted of an offense the court shall order the defendant's fingerprints to be taken if they have not already been taken. The fingerprints shall be forwarded by the agency or facility taking the fingerprints within five days to the Department of Public Safety.

Section 3 of the bill amends AS 12.80 by adding a new section to require that whenever a person appears before a court for an initial appearance or arraignment for an offense the court shall order the person's fingerprints to be taken if they have not already been taken. The fingerprints shall be forwarded within five days to the Department of Public Safety.

Section 4 of the bill amends AS 33.30.011 by adding a new paragraph (7) that requires the commissioner of public safety to provide for the fingerprinting of all persons charged with, or convicted of an offense, who are received at an correctional

facility. The fingerprints shall be forwarded to the Department of Public Safety within five days.

Section 5 of the bill requires the Department of Public Safety to develop standard forms and procedures for the taking of fingerprints; also requires the department to make a reasonable effort to confirm the identity of a person whose fingerprints are received by the department and if the person has criminal record information under a different name the department shall promptly notify the appropriate agency or officer.

Section 6 of the bill requires all law enforcement agencies to report homicides and suspected homicides to the Department of Public Safety within 25 days of the discovery of the homicide; the report shall contain information considered relevant by the Commissioner of Public Safety and shall be on a form similar to and consistent with the forms used by the Federal Bureau of Investigation's Violent Crimes Apprehension Program; requires the department to compile the information received and compare that information to other homicides to discover similarities and in crimes and suspects - if similarities are found the department shall notify the reporting agencies; requires law enforcement agencies that terminate the investigation of a homicide to notify the department of the termination and the reason for the termination; requires the department to participate in the Federal Bureau of Investigation's Violent Crimes Apprehension Program and transmit the information received under this section to the FBI at least on a quarterly basis.

Section 7 of the bill provides a transitional section to cover the initial reporting of homicides and suspected homicides under AS 44.41.150.

GPL:gc:pl
94-138.glc

FD-676 (Rev. 3-22-91)
OMB No. 1110-0011

U.S. Department of Justice
Federal Bureau of Investigation

VIOLENT CRIMINAL APPREHENSION PROGRAM

VICAP

Crime Analysis Report

Examples:

1) For two (2) victims and one (1) offender, you must complete two (2) VICAP Crime Analysis Report forms (one for each victim). Do not duplicate the Offender information (Items 55 through 84) in the second Report.

2) For two (2) victims and two (2) offenders, you must complete two (2) VICAP Crime Analysis Report forms. Victim #1 and offender #1 would go on the first Report form and victim #2 and offender #2 would go on the second Report form.

3) For one (1) victim and two (2) offenders, you must complete one (1) VICAP Crime Analysis Report form. The victim and offender #1 would be reported in the body of the VICAP Crime Analysis Report form, and offender #2 would be reported by copying an additional offender page (Items 55 through 84), completing it, and attaching it to the VICAP Crime Analysis Report.

- Before submitting the VICAP Crime Analysis Report, make a copy for your records.

- Mail all VICAP Crime Analysis Reports, Supplements, and/or Corrections to:
  VICAP
  National Center for the Analysis of Violent Crime
  FBI Academy
  Quantico, VA 22135.

- Enclosing Crime Scene Photographs with the VICAP Crime Analysis Report will assist the VICAP staff in the evaluation of the case.

- A VICAP Case Number will be assigned to your case when it is processed and will be provided to you as soon as possible. The VICAP Case Number should be referenced in any subsequent correspondence or telephone communications with VICAP regarding the case.

- The Narrative Summary is intended to provide VICAP Analysts with a general overview of the case. Minute details of the investigation need not be provided here; the VICAP Crime Analysis Report will capture most of the detail necessary to complete the analysis. A person unfamiliar with your case, however, should have at least a general idea of what happened after reading your brief narrative.

Examples:

1) The partially decomposed body of an adult female was discovered in a wooded area of a state park, one-quarter mile from a major state highway. There are indications of sexual assault. Victim died of gunshot wounds. It appears that the victim was not killed at the body recovery site. The victim's whereabouts prior to her death have not been established.

2) Female juvenile was last seen at school. Investigation indicates that she was possibly abducted at or near the school while en route home. The victim has not returned nor has her body been recovered. Investigation indicates that it is unlikely that the victim is a runaway or that she disappeared of her own accord. This case is strikingly similar to one that occurred approximately 8 months ago in the same vicinity.

3) The reported offender entered a locked single-family residence occupied by a man, his wife, and 2 infant children. While the offender was gathering property in the residence, the husband confronted the offender. The husband was shot immediately and died. The wife responded after hearing the gunshot and was physically restrained by the offender. The offender hit her repeatedly with his fists, forced her to commit oral sex, and raped her repeatedly. The wife survived the attack. The children were not assaulted. The offender left the residence, and a vehicle was heard to leave the area. Offender arrested during the commission of a burglary in the same neighborhood one week later.

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

FD-676 (Rev. 3-22-91)
OMB No. 1110-0011

U.S. Department of Justice
Federal Bureau of Investigation

VIOLENT CRIMINAL APPREHENSION PROGRAM

VICAP

Crime Analysis Report

HOW TO COMPLETE THE VICAP CRIME ANALYSIS REPORT FORM

VICAP SUBMISSION CRITERIA

The VICAP Crime Analysis Report form has been designed to collect information regarding the following types of crimes whether or not the offender has been arrested or identified:

(1) Solved or unsolved homicides or attempts, especially those that involve an abduction; are apparently random, motiveless, or sexually oriented; or are known or suspected to be part of a series.

(2) Missing person, where the circumstances indicate a strong possibility of foul play and the victim is still missing.

(3) Unidentified dead bodies, where the manner of death is known or suspected to be homicide.

Cases where the offender has been arrested or identified should be submitted so unsolved cases in the VICAP system can be linked to known offenders.

INSTRUCTIONS

- Use black ink or pencil. Legibly print all written responses.
- Unless stated otherwise, check as many boxes as apply for each item.
- If in doubt about how to respond to a given item, be guided by your experience and good judgment. Proof beyond a reasonable doubt is not required, but do not guess either.
- If there are details of the case that you feel are important but that do not fit well into the items provided in the VICAP Crime Analysis Report, describe them in the narrative.
- If you wish to supplement or correct information previously reported to VICAP, submit a new VICAP Crime Analysis Report but complete only Items 1 through 18, 27 and 36 plus the Item(s) you wish to supplement or correct. You need not resubmit unchanged items.
- For advice or assistance regarding this report or its completion, call VICAP at **(703) 640-6131.**
- If you are submitting this VICAP Crime Analysis Report in conjunction with a request for a criminal personality profile evaluation, you ***must*** contact the ***CRIMINAL PROFILE COORDINATOR*** assigned to the FBI Field Division in your area. The ***CRIMINAL PROFILE COORDINATOR*** is charged with the responsibility of assisting you with your request for a criminal personality profile and will advise you of additional materials that must be submitted in order to evaluate your case properly. He/she will review the materials and will submit the entire profile package to the National Center for the Analysis of Violent Crime on your behalf. ***Do not submit Criminal Personality Profiling case materials directly to VICAP.*** Only the VICAP Crime Analysis Report should be submitted directly to VICAP.
- ***Multiple victims & multiple offenders***

  If your incident has ***MULTIPLE VICTIMS,*** you must complete a separate VICAP Crime Analysis Report form for each victim. Offender information need not be duplicated.

  If your incident has ***MULTIPLE OFFENDERS,*** submit only one complete VICAP Crime Analysis Report per victim; xerox and attach additional offender page(s) (Items 55 through 84) to each Report as needed.

Examples:

1) For two (2) victims and one (1) offender, you must complete two (2) VICAP Crime Analysis Report forms (one for each victim). Do not duplicate the Offender information (items 55 through 84) in the second Report.

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- The Narrative Summary is intended to provide VICAP Analysts with a general overview of the case. Minute details of the investigation need not be provided here; the VICAP Crime Analysis Report will capture most of the detail necessary to complete the analysis. A person unfamiliar with your case, however, should have at least a general idea of what happened after reading your brief narrative.

Examples:

1) The partially decomposed body of an adult female was discovered in a wooded area of a state park, one-quarter mile from a major state highway. There are indications of sexual assault. Victim died of gunshot wounds. It appears that the victim was not killed at the body recovery site. The victim's whereabouts prior to her death have not been established.

2) Female juvenile was last seen at school. Investigation indicates that she was possibly abducted at or near the school while en route home. The victim has not returned nor has her body been recovered. Investigation indicates that it is unlikely that the victim is a runaway or that she disappeared of her own accord. This case is strikingly similar to one that occurred approximately 8 months ago in the same vicinity.

3) The reported offender entered a locked single-family residence occupied by a man, his wife, and 2 infant children. While the offender was gathering property in the residence, the husband confronted the offender. The husband was shot immediately and died. The wife responded after hearing the gunshot and was physically restrained by the offender. The offender hit her repeatedly with his fists, forced her to commit oral sex, and raped her repeatedly. The wife survived the attack. The children were not assaulted. The offender left the residence, and a vehicle was heard to leave the area. Offender arrested during the commission of a burglary in the same neighborhood one week later.

