

SENATE LABOR & COMMERCE COMMITTEE FILES, 2005-2006 86/2

11935 SENATE LABOR & COMMERCE

# The Alaska Milk Coalition

7700 Chaimi Loop  
Anchorage, Alaska 99504

Telephone: 907-332-5709

E-mail: [Traxak@alaska.com](mailto:Traxak@alaska.com)

Jona Richey, Co-Chair  
• • President, Tracks of Alaska  
Rachel Hecker, Co-Chair  
• • Owner, Blue Moon Dairy

March 1, 2005

The Hon. Bob Lynn  
State Representative  
District 31 - Anchorage  
State Capitol - Room 415  
Juneau, AK 99801-1182

Re: Support of House Joint Resolution #5

Dear Representative Lynn,

We are writing to urge the swift passage of House Joint Resolution #5. This bipartisan resolution expresses the Legislature's opposition to the onerous "milk tax" that greedy Outside dairy interests in Washington seek to impose on Alaska's dairy farmers and consumers. The milk tax would be imposed by extending the mandatory federal dairy promotion assessment to Alaska, Hawaii and Puerto Rico.

The milk tax is simply absurd and wrong for Alaska. When Congress authorized the mandatory dairy promotion fee in 1983 to address the problem of surplus milk production in the Lower 48 States, it wisely exempted Alaska and Hawaii because we were - and remain - a milk deficit state. Alaska consumers drink more milk than our farmers can produce. Forcing Alaska dairy producers to pay the mandatory promotion assessment will not reduce our milk deficit. It will only make the milk deficit worse by forcing more Alaska dairy farmers out of business.

Alaska's milk prices are among the very highest in the nation, particularly in the Bush. The milk tax will harm school children, senior citizens, Native populations and all other consumers who need milk for good health. Higher milk prices will lead growing children to substitute soda pop for milk in their diets, stunting their growth and further increasing the already high rate of dental cavities. Restaurants, day care centers, bakeries and other small businesses that regularly use milk and dairy products will see higher costs that will ripple throughout our economy if the milk tax is imposed on Alaska. These businesses either have to absorb the cost of the milk tax or pass them on to consumers in the form of higher prices.

Dairy farmers in the Lower 48 have been fighting to escape the milk tax for many years. We understand that the Federal courts have consistently ruled that the dairy promotion assessment is unconstitutional. It violates the First Amendment rights of dairy farmers who disagree with the

messages they are forced to fund with the tax on the milk they produce. This matter is now under further appeal and may ultimately be settled by the U.S. Supreme Court, which is now considering a similar mandatory promotion tax on beef cattle producers.

The main proponents of the milk tax are greedy dairy interests in Washington such as National Milk Producers Federation and big dairy processor co-ops such as Land O Lakes who want more money to subsidize their lavish lifestyles at our expense. For example, we understand that milk tax dollars are a major source of funding for the U.S. Dairy Export Council, a group of big Outside dairy processors who waste farmers' money on limousines, fancy meetings in exotic vacation resorts and other extravagances. Dairy farmers, meanwhile, are forced to go without health insurance and other basic necessities so dairy promotion "fat cats" can have their fun.

The Alaska Milk Coalition is working with U.S. Senators Lisa Murkowski and Ted Stevens, and Congressman Don Young, who in a July 22, 2004 letter told Secretary of Agriculture Ann Veneman that "we will strongly oppose any plan or scenario - irrespective of its construction - that would lead to the implementation of the milk tax on Alaska ..." USDA has oversight responsibility for the milk tax.

Bob, we appreciate your early leadership role on this issue, including the time last summer when you and Assembly Minority Leader Ethan Berkowitz stood with us at the milk and cookies protest against the milk tax at the Carousel Dairy Care Center in Anchorage. Since then, your efforts have been joined by Reps. Carl Gatto, Bill Stoltze and Vic Kohring, and Senators Lyda Green and Scott Ogan.

We applaud our Congressional delegation's efforts to prevent the milk tax from seeing the light of day in Alaska and ask that you do the same without delay.

Sincerely,

Jlona Richey and Rachel Hecker



Jlona Richey

Dr. D.J. Kosterman, O.D.

