

Fiscal Effects of Commercial Fishing, Mining & Tourism

What does Alaska receive in revenue?

What does it spend?



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Acknowledgments



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Conclusions represent those of the author's not UAA,
ISER, DCCED, or the Council of Alaska producers



Economist-speak

Fiscal effects =

- State Revenue
- State Expenditures to manage or promote the industry

Does not include economic effects

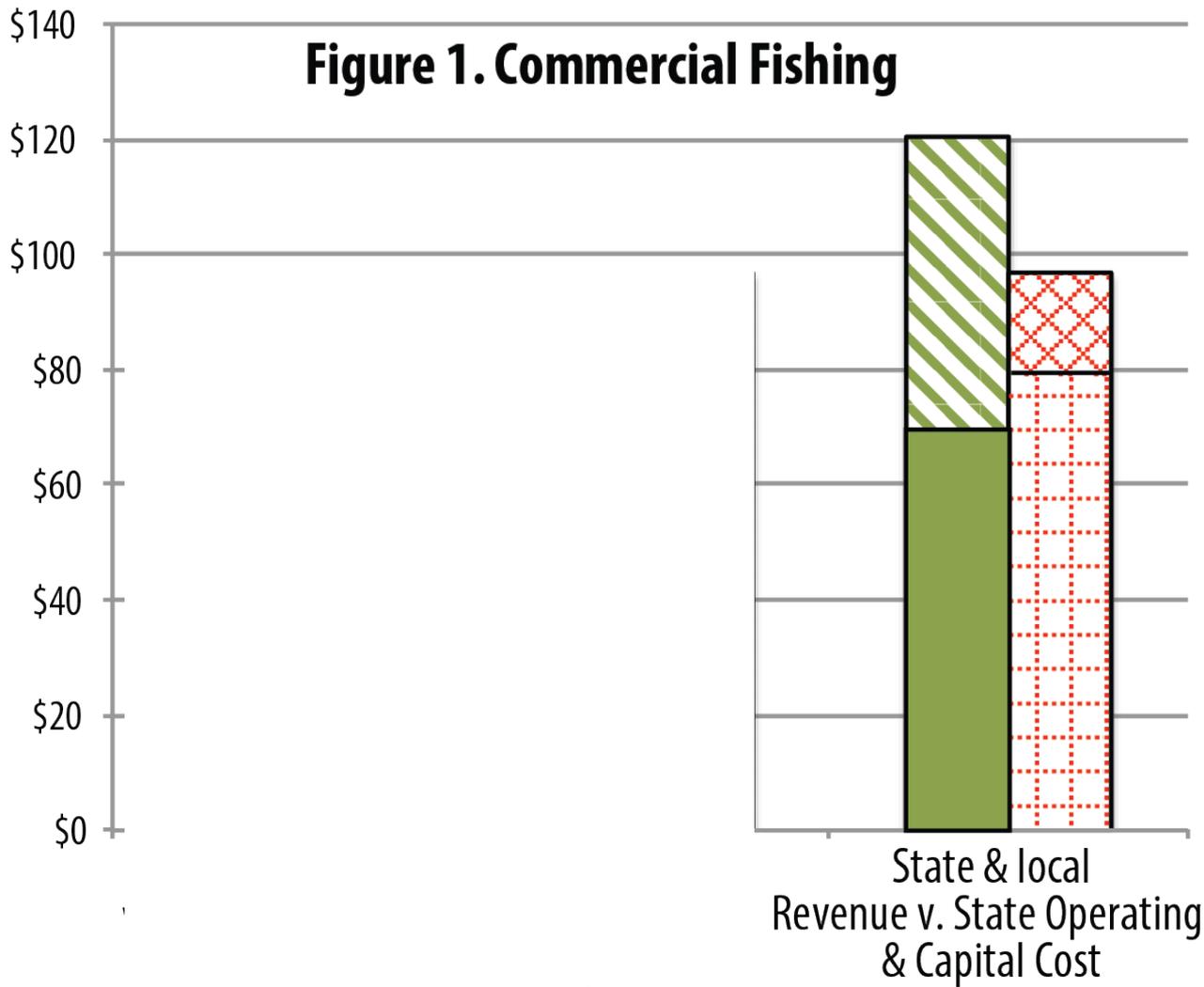
- Jobs & income
- Revenue to businesses



Commercial Fishing



Figure 1. Commercial Fishing



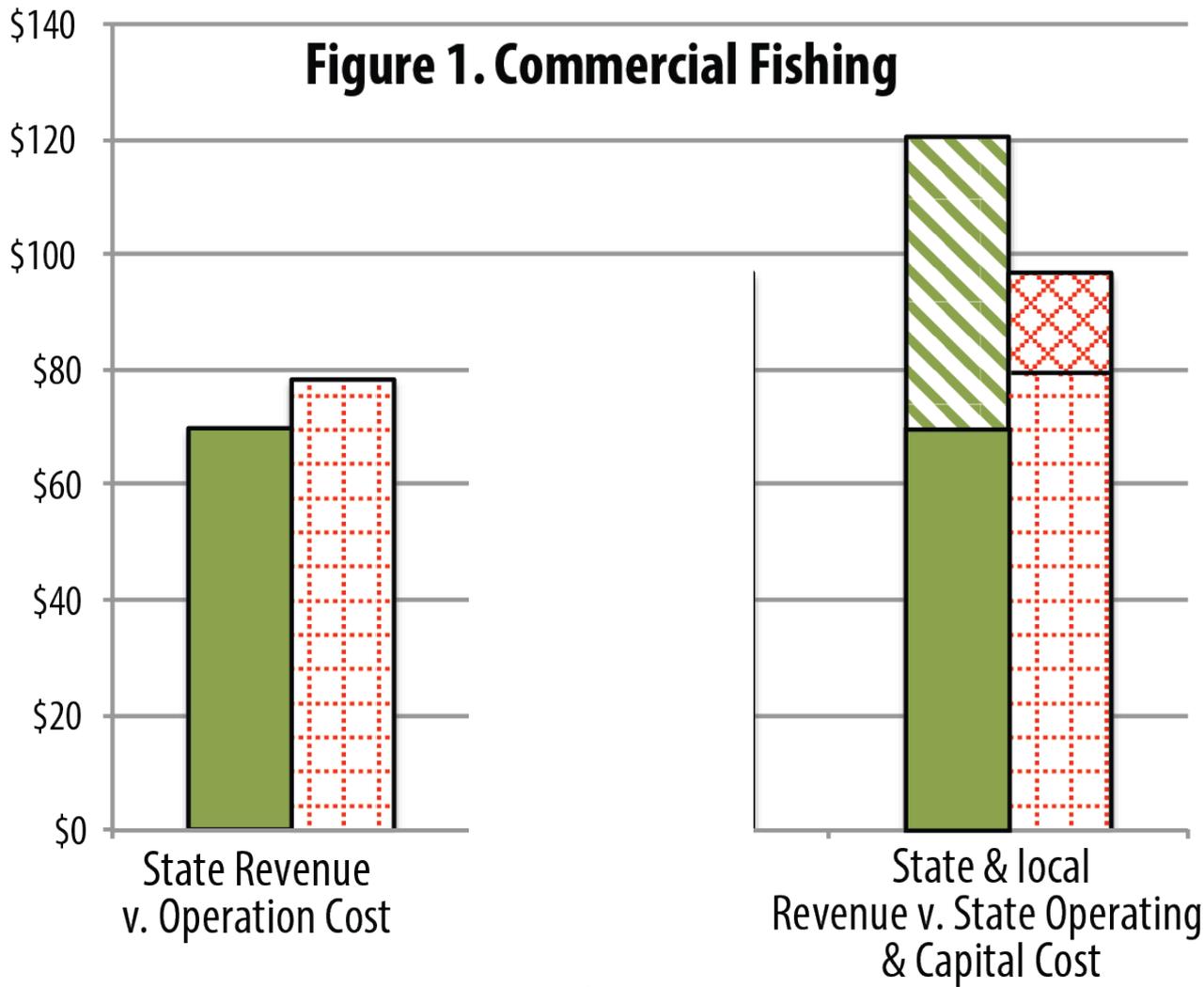
Revenue

- Local
- State

Expense

- Capital
- Operating

Figure 1. Commercial Fishing



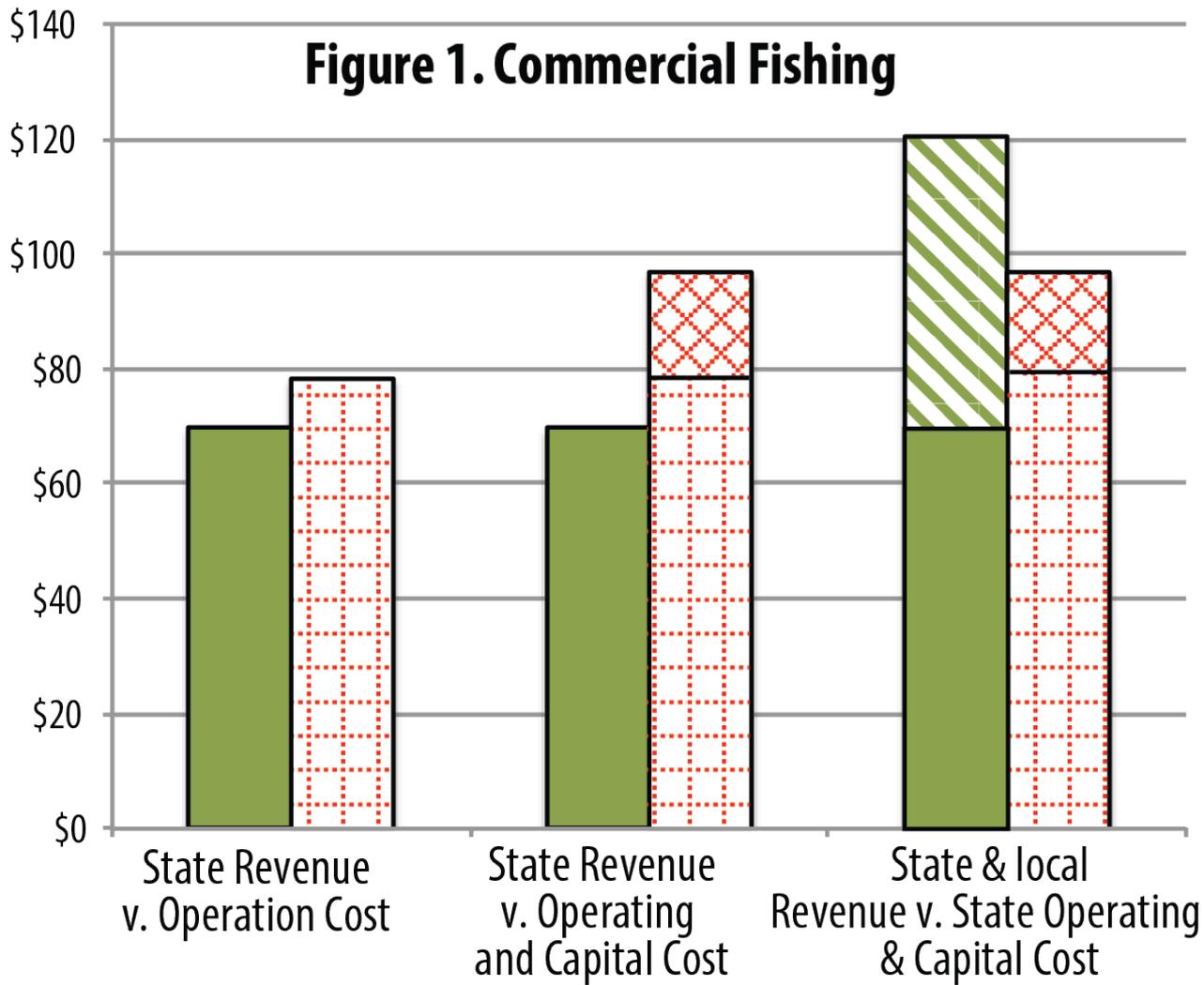
Revenue

- Local