TABLE OF CONTENTS

DO NOT COMPLETE THIS REPORT WITHOUT FIRST READING INSTRUCTIONS

I. ADMINISTRATION

CASE ADMINISTRATION

5. Reporting Agency: _____
6. Address: _____ 7. City: _____
8. County: _____ 9. State: _____ 10. ZIP: _____
11. Reporting Agency's ORI Number: _____
12. Reporting Agency's Case Number: _____
13. NCIC Number If Victim Is 1) Missing or 2) an Unidentified Dead Body: _____
14. Investigator's Name: _____
15. Investigator's Phone Number: _____ - _____ - _____
16. VICAP Crime Analysis Report Type:
    1 ☐ Original Submission of This Case
    2 ☐ Supplement to Previously Submitted Information
    3 ☐ Correction of Previously Submitted Information
17. Investigating Agency's Case Status:
    1 ☐ Open (active investigation)
    2 ☐ Suspended (inactive investigation)
    3 ☐ Open —— Arrest Warrent Issued
    4 ☐ Cleared by Arrest
    5 ☐ Exceptionally Cleared (by UCR definition)

CRIME CLASSIFICATION

18. This VICAP Crime Analysis Report Pertains to the Following Type Case (check one only):
    1 ☐ Murder or Attempted Murder —— Victim Identified (go to Item 19)
    2 ☐ Unidentified Dead Body Where Manner of Death Is Known or Suspected to Be Homicide (go to Item 19)
    3 ☐ Kidnapping or Missing Person with Evidence of Foul Play (victim still missing) (go to Item 20)
19. Based on Your Experience and the Results of the Investigation of This Case, Do You Believe This Offender Has Killed Before?
    1 ☐ Yes (explain in Narrative Summary) 99 ☐ Unable to Determine
    2 ☐ No
20. There Is an Indication That This Case Is Related to Organized Drug Trafficking:
    1 ☐ Yes 2 ☐ No 99 ☐ Unable to Determine

DATE AND TIME PARAMETERS

21. Today's Date: ____/____/____ (mo) (da) (yr)

	Date	Military Time	Exact	Approximate
22. Victim Last Seen:	____/____/____ (mo) (da) (yr)	_____	☐	☐
23. Death or Major Assault:	____/____/____ (mo) (da) (yr)	_____	☐	☐
24. Victim or Body Found	____/____/____ (mo) (da) (yr)	_____	☐	☐

II. VICTIM INFORMATION

VICTIM STATUS

25. This Is Victim _____ of _____ Victim(s) in This Incident.
(number) (total)

26. Status of This Victim:
1 ☐ Deceased (as result of this incident)
2 ☐ Survivor of Attack
3 ☐ Missing

VICTIM IDENTIFICATION

27. Name: ______________________________
(last, first, middle)

28. Alias(es) (including maiden name and prior married names):
____
____

29. Resident City: ______________ 30. State: __________ 31. ZIP: __________

32. Social Security Number: ______—_____—______ 33. FBI Number: __________

PHYSICAL DESCRIPTION

34. Sex:
1 ☐ Male 2 ☐ Female 99 ☐ Unknown

35. Race:
1 ☐ Black 3 ☐ Hispanic 5 ☐ Other
2 ☐ Caucasian 4 ☐ Oriental/Asian 99 ☐ Unknown

36. Date of Birth: ___/___/___
(mo) / (da) / (yr)
99 ☐ Unknown

37. Age (or best estimate) at Time of Incident: ________
(years)
99 ☐ Unknown

38. Height (or best estimate): _____ feet _____ inches
99 ☐ Unknown

39. Approximate Weight: ________ lbs.
99 ☐ Unknown

40. Build (check one only):
1 ☐ Small (thin) 3 ☐ Large (stocky)
2 ☐ Medium (average) 99 ☐ Unknown

41. Hair Length (check one only):
1 ☐ Bald or Shaved 4 ☐ Shoulder Length
2 ☐ Shorter Than Collar Length 5 ☐ Longer Than Shoulder Length
3 ☐ Collar Length 99 ☐ Unknown

42. Hair Shade (check one only):
1 ☐ Light 3 ☐ Neither 1 or 2 Above
2 ☐ Dark 99 ☐ Unknown

43. Predominant Hair Color (check one only):
1 ☐ Gray and/or White 5 ☐ Black
2 ☐ Blond 6 ☐ Other
3 ☐ Red 99 ☐ Unknown
4 ☐ Brown

If your victim is either a missing person or an unidentified dead body, respond to Items 44 through 48. Otherwise, go to Item 49.

44. Abnormalities of Teeth:
- 1 ☐ None
- 2 ☐ Braces
- 3 ☐ Broken or Chipped
- 4 ☐ Crooked
- 5 ☐ Decayed
- 6 Noticeable Gaps
- 7 ☐ Some or All Missing
- 8 ☐ Stained
- 9 ☐ Other (describe): ________
- 99 ☐ Unknown

45. Glasses or Corrective Lenses Normally Worn by or Associated with Victim:
- 1 ☐ None
- 2 ☐ Prescription
- 3 ☐ Contacts
- 4 ☐ Bifocals
- 5 ☐ Plastic Frame
- 6 ☐ Metal Frame
- 7 ☐ Rimless
- 8 ☐ Other (describe): ________
- 99 ☐ Unknown

SCARS AND/OR BIRTHMARKS

46. Location of Noticeable Scars or Birthmarks (not tattoos):
- 1 ☐ None
- 2 ☐ Face, Head, or Neck
- 3 ☐ Arm(s) or Hand(s)
- 4 ☐ Torso
- 5 ☐ Buttocks
- 6 ☐ Feet or Leg(s)
- 7 ☐ Other (describe): ________
- 99 ☐ Unknown

TATTOOS

47. Tattoo Locations:
- 1 ☐ None
- 2 ☐ Face, Head, or Neck
- 3 ☐ Arm(s) or Hand(s)
- 4 ☐ Torso
- 5 ☐ Buttocks
- 6 ☐ Feet or Leg(s)
- 7 ☐ Other (describe): ________
- 99 ☐ Unknown

48. Tattoo Designs:
- 1 ☐ Initials or Words
- 2 ☐ Number(s)
- 3 ☐ Picture(s) or Design(s)
- 4 ☐ Other (specify): ________
- 99 ☐ Unknown

OUTSTANDING PHYSICAL FEATURES

49. Did the Victim Have Outstanding Physical Features (crossed eyes, noticeable limp, physical deformity, etc.)? (Do not repeat information reported in Items 44 through 48, above.)
- 1 ☐ Yes (describe): ________
- 2 ☐ No
- 99 ☐ Unknown

CLOTHING OF VICTIM

50. Generally Preferred Clothing Style (this item deals with general style of dress typically preferred by the victim, not a detailed clothing description):
- 1 ☐ Business Suit
- 2 ☐ Casual
- 3 ☐ Gaudy or Garish
- 4 ☐ Sport or Athletic
- 5 ☐ Western Wear
- 6 ☐ Work Clothes or Uniform
- 88 ☐ Other (describe): ________
- 99 ☐ Unknown

51. Generally Preferred *Predominant* Color Tone of Clothing (check one only):
- 1 ☐ Whites
- 2 ☐ Yellows
- 3 ☐ Greens
- 4 ☐ Blues
- 5 ☐ Purples/Violets
- 6 ☐ Reds/Oranges
- 7 ☐ Browns/Tans
- 8 ☐ Grays/Blacks

52. If This Victim Is a Missing Person or Unidentified Dead, Give a Detailed Description of Clothing:
____
____

MISCELLANEOUS

53. Victim's Residence (check one only):
- 1 ☐ Single-Family Dwelling
- 2 ☐ Multi-Family Dwelling
- 3 ☐ Temporary or Transient Housing
- 4 ☐ Motor Vehicle
- 5 ☐ Street
- 99 ☐ Unknown

54. Current Occupation(s): 1) ________
2) ________

III. OFFENDER INFORMATION

OFFENDER DEFINED. As used in this VICAP Crime Analysis Report, "offender" includes arrestees, perpetrators, or persons the investigator has reasonable cause to believe are responsible for the commission of the crime.

OFFENDER STATUS

55. This Is Offender _____ (number) of _____ (total) Offender(s) in This Incident.

56. The Offender Is (check one only):
- 1 ☐ Unknown——Not Seen (go to Item 85)
- 2 ☐ Unknown——Seen
- 3 ☐ Identified (named)——Not in Custody
- 4 ☐ In Custody
- 5 ☐ Deceased

OFFENDER IDENTIFICATION

57. Name: _____ (last, first, middle)

58. Alias(es) (including maiden name and prior married names):

_____

_____

59. Resident City: _____ 60. State. _____ 61. ZIP: _____

62. Social Security Number: _____–_____–_____ 63. FBI Number: _____

PHYSICAL DESCRIPTION

64. Sex:
1 ☐ Male 2 ☐ Female 99 ☐ Unknown

65. Race:
1 ☐ Black 3 ☐ Hispanic 5 ☐ Other
2 ☐ Caucasian 4 ☐ Oriental/Asian 99 ☐ Unknown

66. Date of Birth: ____/____/____ (mo) / (da) / (yr)
99 ☐ Unknown

67. Age (or best estimate) at Time of Incident: _____ (years)
99 ☐ Unknown

68. Height (or best estimate): _____ feet _____ inches (to _____ feet _____ inches)
99 ☐ Unknown

69. Build (check one only):
1 ☐ Small (thin) 3 ☐ Large (stocky)
2 ☐ Medium (average) 99 ☐ Unknown

70. Hair Length (check one only):
1 ☐ Bald or Shaved 4 ☐ Shoulder Length
2 ☐ Shorter Than Collar Length 5 ☐ Longer Than Shoulder Length
3 ☐ Collar Length 99 ☐ Unknown

71. Hair Shade (check one only):
1 ☐ Light 3 ☐ Neither 1 or 2 Above
2 ☐ Dark 99 ☐ Unknown

72. Predominant Hair Color (check one only):
1 ☐ Gray and/or White 5 ☐ Black
2 ☐ Blond 6 ☐ Other
3 ☐ Red 99 ☐ Unknown
4 ☐ Brown

73. Was Wearing Glasses:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

74. Facial Hair (check all that apply):
1 ☐ None 3 ☐ Beard 99 ☐ Unknown
2 ☐ Mustache 4 ☐ Other

75. Appeared Generally Well Groomed:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

76. Offender Wore a Disguise or Mask:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

SCARS AND/OR BIRTHMARKS

77. Noticeable Scars or Birthmarks (not tattoos):
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

TATTOOS

78. Noticeable Tattoos:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

OUTSTANDING PHYSICAL FEATURES

79. Other Outstanding Physical Features of the Offender Not Reported Above (crossed eyes, noticeable limp, physical deformity, etc.):

1 ☐ Yes (describe): ______________________
2 ☐ No
99 ☐ Unknown

IV. IDENTIFIED OFFENDER INFORMATION

If you have an offender in custody or identified in this case, complete Items 80 through 84. Otherwise, go to Item 85.

