

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 0072

10981 HOUSE RESOURCES

265

KENAI WILD™**Cook Inlet Salmon Brand, Inc**

Representative Kelly Wolf
State Capital Room 418
Juneau, Alaska 99801-1182

Dear Representative Wolf:

On behalf of the Cook Inlet Salmon Brand, Inc. (Kenai Wild) I would like to offer our support of your effort to designate July 2, 2003 as Alaska Salmon Day. The commercial fishing industry is an important part of our state's economy and it is nearly 16% of the Kenai Peninsula Borough's economy.

Thank you for recognizing one of our state's heritage industries.

Sincerely,

A handwritten signature in cursive script that reads "Mark Powell".

Mark Powell

President

Cook Inlet Salmon Brand, Inc.

HCR

25

Session:
State Capitol Building, Room 418
Juneau, Alaska 99801-1182
Phone: (907) 465-2993
Fax: (907) 465-3835
Toll Free: 1-800-463-2693



Interim:
145 Main Street Loop Road
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Representative Kelly Wolf
House District 33

SPONSOR STATEMENT for HCR 25

Alaska Wild Salmon Week

Relating to declaring June 28 -- July 4, 2004 as Alaska Wild Salmon Week

Alaska is the largest commercial wild salmon fishery in the world and employs more than 29,000 people. Nearly 95% of all commercially caught salmon in the United States are harvested in Alaska. In the last decade, state salmon harvest totaled more than \$4.5 billion, making salmon extremely vital to Alaska's economy.

For both visitors and Alaskans, the sport of fishing is one of the most popular activities in the state. Last year, approximately 470,000 resident and non-resident licenses were issued for sport fishing.

Beyond the importance of commercial and sport fishing, salmon has been a nutritional source for generations of Alaskans and is a large part of the state's heritage. Rich in Omega 3 oils, salmon is a healthy food that can help lower cholesterol and reduce the risk of heart disease.

House Concurrent Resolution 25 would proclaim June 28 – July 4, 2004 as "Alaska Salmon Week". This proclamation will recognize the salmon industry as a huge part of all Alaskan's lives and raise public awareness of one of Alaska's most important industries by promoting and celebrating the catching and eating of salmon.



KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA • 99669-7599
BUSINESS (907) 262-4441 FAX (907)262-1892

**DALE BAGLEY
MAYOR**

VIA FAX: (907) 465-3835

January 27, 2004

Representative Kelly Wolf
State Capitol, Room 418
Juneau, Alaska 99801-1182

Dear Representative Wolf:

It is my understanding that you are proposing a resolution designating June 28 - July 4, 2004, as Alaska Wild Salmon Week. I would like to add my support.

Sincerely

A handwritten signature in cursive script that reads "Dale Bagley".

Dale Bagley
Kenai Peninsula Borough Mayor



KENAI PENINSULA BOROUGH

Community & Economic Development Division
43335 Kalifornsky Beach Road, Suite 16
Soldotna, Alaska 99669

BUSINESS: (907) 262-6355 FAX: (907) 262-6762
jbrown@borough.kenai.ak.us

DALE BAGLEY
MAYOR

January 28 2003

VIA FAX (907) 465-3835

Representative Kelly Wolf
State Capitol, Room 418
Juneau, Alaska 99801-1182

Dear Representative Wolf:

On behalf of the commercial fishing industry, we would like to thank you for your recognition and continued support.

The goal of Cook Inlet Salmon Brand is to revive and enhance the commercial fishing industry by establishing a quality certification program for Cook Inlet salmon and to promote that product to high-end niche markets. This program has received statewide and national recognition for its efforts to revitalize the commercial fishing industry.

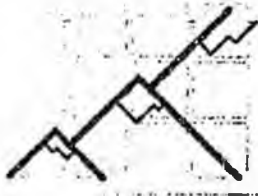
Your resolution, designating June 28 to July 4, 2004 as **Alaska Wild Salmon Week**, would definitely assist us and acknowledge the importance of our efforts. I wish to add my support of your resolution.

Please let me know if you have any questions.

Sincerely,

Jack Brown
Business Development Manager

/bun



Kenai Peninsula Small Business Development Center

Red Diamond Center
43335 K-Bench Road
Suite 16
Soldotna, Alaska 99669

SOLDOTNA (907) 262-7497
HOMER (907) 235-4121
SEWARD (907) 224-7228
FAX (907) 262-6762

January 29, 2003

VIA FAX (907) 465-3835

Representative Kelly Wolf
State Capitol, Room 418
Juneau, Alaska 99801-1182

Dear Representative Wolf:

The Small Business Development Center is very aware of the phenomenal effort put forth by our Alaska fishing industry to establish a quality certification program for Cook Inlet salmon, that would gain recognition through-out the United States and beyond our borders.

Your resolution, to designate June 28 to July 4, 2004 as **Alaska Wild Salmon Week**, would definitely assist and recognize the importance of their program goals. I wish to join in support of your resolution.

Please let me know if you have any questions.

Sincerely,

Mark Gregory
Director
Kenai Peninsula SBDC

/bun

SUBCENTERS

- Anchorage
- Fairbanks
- Juneau
- Kenai Peninsula
- Matanuska-Susitna
- Rural Outreach

PROGRAMS



A partnership program of
the US Small Business
Administration and the
University of Alaska

State Capitol
Juneau, Alaska 99801
907.465.3520 465.5400 FAX
www.lgov.state.ak.us



550 West 7th Ave, Suite 1700
Anchorage, Alaska 99501
907.269.7460 269.0263 FAX
Lt_Governor@gov.state.ak.us

Lieutenant Governor Loren Leman

January 28, 2004

Representative Kelly Wolf
State Capitol
Juneau, AK 99801

Dear Representative Wolf:

Re: HCR 25: Alaska Wild Salmon Week

Thank you for again sponsoring a resolution promoting and proclaiming Alaska Wild Salmon Week. I look forward to June 28-July 4, 2004 to do my part to participate in activities focused on the catching and eating of salmon.

The five species of wild Alaska salmon are recognized worldwide as a superior product that provides outstanding nutritional benefits. Our State is well recognized, by resident and tourist alike, for providing incredible opportunities to harvest and enjoy this fish.

Alaskans have historically harvested salmon for hundreds, perhaps thousands of years. The commercial salmon industry has developed and changed during the past century and still contributes greatly to our workforce and economy. Many people now also enjoy recreational harvesting of salmon.

As you know, my own family has been engaged in the harvesting, processing and consumption of salmon for several generations. I heartily endorse your resolution.

Sincerely,

A handwritten signature in cursive script that reads "Loren D. Leman".

Loren Leman
Lieutenant Governor



UNITED FISHERMEN OF ALASKA

January 27, 2004

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

Representative Kelly Wolf
State Capitol (MS 3100)
Juneau, AK 99801

Re: HCR 25, Relating to Alaska Wild Salmon Week June 28 – July 4, 2004

Dear Representative Wolf,

United Fishermen of Alaska wholeheartedly supports the designation of Alaska Wild Salmon Week for June 28 – July 4, 2004.

This designation will promote public awareness of the importance of salmon to Alaska's way of life and economy. Not only is salmon a mainstay of the state economy, exports of salmon help reduce the national trade balance of payments deficit.

We especially appreciate the inclusion of the term "wild". With the recent international and nationwide press concerning the PEW-funded study that shows generally higher toxins in farmed fish than in wild fish, including the word "wild" will help spread awareness of the distinction that Alaska salmon are wild, and safe to eat.

We also appreciate the good timing of the week you have chosen. This will give a good opportunity for promotions leading up to the biggest barbeque day of the year on the Independence Day holiday. In addition, it comes during the peak of the tourist season when visitors to Alaska from throughout the world will take notice.

We appreciate your efforts to raise public awareness of the importance of salmon.

Sincerely,

Mark D. Vinsel
Interim Executive Director

Copy: Representative Paul Seaton, Co-Chair, House Special Committee on Fisheries
Representative Peggy Wilson, Co-Chair, House Special Committee on Fisheries

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Dragger's Association • Alaska Longline Fishermen's Association • Alaska Trollers Association • Armstrong Keta • At-sea Processors Association
Bristol Bay Reserve • Chignik Regional Aquaculture Association • Chignik Selnors Association • Concerned Area "M" Fishermen • Cordova District Fishermen United
Crab Rationalization and Buyback Group • Douglas Island Pink and Chum • Groundfish Forum • Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association
Kodiak Selnors Association • North Pacific Fisheries Association • Northern Pacific Scallop Cooperative • Northern Southeast Regional Aquaculture Association
Old Harbor Fishermen's Association • Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owners Association
Seafood Producers Cooperative • Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Selnors Association • Southern Southeast Regional Aquaculture Association
United Catcher Boats • United Salmon Association • United Southeast Alaska Gillnetters • Valdez Fisheries Development Association • Western Gull of Alaska Fishermen



United Southeast Alaska Gillnetters

P.O. Box 23378, Ketchikan, AK 99901 (907) 247-2471 Fax (907) 225-0241 Email: usag@eci.net

January 28, 2004

The Honorable Kelly Wolf
House of Representatives
State Capitol – Room 418
Juneau, Alaska 99801

Send Via Fax To: 907-465-3835

Dear Representative Wolf;

The United Southeast Alaska Gillnetters Association (USA(G)) represents about 150 small business owners who catch salmon by drift gillnetting in Southeast Alaska and market salmon throughout the United States. Many of our members participate in other fisheries such as crab, shrimp, longline, and dive fisheries. We support HCR 25 that designates June 28, to July 4, 2004 as Alaska Wild Salmon Week. This is particularly important as it will draw public awareness to Alaska wild salmon during our July 4th Independence Day celebration when salmon barbeques are especially popular. We also hope it will increase all Alaskans awareness of the importance of our salmon industry to the states economy. We appreciate your efforts in introducing this resolution and supporting our salmon fishery.

If we can further assist in supporting this legislation, please do not hesitate to contact us.

Yours truly,

A handwritten signature in black ink, appearing to read "Kenneth Duckett".

Kenneth Duckett
Executive Director

KENAI WILD™

Cook Inlet Salmon Brand, Inc.

43335 Kalifornsky Beach Road Soldotna, AK 99669
Tel (907) 262-6355 Fax (907) 262-6762

January 29, 2004

VIA FAX (907) 465-3835Representative Kelly Wolf
State Capitol, Room 418
Juneau, Alaska 99801-1182

Dear Representative Wolf:

The goal of Cook Inlet Salmon Brand is to revive and enhance the commercial fishing industry by establishing a quality certification program for Cook Inlet salmon and to promote that product to high-end niche markets.

This program has received statewide and national recognition for its efforts to revitalize the commercial fishing industry. We welcome any assistance that would enhance our goals, and your resolution designating June 28 to July 4, 2004 as Alaska Wild Salmon Week, would be identified as such.

As President of the Cook Inlet Salmon Brand, Inc., I wish to add my support of your resolution.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Powell".

Mark Powell
President
Cook Inlet Salmon Brand, Inc.

/bun



Salamatof Seafoods Inc.

P.O. Box 1450
Kenai, Alaska 99611

(907) 283-7000
FAX (907) 283-8499


January 30, 2004

Dear Legislators:

As one of the processors of Alaska wild salmon we strongly support House Concurrent Resolution 25 designating June 28 – July 4, 2004 as Alaska Wild Salmon Week. This resolution will promote the value and marketing of the wild Alaska salmon, which is what, will help create a stable economic outlook for commercial fishing and the tourism industries. It is a pleasure to extend aid to help pass this resolution.

Thank you for your time and consideration in this worthy matter.

Sincerely,


Robert L. Scott, President
Salamatof Seafoods, Inc.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCR 25
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
 Title Relating to Alaska Wild Salmon RDU _____
Week Component _____
 Sponsor Representative Wolf _____
 Requester House Fisheries Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 Passage of this legislation would have no fiscal impact.

Prepared by: Sarah Gilbertson Phone 465-6137
 Division: Legislative Liaison Date/Time 1/28/04 1:11 PM
 Approved by: Commissioner Kevin Duffy Date 1/28/2004
 Agency: Alaska Department of Fish & Game

HCR

27



HOUSE CONCURRENT RESOLUTION NO. 27
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE WOLF

Introduced: 1/20/04
Referred: Resources

A RESOLUTION

1 **Relating to Take a Young Person Hunting Week.**

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

3 **WHEREAS** Alaska's abundance and variety of natural resources are unmatched in the
4 United States; and

5 **WHEREAS** many of our young people today lack the opportunity to go hunting; and

6 **WHEREAS** the age of the average hunter continues to rise, and we are experiencing
7 poor recruitment of young people into our hunting community; and

8 **WHEREAS** many of our young people lack an understanding of the importance of
9 hunting in wildlife conservation; and

10 **WHEREAS** ^{recognize that} ~~we have an obligation~~ to teach our young people about our hunting ^{is par}
11 heritage; and _{many}

12 **WHEREAS** many of our young people are receiving very negative messages about
13 the perceived evils of hunting and the dangers of using firearms; and

14 **WHEREAS** our young people need to be taught about gun safety, hunting skills, and
15 hunting ethics; and

16 **WHEREAS** our young people need to have opportunities to hunt under the guidance

1 and supervision of an experienced adult; and

2 **WHEREAS** experienced hunters need the opportunity to pass along revered traditions
3 and respect for the resources to future generations;

4 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the
5 Governor to proclaim the second week of September as Take a Young Person Hunting Week;
6 and be it

7 **FURTHER RESOLVED** that the Alaska State Legislature urges schools, community
8 groups, and other public and private agencies and individuals to encourage the observation of
9 Take a Young Person Hunting Week with appropriate activities that ensure the continuation
10 of hunting.