- State

Expense

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- Operating

Figure 1. Commercial Fishing



Revenue

- Local
- State

Expense

- Capital
- Operating

Details...

				Real 2014 dollars (millions)			Nominal dollars (millions)				
				Average	2012	2013	2014	2012	2013	2014	
				avg_cap_2014\$	2012_cap	2013_cap	2014_cap	2012_cap_nom	2013_cap_nom	2014_cap_nom	Data_source
				0.0000	0.0000			0.0000			11
				0.1397	0.4192			0.4000			11
				0.2445	0.7336			0.7000			11
				0.7773	2.3319			2.2250			11
				0.0129	0.0388			0.0370			11
				0.0000	0.0000			0.0000			11
				0.0000	0.0000			0.0000			11
				0.2620	0.7860			0.7500			11
				0.0629	0.1886			0.1800			11
				0.0367	0.1100			0.1050			11
				0.2271	0.6812			0.6500			11
				0.2620	0.7860			0.7500			11
				0.0339		0.1016			0.1000		11
			Fisheries Business Tax, total	0.2202		0.6605			0.6500		11
			Fisheries Business Tax, state share	0.0677		0.2032			0.2000		11
			Salmon Enhancement Tax (aquaculture)	0.1694		0.5081			0.5000		11
			Fishery Resource Landing Tax, total	0.3387		1.0161			1.0000		11
			Fishery Resource Landing Tax, state share	0.2371		0.7113			0.7000		11
				0.6141		1.8422			1.8130		11
				0.1524		0.4573			0.4500		11
			Seafood Marketing Assessment	6.3	9.1	2.8		6.6	5.6	7.1	
			Common Property Fishery Assessment	9.6	8.6	9.2		10.2	9.7	10.2	
			Test Fishery Receipts	1.2					1.3	1.1	
			CFEC revenues from permit fees & vessel licenses	2.3	2.8	1.7		2.0	2.0	2.8	
				7.5	7.2	7.2		7.9	7.7	7.6	
			Commercial Fishing Crewmember Licenses, total	2.9	2.7	2.9		2.9	2.7	3.2	
			Corporate Income Tax, fisheries sector	2.0	0.7	1.5		3.0	2.9		