OFFENDER BACKGROUND

80. Cities and States of Residence during Last 5 Years (exclude current city of residence):

1) ______________ 3) ______________
2) ______________ 4) ______________

81. List the States the Offender Has Visited during Last 5 Years (attach separate sheet if necessary):

1) ______________ 3) ______________
2) ______________ 4) ______________

82. Foreign Countries Lived or Traveled in:

1) ______________ 3) ______________
2) ______________ 4) ______________

PROPERTY OF OTHERS

83. Offender Was in Possession of Property of Others (check all that apply):
1 ☐ Body Parts 4 ☐ Jewelry
2 ☐ Clothing 5 ☐ Photo(s)
3 ☐ Credit Card(s), Checks, or other I.D. 88 ☐ Other (specify): ______________

OFFENDER'S ADMISSIONS

84. Offender Admits Other Similar Crime(s) of Violence:
1 ☐ Yes (attach details) 2 ☐ No

V. VEHICLE DESCRIPTION

VEHICLE DESCRIPTION (THIS INCIDENT)

85. Is a Vehicle Known to Have Been Used in This Incident?
1 ☐ Yes 2 ☐ No or Unknown (go to Item 96)

NOTE: Complete vehicle information if 1) a vehicle was used by the offender in this incident; or 2) this is a missing person case *and* the vehicle is missing; or 3) this is an unidentified dead case *and* the vehicle has been connected with the victim; or 4) the vehicle is in any way significantly involved in this incident.

86. Did the Vehicle Belong to, or Was It under the Civil Control of, the Victim?
1 ☐ Yes 2 ☐ No

87. The Vehicle Would Normally Be Described as Being:
1 ☐ Exceptionally Well Maintained ("sharp") 3 ☐ Neither 1 or 2 Above
2 ☐ Not Generally Well Kept ("beat-up") 99 ☐ Unknown

88. The Vehicle Would Normally Be Described as Being:
1 ☐ Newer/Late Model 3 ☐ Neither 1 or 2 Above
2 ☐ Older Model 99 ☐ Unknown

89. License Number: _____ 90. License State: _____

91. Vehicle Year: _____ 92. Make: _____ 93. Model: _____

94. Body Style:
1 ☐ Passenger Car 6 ☐ Motorcycle
2 ☐ Van 88 ☐ Other (specify): _____
3 ☐ Pick-up Truck _____
4 ☐ "Jeep" Type (i.e., Bronco, Blazer, etc.) 99 ☐ Unknown
5 ☐ Tractor-Trailer

95. Color: _____ (top) _____ (bottom)

VI. OFFENSE M. O.

OFFENDER'S APPROACH TO VICTIM (THIS INCIDENT)

96. The Victim or a Witness Reported That the Offender's Approach to Victim Was:
1 ☐ No Living Victim or Person Witnessed the Offender's Approach to Victim (go to Item 100)
2 ☐ By Deception or Con: Openly, with Subterfuge or Ploy (e.g., offers assistance or requests direction) (go to Item 97 and then go to Item 100)
3 ☐ By Surprise: Lay in Wait or Stepped from Concealment (go to Item 98 and then go to Item 100)
4 ☐ By "Blitz": Direct and Immediate Physical Assault (go to Item 99)

97. If the Offender Initiated Contact with the Victim by Means of Deception, Indicate the Type of Deception Below:
1 ☐ Posed as Authority Figure 7 ☐ Asked for or Offered Assistance
2 ☐ Posed as Business Person 8 ☐ Caused or Staged Traffic Accident
3 ☐ Asked Victim to Model or Pose for Photos 9 ☐ Phony Police Traffic Stop
10 ☐ Solicitation for Sex
4 ☐ Offered Job, Money, Treats, or Toys 11 ☐ Offered Ride or Transportation
5 ☐ Implied Family Emergency or Illness 12 ☐ Other Deception
6 ☐ Wanted to Show (something)

98. If the Offender Initiated Contact with the Victim by Means of Surprise, Indicate the Type of Surprise Below:
1 ☐ Lay in Wait——Out of Doors 4 ☐ Victim Sleeping
2 ☐ Lay in Wait——In Building 5 ☐ Other Surprise
3 ☐ Lay in Wait——In Vehicle

99. If the Offender Initiated Contact with the Victim by Direct and Immediate Physical Assault, Indicate the Type of Direct and Immediate Physical Assault Below:

1 ☐ Immediately and Physically Overpowered Victim (picked up, carried away, etc.)
2 ☐ Hit Victim with Hand, Fist, or Clubbing Weapon
3 ☐ Choked Victim
4 ☐ Stabbed Victim
5 ☐ Shot Victim
6 ☐ Other Direct Assault

EXACT GEOGRAPHIC LOCATION

100. Last Known Location of Identified Victim or Location of Unidentified Dead Body Recovery Site:

a. ☐ City of (if within incorporated city, town, etc.) _____

b. ☐ County of (if not within incorporated city, town, etc.) _____

c. State: _____ d. ZIP: _____

LOCATION OF EVENTS

BODY RECOVERY SITE

101. Description of General Area of the Body Recovery Site (check one only):

1 ☐ Rural
2 ☐ Suburban
3 ☐ Urban
99 ☐ Unknown

102. The Neighborhood of the Body Recovery Site Is *Predominantly* (check one only):

1 ☐ Business, Industrial, or Commercial
2 ☐ Farm or Agricultural
3 ☐ Residential
4 ☐ Uninhabited or Wilderness
99 ☐ Unknown

103. The Body Recovery Site Was (check as many as apply):

1 ☐ Any Residence
2 ☐ At or Near a School or Playground
3 ☐ In a Retail Shopping District
4 ☐ On a Public Street
5 ☐ In a Vice Area
6 ☐ A Densely Wooded Area
7 ☐ In an Open Field
8 ☐ In a Vehicle
9 ☐ On Public Transportation
88 ☐ Other (specify): _____
99 ☐ Unknown

104. The Body Recovery Site Was Victim's Residence:

1 ☐ Yes 2 ☐ No 99 ☐ Unknown

105. The Body Recovery Site Was Victim's Work Place:

1 ☐ Yes 2 ☐ No 99 ☐ Unknown

106. Potential Witnesses at the Time the Offender Left the Body at the Body Recovery Site:

1 ☐ Other People Were Present in the Immediate Area
2 ☐ Area Was Essentially Deserted
99 ☐ Unknown

MURDER OR MAJOR ASSAULT SITE

107. Was the Murder or Major Assault Site the Same as the Body Recovery Site?

1 ☐ Yes (go to Item 113) 2 ☐ No or Unknown

108. Description of General Area of Murder or Major Assault Site (check one only):

1 ☐ Rural
2 ☐ Suburban
3 ☐ Urban
99 ☐ Unknown

109. The Neighborhood of Murder or Major Assault Site Is *Predominantly* (check one only):

1 ☐ Business, Industrial, or Commercial
2 ☐ Farm or Agricultural
3 ☐ Residential
4 ☐ Uninhabited or Wilderness
99 ☐ Unknown

110. The Murder or Major Assault Site Was (check as many as apply):

1 ☐ Any Residence
2 ☐ At or Near a School or Playground
3 ☐ In a Retail Shopping District
4 ☐ On a Public Street
5 ☐ In a Vice Area
6 ☐ A Densely Wooded Area
7 ☐ In an Open Field
8 ☐ In a Vehicle
9 ☐ On Public Transportation
88 ☐ Other (specify): _____
99 ☐ Unknown

VI. OFFENSE M. O. (cont.)

111. The Murder or Major Assault Site Was Victim's Residence:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

112. The Murder or Major Assault Site Was Victim's Work Place:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

113. Potential Witnesses at the Time of the Murder or Major Assault:
1 ☐ Other People Were Present in the Immediate Area 2 ☐ Area Was Essentially Deserted 99 ☐ Unknown

SITE OF OFFENDER'S INITIAL CONTACT WITH VICTIM

114. Was the Site of the Offender's Initial Contact with the Victim the Same as the Murder or Major Assault Site?
1 ☐ Yes (go to Item 120) 2 ☐ No or Unknown

115. Description of General Area of Initial Offender-Victim Contact (check one only):
1 ☐ Rural 3 ☐ Urban
2 ☐ Suburban 99 ☐ Unknown

116. The Neighborhood of Initial Offender-Victim Contact Is *Predominantly* (check one only):
1 ☐ Business, Industrial, or Commercial 4 ☐ Uninhabited or Wilderness
2 ☐ Farm or Agricultural 99 ☐ Unknown
3 ☐ Residential

117. The Initial Offender-Victim Contact Was (check as many as apply):
1 ☐ Any Residence 7 ☐ In an Open Field
2 ☐ At or Near a School or Playground 8 ☐ In a Vehicle
3 ☐ In a Retail Shopping District 9 ☐ On Public Transportation
4 ☐ On a Public Street 88 ☐ Other (specify): _____
5 ☐ In a Vice Area _____
6 ☐ A Densely Wooded Area 99 ☐ Unknown

118. Initial Offender-Victim Contact Was Victim's Residence:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

119. Initial Offender-Victim Contact Was Victim's Work Place:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

120. Potential Witnesses at the Time of the Initial Offender-Victim Contact:
1 ☐ Other People Were Present in the Immediate Area 2 ☐ Area Was Essentially Deserted 99 ☐ Unknown