Alaska State Legislature

Session:
State Capitol Building, Room 418
Juneau, Alaska 99801-1182
Phone: (907) 465-2993
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Interim:
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Representative Kelly Wolf *House District 33*

Sponsor Statement

HCR 27 Relating to Take a Young Person Hunting Week

Hunting is part of our Alaskan lifestyle and heritage. It is important to pass this tradition on to our children. Hunting Education is essential for today's youth. They need to be knowledgeable of wildlife management, gun safety and hunting ethics.

Historically, Alaskans have lived off the land while learning to wisely manage our wildlife resources. The opportunity to influence our young people through one-on-one mentorship needs to be encouraged through resolutions such as "Take a Young Person Hunting Week."

This resolution recognizes the significance that mentorship has for young people. I believe we need to send a message that our constitutional rights are an important legacy that should be passed down to our youth.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

2/17/04

Representative Kelly Wolf
State Capital
Juneau, AK 99801-1182

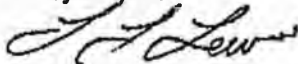
Dear Representative Wolf,

I am writing in support of your efforts to institute an annual "Take a Young Person Hunting Week" for the State of Alaska. Hunting is an important part of our Alaskan history and heritage and continues to be important to the lifestyle of many who live here. Although hunter numbers in Alaska (by license sales statistics) have slightly increased over the past three years, overall hunter numbers in the United States have declined. Currently, statistics based on license sales show that less than ten percent of our American population hunts. A large portion of our state's wildlife conservation funding comes through Pittman-Robertson Wildlife Restoration Act money. This money is collected through a Federal excise tax that hunters and shooters pay when they purchase firearms, ammunition and related equipment. As hunter numbers continue to decline, so will revenue for wildlife conservation. This does not bode well for the future of our hunting heritage or our public-trust wildlife resources.

I feel it is vitally important that we actively educate, recruit and mentor our kids in our hunting heritage. I am a volunteer hunter education and 4-H shooting sports instructor that believes it is better to hunt with your kids than to hunt for them. In 1998, the youth of Alaska voted in their mock election, "The Kid's Vote", to pass Ballot Initiative Nine. Ballot Initiative Nine would have disallowed the use of snares for the taking of wolves. It was because of that mock vote that I became aware of the turning tide of opinion among the majority of our youth regarding harvest as a wildlife management tool. To me, hunting and trapping are synonymous as they both involve harvest and consumptive use. Our Alaskan children need to be taught the importance of hunting and consumptive use as part of our heritage, traditions and lifestyle. We owe it to them to teach them the important role hunting plays in wildlife management. Only then can they make informed choices. Many other states encourage the mentoring and education of their youth through an annual event such as "Take a Young Person Hunting Week." I feel our children deserve the same.

As you probably already know, beginning in the year 2002, those born after January 1st, 1986 must possess Hunter Education certification to legally hunt in units 7, 13, 14, 15 and 20. I feel that a "Take a Young Person Hunting Week" would be a valuable tool that we as volunteer hunter education instructors could use to promote the Hunter Education program statewide. It would also show that our state recognizes the importance of hunting as part of our heritage and lifestyle regardless of race or zip-code. I appreciate your efforts to this end. Thank you.

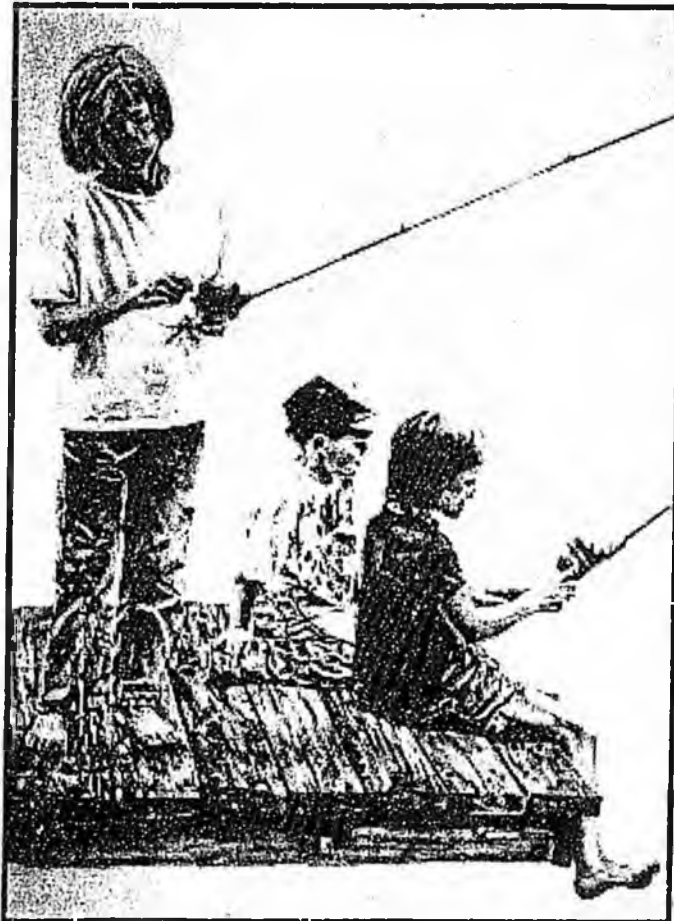
Larry L. Lewis



PO Box 403
Kasilof AK 99610
282-1370 Home
262-9368 Work

FACTORS RELATED TO HUNTING AND FISHING PARTICIPATION AMONG THE NATION'S YOUTH

PHASE V: FINAL REPORT



Peter Ring ©

CONDUCTED BY RESPONSIVE MANAGEMENT
HARRISONBURG, VIRGINIA
2003

PRODUCED UNDER A GRANT FROM THE UNITED STATES FISH
AND WILDLIFE SERVICE, DIVISION OF FEDERAL AID,
FEDERAL AID IN SPORT FISH AND WILDLIFE RESTORATION
GRANT AGREEMENT 91400-01-0010

FACTORS RELATED TO HUNTING AND FISHING PARTICIPATION AMONG THE NATION'S YOUTH

PHASE V: FINAL REPORT



Produced under Federal Aid in Sport Fish and Wildlife Restoration
Grant Agreement 91400-01-0010 (VA M-2-R FAIMS)

Responsive Management



Mark Damian Duda, Executive Director
Peter E. De Michele, Ph.D., Director of Research
Carol Zurawski, Research Associate
Martin Jones, Research Associate
Joy E. Yoder, Research Associate
William Testerman, Survey Center Manager
Alison Lanier, Business Manager
Steven J. Bissell, Ph.D., Qualitative Research Associate
Ping Wang, Ph.D., Quantitative Research Associate
James B. Herrick, Ph.D., Research Associate
Jennifer Marshall, Assistant Survey Center Manager

130 Franklin Street
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E-Mail: mark@responsivemanagement.com
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LaHart (1978), Baird and Tolman (1982), and Kress (1975) found that the strongest influence on children's knowledge of and attitudes toward wildlife was knowledge gained through direct contact with various animals, whereas indirect instruction was not as effective. LaHart (1978) found that participation in animal-related activities had the strongest association with knowledge levels in youth of any of the variables he had studied. A Responsive Management study (1999a) suggested that programs aimed at school children are more effective in imparting knowledge if the program includes "hands-on" activities.

One study suggested that a negative correlation between interest in wildlife and fear of animals shows the value of dispelling fears about wildlife before attempting to foster among children an interest in learning more about wildlife and wildlife-related activities (Westervelt and Llewellyn, 1985).

Attitudes Toward Hunting

- **A majority of youth approve of legal hunting (Figures 15 and 16).**

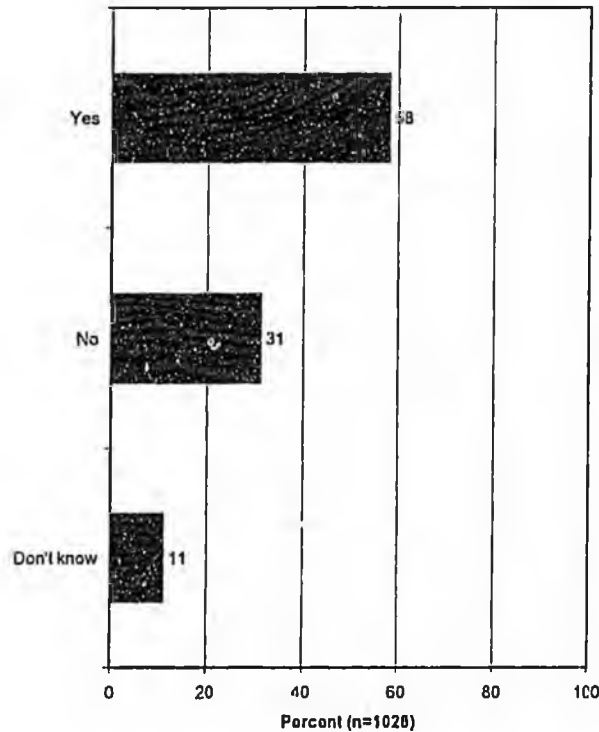
A majority of youth (58%) approve of legal hunting, while 33% disapprove (Figure 14) (Phase III). Additionally, a majority of youth (58%) think that people who hunt respect living things (Figure 15) (Phase III).

- **Slightly less than half of youth expressed some interest in going hunting, and one in five were very interested in going hunting (Figure 17).**

Forty-four percent of youth expressed some interest (19% very interested; 25% a little interested) in going hunting (Phase III). Youth who were very interested in going hunting were significantly more likely to have a family member who hunts ($z = 5.87$) (Phase IV). Additionally, youth who were very interested in going hunting were significantly more likely to have been fishing in the previous year ($z = 4.02$) (Phase IV). Those interested in going hunting were significantly more likely to live in a rural area ($z = 2.65$ for rural areas, and $z = 5.89$ for rural non-

Figure 16.

Q59. In general do you think that people who hunt respect living things?

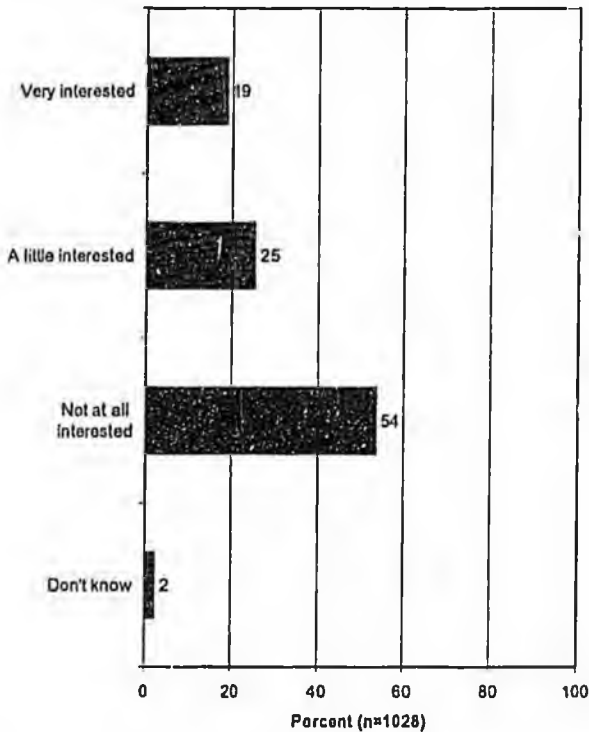


- Most youth hunters would like to hunt more than they currently do.

Among youth hunters (those who had hunted in the past year), a plurality (41%) said that they would like to hunt a lot more than they currently do. Twenty-eight percent of youth hunters said that they would like to hunt a little more than they currently do; 27% of youth hunters said they would like to hunt about the same amount. Only 4% of youth hunters said they would like to hunt less (Phase III).

Figure 17.

Q26. How Interested are you in going hunting?



- **A majority of youth hunters like hunting “a lot.”**

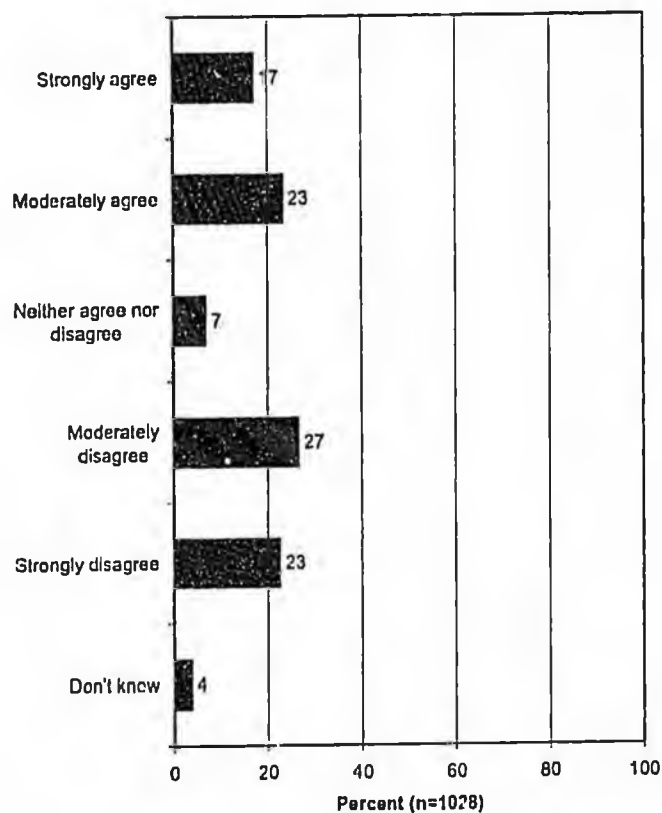
Among those who had hunted, a majority (56%) like hunting “a lot,” and 39% like hunting “a little,” while 5% indicated that they do not like hunting at all (Phase III).