Fishing Mining Tourism

70.2 **96.4** **54.3**

0.00

1.00

1.00

0.00

1.00

1.00

1.00

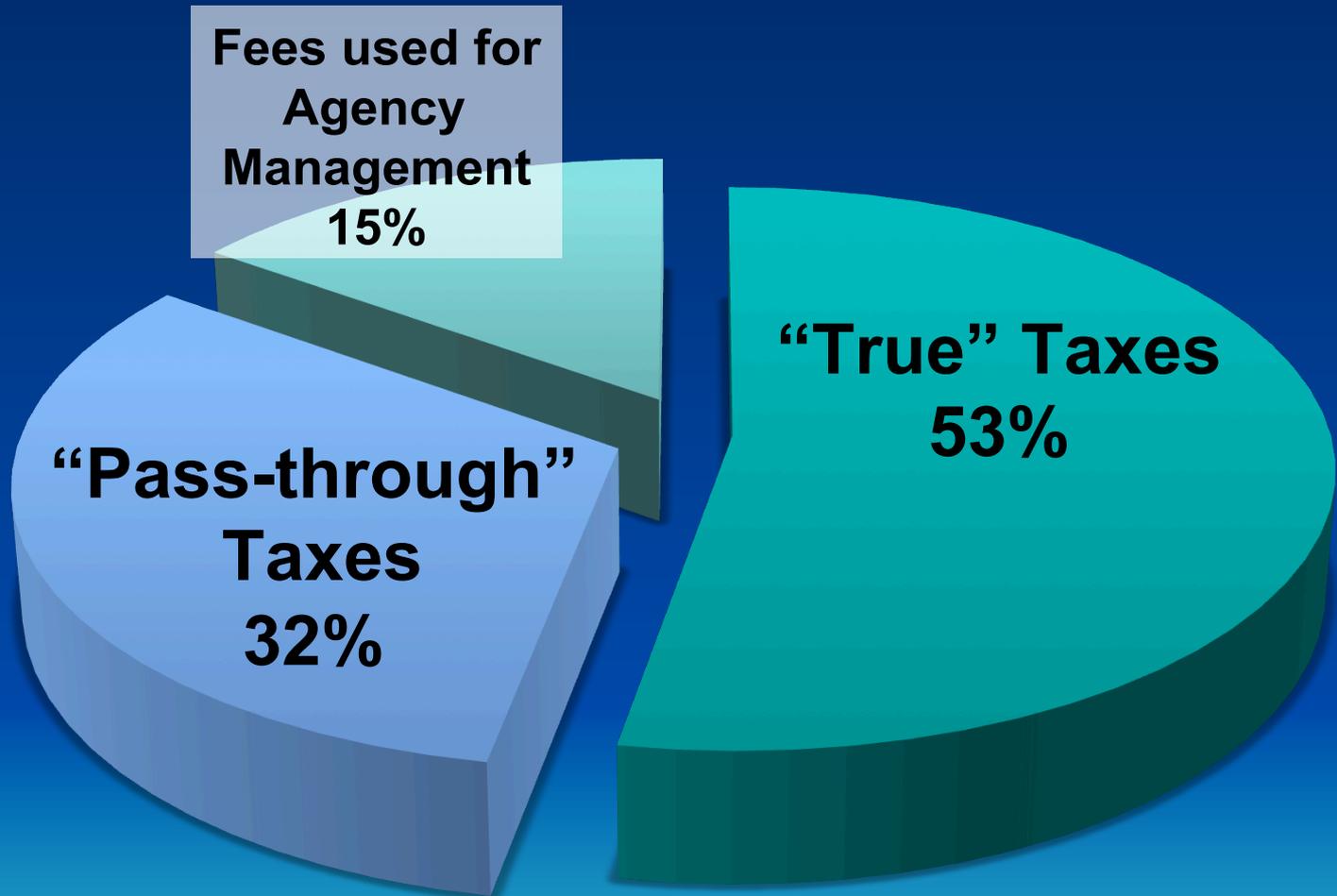
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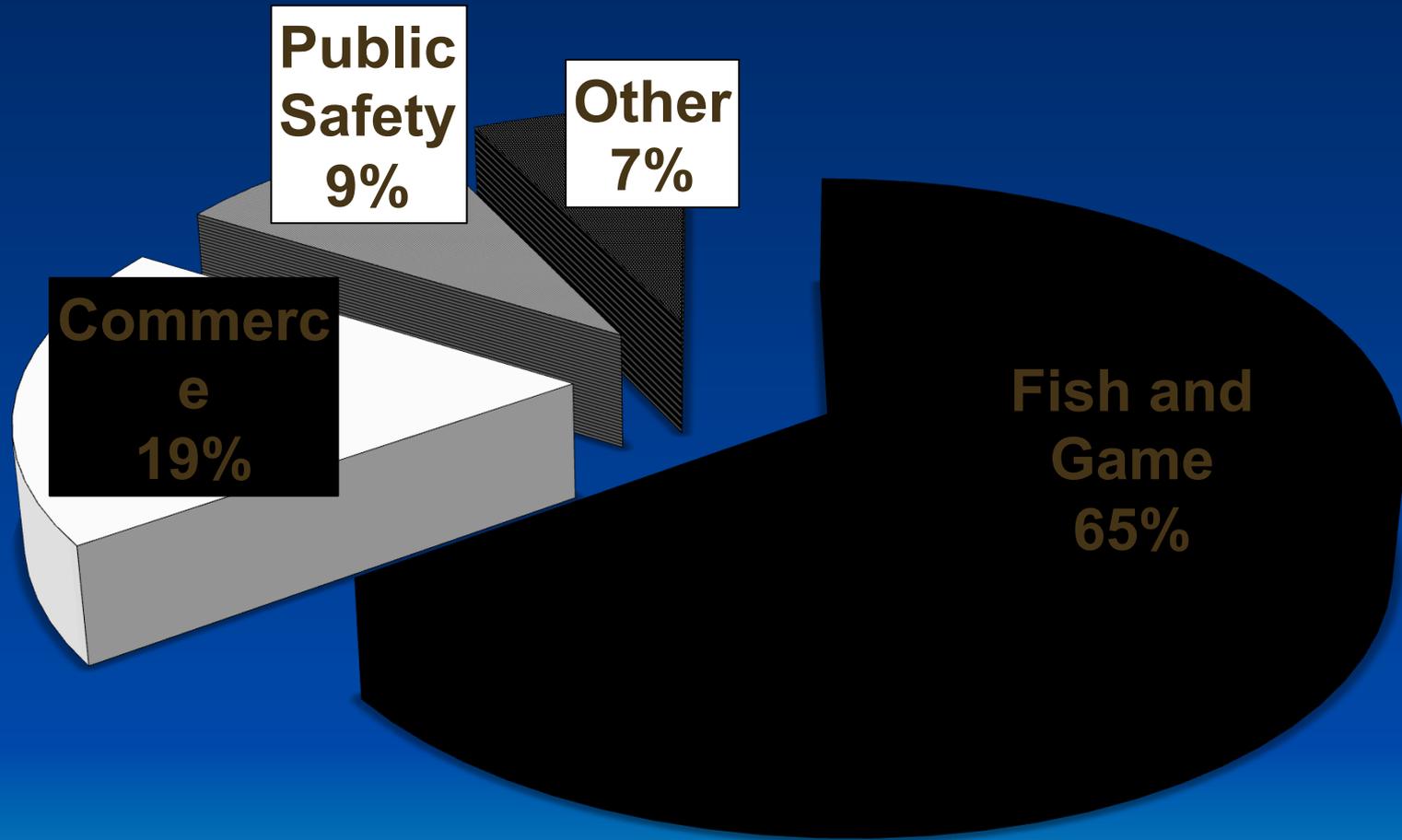
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State Commercial Fishing Revenue: \$70.2 million