VICTIM'S LAST KNOWN LOCATION

121. Was the Site of the Victim's Last Known Location the Same as the Site of the Initial Contact between the Victim and Offender?
1 ☐ Yes (go to Item 127) 2 ☐ No or Unknown

122. Description of General Area of Victim's Last Known Location (check one only):
1 ☐ Rural 3 ☐ Urban
2 ☐ Suburban 99 ☐ Unknown

123. The Neighborhood of Victim's Last Known Location Was *Predominantly* (check one only):
1 ☐ Business, Industrial, or Commercial 4 ☐ Uninhabited or Wilderness
2 ☐ Farm or Agricultural 99 ☐ Unknown
3 ☐ Residential

124. The Victim's Last Known Location Was (check as many as apply):
1 ☐ Any Residence 7 ☐ In an Open Field
2 ☐ At or Near a School or Playground 8 ☐ In a Vehicle
3 ☐ In a Retail Shopping District 9 ☐ On Public Transportation
4 ☐ On a Public Street 88 ☐ Other (specify): _____
5 ☐ In a Vice Area _____
6 ☐ A Densely Wooded Area 99 ☐ Unknown

125. The Victim's Last Known Location Was Victim's Residence:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

126. The Victim's Last Known Location Was Victim's Work Place:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

CRIME SCENE ACTIONS

127. There Is Evidence That the Offender Disabled the Telephone, Other Utilities, or Security Devices:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

128. The Property at the Crime Scene(s) Was Ransacked, Vandalized, or Burned:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

129. There Are Indications That the Offender Took Steps to Obliterate or Destroy Evidence at the Scene:
1 ☐ Yes 2 ☐ No 99 ☐ Unknown

OFFENDER'S WRITING OR CARVING ON BODY OF VICTIM

130. Writing or Carving on *Body*:
1 ☐ Yes (describe): _____ 2 ☐ No

131. Instrument Used to Write or Carve on *Body*:
1 ☐ Knife or Other Sharp Instrument
2 ☐ Blood
3 ☐ Lipstick
4 ☐ Writing Instrument (pen, etc.)
88 ☐ Other (specify): _____

OFFENDER'S WRITING OR DRAWING AT THE CRIME SCENE(S)

132. Writing or Drawing at *Crime Scene(s)*:
1 ☐ Yes (describe): _____ 2 ☐ No

133. Instrument Used to Write or Draw at *Crime Scene(s)*:
1 ☐ Knife or Other Sharp Instrument
2 ☐ Blood
3 ☐ Lipstick
4 ☐ Writing Instrument (pen, etc.)
88 ☐ Other (specify): _____

STAGED OR MODIFIED CRIME SCENE

134. Was There Evidence to Suggest a Deliberate or Unusual Ritual/Act/Thing Had Been Performed on, with, or near the Victim (such as an orderly formation of rocks, burnt candles, dead animals, defecation, etc.)?
1 ☐ Yes (describe): _____ 2 ☐ No
_____ 99 ☐ Unknown

OFFENDER'S COMMUNICATIONS

Item 135 deals with communications initiated by the offender with respect to the crime. Examples would be: an offender sending a letter or tape recording to the police or media claiming responsibility for the crime; a ransom note; or a suspicious communication received by the victim prior to the crime. (This item does not refer to conversation between the offender and victim during commission of the crime.)

135 Was There Any Communication from the Offender Before or After the Crime?
1 ☐ Yes (enclose a copy or synopsis of the communication) 2 ☐ No 99 ☐ Unknown

VII. CONDITION OF VICTIM WHEN FOUND

BODY DISPOSITION

136. There Is Reason to Believe the Offender Moved the Body from the Area of the Death Site to the Area of the Body Recovery Site:
1 ☐ Yes 2 ☐ No 3 ☐ Unable to Determine

137. Evidence Suggests the Offender Disposed of the Body in the Following Manner:
1 ☐ Openly Displayed or Otherwise Placed to Insure Discovery
2 ☐ Concealed, Hidden, or Otherwise Placed in Order to Prevent Discovery
3 ☐ With an Apparent Lack of Concern as to Whether or Not the Body Was Discovered
99 ☐ Unable to Determine

138. It Appears the Body of the Victim Was *Intentionally* Placed in an Unnatural or Unusual Position *after Death* Had Occurred (e.g., staged or posed):
1 ☐ Yes 2 ☐ No 3 ☐ Unable to Determine

139. Body Was Discovered...
1 ☐ Buried
2 ☐ Covered
3 ☐ In a Body of Water (stream, lake, river, etc.)
4 ☐ In a Building
5 ☐ In a Container (e.g., dumpster, box refrigerator)
6 ☐ In a Vehicle
7 ☐ Scattered (body parts)
8 ☐ None of the Above

140. If the Body Was Discovered in Water, Was It Weighted?
1 ☐ Yes — With What? _____ 2 ☐ No

RESTRAINTS / BONDAGE

141. Was the Victim Bound?
1 ☐ Yes 2 ☐ No (go to item 146)

142. Article(s) Used to Bind or Restrain the Victim or the Body:
1 ☐ An Article of Clothing
2 ☐ Tape
3 ☐ Cordage (e.g., rope, string, twine, wire, leather thong, etc.)
4 ☐ Chain
5 ☐ Handcuffs or Thumbcuffs
88 ☐ Other (specify): _____

143. The Evidence Suggests That the Restraining Device(s) Was (check one only):
1 ☐ Brought to the Scene by the Offender
2 ☐ An Article Found at the Scene by the Offender
3 ☐ Both 1 and 2 Above
99 ☐ Unknown

144. Parts of Body Bound (check as many as apply):
1 ☐ Hands or Arms
2 ☐ Feet, Ankle(s), or Legs
3 ☐ Neck
4 ☐ Arms Bound to Torso
5 ☐ Hands and Ankle(s) Bound Together
88 ☐ Other (specify): _____

145. The Bindings on the Victim Were Excessive (much more than necessary to control victim's movements):
1 ☐ Yes 2 ☐ No 3 ☐ Unable to Determine

146. The Body Was Tied to Another Object:
1 ☐ Yes 2 ☐ No

147. Was a Gag Placed in or on the Victim's Mouth?
1 ☐ Yes (describe): _____
2 ☐ No
99 ☐ Unknown

148. Was a Blindfold Placed on or over the Victim's Eyes?
1 ☐ Yes (describe): _____
2 ☐ No
99 ☐ Unknown

149. Was Victim's Entire Face Covered?
1 ☐ Yes — With What? _____
2 ☐ No
99 ☐ Unknown

CLOTHING AND PROPERTY OF VICTIM

150. Clothing on Victim When Found:
1 ☐ Fully Dressed
2 ☐ Partially Undressed
3 ☐ Nude
88 ☐ Other (specify): _____

151. There Is Evidence the Victim Was Re-dressed by Offender:
1 ☐ Yes 2 ☐ No 3 ☐ Unable to Determine

152. There is Evidence to Suggest That Any or All of the Victim's Clothing had been *Ripped or Torn*:
1 ☐ Yes 2 ☐ No 3 ☐ Unable to Determine

153. There Is Evidence to Suggest That Any or All of the Victim's Clothing had been *Cut* from the Body:
1 ☐ Yes 2 ☐ No 3 ☐ Unable to Determine

154. Items of the Victim's Clothing Were Missing from the Body Recovery Site:
1 ☐ Yes (identify):_____ 2 ☐ No
_____ 99 ☐ Unknown

155. Victim's Clothing (not on the body) Recovered at the Body Recovery Site Was:
1 ☐ Piled Neatly
2 ☐ Scattered
3 ☐ Hidden
4 ☐ Not Applicable

156. Based on the investigation, There is Evidence to Suggest That the Offender Took Small Personal Items (other than clothing) From the Victim (these items may or may not be valuable, e.g., photos, driver's license, real or costume jewelry, etc.):
1 ☐ Yes (specify): _____ 2 ☐ No
_____ 99 ☐ Unknown

VIII. CAUSE OF DEATH AND/OR TRAUMA

CAUSE OF DEATH

If victim is a survivor, go to Item 158.

157. Medical Examiner's or Coroner's Officially Listed Cause of Death:
1 ☐ Gunshot Wound(s)
2 ☐ Stab Wound(s)
3 ☐ Cutting or Incise Wound(s)
4 ☐ Blunt Force Injury
5 ☐ Strangulation —— Manual, Ligature, Undetermined (circle one)
6 ☐ Smothering
7 ☐ Airway Occlusion —— Internal
8 ☐ Torso Compression
9 ☐ Hanging
10 ☐ Drowning
11 ☐ Burns —— Fire
12 ☐ Burns —— Chemical
13 ☐ Burns —— Scalding
14 ☐ Hypothermia or Exposure
15 ☐ Malnutrition or Dehydration
16 ☐ Electrocution
17 ☐ Crushing Injury
18 ☐ Explosive Trauma
19 ☐ Undetermined
88 ☐ Other (specify): _____

TRAUMA

158. *Major* Trauma Location(s) (check as many as apply):
1 ☐ Head / Face / Neck
2 ☐ Arm(s) / Hand(s)
3 ☐ Torso
4 ☐ Leg(s) / Feet
5 ☐ Breast(s)
6 ☐ Buttocks
7 ☐ Genitalia
8 ☐ Anus
88 ☐ Other (specify): _____
99 ☐ Unable to Determine

159. Extent of *Blunt Force* Injury:
1 ☐ None
2 ☐ Minimal (minor bruising only, possibly caused by offender's slapping to control the victim)
3 ☐ Moderate (injury inflicted which in itself could not have caused death)
4 ☐ Severe (injury which in itself could have caused death, whether it was the cause of death or not)
5 ☐ Extreme (injury inflicted beyond that necessary for death. Overkill)