- **Overwhelming majorities of youth think it is okay for girls and boys to hunt (Figure 18).**

Overwhelming majorities of youth think it is okay for girls to hunt (88%) and for boys to hunt (91%) (Phase III).

Figure 19.

Q58. Do you agree or disagree that hunting is a
safe recreational activity?



- A majority of youth think their peers think that hunting is a “little cool” or “very cool.”

A majority of youth (55%) said that kids their age think hunting is a “little cool”; otherwise, nearly equal percentages said kids their age think hunting is “very cool” (16%) or “not cool at all” (18%) (Phase II).

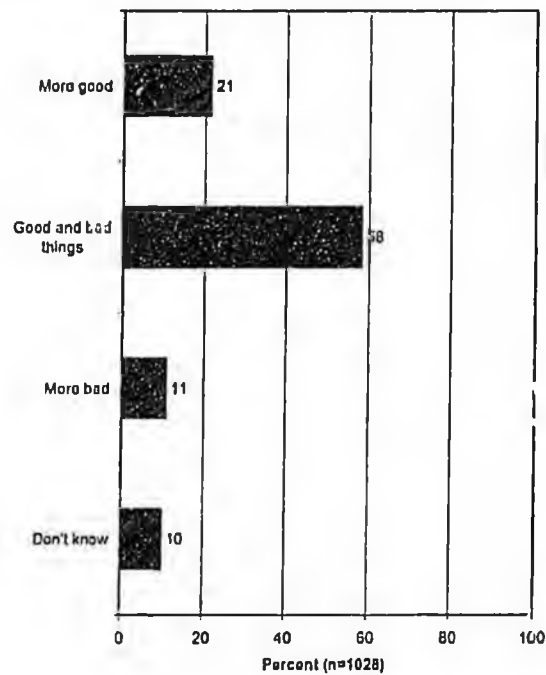
- Youth hear more good things than bad things about hunting (Figure 20).

The majority of youth (58%) said that they hear both good and bad things about hunting. Otherwise, roughly twice as many hear more good things (21%) than hear more bad things (11%) about hunting (Phase III).

- Very few youth are seeing or hearing information at school that helps them learn more about hunting or that increases their interest in going hunting. Slightly more, but still not a majority, are seeing or hearing information outside of school that helps them learn more about hunting or that increases their interest in going hunting.

Figure 20.

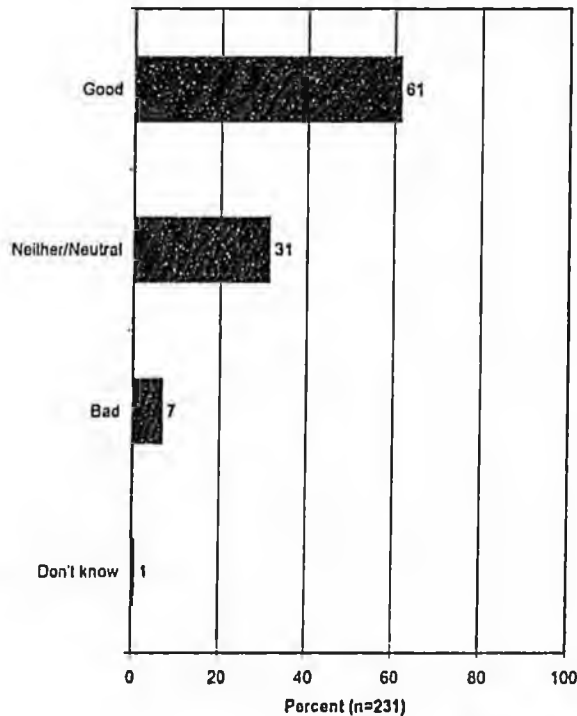
Q65. In general, do you hear more good things or bad things about hunting, or do you hear both good and bad things about hunting?



- A low percentage of youth (15%) had seen or heard information from teachers or adults at school that helped them learn more about hunting or that increased their interest in going hunting. A slightly higher percentage (34%) had seen or heard information outside of school that helped them learn more about hunting or that increased their interest in going hunting (Phase III).
- When youth do hear things about hunting at school, they are hearing good things, and their perceptions are that their teachers support hunting (Figures 21 and 22).

Figure 21

Q63. Did they say good things or bad things about hunting? (Asked of those who have had a teacher or guest speaker talk about hunting at school.)



Participation in Hunting

- Just under a quarter of youth in 2003 had gone hunting at some time in the past, while 15% of American youth had hunted in the previous year. Youth participation in hunting is positively related to being male, to having a family member who hunts, to having also been fishing, and to living in a rural area or spending time in rural areas.

Just under a quarter of youth (24%) had gone hunting at some time in the past, and 15% of youth had hunted in the previous year (Phase III).

Youth who had hunted *at some point in their life* were significantly more likely to have a family member who hunts ($z = 8.42$) (Phase IV). Also, participation in hunting is related to participation in fishing: youth who had been hunting were significantly more likely than youth who had not been hunting to have gone freshwater fishing ($z = 2.56$) or saltwater fishing ($z = 5.46$) and were more likely to have been fishing in the previous year ($z = 4.63$) (Phase IV). Youth who had been hunting at some time in their life were significantly more likely than were youth who had not been hunting to have lived on a farm ($z = 6.31$), to have lived in a rural area but not on a farm ($z = 3.98$), to have grown up on a farm ($z = 6.97$), to have grown up in a rural area but not on a farm ($z = 2.45$), and to have spent time away from the city ($z = 2.52$) (Phase IV). Finally, youth who had hunted at some time were significantly less likely than were youth who have never hunted to be African-American ($z = -2.32$) (Phase IV).

Youth who had gone hunting *in the previous year* were significantly more likely than were youth who had not hunted in the previous year to have gone freshwater fishing at some time in their life ($z = 2.42$) or saltwater fishing at some time in their life ($z = 3.92$) and were more likely to have fished in the previous year ($z = 4.71$) (Phase IV). There is also a relationship between rural areas and hunting: youth who had hunted in the previous year were significantly more likely than were youth who had not hunted in the previous year to live on a farm ($z = 4.57$), to have been raised on a farm ($z = 4.03$), to live in a rural area but not on a

farm ($z = 2.96$), to have been raised in a rural area but not on a farm ($z = 2.85$), and to indicate that they spend time away from the city ($z = 2.36$) (Phase IV). Youth who had hunted in the previous year were more likely than were youth who had not hunted in the previous year to be male ($z = 4.65$) (Phase IV). Also, youth who had hunted in the previous year were positively correlated with youth who said that their family was "very close" ($z = 2.15$) (Phase IV).

Another correlation was found between participation in hunting and reasons for *fishing*: youth who had hunted at some time in the past were more likely to say they *fish* to eat fish ($z = 3.05$) or they *fish* for the challenge ($z = 4.94$) (Phase IV).

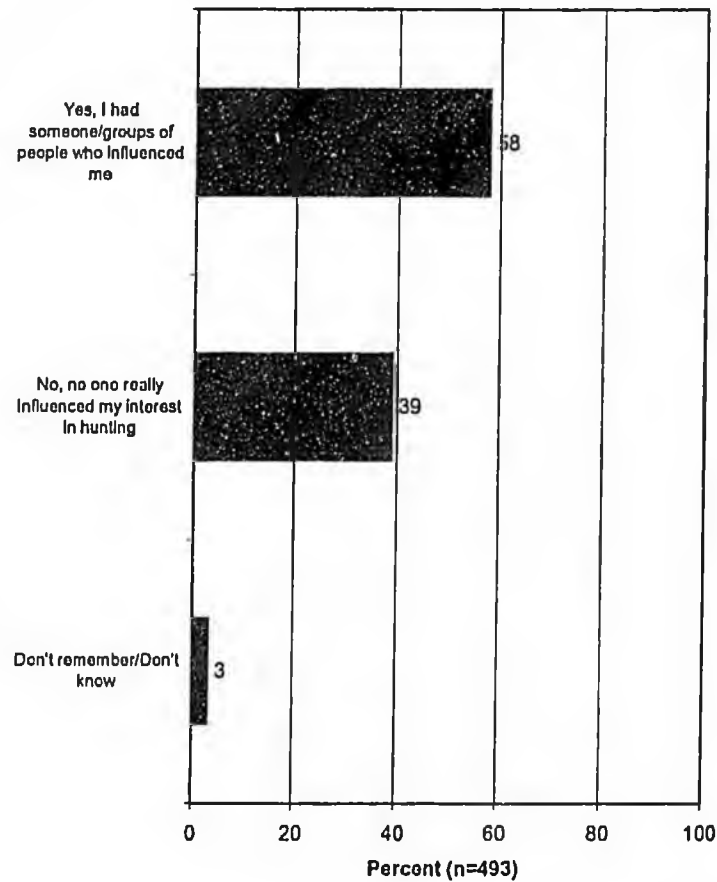
- The mean number of times that youth hunters went hunting in the past year was 8.8 times (Phase III).
- The mean age at which youth hunters had started hunting was 10 years (Phase III).
- Youth hunters typically had a mentor who had a positive influence on their interest and/or participation in hunting, and most often that mentor was their father or, to a lesser extent, another male family member (Figures 31, 32, and 33).

Of those who had gone hunting at some time in the past, a majority (58%) indicated that a person or a group of people had had a positive influence on their interest or participation in hunting (Figure 31) (Phase III). Additionally, youth who had hunted in the previous year were positively correlated with youth who indicated that someone or some group had influenced them in their interest and participation in hunting ($z = 2.29$) (Phase IV).

A little more than half of youth (52%) had a family member who hunts, typically a male—a father, uncle, or grandfather. These three family members also are the most likely to have taught a youth to hunt: 72% of youth who had been hunting said their

Figure 31.

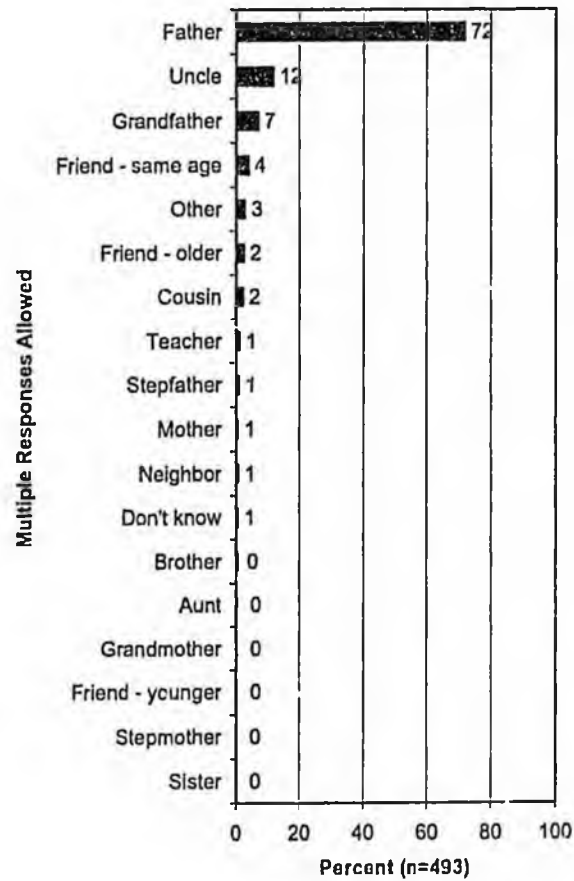
Q122. Did anybody or any groups of people have a positive influence on your interest or participation level in hunting today? (Asked of those who have gone hunting.)



father taught them, 12% said an uncle, and 7% said a grandfather (Figure 32). Youth who had been hunting most commonly hunt with their father (65%), uncle (12%), or friend of the same age (9%) (Figure 33) (Phase III).

Figure 32.

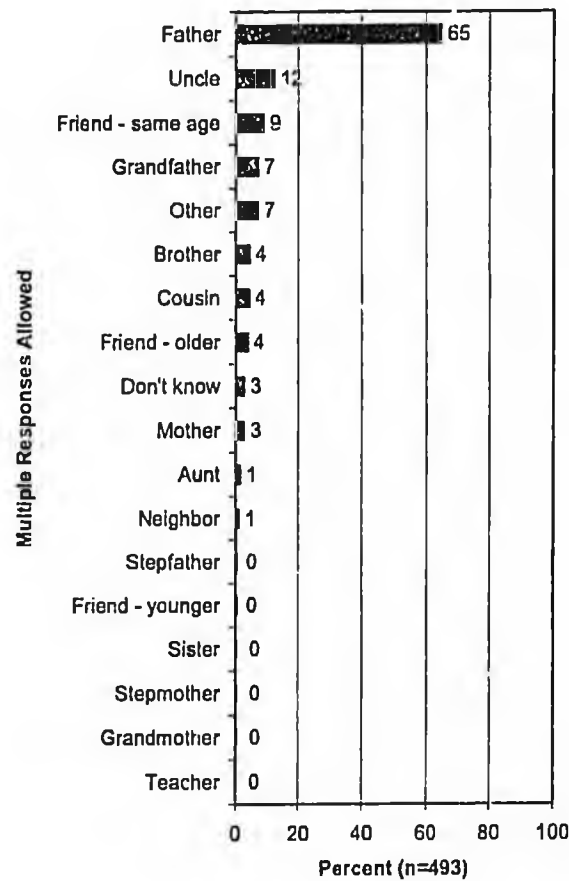
Q115. Who first taught you how to hunt? (Asked of those who have gone hunting.)