State Commercial Fishing Operating Budget: \$78.3 million



Capital Budget: \$18.5 million

- FY 2012-2014
- Portions of 51 projects (over 3 years)
- Average = \$18.5 million/year



Municipal Revenues: \$50.8 million

Average Revenue 2010-2014	
Fisheries Business Tax, municipal share	25.2
Fishery Resource Landing Tax, municipal share	5.8
Municipally imposed fisheries taxes	19.9
Local government revenue total:	\$50.80

- Revenue not comprehensive
- Costs not included (but much smaller than state)

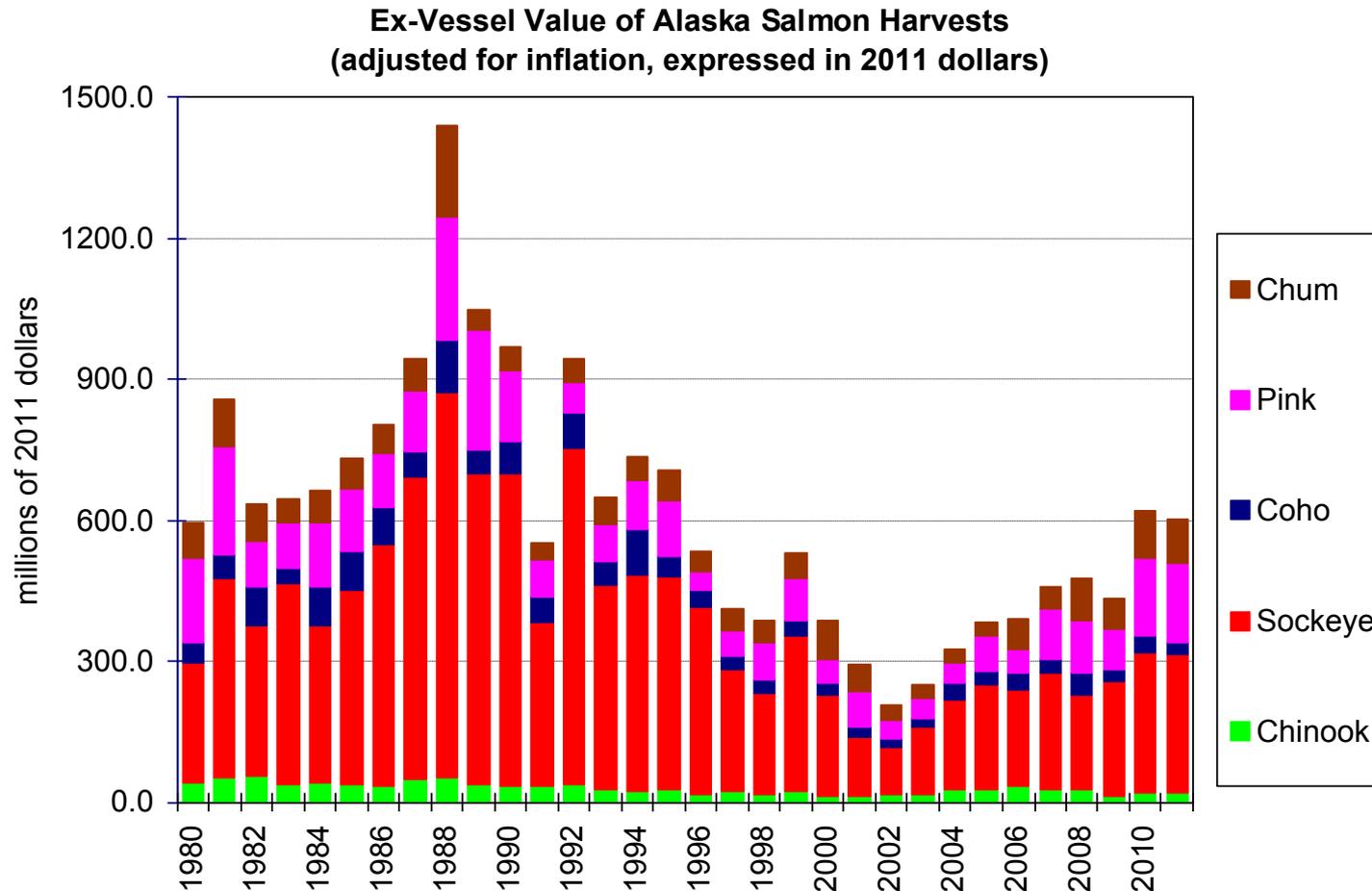