VIII. CAUSE OF DEATH AND/OR TRAUMA (cont.)

160. Estimated Number of Stab Wounds: _____

161. Estimated Number of Cutting Wounds: _____

162. Number of Entry Gunshot Wounds: _____

163. Range of Gunfire:
- 1 ☐ Not Applicable
- 2 ☐ Distant (no stippling / tattooing)
- 3 ☐ Intermediate (stippling / tattooing)
- 4 ☐ Close (powder residue / tattooing)
- 5 ☐ Contact

BITE MARKS ON VICTIM

164. Bite Marks Were Identified on the Victim's Body:
- 1 ☐ Yes
- 2 ☐ No (go to Item 166)

165. Location of Bite Marks:
- 1 ☐ Face
- 2 ☐ Neck
- 3 ☐ Abdomen
- 4 ☐ Breast(s)
- 5 ☐ Buttocks
- 6 ☐ Groin
- 7 ☐ Genitalia
- 8 ☐ Thigh(s)
- 88 ☐ Other (specify): _____

ELEMENTS OF TORTURE OR UNUSUAL ASSAULT

166. There Is Evidence to Suggest That the Offender Disfigured the Body of the Victim in Order to Delay or Hinder Identification of the Victim (burned body; removed and took hands, feet, head; etc.):
- 1 ☐ Yes
- 2 ☐ No

167. Elements of Unusual or Additional Assault upon Victim:
- 1 ☐ None
- 2 ☐ Victim Whipped
- 3 ☐ Burns on Victim
- 4 ☐ Victim Run Over by Vehicle
- 5 ☐ Evidence of Cannibalism / Vampirism
- 6 ☐ Offender Explored, Probed, or Mutilated Cavities or Wounds of Victim
- 88 ☐ Other (specify): _____

168. Body Parts Removed by Offender:
- 1 ☐ None (go to Item 170)
- 2 ☐ Head
- 3 ☐ Scalp
- 4 ☐ Face
- 5 ☐ Teeth
- 6 ☐ Eye(s)
- 7 ☐ Ear(s)
- 8 ☐ Nose
- 9 ☐ Hand(s)
- 10 ☐ Arm(s)
- 11 ☐ Leg(s)
- 12 ☐ Breast(s)
- 13 ☐ Nipple(s)
- 14 ☐ Anus
- 15 ☐ Genitalia
- 16 ☐ Internal Organs
- 88 ☐ Other (specify): _____

169. Dismemberment Method:
- 1 ☐ Bitten Off
- 2 ☐ Cut — Skilled/Surgical
- 3 ☐ Cut — Unskilled/Rough-Cut
- 4 ☐ Hacked / Chopped Off
- 5 ☐ Sawed Off
- 88 ☐ Other (specify): _____

SEXUAL ASSAULT

170. Is There Evidence of an Assault to Any of the [illegible] Sexual Organs or Body Cavities?
- 1 ☐ Yes
- 2 ☐ No (go [illegible] 178)
- 3 ☐ Unable to Determine

171. Type Sexual Assault, or Attempt (check all th[illegible]y):
- 1 ☐ Vaginal
- 2 ☐ Anal
- 3 ☐ Victim Performed Oral Sex on Offender
- 4 ☐ Offender Performed Oral Sex on Victim
- 88 ☐ Other (describe): _____
- 99 ☐ Unable to Determine

172. Semen Identification In a Body Cavity of the Victim:
1 ☐ No 3 ☐ In Anus 5 ☐ Unable to Determine
2 ☐ In Vagina 4 ☐ In Mouth

173. Evidence of Other Ejaculation:
1 ☐ No 3 ☐ Elsewhere at the Scene
2 ☐ On Body of Victim 4 ☐ Unable to Determine

174. There Is Evidence to Suggest Postmortem Sexual Assault:
1 ☐ Yes 2 ☐ No 3 ☐ Unable to Determine

175. Is There Evidence of Sexual Insertion of Foreign Object(s) (other than the penis) into the Victim's Body?
1 ☐ Yes 2 ☐ No (go to Item 178)

176. Evidence of Sexual Insertion of Foreign Object(s) *Still in Body* When First Discovered (e.g., rocks, twigs, knife, clothing):

	(object)		(object)
1 ☐ Vagina	_____	4 ☐ Mouth	_____
2 ☐ Penis	_____	88 ☐ Other	_____
3 ☐ Anus	_____		

177. There Is Evidence of Sexual Insertion of Foreign Object(s) into Victim's Body, but the Object Was *Not In The Body* When the Body Was First Discovered:
1 ☐ Yes —— _____ (describe object) into _____ (body cavity)
2 ☐ No
3 ☐ Unable to Determine

IX. FORENSIC EVIDENCE

WEAPONS

178. Weapons Used by Offender in This Assault:
1 ☐ None 5 ☐ Ligature
2 ☐ Firearm 6 ☐ Hands or Feet
3 ☐ Stabbing or Cutting Weapon 88 ☐ Other Weapon (describe): _____
4 ☐ Bludgeon or Club _____

179. Assault Weapon(s) Used by Offender:
1 ☐ Weapon of Opportunity (offender finds weapon at or near scene)
2 ☐ Weapon of Choice (offender preselects weapon and brings to scene)
3 ☐ Both 1 and 2 Above
99 ☐ Unknown

180. Recovery of Assault Weapon(s) (check as many as apply):
1 ☐ Not Recovered 3 ☐ Recovered Elsewhere —— Where? _____
2 ☐ Recovered At Scene _____

181. Type Firearm Used:
1 ☐ Handgun 88 ☐ Other (specify): _____
2 ☐ Rifle _____
3 ☐ Shotgun 99 ☐ Unknown

182. Caliber or Gauge of Firearm(s) Used: _____

183. Number of Grooves and Direction of Twist of Recovered Bullet or Firearm: _____

184. Size of Shotgun Shell Pellets Recovered or Used: _____

BLOOD

185. What Is the Offender's Blood Type?
1 ☐ A 3 ☐ AB 99 ☐ Unknown
2 ☐ B 4 ☐ O

186. What Is the Rh Factor of the Offender's Blood?
1 ☐ Positive 2 ☐ Negative 99 ☐ Unknown

X. REQUEST FOR PROFILE

187. Is This VICAP Crime Analysis Report Being Submitted in Conjunction with a Request for a Criminal Profile Evaluation?
 1 ☐ Yes (see note below) 2 ☐ No

NOTE: If this VICAP Crime Analysis Report is being submitted in conjunction with a request for a Criminal Personality Profile evaluation, you must contact the CRIMINAL PROFILE COORDINATOR assigned to the FBI Field Division in your area. The CRIMINAL PROFILE COORDINATOR is charged with the responsibility of assisting you with your request for a criminal personality profile and will advise you of additional materials that must be submitted in order to properly evaluate your case. He/she will review the materials and will submit the entire profile package to the National Center for the Analysis of Violent Crime on your behalf. Do not submit Criminal Profiling case materials directly to VICAP. Only the VICAP Crime Analysis Report should be submitted directly to VICAP.

XI. OTHER RELATED CASES

188. Are You Aware of Any Other Cases Which May Be Related to This One or In Which This Offender May Have Been Involved?
 1 ☐ Yes (provide details below) 2 ☐ No

If Yes, List the Agency Name, State, Case Number, Investigator, and Phone Number of the Investigating Agency:

Agency Name	State	Case No.	Investigator	Phone No.

XII. NARRATIVE SUMMARY

189. Give a BRIEF Narrative Summary of This Case So the Reader Will Have a General Overview of the Case, the Details, the Most Unusual Characteristics, and the Sequence of Events. Also Include Any Details of This Case You Feel Are Important, But That Have Not Previously Been Addressed (see examples of Narrative Summaries in the Instructions):

ALASKA PEACE OFFICERS ASSOCIATION

State APOA Office • P.O. Box 240106 • Anchorage, Alaska 99524-0106 • (907) 277-0515

February 25, 1994

The Honorable Senator Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Re: Senate Bill 321

Dear Senator Halford,

As statewide president of the Alaska Peace Officers Association, I speak for over 1,100 law enforcement men and women who have dedicated their careers to the betterment of our Alaskan way of life. This is a task which grows increasingly difficult in an era of rising crime, especially murders.

We have supported legislation such as the Juvenile Waiver Bill, the Conspiracy Bill, and others because we feel such tools will help us identify and prosecute society's most dangerous offenders. We can thereby return our community to the semblance of law and order which is but a memory to Alaskans such as you and me who have lived here most of our lives.

It is for these reasons that the Alaska Peace Officers Association offers its support and endorsement of your Senate Bill 321 providing for fingerprinting of suspects and the uniform reporting of homicides in cooperation with the Federal Bureau of Investigations (FBI), and Violent Crimes Apprehension Program (VICAP).

The VICAP program grew out of the experiences of state and local homicide investigators with suspects who they felt had killed before. When it was realized that no national resources on this subject existed, a task force was organized that resulted

in the formation of the National Center for the Analysis of Violent Crime (NCAVC). VICAP was created as part of the NCAVC in 1985.

VICAP is essentially a national computer data information center which is located in the Behavioral Sciences Unit at the FBI training academy in Quantico, VA. Its mission is to collect and analyze reports of violent crime -- specifically murder. The program receives reports from all 50 states and several foreign countries. The types of homicides VICAP deals with fall into three categories:

- solved or unsolved homicides or attempts that are apparently random, sexually oriented, without motive or are suspected of being part of a series;

- missing persons who are suspected of being victims of foul play;

- unidentified dead bodies suspected of being victims of homicide.

An investigator with a murder that fits one of these criteria will complete a VICAP form which consists of several pages of questions dealing with all phases of the crime, from victimology to physical evidence. When the form arrives at VICAP headquarters, it is reviewed for accuracy and entered into a computer data base. Once a case goes into the data base it is compared continually against all other entries from other states on the basis of certain aspects of the crime such as the type of weapon, body recovery site, firearm caliber, similarity and location of injuries and many other details.