Youth who were very interested in going hunting were significantly more likely to have a family member who hunts ($z = 5.87$) (Phase IV). Put another way, hunters come from hunting families.

Figure 33.

Q118. Whom do you usually hunt with now? (Asked of those who have gone hunting.)

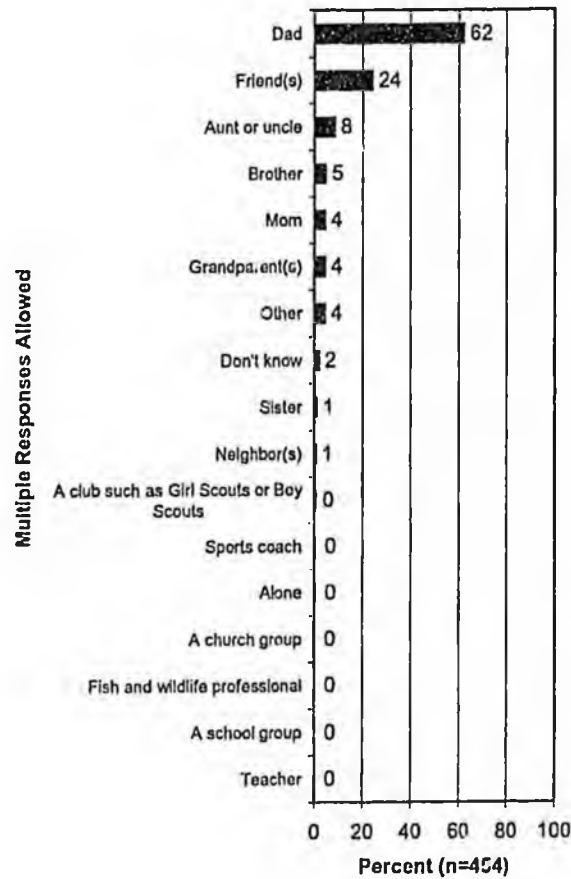


- A majority of youth who expressed an interest in hunting want to hunt with their father (Figure 34).

Youth who expressed interest in hunting most commonly wanted to hunt with their father (62%), distantly followed by a friend (24%) (Phase II).

Figure 34.

Q28. Of all the people you could hunt with, whom would you most like to go hunting with? (Asked of those who were interested in going hunting.)



- The top reasons that would encourage youth to go hunting or to hunt more were being asked by another person, such as his/her father, another family member, or a friend (Figure 35).

The top three reasons that would encourage youth to go hunting or to hunt more pertained to being asked by somebody else: a father (56%), another family member (50%), or a friend (49%). The next items pertained to having knowledge or skills: youth would want to hunt more if they could learn more at a hunter education class (42%) and if they had better hunting/shooting skills (38%) (Phase III).

Figure 35.

Q67 & 68. I'm going to read a list of things that
might make you want to go hunting or hunt more.
Would it make you want to go hunting or
hunt more if...?

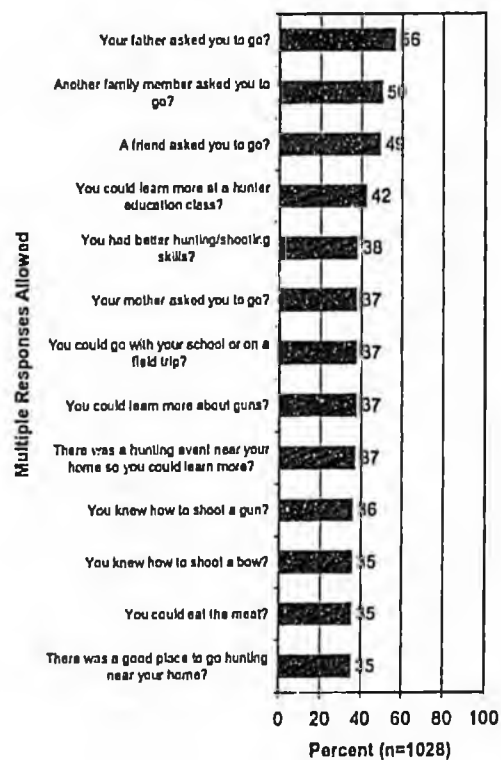
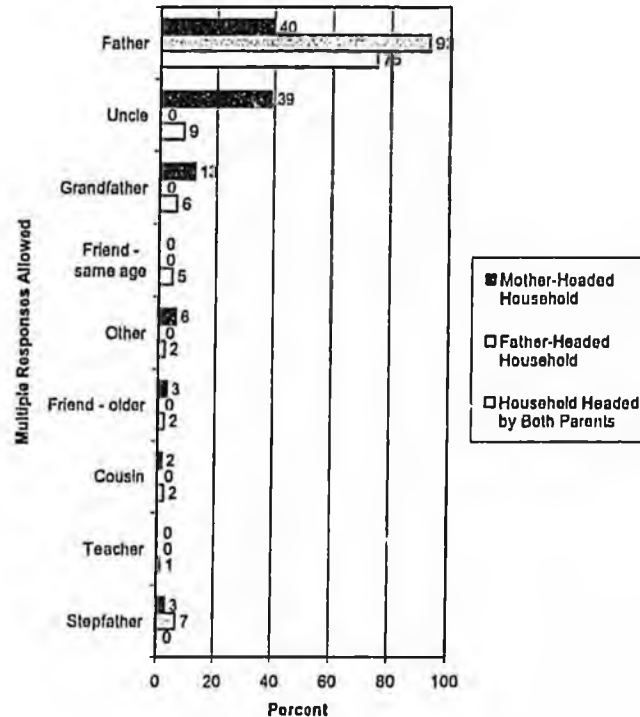


Figure 36.

Q115. Who first taught you how to hunt? (Asked of those who have gone hunting.) By type of household.

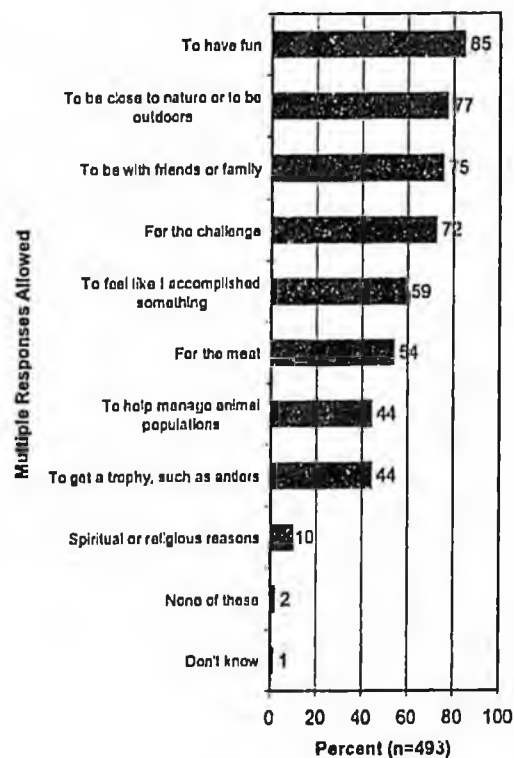


- Youth hunt most commonly to have fun, to be close to nature/outdoors, to be with friends or family, and for the challenge (Figure 37).

The top reasons that youth (those who had gone hunting sometime in the past) gave for hunting were to have fun (85%), to be close to nature/outdoors (77%), to be with friends or family (75%), and for the challenge (72%) (Phase III). When asked about the single most important reason why they go hunting (asked of youth who had hunted), youth most commonly said to have fun (34%) and to be with friends or family (30%) (Phase III).

Figure 37.

Q127. Thinking about the reasons that you go hunting, please tell me if each of the following reasons is a reason that you, personally, go hunting. (Asked of those who have gone hunting.)

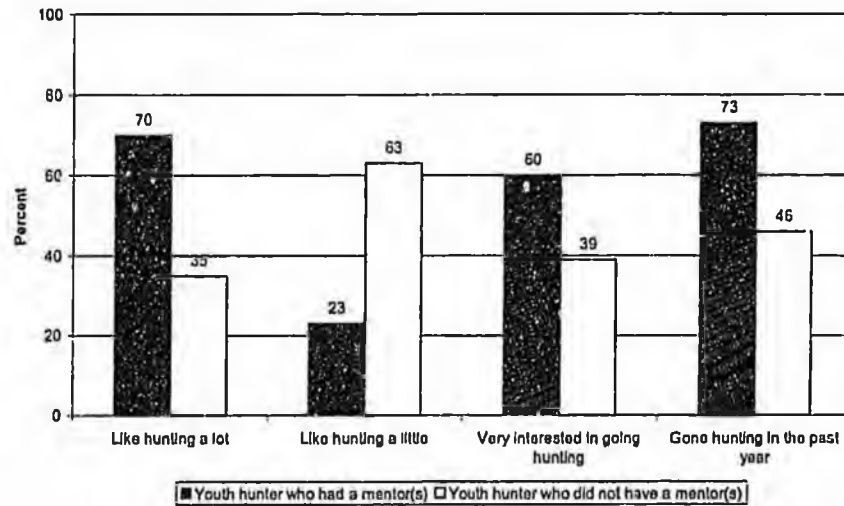


- Slightly more than half of youth had a friend who hunts, and having a friend who hunts appears to increase the likelihood that the youth will want to hunt.

Slightly more than half of youth (56%) had a friend who hunts (Phase III). Having a friend who hunts appears to increase the likelihood that the youth will show interest in hunting: 42% of youth said that they would be more likely to go hunting if a friend hunted too (Phase III).

Figure 51.

Youth hunters and the impact of mentors on their hunting participation.



Mentoring is a challenging task. It requires a knowledgeable mentor who is willing to take a great deal of time, commitment, and personal sacrifice to bring/accompany a youth in the sport. It would appear that there are many youth who are interested in hunting who do not participate. Some of those youth come from families that have members who participate in hunting.

Research conducted by Responsive Management has indicated that sportsmen/sportswomen think that bringing new participants into their sport is important, but that the process takes away from their own enjoyment. Supervising a new participant often means less personal time to participate and relax. This same research seems to indicate that the personal cost of introducing a new person to the sport is reasonably high, but, despite that, most sportsmen/sportswomen are willing to entertain the idea of mentoring a new participant (Responsive Management, 2002b).

Somehow those potential mentors need to be reached and encouraged to bring along children from immediate and/or extended families to teach them and encourage them in the sport.

Hunting Retention and Desertion

- Because it is easier to foster hunting participation among those who have been exposed to a hunting culture and have already had some experience with hunting, successful retention programs may have a more substantial positive effect on the absolute numbers of hunters than recruitment programs.
- Traditional management programs, such as "harvest," "wildlife management," and "trophy hunting," are not as important to youths' satisfaction with hunting as are social and other factors, such as being with friends and family or having fun. Therefore, it would appear that youth hunting programs that focus on these more traditional management objectives exclusively will not be as successful as programs that emphasize fun and family aspects first and more traditional management goals as ancillary objectives.

Hunting retention is positively correlated with hunting satisfaction, and satisfaction with hunting among youth is not primarily addressed by traditional management programs, such as "harvest," "wildlife management," and "trophy hunting." These traditional management programs are not highly integral to youths' interest in hunting and, more importantly, are not primarily responsible for youths' hunting satisfaction. Instead, the social aspects of hunting—being with friends and family and having fun—are more important to youth. It would appear that youth hunting programs that focus on these more traditional management objectives *exclusively* will not be as successful as programs that emphasize social aspects of hunting. It is important that efforts to make hunting fun should not be lost among other strategies to increase hunting participation.

- Overall, youth hunting will remain preponderantly an activity of youth with their adult male family members. Youth hunting initiation and retention programs must recognize and incorporate this fact into their program design if they are to achieve significant long-term sustainable retention goals.

• One element of retaining youth hunters is for them to learn skills, as many youth indicated that their lack of skill was a detraction from their hunting satisfaction.

HCR

28

ALASKA STATE LEGISLATURE

Chair
FISHERIES

Vice-Chair
EDUCATION

Member
HEALTH, EDUCATION AND SOCIAL SERVICES

Member
STATE AFFAIRS



REPRESENTATIVE PAUL SEATON
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Sponsor Statement

HOUSE CONCURRENT RESOLUTION NO. 28

“Relating to the socioeconomic impacts of salmon harvesting cooperatives.”

The purpose of this resolution is to request the University of Alaska to further study the broader socioeconomic effects of allocative salmon harvesting cooperatives.

In early 2002, the Alaska Board of Fisheries passed regulations that provided a means for the Commercial Fisheries Entry Commission (CFEC) permit holders in the Chignik salmon purse seine fishery to form a harvesting cooperative. 77% of the Chignik permit holders then formed the harvesting cooperative that has operated for the past two years.

The formation of the Chignik harvesting cooperative represents a clear departure from the current structure and management of Alaska's salmon industry. For the first time, limited entry permit holders were allocated a percentage of a fisheries total allowable catch. Everywhere else in the state, limited entry permits only authorize the ability to competitively fish for a part of the total allowable catch.

Chignik is, in many respects, the ideal place to conduct this structural experiment. It is isolated from other fisheries, has only one hundred permit holders with only one gear class, and has relatively simple biological and management conditions. Yet, this isolated coastal community and the salmon cooperative have become the center of a statewide controversy.



FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HCR28
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
Title Relating to the socioeconomic impacts of BRU Legislative Council
salmon harvesting cooperatives. Component: Council and Subcommittees
Sponsor "Representative Seaton by request..." Session Expenses
Requestor House Spec. Comm on Econ Dev, Internat.. Component No. 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director
Division: Administrative Services
Approved by: Pamela Varni, Executive Director
Agency: Legislative Affairs Agency

Phone: 465-6626
Date/Time: 2/13/04 2:27 PM
Date: 2/13/2004

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCR28
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: University of Alaska
 Title Studies of Salmon Harvesting Cooper: RDU _____
 Component _____
 Sponsor Representative Seatom
 Requester Salmon Industry Task Forc Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	100.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	100.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	100.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	100.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This is the estimated cost of completing the socioeconomic study of the effects of salmon harvesting cooperatives on commercial fishermen, processors, Alaska fishing communities and the State of Alaska.

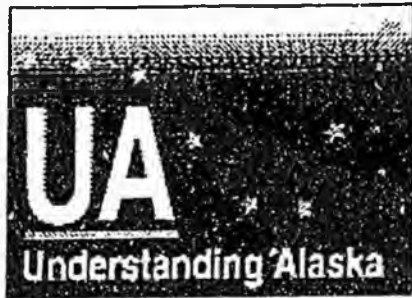
Prepared by: Paul Jenny
 Division: University of Alaska
 Approved by: Paul Jenny
 Agency: University of Alaska

Phone _____
 Date/Time 2/17/04 9:43 AM
 Date 2/17/2004

Proponents of the cooperative point toward the benefits of efficiency, decreased costs, and improved quality. Opponents argue that harvesting cooperatives unfairly disadvantage processors, allow non-participants to benefit from the fishery, decrease the number of jobs in the industry, and decrease the number of dollars circulating through communities.

As the Joint Legislative Salmon Industry Task Force (JLSITF) considered these opposing viewpoints, and considered potential legislation to address policy issues, it became clear that there was very little definitive information on the broader social and economic effects of harvesting cooperatives. The JLSITF did not forward any bills to the Legislature related to harvesting cooperatives, but did form a sub-committee on the issue and also supported this resolution requesting the University of Alaska to research this complicated question.

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ARE
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ORIGINAL
COPIES



Effects of the Chignik Salmon Cooperative: What the Permit Holders Say

June 2003
 UA Research Summary No 1.
 Institute of Social and Economic Research • University of Alaska Anchorage

By Gunnar Knapp
 and Lexi Hill

Three quarters of the permit holders fishing for salmon in Chignik are in their second season of an experiment: fishing cooperatively. By reducing the number of fishing boats, they hope to cut costs, improve quality, and keep their fishery profitable at a time when much of the Alaska salmon industry is in trouble.

Figure 1 summarizes how the Chignik fishery was structured in 2002. The Alaska Board of Fisheries gave the 100 permit holders the option of joining a co-op or fishing independently; 77 permit holders joined and 23 didn't. The Board allocated 69 percent of the catch to the co-op and 31 percent to independent permit holders, who fished in separate openings. The co-op paid 22 members to catch its allocation, and shared the remaining catch value with all of the co-op members, including those who didn't fish.

ISER is studying the effects of the Chignik co-op as part of our "Understanding Alaska" research on Alaska's salmon industry. As part of that study, in late 2002 we surveyed Chignik permit holders. As shown in Figure 2, most of those who joined the co-op said they were better off financially as a result of the management change, and almost all those who didn't join said they were worse off.

AN IMPORTANT EXPERIMENT

The value to fishermen of the 2002 Alaska salmon harvest was \$141 million—less than one-third of the \$481 million average value of catches in the first half of the 1990s. Many factors contributed to this decline, including not only competition from farmed

salmon, but also lower sockeye salmon harvests, changes in consumer demand, and a worldwide economic slowdown.

These changes have created discussions throughout the salmon industry—among fishermen, processors, fishery managers, and government officials—about how to restore profitability to the salmon industry. Part of the discussion has been about options for "restructuring" the management of salmon fisheries to lower costs, increase value, or steer more of the benefits to Alaskans and their communities.

Several federally-managed fisheries, including halibut and Bering Sea pollock, have seen dramatic restructuring in recent years. But in Alaska's salmon fisheries, the Chignik cooperative is the first significant experiment in restructuring. Within the industry, many people are interested in learning how the co-op has worked, and whether it could be a model for changes in other salmon fisheries.

Figure 1. Chignik Purse Seine Permit Holders in 2002
 (100 Permit Holders)

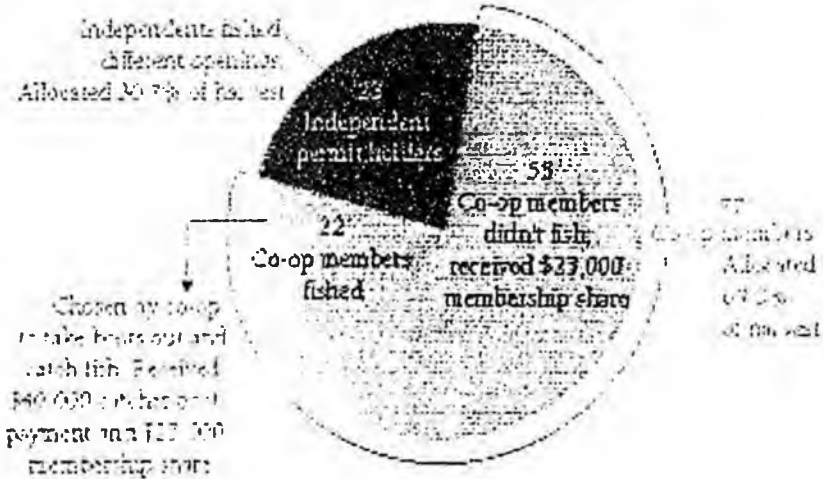
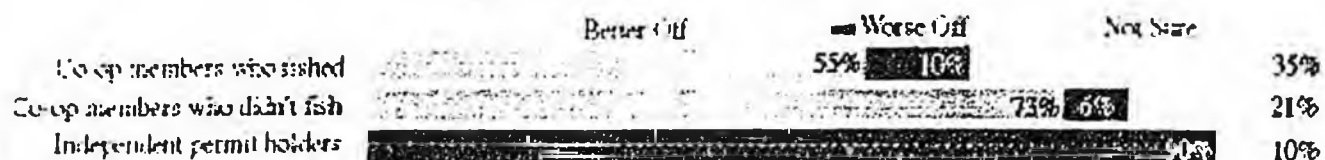


Figure 2. How Did Having a Co-op in 2002 Affect You Financially?



Understanding Alaska (UA) is a special series of ISER research studies examining Alaska economic development issues. The studies are funded by the University of Alaska Foundation. This is the first in a series of summaries reporting UA findings. Full reports and other UA products are on the project Web site—www.alaskanconomy.uaa.alaska.edu

Table 1. Number of Survey Responses

	Independent Permit Holders	Co-op Members Who Fished*	Co-op Members Who Didn't Fish
Number of permit holders	23	22	55
Number of responses received	20	21	48
Response rate (%)	87%	95%	87%

*Based on permit holders' responses about whether they had fished for the co-op.

ESTABLISHMENT OF THE CO-OP

In Chignik, as in many other Alaska salmon fisheries, there are more limited entry permits and boats than are needed to catch the fish. When prices and catch values were high permit holders had little interest in reducing the number of boats. But as sockeye prices and fishing profits declined during the 1990s, many Chignik permit holders argued they should pool their fishing effort to cut costs.

Not all Chignik permit holders wanted a co-op. Because some permit holders regularly catch more fish than others (the 13 highest-earning Chignik permit holders have typically caught three times as much fish per boat as the 40 lowest-earning permit holders), it was difficult to come up with a way of sharing costs and profits that would satisfy everyone. And some permit holders simply preferred to keep fishing the way they had been.

To make a co-op possible, supporters asked the Alaska Board of Fisheries to give separate allocations—to be fished at different times—to those permit holders who wished to form a co-op and to those who wished to fish independently. In January 2002 the board adopted regulations providing for a co-op to receive 0.9% of the total salmon harvest for each permit holder who joined.

1) The new Chignik regulations represent two significant innovations in Alaska salmon management, both of which have been intensely debated by Chignik permit holders and others in the industry. One innovation is having separate allocations and fishing times for different groups of permit holders who choose to fish in different ways—which has led to debate over whether the allocation between the groups is appropriate and fair.

2) The other innovation is fishing cooperatively: reducing costs by fishing fewer boats—which has led to debate over how to share costs and profits among those co-op members

who fish and those who don't. A fundamental issue is whether it is appropriate for individuals who don't fish—but who have invested in permits and are foregoing their right to fish those permits—to share in the benefits of Alaska salmon fisheries.

ISER'S SURVEY

To learn more about how permit holders felt about the changes in the Chignik salmon fishery, ISER surveyed Chignik permit holders in late 2002. The high response rate—89 of the 100 permit holders answered our survey questions—gives us confidence that the survey results reflect the views of Chignik permit holders in general. In the figures showing survey results, the percentages are of those who answered the question; some respondents didn't answer some questions. A copy of the full report, including permit holders' detailed comments about the co-op, are on ISER's Understanding Alaska project Web site at www.alaskaneconomy.uaa.alaska.edu.

VIEW OF MANAGEMENT CHANGES

Co-op members and independent fishermen had almost directly opposite views of the management changes that made the co-op possible, as Figure 4 shows.

- Almost all the co-op members—95 percent of those who fished and 86 percent of those who didn't—felt very or somewhat positive about the management changes.
- About 83 percent of independent fishermen felt very or somewhat negative about the management changes
- Only about 5 percent of the co-op members who fished, 14 percent of co-op members who didn't fish, and 17 percent of independents had mixed feelings.

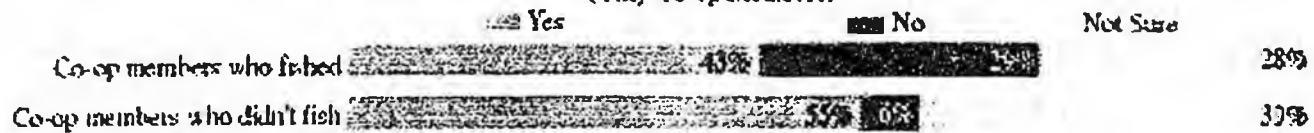
Figure 3. How Do You Feel About The Management Changes in 2002?



Figure 4. Was The Co-op Managed Well?
(Only Co-op Members)



Figure 5. Were the Boats That Fished For The Co-op Paid Fairly?
(Only Co-op Members)



QUALITY OF CO-OP MANAGEMENT

As Figure 4 shows, most of the co-op members thought the co-op was managed well in its first year. About 76 percent of the co-op members who fished and 85 percent of the members who didn't fish thought the co-op was managed well.

PAYMENT FOR FISHING

An issue for co-op members was the size of the additional payment for those who fished. As Figure 5 shows, permit holders who fished for the co-op were far more likely to say they weren't paid fairly. Several who wrote comments on the survey said that the payment wasn't enough to cover their crew costs or wear and tear on their boats.

ENJOYMENT OF FISHING

Most commercial fishermen say they think of fishing not just as a way to earn a dollar but also as a way of life they enjoy. So we asked Chignik permit holders—both the co-op members and the independents—how the establishment of the cooperative had affected their enjoyment of fishing (Figure 6).

- Half the co-op members who did fish said they enjoyed the more relaxed, less competitive atmosphere with fewer boats in the water. But nearly one quarter said they didn't enjoy it as much, and another one quarter weren't sure.

- Over 60 percent of the co-op members who didn't fish said they missed it. Still, almost 30 percent said they didn't.
- Among independent permit holders, 55 percent said the cooperative had reduced their enjoyment of fishing. But most of the rest said they still enjoyed fishing just as much.

OTHER EFFECTS OF THE CO-OP

Co-op members who fished:

- 100 percent thought the quality of the fish was better because of how the co-op fished.
- 95 percent thought the co-op did a good job marketing the fish.

Co-op members who didn't fish:

- 82 percent said that they would have fished if there hadn't been a co-op.
- 67 percent said that not fishing allowed them to earn money from other work.
- 89 percent thought the co-op did a good job marketing the fish.
- 33 percent said they would have hired Chignik-area residents as crew if there hadn't been a co-op.

Independent permit holders:

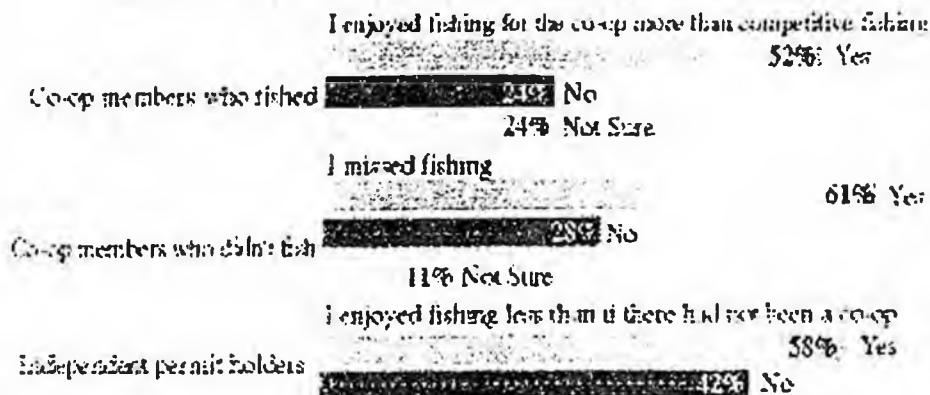
- 80 percent said they caught less fish this year than they would have caught if there had not been a co-op.

- 50 percent thought they had more trouble finding and keeping crew than if there had not been a co-op.

- 32 percent reported missing one or more days of fishing due to breakdowns. (With fewer fishing days, missing a day of fishing mattered more than in earlier years.)

Many permit holders also wrote detailed comments explaining their answers and describing effects of the co-op that they liked or did not like.