Now the Caveats

- Values are estimates
- Conclusions not necessarily accurate for any segment (e.g., state does not manage federal fisheries, but receives taxes)
- Revenues change with changing prices
- Management goal for fishing not to maximize revenue



Harvests, prices, value, and therefore revenue fluctuate widely by year



Alaska mandates unitization of oil fields to prevent this.

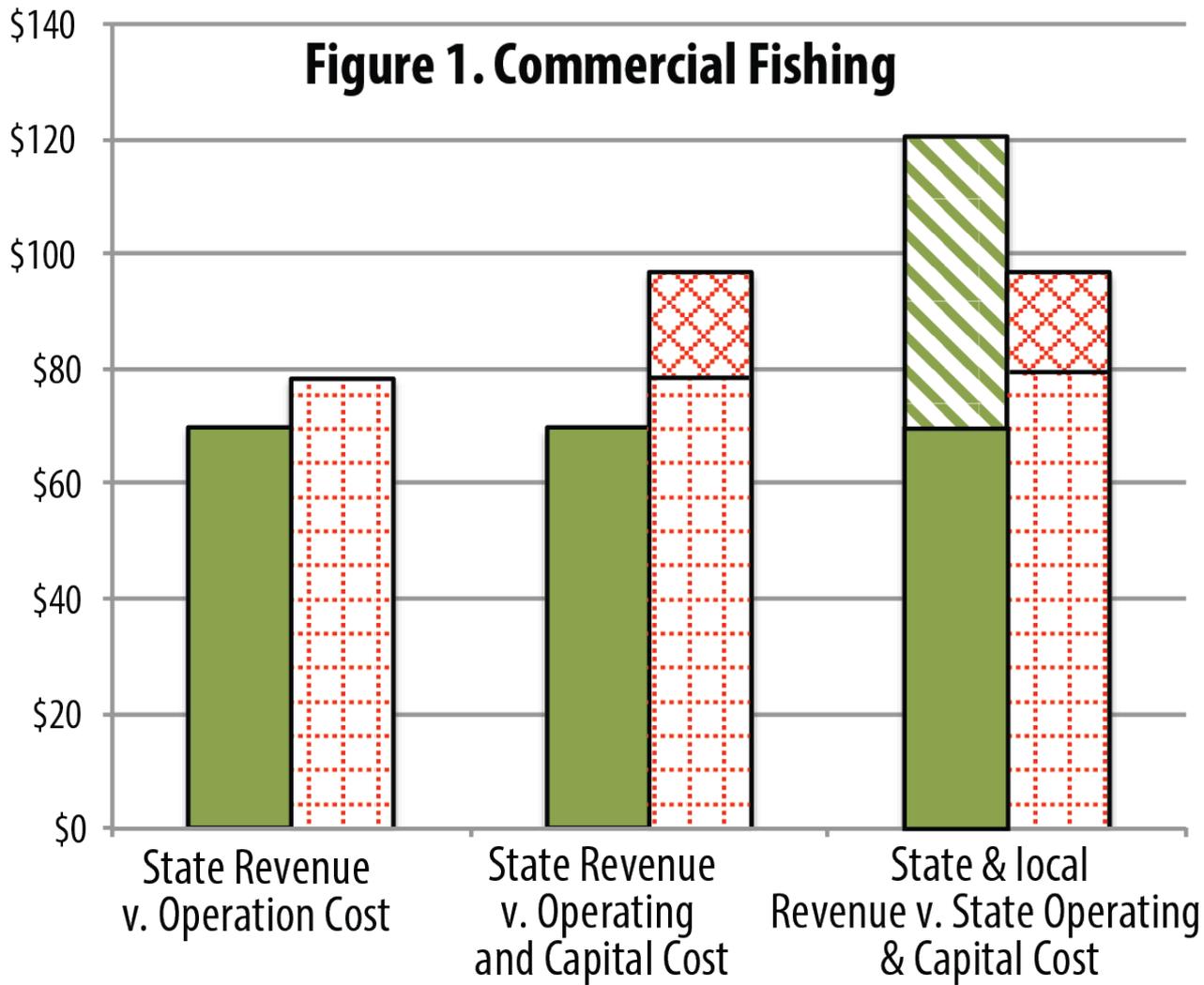


Courtesy of
Gunnar Knapp

We do not mandate unitization of fisheries to prevent this.