The purpose of this is to detect general patterns in homicide MO's, which will in turn allow VICAP personnel to pinpoint those crimes that may have been committed by the same offender and then notify the agencies involved. When a possible serial murderer has been identified, VICAP can assist the law enforcement agencies that may have relevant cases by coordinating a multi-agency investigation conference. This becomes especially important when the suspect or suspects have traveled throughout the country. This is often the case

in Alaska given a large military presence, a considerable number of seasonal workers and tourists, and our share of transients.

As you can imagine, the VICAP data base can only assist police officers to the extent that reliable information from all parts of the country are fed into it on a systematic basis. It is for this reason that we applaud the provisions of your uniform homicide reporting statute as proposed in AS 44.41.050. Requiring the fingerprinting of suspects will have a beneficial effect on law enforcement's ability to quickly detect and arrest those who have violated our laws. In time it will also augment the data base of Alaska's automated fingerprint computer identification system (AFIS).

Those of us who put our lives on the line every day applaud efforts such as yours that continue to provide us with the sort of tools which will help us effectively protect Alaskan citizens.

Respectfully,

Michael A. Grimes

Michael A. Grimes
Statewide President
Alaska Peace Officers Association

cc: The Honorable Representative Ramona Barnes
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

ANCHORAGE POLICE DEPARTMENT
4501 SOUTH BRAGAW STREET ♦ ANCHORAGE, ALASKA 99507-1599
TELEPHONE (907) 786-8500

Tom Fink, Mayor

Service since 1921

February 24, 1994

Senator Rick Halford
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear Senator Halford,

I would like to thank you for introducing Senate Bill No. 321, an act relating to the taking of fingerprints. This bill is timely and quite necessary for a number of reasons.

The traditional role of fingerprints has been to identify and apprehend criminals. The use of fingerprints coupled with modern day technology continues to be a very effective means of catching criminals. I have attached a memorandum from Kathryn Monfreda, my head Identification Technician, outlining APD's experience with fingerprints and the Automated Fingerprint Identification System. You can see that our success has been quite good.

A less traditional role that public safety has been called upon to perform in recent years has been to do background checks on people for a variety of employment reasons, such as day care providers. Most recently the Brady Bill was thrust upon us, again underscoring the need for accurate fingerprint based criminal records.

Unfortunately, we are missing a significant number of fingerprints in Alaska for persons who have been arrested and convicted of crimes. Many people who are arrested never actually go to jail and get fingerprinted. We are missing out on a potential data base of prints that would lead to more crimes being solved as well as enhancing the accuracy of our criminal records system.

Your bill also specifies where and how fingerprints will be taken. That is a very important step in making sure that people don't drop through the cracks and escape detection or identification.

I also support the other aspects of your bill concerning mandatory reporting of homicides and the Violent Offenders Apprehension Program. I would be happy to assist you in any way that I can. I can be reached at 786-8552.

Sincerely,

Duane S. Udland

Duane S. Udland
Deputy Chief of Police
4501 South Bragaw
Anchorage, Alaska 99507

MUNICIPALITY OF ANCHORAGE

MEMORANDUM

DATE: February 22, 1994

TO: Deputy Chief Udland

FROM: Kathryn Monfreda, Identification Technician

RE: Automated Fingerprint Identification System Statistics

As your requested, the followine are some of the statistics I have compiled relating to APD's use of the State APIS system.

Number of APD latents entered in system (start-up to date):	2,551
Number of APD latent "Hit" in system:	554 (approx. 22%)
Number of additional latents identified/result of "hit":	476
Number of additional cases cleared/result of "hit":	44

We have had a few cases of particular interest that have been solved solely due to the use of AFIS. One particular case involved a sexual assault at a place of business. The perpetrator used the telephone after completing the sexual assault of a stranger. The U.I. Officer lifted a print off the phone, which was entered into AFIS, and identified. This same suspect had also committed at least one other sexual assault (on UAA campus), and identifying him through AFIS is likely to have prevented further sexual assaults.

Shortly before Christmas, 1993, we had a string of residential burglaries. The officers were pretty sure many of them were the work of one unidentified individual. After several burglaries were investigated, a U.I. Officer lifted a print from a beer bottle on the kitchen counter of one of the burglarized homes. I was able to search this print through AFIS, and identified the print as having been made by Jason Barnum. His description fit that of an individual seen fleeing the area of other homes. The suspect was soon contacted, and was ultimately charged not only with the burglary through which he was identified, but 27 additional residential burglaries.

I hope this information is useful to you. If I can provide any further information, please let me know.

SB

327

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 327

Revision Date:

Dept. Affected: Revenue

Title: Tax on Residual Marine Fuel Oil

BRU: Revenue Operations

Component: Income and Excise Audit

Sponsor: (S) FIN

Requestor: (S) TRA

COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE FUND SOURCE: General	***	***	***	***	***	***

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: $ ***

ANALYSIS: (Attach a separate page if necessary.)

*** Department of Revenue is unable to estimate revenue impacts from this bill because information on residual fuel data is not compiled separately. Under current statutes, marine fuel is taxed at 5 cents per gallon. New market sales would need to occur at the 1 cent per gallon rate under this bill to offset taxes which would have been collected at the 5 cents per gallon tax rate.

Prepared by: Larry E. Meyers — Phone: 465-2320

Division: Income and Excise Audit Division — Date: March 9, 1994

Approved by Commissioner: Darrel J. Rexwinkel — Date: March 9, 1994

Agency: Department of Revenue

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cp sb327 nte

TESORO BUNKER FUEL SALES
FIVE YEARS (1989 - 1993)

◆ ◆GALLONS◆ ◆

YEAR	TESORO SHIPS	OTHER SALES	TOTAL
1989	2,909,928	0	2,909,928
1990	1,054,410	0	1,054,410
1991	7,167,048	0	7,167,048
1992	5,273,814	0	5,273,814
1993	8,566,782	4,219,404	12,786,186

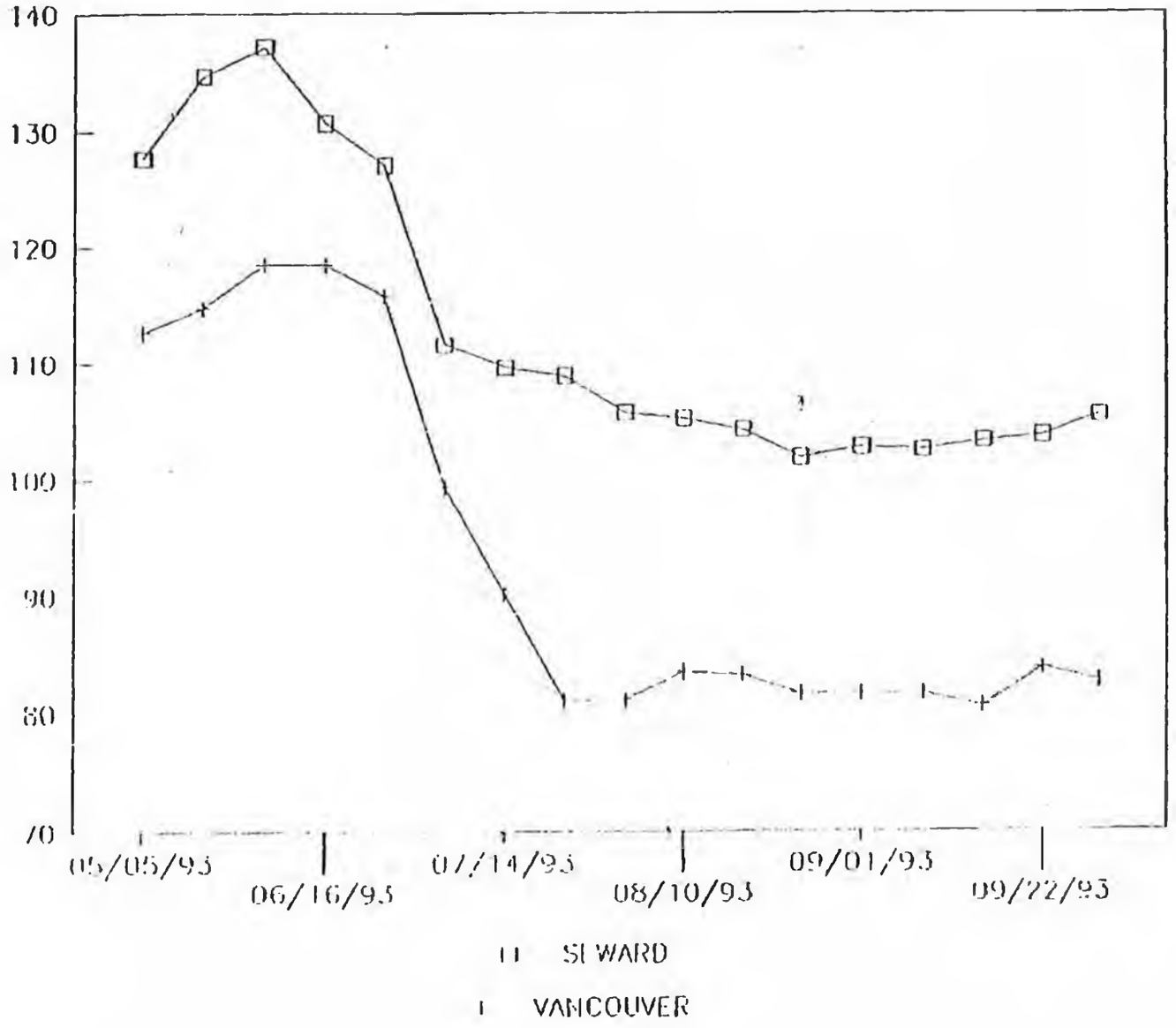
FIVE YEAR AVERAGE:

5,838,277 TOTAL GALLONS/YEAR ($291,913 TAX/YEAR)
84,388 GALLONS/YEAR TO NON-TESORO AFFILLIATED CUSTOMERS

AVERAGE BUNKER FUEL CUSTOMERS
FIVE YEARS - TESORO ALASKA

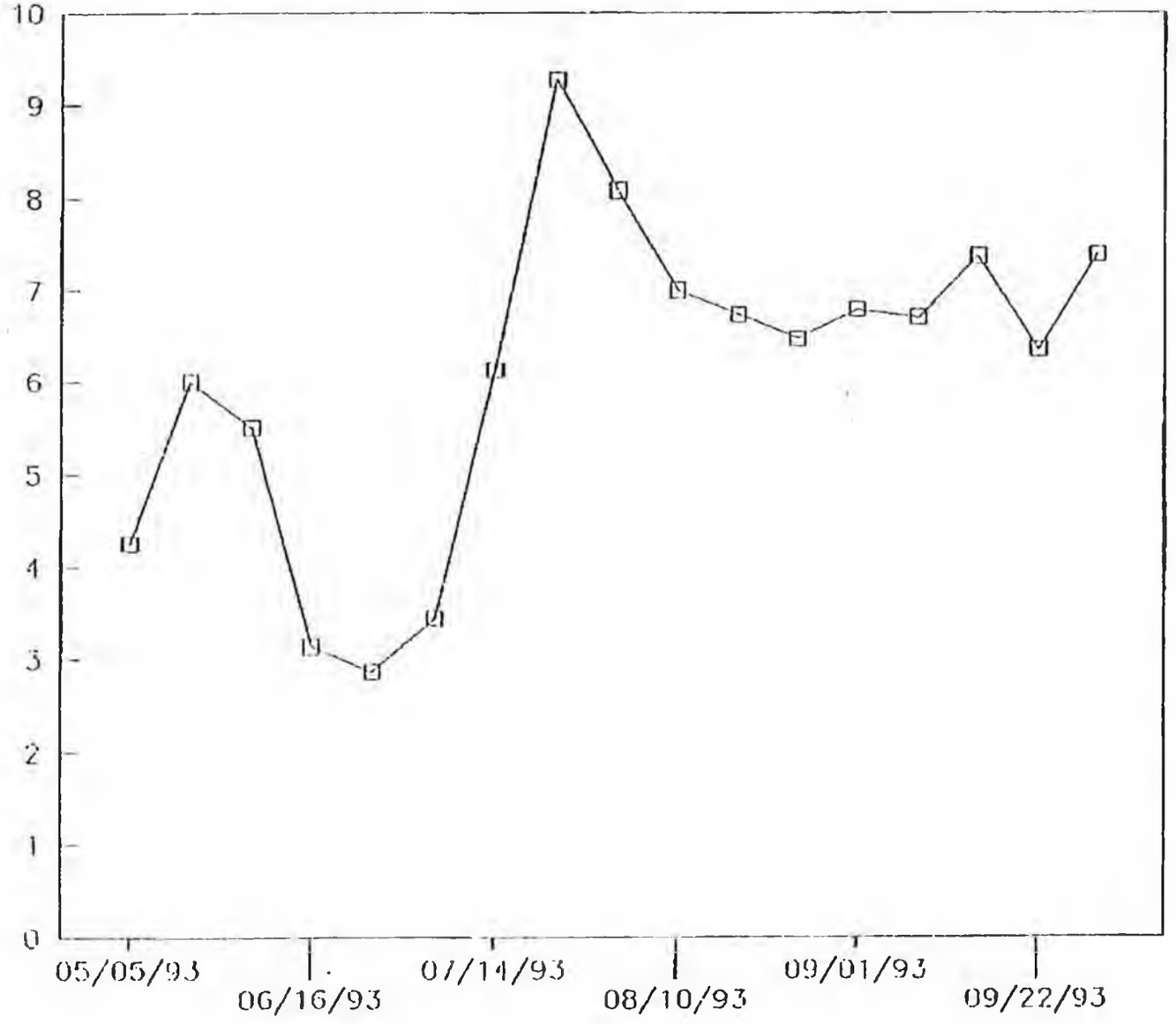
BUNKER PRICES IFO 380

SUMMER 1993 SEWARD VS CANADA



BUNKER PRICES

SEWARD OVER CANADA FOR 1993



REGENCY CRUISES

March 1, 1994

Mr. James S. Burns
PETRO MARINE SERVICES
3111 "C" Street
Suite 500
Anchorage, AK 99503

Dear Mr. Burns:

As I indicated during our meeting last month, Regency will deploy two vessels in Alaska during the summer of 94 and I am please to tell you we will add a third ship in 1995.

While at present, bunkering takes place in Vancouver every two weeks, we are very much interested in your proposal to bunker in Seward.

However we must tell you that in order to stay competitive with Vancouver's price, serious consideration must be given to reduce the current "motor fuel tax" to a more realistic figure.

To give you an indication of our bunkering needs, on an average the Regent Sea bunkers 450 M/T of IFO 180 and 150 M/T of MDO, the Regent Star 450 M/T of IFO 100 and 130 M/T of MDO every two weeks.

We look forward to doing business with you hopefully in the very near future.

Sincerely,
REGENCY CRUISES

Andrew K. Horton
Manager - Port Operations

AKH/GG

3880 N.W. 20th St

PRINCESS CRUISES

FINAL
cc Kent Dawson
FYI

10100 Santa Monica Boulevard
Los Angeles, California
Corporate
Telex
Telefax

February 28, 1994
Ref: SAN/cjt #1612

Mr. Jim Burns
Petro Marine
3111 C Suite 500
Anchorage, Alaska 99503

Dear Jim,

Princess Cruises operates 6 cruise vessels in the Alaska cruise trade from June through September each year. Five of these vessels are based in Vancouver and one in San Francisco. Of the 5 Vancouver based vessels, 3 operate 7 day cruises across the Gulf of Alaska between Vancouver and Seward and 2 operate 7 day cruises round trip from Vancouver through the inside passage of Alaska. That San Francisco based vessel operates 10 day round trip cruises to the inside passage of Alaska. Alaska ports of call include Ketchikan, Juneau, Skagway, Sitka and Seward.

We purchase the fuel oil for our ships based upon quality and price. Fuel oil purchased in Vancouver is essentially the same quality as that available in San Francisco, Seattle and Seward. The price differential, due to the Alaska state motor fuel tax is, however significant. The tax of $0.05 per gallon, which is approximately equal to $13.65 per ton, makes it prohibitive to purchase more than the minimum required in Seward to return to Vancouver. Our total requirements for the 1994 Alaska cruises season will be approximately 57,855 tons (15,680,000 gallons) for the 6 vessels. Of this amount we anticipate purchasing approximately 9,450 tons (2,561,000 gallons) in Seward.

We strongly support the proposal to reduce the Alaska state motor fuel tax to $0.01 per gallon. This would make the cost of fuel oil in Alaska competitive with that in Vancouver. This would encourage greater purchase of fuel oil in Alaska.

Very truly yours,

Stephen A. Nielsen

Crown Cruise Line

February 18, 1994
L94057aa

VIA FAX: 907-561-6500

Petro Marine Services
Attn: James S. Burns
Anchorage, Alaska

Dear Mr. Burns:

We operate the MS CROWN DYNASTY whose summer itinerary has her sailing from Vancouver throughout Alaska.

While researching available bunkering ports, we understand the Alaska Marine Tax of five-cents per gallon is currently in effect. We understand Petro Marine Services is leading the way to have the tax reduced from 5 cents to 1 cent; we would like to lend our support to this effort and advise that such a reduction would play a key role in our decision to bunker in Alaska rather than relying solely on Vancouver as the primary bunker station.

Thank you for including our formal letter of support in this reduction effort's dossier.

Sincerely,

Jorg Walczak

Captain Jorg Walczak
Director, Marine Operations

JW:aa

cc: P. Grant, Sr. VP Operations

Holland America Line
Westours Inc.

Mr. James S.BURNS
Petro Marine Services
3111 "C" Street Suite 500
Anchorage AK. 99503

To fax : (907) 561-6500

Seattle February 16 1994

Dear Mr. Burns

It was a pleasure meeting you Wednesday for what turned out to be a very interesting discussion. You informed me that you are currently working with others in the Marine Industry to have legislation introduced that would reduce the current tax on marine fuel in Alaska from 5 cents per gallon to 1 cent. If succesful, this would immediate reduce the price for Intermediate Bunker fuel with approximately $ 10.00 per Metric Ton and this would allow Seward and other Alaskan ports to offer shipowners an addtional or alternative bunkerchoice on the U.S. West Coast and Britsh Columbia.
It is with this possibility in mind, that I express my appreciation and support for your continued efforts in this matter, which in my opinion will greatly benefit not only the Marine Industry but increasingly so, the people and the state of Alaska.

Very truly yours

Captain Willem A.KOOPMAN
Director Marine Operations WSC
HOLLAND-AMERICA LINE-WESTOURS Inc.

c.c. D.Grausz

KENT DAWSON COMPANY

P.O. Box 20790
Juneau, Alaska 99802
Phone: (907) 463-2533
FAX: (907) 463-3922

March 10, 1994

The Honorable Bert Sharp
Chair, Senate Transportation
State Capitol
Juneau, Alaska 99801-1182

Dear Mr. Chairman:

On behalf of Princess Cruises and Princess Tours I have been asked to convey the following--quoting from a February 28, 1994, letter to Mr. Jim Burns of Petro Marine, and signed by Stephen A. Nielsen of Princess Cruises, which I have attached:

"Princess Cruises operates 6 cruise vessels in the Alaska cruise trade from June through September each year. Five of these vessels are based in Vancouver and one in San Francisco. Of the 5 Vancouver based vessels, 3 operate 7 day cruises across the Gulf of Alaska between Vancouver and Seward and 2 operate 7 day cruises round trip from Vancouver through the inside passage of Alaska. Alaska ports of call include Ketchikan, Juneau, Skagway, Sitka and Seward.