Figure 6. How The Co-op Affected Enjoyment of Fishing



SUMMARY

The majority of Chignik permit holders—most of those who joined the co-op—clearly thought it was a success in its first year. They thought they were better off financially because of the co-op. They thought the co-op was managed well, improved fish quality, and did a good job marketing the fish. But a significant minority of Chignik permit holders—including almost all of those who did not join the co-op—had negative feelings about the co-op, and felt they were worse off financially because of the co-op.

The co-op affected not just the permit holders whom we surveyed but everyone involved in the Chignik fishery. The Alaska Department of Fish and Game faced the new task of allocating fish to separate co-op and independent fleets, but could work with the co-op to control daily salmon catches more precisely. Some Chignik salmon processors and tender operators were not able to do business with the co-op (which controlled more than two-thirds of the harvest) and felt very negatively affected.

How relevant is the Chignik co-op to other Alaska salmon fisheries? Organizing a co-op was probably easier in Chignik than it would be in most other areas. All Chignik sockeye salmon return to a single river, making it easier for a smaller fleet to catch the fish, and to allocate fish among different groups. Chignik also has a relatively small number of permit holders, many of whom know each other well. (As shown in Figure 7, more than two-thirds of both co-op members and independent fishermen said they were current or former year-round residents of the Chignik area.)

The experience of the first year of the Chignik co-op suggests that it is possible to restructure Alaska salmon fisheries in ways that reduce costs, improve quality, and make most permit holders better off financially. But restructuring is likely to be difficult and controversial. Change will not come easily.

OTHER "UNDERSTANDING ALASKA" SALMON STUDIES

As world markets change and Alaska's population grows, Alaskans face new challenges in managing our natural resources and balancing between different economic opportunities and the needs and goals of different user groups. We face similar issues and opportunities in managing our salmon resources as we do for many other Alaska resources. To understand these better, ISER is planning several other studies of Alaska salmon management as part of our "Understanding Alaska" project.

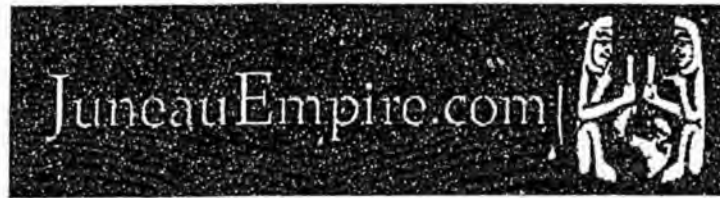
One study will review options for restructuring Alaska's commercial salmon fisheries—not only co-ops but other potential approaches for increasing the economic benefits to Alaskans from our commercial salmon fisheries.

Another study will examine the allocation of Alaska's salmon resources between commercial, sport and subsistence users—including biological, economic, social, political, and legal considerations—and potential new approaches for thinking about allocation and balancing between different resource uses.

For more information about these and other studies visit ISER's Understanding Alaska project Web site—www.alaskanconomy.uaa.alaska.edu.

Figure 7. What Share of Permit Holders are Current or Former Year-Round Chignik Residents?





[Click here to return to the original story](#)

Judge finds Chignik salmon co-op legal

Tuesday, October 1, 2002

THE ASSOCIATED PRESS

ANCHORAGE - A Juneau judge on Monday ruled in favor of the Alaska Board of Fisheries in a lawsuit challenging the legality of a commercial salmon fishery cooperative at Chignik.

Dissident independent fishermen who sued earlier this year, claiming the fish board overstepped its authority, may appeal.

Salmon fishermen formed the cooperative over the summer to save expenses and share profits by designating some members to fish in waters off the Alaska Peninsula on behalf of the entire group.

"We're thrilled," said Jamie Ross, a fishermen and co-op organizer. "We're not just happy for us. We're happy for all of Alaska."

The Chignik co-op was viewed by many people in Alaska's beleaguered commercial salmon industry as an important experiment to cut costs and help Alaska's wild salmon compete on price and quality against fierce competition from foreign salmon farms. Observers said such co-ops might be tried in other troubled Alaska salmon fisheries.

Normally, Alaska's salmon fishermen race one another for fish. In Chignik, however, 77 of about 100 Chignik seiners parked most of their boats, catching the fish with a much smaller fleet.

They shared expenses and every co-op member received at least \$20,000, regardless of whether they caught any fish.

Two fishermen who elected not to join the co-op, Dean Anderson and Michael Grunert, sued the board, saying the plan unfairly allocated most of the fish to the co-op. They questioned whether the allocation violated the "common use" and "equal treatment" clauses of the state constitution's natural resources article.

Superior Court Judge Patricia Collins ruled the co-op does not violate the constitution and that each Chignik fishermen has the same chance to either join the co-op or remain independent. She also ruled the board had the authority to pass the co-op regulation in January.

"That's exciting, good news," said Board of Fisheries member John White of Bethel. If the judge had ruled against the board, it would have "stifled our room to move" to help the commercial salmon industry, he said.

"I'm excited that hopefully some innovative thinking to move us as a salmon industry out of this morass is going to find a little clear sailing," he said.

Heather McCarty, who represents the independent fishermen, said she was "really disappointed and surprised" by the ruling. She said no decision on an appeal had been made.

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UNITED FISHERMEN OF ALASKA

February 11, 2004

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

Representative Cheryll Heinze, Chair
House Special Committee on Economic Development, International Trade and Tourism
State Capitol (Mail stop 3100)
Juneau, AK 99801

Dear Representative Heinze,

United Fishermen of Alaska supports HCR 28 relating to socio-economic impacts of Salmon harvesting cooperatives. UFA has discussed the matter of salmon harvesting cooperatives in many fisheries in the State of Alaska. Harvesting cooperatives represent a significant policy change and have the potential to change the complex longstanding structure of fisheries and communities.

UFA believes there are few places where cooperatives can be established due to local differences in fisheries and factors such as geography, infrastructure, number of latent and fished permits, and the local economy. The existing harvesting cooperative in Chignik is a unique situation, and the results of a study based on this cooperative may result in findings specific to the local situation. UFA appreciates that HCR 28 calls for a study on cooperatives. We request that the study look beyond the existing Chignik cooperative, and offers that the Legislature may also want to include in the resolution that a study be performed before new salmon harvesting cooperatives are considered in different areas.

United Fishermen of Alaska represents 33 Alaska Commercial fishing organizations and hundreds of individual fishermen and fishing related businesses, altogether representing over 10,000 Alaska fishermen. We support HB 415 and thank you for your attention to this matter.

Sincerely,

Robert Thorstenson, Jr.
President

CC: Representative Paul Seaton

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Druggers Association • Alaska Longline Fisherman's Association • Alaska Trollers Association • Armstrong Keta • At-sea Processors Association
Bristol Bay Reserve • Chignik Regional Aquaculture Association • Chignik Seiners Association • Concerned Area "M" Fishermen • Cordova District Fishermen United
Crab Rationalization and Buyback Group • Douglas Island Pink and Chum • Groundfish Forum • Koni Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association
Kodiak Seiners Association • North Pacific Fisheries Association • Northern Pacific Scallop Cooperative • Northern Southeast Regional Aquaculture Association
Old Harbor Fishermen's Association • Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owners Association
Seafood Producers Cooperative • Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
United Catcher Boats • United Salmon Association • United Southeast Alaska Gillnetters • Valdez Fisheries Development Association • Western Gulf of Alaska Fishermen

HJR

6

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FOLLOWING
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ALASKA STATE LEGISLATURE

Rep. Vic Kohring, Chair
Rep. Mike Chenault, Vice-Chair
Rep. Hugh "Bud" Fate
Rep. Lesil McGuire
Rep. Norm Rokeberg
Rep. Harry Crawford
Rep. Beth Kerttula



Alaska State Capitol
Juneau, Alaska 99801-1182
(907) 465-2283
Fax (907) 465-3818
Ben_Grenn@legis.state.ak.us

HOUSE SPECIAL COMMITTEE ON OIL & GAS

SPONSOR STATEMENT

HJR 6

Expanding Alaska's resource-based industries remains imperative if we wish to increase the State's economic base. Although other sectors of the economy may provide jobs, they more than likely would not be able to support the financial infrastructure of state government to the extent that natural resource development does, especially the oil and gas industry.

Most reliable indicators show Alaska's North Slope oil is in decline. Geologists have said that one of the best prospects for new discoveries lies within the 1002 section of the Arctic National Refuge, which has been set aside by Congress for potential exploration and development. It seems that a prudent course of action would be to open this area of the Arctic Coastal Plain so that Alaskans may reap the economic benefits therein.

The idea behind House Joint Resolution 6 is not new. An ANWR Resolution has been introduced on numerous occasions in the past and has always enjoyed overwhelming support of the Governor and Legislature as well as the general public. Alaska's chances of moving ahead on this vital project have been greatly increased now that George W. Bush is President. We need to take advantage of this opportunity and once again send our message to the nation's Capitol.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HJR 6
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title: Endorsing ANWR Leasing BRU: Administration and Support
Component: Office of the Commissioner
Sponsor: House Oil and Gas Committee
Requester: House Oil and Gas Committee Component No.: 123

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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 EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Pari-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

There is no reliable estimate of future potential state revenues from oil and gas exploration in ANWR if this resolution is successful, other than to say the revenues could be substantial.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469
Division: Department of Revenue Date/Time: 1/29/03 10:32 AM
Approved by: Larry Persily, Deputy Commissioner Date: 1/29/2003
Agency: Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HJR6
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
Title: Endorsing ANWR Leasing ERU: Oil & Gas Development
Component: Oil & Gas Development
Sponsor: (H) Oil & Gas
Requester: (H) Oil & Gas Component No.: 439

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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 EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
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Estimate of any current year (FY2003) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact anticipated with passage of this resolution.

Prepared by: Mark Myers, Director Phone: 269-8800
Division: Oil & Gas Date/Time: 1/28/03 1:04 PM
Approved by: Tom Irwin, Commissioner Date: 1/28/2003
Agency: Natural Resources

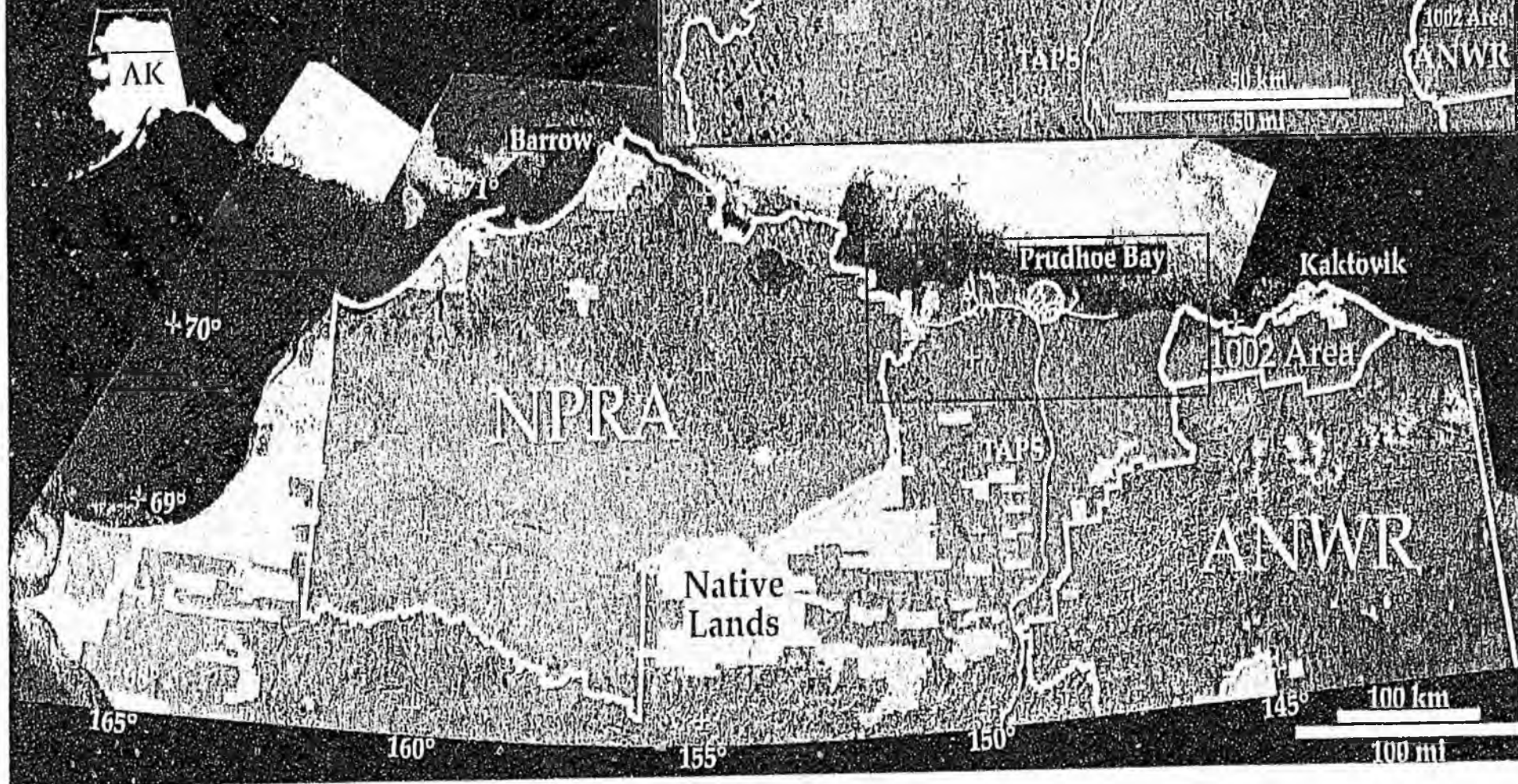
Alaska Reserves and Production

- **36% of total U.S. oil reserves.**
- 8.0 billion barrels of oil
- **17% of total U.S. gas reserves**
- 35 trillion cubic feet of gas
- **20% of total U.S. oil production**
- 1.04 million barrels of oil per day

Sources: Alaska data are from Department of Natural Resources, Division of Oil and Gas, 2001 Annual Report
U.S. data are from U.S. Crude Oil, Natural Gas, and NGL Reserves, 2000 Annual Report, U.S.D.O.E.-E.I.A.