Figure 1. Commercial Fishing



Revenue

- Local
- State

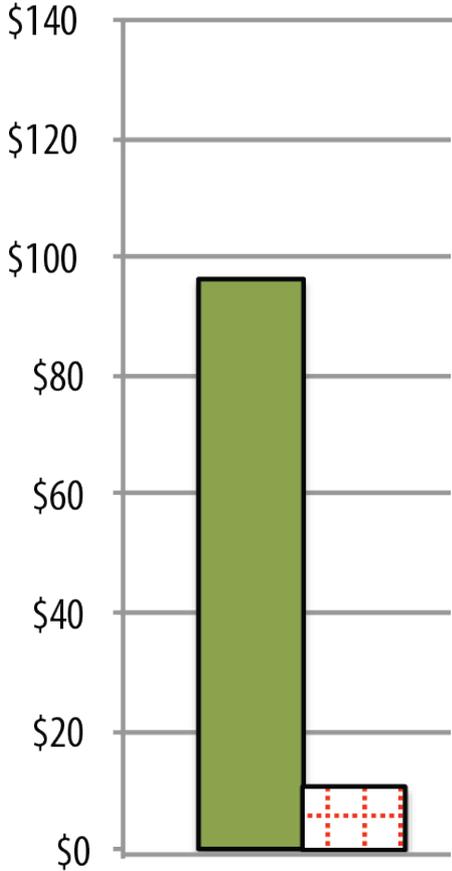
Expense

- Capital
- Operating

Mining



Figure 2. Mining



State Revenue
v. Operation Cost

Revenue

- Local (diagonal lines)
- State (solid olive green)

Expense

- Capital (red cross-hatch)
- Operating (red dotted)