"We purchase the fuel oil for our ships based upon quality and price. Fuel oil purchased in Vancouver is essentially the same quality as that available in San Francisco, Seattle and Seward. The price differential, due to the Alaska state motor fuel tax is, however significant. The tax of $0.05 per gallon, which is approximately equal to $13.65 per ton, makes it prohibitive to purchase more that the minimum required in Seward to return to Vancouver. Our total requirements for the 1994 Alaska cruises season will be approximately 57,855 tons (15,680,000 gallons) for the 6 vessels. Of this amount we anticipate purchasing approximately 9,450 tons (2,561,000 gallons) in Seward.

"We strongly support the proposal to reduce the Alaska state motor fuel tax to $0.01 per gallon. This would make the cost of fuel oil in Alaska competitive with that in Vancouver. This would encourage greater purchase of fuel oil in Alaska."

In addition, I have been authorized to say that Princess will

purchase at least one third (1/3) of our fuel requirements for the ships calling at Seward if the price and quality are competitive with Vancouver, B.C. We can only say this for the Seward ships as Seward is the only Alaska port with bunkering facilities.

Sincerely,

V. Kent Dawson

Attachment

PRINCESS CRUISES

[illegible]
Santa Monica
Boulevard
Los Angeles
California
[illegible]
Corporate
[illegible]
Telex
[illegible]
Telefax
[illegible]

February 28, 1994
Ref: SAN/cjt #1612

Mr. Jim Burns
Petro Marine
3111 C Suite 600
Anchorage, Alaska 99503

Dear Jim,

Princess Cruises operates 6 cruise vessels in the Alaska cruise trade from June through September each year. Five of these vessels are based in Vancouver and one in San Francisco. Of the 5 Vancouver based vessels, 3 operate 7 day cruises across the Gulf of Alaska between Vancouver and Seward and 2 operate 7 day cruises round trip from Vancouver through the inside passage of Alaska. That San Francisco based vessel operates 10 day round trip cruises to the inside passage of Alaska. Alaska ports of call include Ketchikan, Juneau, Skagway, Sitka and Seward.

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We strongly support the proposal to reduce the Alaska state motor fuel tax to $0.01 per gallon. This would make the cost of fuel oil in Alaska competitive with that in Vancouver. This would encourage greater purchase of fuel oil in Alaska.

Very truly yours,

Stephen A. Nielsen

City and Borough of Sitka

304 LAKE STREET. SITKA, ALASKA. 99835

March 9, 1994

The Honorable Bert M. Sharp, Chair
Senate Transportation Committee
Juneau, AK 99801-1182
FAX No. 465-2070

Re: SENATE BILL NO. 327

Dear Senator Sharp,

Senate Bill No. 327 is a very important issue to the City and Borough of Sitka. If it passes we have a commitment from Pacific Northern Oil to refuel cruise ships in Sitka. This will create important jobs for our community and in the long term will give us significant opportunities as a change port.

We strongly urge your support of this legislation.

Sincerely,

Gary L. Paxton
Administrator
City and Borough of Sitka

cc. Senator Robin Taylor
Representative Ben Grussendorf
Paul Fuhs - Alaska Dept. of Commerce and Economic Development
Eric Lind - Pacific Northern Oil

Introduced by:	Brown, Glick
Date:	03/15/94
Action:	Adopted
Vote:	Unanimous

KENAI PENINSULA BOROUGH
RESOLUTION 94-024

A RESOLUTION SUPPORTING SB 327 AND HB 453, ESTABLISHING A DIFFERENT TAX LEVY ON RESIDUAL FUEL OIL USED IN AND ON WATERCRAFT

WHEREAS, residual fuel oil currently produced by Tesoro Alaska north of Kenai is sold as an export product due to the excessive tax on heavy fuels; and

WHEREAS, there is the potential for a market of these fuels in Alaska, if the price of the fuel can be competitive with prices in Canada; and

WHEREAS, ninety cruise ships will visit the Port of Seward during the summer of 1994; and

WHEREAS, these cruise ships are currently purchasing their fuel oil in Canada and have indicated a desire to purchase fuel in Alaska; and

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That the Kenai Peninsula Borough Assembly strongly urges passage of SB 327 and HB 453, thereby reducing the tax on residual fuel oil used in and on watercraft of all descriptions to one cent a gallon.

SECTION 2. That copies of this resolution be sent to Governor Walter J. Hickel; Senators Suzanne Little, Judith Salo, Fred Zharoff, and Georgianna Lincoln; and Representatives Gail Phillips, Mike Navarre, Gary Davis, Cliff Davidson, and Irene Nicholia.

ADOPTED BY THE KENAI PENINSULA BOROUGH ASSEMBLY THIS 15TH DAY OF MARCH, 1993.

Betty J. Glick
Betty J. Glick, Assembly President

ATTEST:

Teresa Walker for
Gaye J. Vaughan, Borough Clerk

SUGGESTED BY: Mayor Williams

City of Kenai

RESOLUTION NO. 94-12

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, URGING PASSAGE OF HB453/SB327 RELATING TO BUNKER FUEL TAX.

WHEREAS, there is a substantial demand for bunker fuel by the numerous cruise ships that call on Alaska ports; and,

WHEREAS, the operators of these cruise ships purchase bunker fuel at the port where they purchase at the most favorable price; and,

WHEREAS, the State of Alaska Marine Fuels Tax of $.05 per gallon prevents Alaska fuel suppliers from being competitive in the bunker fuel market with ports on the U.S. West Coast and British Columbia; and,

WHEREAS, this proposed legislation is not expected to reduce State revenues, but rather, appears likely to generate increased revenues to the State due to expected increase in volume of bunker fuel sales at Alaska ports; and,

WHEREAS, these increased sales of bunker fuel could potentially create as many as twelve (12) new seasonal jobs; generate a significant increase in business for the transportation support industries; generate additional local sales and property taxes; and further support the rapidly expanding tourism business on the Kenai Peninsula; and,

WHEREAS, at this time, tourism is the fastest growing industry in the State of Alaska.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, that we respectfully urge passage of HB453/SB327 by the Alaska State Legislature.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 16th day of March, 1994.

John J. Williams, Mayor

ATTEST:

Carol L. Freas, City Clerk

GREATER KENAI CHAMBER OF COMMERCE

RESOLUTION 94-01

A RESOLUTION OF THE GREATER KENAI CHAMBER OF COMMERCE BOARD OF DIRECTORS URGING PASSAGE OF HB453/SB327 RELATING TO BUNKER FUEL TAX

WHEREAS, there is a substantial demand for bunker fuel by the numerous cruise ships that call on Alaska ports and,

WHEREAS, the operators of these cruise ships purchase bunker fuel at the port where they purchase at the most favorable price and,

WHEREAS, the State of Alaska Marine Fuels Tax of $.05 per gallon prevents Alaska fuel suppliers from being competitive in the bunker fuel market with ports on the U.S. West Coast and British Columbia and,

WHEREAS, this proposed legislation is not expected to reduce State revenues, but rather, appears likely to generate increased revenues to the State due to expected increase in volume of bunker fuel sales at Alaska ports and,

WHEREAS, these increased sales of bunker fuel could potentially create as many as twelve(12) new seasonal jobs; generate a significant increase in business for the transportation support industries; generate additional local sales and property taxes; and further support the rapidly expanding tourism business on the Kenai Peninsula and,

WHEREAS, at this time, tourism is the fastest growing industry in the State of Alaska.

NOW, THEREFORE, BE IT RESOLVED BY THE GREATER KENAI CHAMBER OF COMMERCE BOARD OF DIRECTORS THAT WE RESPECTFULLY URGE PASSAGE OF HB453/SB327 BY THE ALASKA STATE LEGISLATURE.

PASSED BY THE GREATER KENAI CHAMBER OF COMMERCE BOARD OF DIRECTORS THIS 4th DAY OF March, 1994.

Valerie L Edmundson

Valerie Edmundson, President
Kenai Chamber of Commerce
Board of Directors

ATTEST: Laura R. Measles

Laura R. Measles
Executive Director

GREATER SOLDOTNA CHAMBER OF COMMERCE
RESOLUTION NO. 94-3

A RESOLUTION SUPPORTING THE ADOPTON OF SENATE BILL NO. 327 "AN ACT AMENDING THE MOTOR FUEL TAX TO ESTABLISH A DIFFERENT TAX LEVY ON RESIDUAL FUEL OIL USED IN AND ON WATERCRAFTS; AND PROVIDING FOR AN EFFECTIVE DATE."

WHEREAS, in 1970-72 heavy bunker fuel was sold, to a small market, for use instate; and

WHEREAS, in 1972, the present tax was placed on this fuel and all sales then ceased, and have remained non-existent since that date; and

WHEREAS, due to the excessive tax on heavy fuels if used instate, heavy fules have no instate sales/useage; and

WHEREAS, there is currently the potential for a market of these fuels in Alaska, if the price of the fuel can be competitive with prices in Canada; and

WHEREAS, Cruiselines have indicated a willingness to purchase Bunker fuel in Alaska if the marine fuel tax rate is lowered; and

WHEREAS, the purchase of Bunker fuel by Cruiselines would have a positive economic impact to the State of Alaska and the Kenai Peninsula Borough,

NOW THEREFORE BE IT RESOLVED THAT THE GREATER SOLDOTNA CHAMBER OF COMMERCE urges the Alaska Legislature to adopt Senate Bill No. 327.

ADOPTED this 8th day of March, 1994 at Soldotna, Alaska.

Kurt Eriksson, Vice President

ATTEST:

Cathy M. Clark, Executive Director