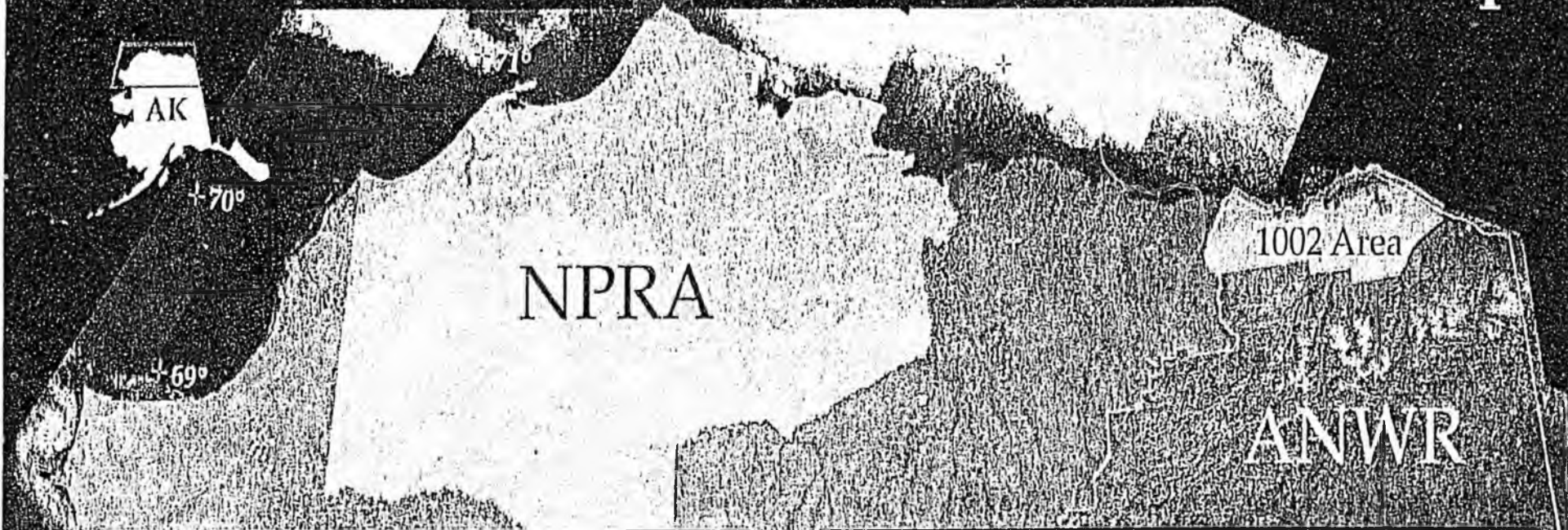


Northern Alaska





Estimates of Technically Recoverable Oil Federal Lands - Alaska North Slope



NPRA

Oil Volumes (BBO)

F95 Mean F05

6.7 10.6 15

ANWR

Oil Volumes (BBO)

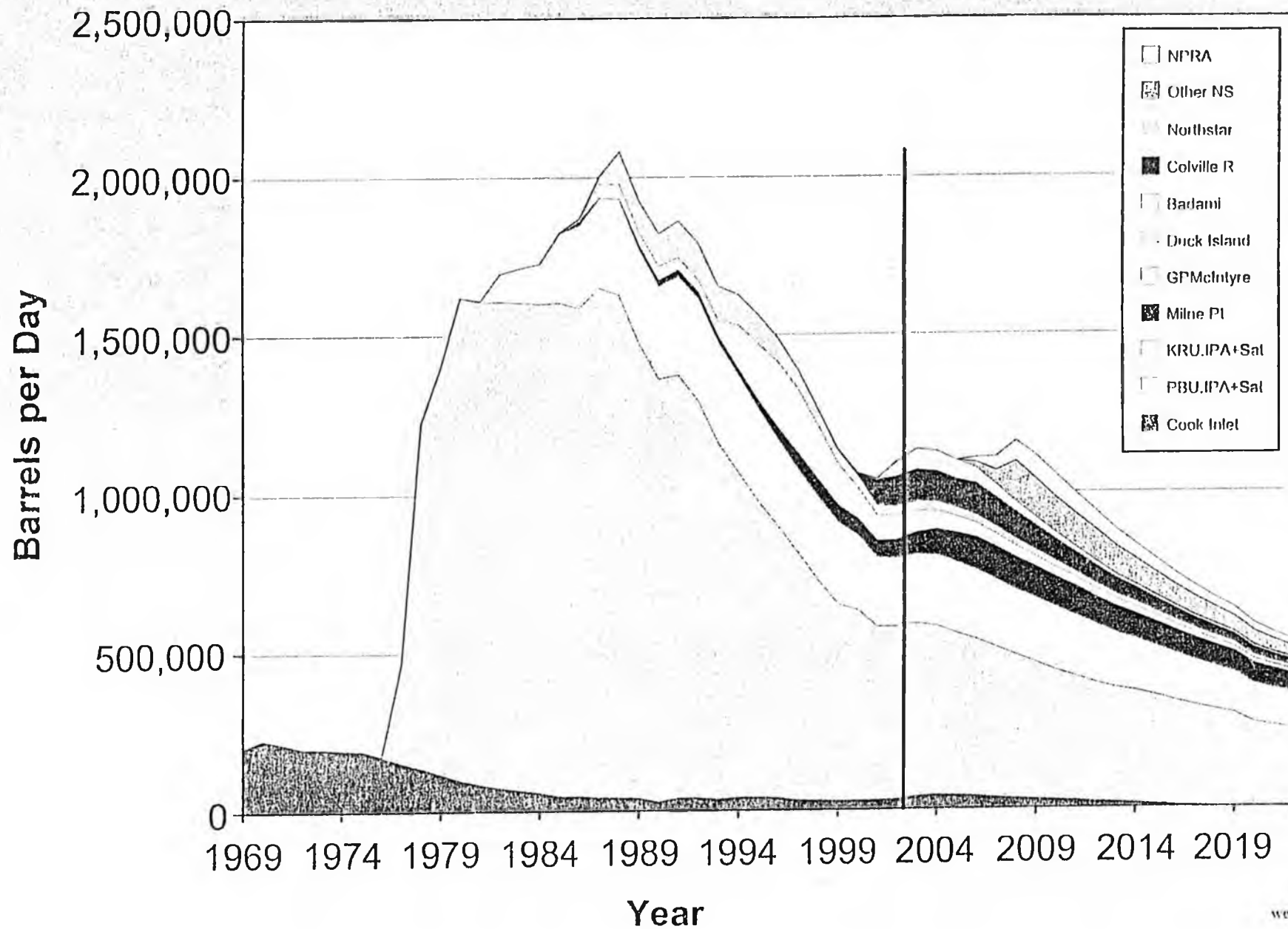
F95 Mean F05

1002 Area (Federal Part) 4.2 7.7 11.8

Entire Assessment Area* 5.7 10.4 16.0

*(includes Native Lands & State Waters)

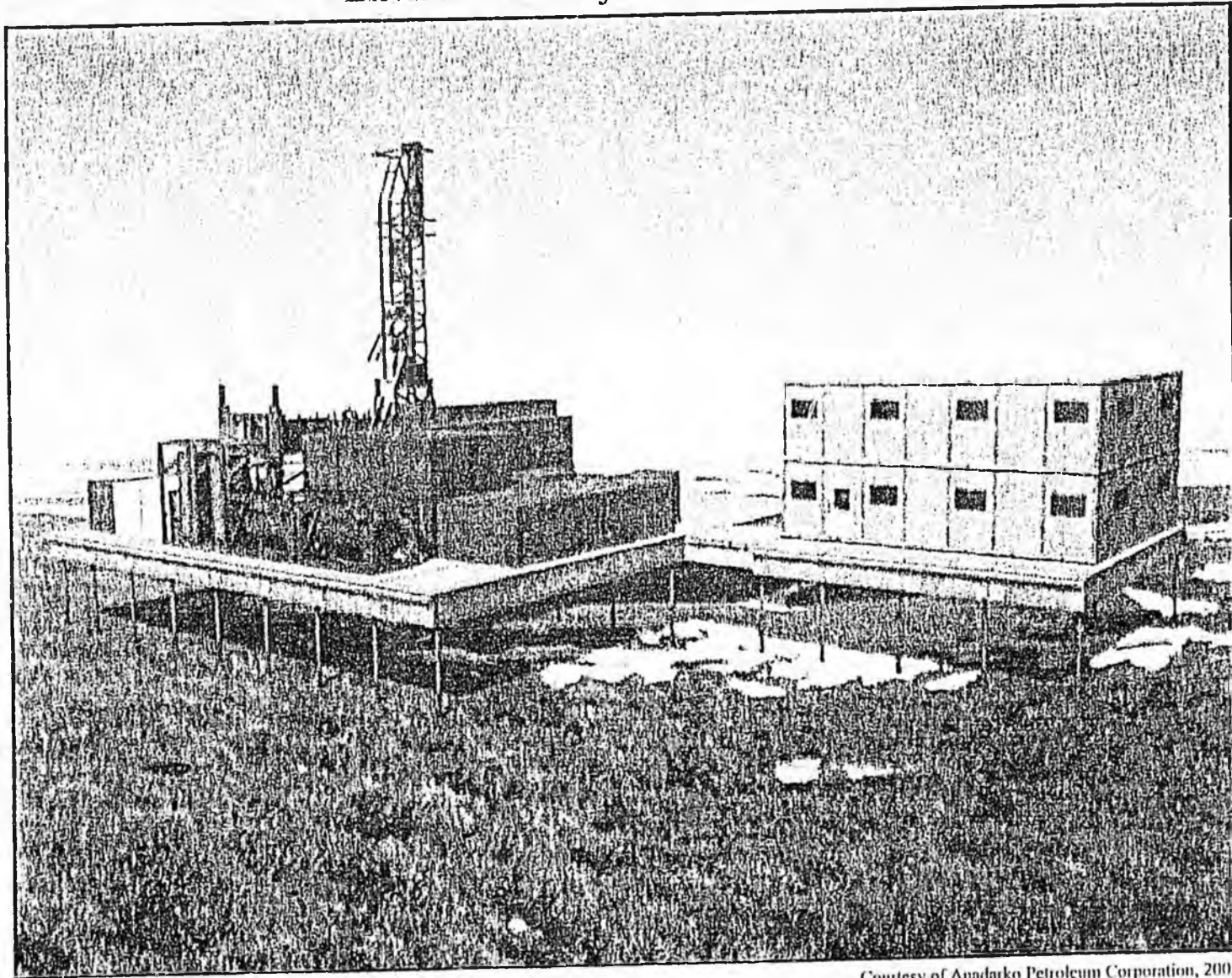
Historic and Projected Oil Production 1969 - 2022



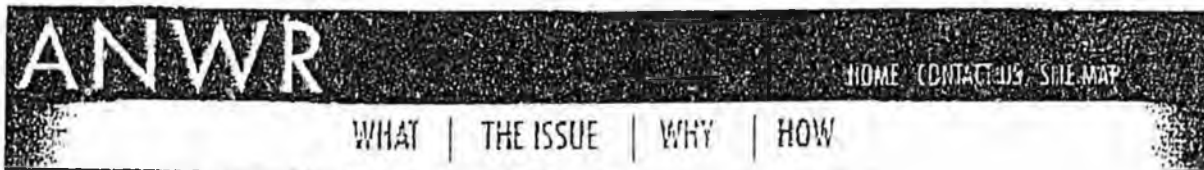
The Future?

Prototype Drilling Facility

Environmentally Sensitive Areas



Courtesy of Anadarko Petroleum Corporation, 2002



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- [Background](#)
- [People](#)
- [Technology](#)
- [Your State](#)
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TOP 10 REASONS TO SUPPORT DEVELOPMENT IN ANWR

1. Only 8% of ANWR Would Be Considered for Exploration Only The 1.5 million acre or 8% on the northern coast of ANWR is being considered for development. The remaining 17.5 million acres or 92% of ANWR will remain permanently closed to any kind of development. If oil is discovered, less than 2000 acres of the over 1.5 million acres of the Coastal Plain would be affected.

2. Revenues to the State and Federal Treasury Federal revenues would be enhanced by billions of dollars from bonus bids, lease rentals, royalties and taxes. Estimates in 1995 on bonus bids alone were \$2.6 billion.

3. Jobs To Be Created Between 250,000 and 735,000 jobs are estimated to be created by development of the Coastal Plain.

4. Economic Impact Between 1980 and 1994, North Slope oil field development and production activity contributed over \$50 billion to the nations economy, directly impacting each state in the union.

5. America's Best Chance for a Major Discovery The Coastal Plain of ANWR is America's best possibility for the discovery of another giant "Prudhoe Bay-sized" oil and gas discovery in North America. U.S. Department of Interior estimates range from 9 to 16 billion barrels of recoverable oil.

6. North Slope Production in Decline The North Slope oil fields currently provide the U.S. with nearly 25% of it's domestic production and since 1988 this production has been on the decline. Peak production was reached in 1980 of two million barrels a day, but has been declining to a current level of 1.4 million barrels a day.