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5800 Westover Avenue  
Elmendorf AFB, AK 99506  
Phone: (907) 753-7515  
Fax: (907) 753-7585

February 7, 2005

Alaska House Representative Bob Lynn  
State Capitol - Room 415  
Juneau, AK 99801-1182

Via Fax

Dear Representative Lynn:

I am writing to thank you and Representatives Carl Gatto and Ethan Berkowitz for introducing bipartisan House Joint Resolution #5 that opposes imposing a milk tax on Alaskans.

I understand that greedy Outside milk processors, promoters and other middlemen want to force Alaska dairy farmers to pay a milk tax of 15 cents per hundredweight on their dairy production. This tax would likely be passed on to all of Alaska's consumers: the elderly, school children, bakeries, ice cream shops, low income families, and those living in remote areas.

The milk currently does not apply to Alaskans because we do not produce enough milk to meet our in-state demands. If this terrible tax is implemented by Lower 48 Congressmen and Senators it will tax Alaskans' milk for the first time in our state's history.

I urge you to pass House Joint Resolution #5 without delay. No Outside milk taxes for Alaskans!

Sincerely,



Dr. D.J. Kosterman, O.D.

## The Homemakers Club

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Ellie Hennig, President  
Tel (907) 333-4438

3804 Wesleyan Drive  
Anchorage, AK 99504

February 7, 2005

Alaska House Representative Bob Lynn  
State Capitol - Room 415  
Juneau, AK 99801-1182

Via Fax

Dear Representative Lynn:

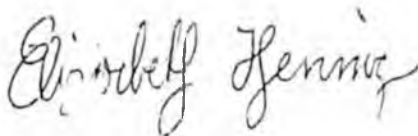
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I urge you to pass House Joint Resolution #5 without delay. No Outside milk taxes for Alaskans!

Sincerely,



Ellie Hennig  
President

# Alaska State Legislature

Representative\_Bob\_Lynn@legis.state.ak.us

## Chairman

Military & Veterans' Affairs Committee

## Member

Labor and Commerce Committee

State Affairs Committee

Economic Development, Trade & Tourism  
Committee

Education Committee

Joint Armed Services Committee

## Finance Subcommittees

Labor & Workforce Development

Community & Economic Development

Military & Veterans' Affairs



A Communication From

**REPRESENTATIVE BOB LYNN**

District 31 Anchorage

## Session:

Alaska State Capitol  
Juneau, AK 99801-1182

Phone: (907) 465-4931

Fax: (907) 465-4316

Toll Free: (800) 870-4391

## Interim:

716 W. 4<sup>th</sup> Ave., #350  
Anchorage, AK 99501-2133

Phone: (907) 269-0205

Fax: (907) 269-0207

## Sponsor Statement CHJR 5

This resolution makes a statement that the Alaska State Legislature stands firmly behind our Alaska Congressional Delegation, Alaska's Children and citizens in absolute opposition to the imposition of the "Milk Tax".

The "Milk Tax" or **Mandatory Dairy Promotion Assessment** was established more than twenty years ago to help increase the sale of surplus milk in the Lower 48 States through generic mass advertising such as the "Got Milk" campaign.

Alaska was and still is a milk deficit state. Our dairy farmers don't produce enough milk to meet our own demand. As a result, Alaska was wisely exempted along with Hawaii and Puerto Rico from having to pay the Milk Tax when it was created in 1983.

As Rachel Hecker, one of our dairy farmers from Blue Moon Dairy at Point McKenzie was quoted last summer in *The Milkweed* publication, "It makes absolutely no sense to burden Alaska with a new tax to promote outside milk when our struggling dairy farmers can't produce enough milk to keep up with our state's demand." Alaska won't benefit from the milk tax and shouldn't be forced to pay for the promotion of milk from the Lower 48 or elsewhere. This tax would be another death nail for an already troubled Alaska milk industry.

As if higher milk prices in Alaska wasn't bad enough, the milk promotion establishment in Washington apparently wants to burden dairymen in the Lower 48 states by promoting foreign dairy imports along with American milk. But before that can happen, they've got to first impose the Milk Tax on Alaska, Hawaii, and Puerto Rico.

No wonder outside dairy farmers have gone to court to dump the milk tax. A milk tax for Alaska is bad policy. Please join me in standing up for Alaska's dairy farmers and Alaska consumers of all ages.

Sponsor Statement