7. Imported Oil too Costly The U.S. imports over 55% of the nation's needed petroleum. These oil imports cost more than \$55.1 billion a year (this figure does not include the military costs of protecting that imported supply). These figures are rising and could exceed 65% by the year 2005.

8. No Negative Impact on Animals Oil and gas development and wildlife are successfully coexisting in Alaska's arctic. For example, the Central Arctic Caribou Herd (CACR) at Prudhoe Bay has grown from 3,000 to as high as 23,400 during the last 20 years of operation. In 1995, the Central Arctic Caribou Herd size was estimated to be

TOP 10 REASONS TO SUPPORT DEVELOPMENT IN ANWR

18,100 animals.

9. Arctic Technology Advanced technology has greatly reduced the "footprint" of arctic oil development. If Prudhoe Bay were built today, the footprint would be 1,526 acres, 64% smaller.

10. Alaskans Support More than 75% of Alaskans favor exploration and production in ANWR. The Inupiat Eskimos who live in and near ANWR support onshore oil development on the Coastal Plain.

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HJR

19



REPRESENTATIVE RALPH SAMUELS

HOUSE DISTRICT 29

Sponsor Statement for House Joint Resolution 19

House Joint Resolution 19 was introduced to help raise awareness of how US Environmental Protection Agency (EPA) guidelines for the use of ultra low sulfur fuels will affect rural Alaska, and to urge federal and state agencies to determine the extent of the problem.

Concern over the pollutants in diesel exhaust prompted the EPA to require that diesel fuel produced and sold in the US for motor vehicles contain less than 15 parts per million of sulfur, and that new diesel engines be designed to only run on ultra low sulfur fuel. These new rules create problems for rural Alaska, where much of the electric power is produced with diesel generators.

Ultra low sulfur fuel will cause increased transport, storage and energy production costs as well as logistical problems for rural Alaskan communities:

- Ultra low sulfur fuel is less efficient and more expensive, increasing energy production costs.
- It would be prohibitively expensive for Alaskan refineries to retrofit their plants to produce the ultra low sulfur fuel, so electric utilities will be forced to purchase fuel from out of state, increasing transportation costs.
- Ultra low sulfur fuel requires additives in order to operate in Alaska's extreme cold. This arctic grade blend is only produced in Alberta and will increase transportation costs to Alaska compared to purchasing fuel from West Coast refineries.
- Ultra low sulfur fuel cannot be stored in the same tanks as higher sulfur fuel unless those tanks are cleaned out, adding costs to transportation and storage.

The EPA allowed the State of Alaska to create its own plan for implementing the new rules, recognizing that Alaska faces unique challenges and does not share the same air pollution problems as the Lower 48. In 2002, DEC submitted a plan requiring road-system communities and major communities on the Marine Highway to comply with the same rules as the Lower 48, but is still drafting a plan for rural Alaska.

HJR 19 urges DEC to be as flexible as possible when applying the ultra low sulfur use rules to rural Alaska, and asks the governor to direct the department to reconsider the application of these rules to smaller communities around the state under the 2002 portion of the plan. The resolution also asks that the EPA, DEC and the Denali Commission work to determine the logistical and financial effect that the ultra low sulfur diesel rules will have on rural Alaska.

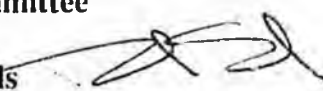
Email: Representative_Ralph_Samuels@legis.state.ak.us

Session: Alaska State Capitol, Juneau, Alaska 99801-1182 • Phone: (907) 465-2095 Fax: (907) 465-3810
Interim: 716 W. 4th Ave., Anchorage, Alaska 99501-2133 • Phone: (907) 269-0240 Fax: (907) 269-0242

REPRESENTATIVE RALPH SAMUELS

HOUSE DISTRICT 29

To: Representative Hugh Fate
Chair, House Resources Committee

From: Representative Ralph Samuels 

Date: March 27, 2003

RE: Hearing for House Joint Resolution 19

Please schedule House Joint Resolution 19, "Relating to ultra low sulfur diesel fuel requirements," for a hearing in the House Resources Committee.

I have attached the following:

- A sponsor statement
- An article from the Alaska Journal of Commerce, "New Diesel Regs Fuel Complaints"
- Written comments from Alaska Power & Telephone

If you have any questions, please call Laura Achee in my office at extension 6590.

Email: Representative_Ralph_Samuels@legis.state.ak.us

Session: Alaska State Capitol, Juneau, Alaska 99801-1182 • **Phone:** (907) 465-2095 **Fax:** (907) 465-3810
Interim: 716 W. 4th Ave., Anchorage, Alaska 99501-2133 • **Phone:** (907) 269-0240 **Fax:** (907) 269-0242

REPRESENTATIVE RALPH SAMUELS

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Concern over the pollutants in diesel exhaust prompted the EPA to require that diesel fuel produced and sold in the US for motor vehicles contain less than 15 parts per million of sulfur, and that new diesel engines be designed to only run on ultra low sulfur fuel. These new rules create problems for rural Alaska, where much of the electric power is produced with diesel generators.

Ultra low sulfur fuel will cause increased transport, storage and energy production costs as well as logistical problems for rural Alaskan communities:

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HJR 19 urges DEC to be as flexible as possible when applying the ultra low sulfur use rules to rural Alaska, and asks the governor to direct the department to reconsider the application of these rules to smaller communities around the state under the 2002 portion of the plan. The resolution also asks that the EPA, DEC and the Denali Commission work to determine the logistical and financial effect that the ultra low sulfur diesel rules will have on rural Alaska.

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Session: Alaska State Capitol, Juneau, Alaska 99801-1182 • **Phone:** (907) 465-2095 **Fax:** (907) 465-3810
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Work Draft

Work Draft

Work Draft

Conceptual Conceptual

CS FOR HOUSE JOINT RESOLUTION NO. 19

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE-FIRST SESSION

BY

Offered:

Referred: Resources

Sponsor(s): REPRESENTATIVE Samuels

A RESOLUTION

1. **Relating to the ultra low sulfur diesel fuel requirements of the United States**
2. **Environmental Protection Agency and their application to Alaska.**

3. **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4. **WHEREAS** the United States Environmental Protection Agency has ruled that roadway
5. based large trucks and buses must use ultra low sulfur diesel fuel having a sulfur content
6. of not more than 15 parts per million beginning September 2006; and

7. **WHEREAS** the United States Environmental Protection Agency has taken this action
8. based upon well documented health hazards associated with diesel exhaust inhalation;
9. and

10. **WHEREAS** rural Alaska depends on diesel fuel for its electrical power generation; and

11. **WHEREAS** ultra low sulfur diesel fuel costs more to produce and is less efficient,
12. resulting in an overall higher cost to produce the same output as the high sulfur fuel
13. currently in use; and

14. **WHEREAS** northern Alaska temperatures are colder than most areas of the United
15. States, and fuel additives that create an arctic-grade of ultra low sulfur diesel fuel are
16. necessary to avoid fuel failure; and

CSHJR 19 (RES)

New Text Underlined [DELETED TEXT BRACKETED]

1. **WHEREAS** arctic-grade ultra low sulfur diesel fuel is currently manufactured only in
2. Alberta, Canada, and must be imported into the state, increasing fuel transportation costs;
3. and
4. **WHEREAS** diesel fuel constitutes only a small part of the fuel refined in Alaska, and to
5. modify Alaska refineries to produce low sulfur diesel fuel would be prohibitively
6. expensive; and
7. **WHEREAS** ultra low sulfur diesel fuel may not be transported or stored in the same
8. tanks used for high sulfur diesel fuel unless the tanks have been cleaned; and
9. **WHEREAS** the necessary separation of fuel types will create financial and logistical
10. problems in rural Alaska and may make it prohibitively expensive for communities to
11. import more than one type of diesel fuel; and
12. **WHEREAS** electric utilities that serve rural communities estimate that electric costs will
13. increase 25 to 33 percent based on the lower efficiency and higher cost of producing,
14. transporting, storing, and using arctic-grade ultra low sulfur diesel fuel; and
15. **WHEREAS** manufacturers and market responses to the new federal fuel requirements
16. will eventually create demand for the ultra low sulfur diesel fuel in rural Alaska; and
17. **WHEREAS** rural Alaska communities do not have an equivalent exposure to
18. transportation related diesel fumes because there are very few diesel trucks and buses in
19. rural Alaska; and
20. **WHEREAS** rural Alaskans have a unique and uncharacterized exposure to fumes due to
21. their proximity to diesel fired power plants; and
22. **WHEREAS** the lack of scientific information regarding the unique rural Alaska
23. exposure prevents the Department of Environmental Conservation from determining if
24. exposure to diesel exhaust in rural Alaska communities poses a health risk to Alaskans;
25. and
26. **WHEREAS** Alaska rural community members have expressed concern about the
27. unknown but potential health risks from diesel exhaust; and
28. **WHEREAS**, by June 2003, the Alaska Department of Environmental Conservation must
29. submit a plan for applying the United States Environmental Protection Agency standards
30. for the use of ultra low sulfur diesel fuel in rural Alaska communities;
31. **BE IT RESOLVED** that the Alaska State Legislature urges the state's delegation in the
CSHJR 19 (RES) New Text Underlined [DELETED TEXT BRACKETED]

1. United States Congress to request the United States Environmental Protection Agency to
2. provide funding to investigate and examine the fiscal and logistical effects of arctic-grade
3. ultra low sulfur diesel fuel on the current energy and transportation infrastructure in
4. Alaska and to evaluate the health impacts from diesel fuel use in rural Alaska
5. communities; and be it
6. **FURTHER RESOLVED** that the Alaska State Legislature urges the Governor to direct
7. the Department of Community and Economic Development to determine the fiscal and
8. logistical effects on the state of using arctic-grade ultra low sulfur diesel fuel in Alaska;
9. and be it
10. **FURTHER RESOLVED** that the Alaska State Legislature urges the Governor to direct
11. the Alaska Department of Environmental Conservation, the Department of Community
12. and Economic Development and the Department of Health and Social Services to
13. coordinate with the United States Environmental Protection Agency to determine the
14. health, fiscal and logistical effects on the state of using arctic-grade ultra low sulfur diesel
15. fuel in Alaska; and be it
16. **FURTHER RESOLVED** that the Alaska State Legislature urges the Governor to direct
17. the Alaska Department of Environmental Conservation to provide, in its plan for the
18. application of the United States Environmental Protection Agency standards, that rural
19. Alaska have as much flexibility as possible in the use of ultra low sulfur diesel fuel; and
20. be it
21. **FURTHER RESOLVED** that the Alaska State Legislature urges the Governor to direct
22. the Alaska Department of Environmental Conservation to reexamine how the United
23. States Environmental Protection Agency standards for the use of ultra low sulfur diesel
24. fuel are applied to the state's plan for off-road communities.
25. **COPIES** of this resolution shall be sent to the Honorable Christine Todd Whitman,
26. Administrator, U.S. Environmental Protection Agency; and to the Honorable Ted Stevens
27. and the Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young, U.S.
28. Representative, members of the Alaska delegation in Congress.

CSHJR 19 (RES)

New Text Underlined [DELETED TEXT BRACKETED]

New Diesel Regs Fuel Complaints

By Tim Bradner
Alaska Journal of Commerce
January 20, 2003

Truck operators, rural utilities and fuel oil distributors' new U.S. Environmental Protection Agency requirements for ultra-low sulphur diesel will raise trucking costs and create a nightmare of a logistics problem for rural Alaska communities dependent on diesel-fueled power generation.

Harry McDonald, president of Carlile Transportation Systems, says an industry rule-of-thumb is that 50 cents added to the cost of a gallon of fuel raises freight rates by 10 percent.

Also, 50 cents per gallon added to the cost of fuel for the approximate 16 million gallons shipped to western Alaska utilities will add \$8 million per year to the cost of generating power in those communities.

There are many estimates for what the new fuel will cost, but the real costs for Alaska will be the special handling and separate tanks needed for storage, according to Ron King, an Alaska Dept. of Environmental Conservation official who is monitoring implementation of the new fuel requirement.

The new fuel must have no more than 15 parts-per-million sulphur content so that pollution control systems on new engines being made will not be damaged, King said. Diesel now in use has 500 parts-per-million sulphur content or higher.

Outside of Southeast Alaska and Kodiak, Alaskans who use diesel will also need a special "Arctic" blend of diesel that doesn't jell at low temperatures, King said.

Fifty cents a gallon is about what McDonald thinks it would cost his company if it had to truck its own fuel from Edmonton, Alberta refineries which will make the "Arctic" grade of ultra-low sulfur fuel. It's unlikely the fuel will be available from Alaska refineries, or even refineries on the U.S. west coast.

Truckers, fuel distributors and utilities now buy their fuel from Alaska refiners. But Tesoro Alaska Petroleum Co., Williams Alaska Petroleum Co. and PetroStar, Inc., which operate refineries near Fairbanks and Kenai, say they may not be able to afford the capital investment needed to make the ultra-low sulfur diesel.

Refineries on the U.S. west coast will be making ultra-low sulphur diesel but not the special Arctic blend that stays liquid at cold temperatures. These refiners could do a special run of Arctic-grade diesel, but this could create prohibitive costs and logistics problems, according to Frank Dillon, executive director of the Alaska Trucking Association.

"If a refiner did a special run, we would essentially have to have a string of barges standing by to take on the fuel. Then we'd have to store it somewhere," Dillon said.

Buying the fuel from the Alberta refineries and shipping to Alaska as it is needed is probably the practical alternative, according to King.