Figure 2. Mining



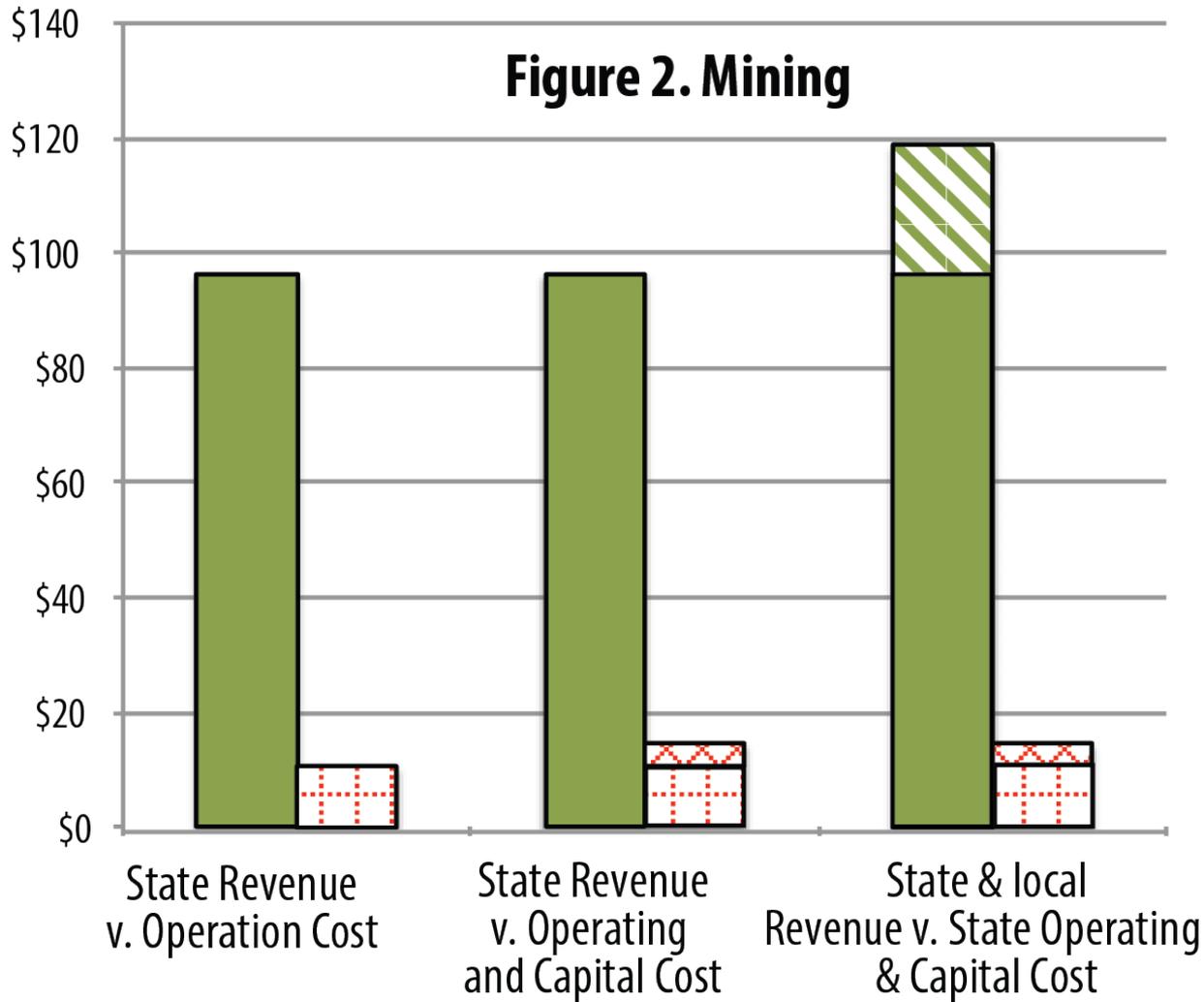
Revenue

- Local
- State

Expense

- Capital
- Operating

Figure 2. Mining



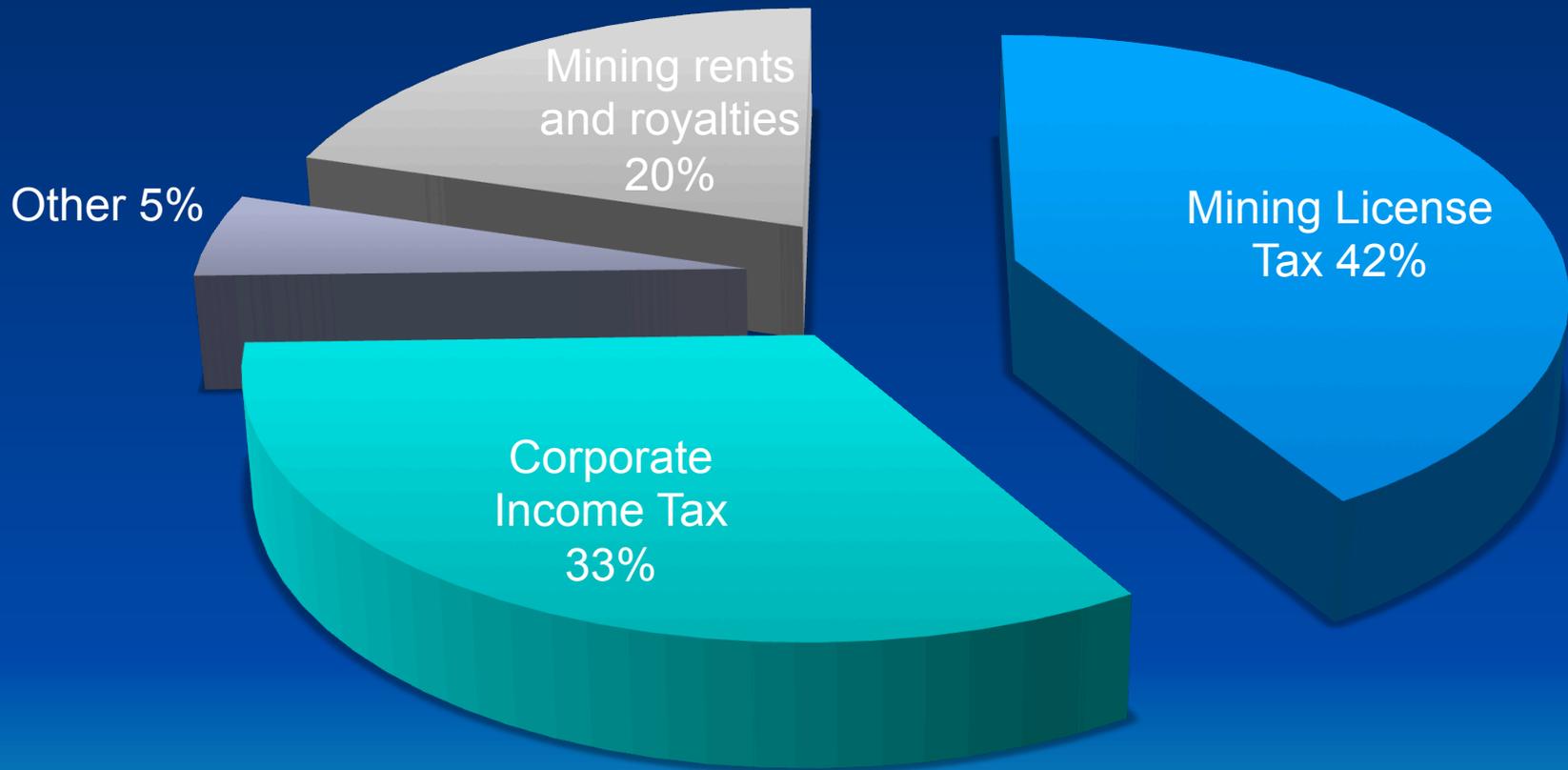
Revenue

- Local
- State

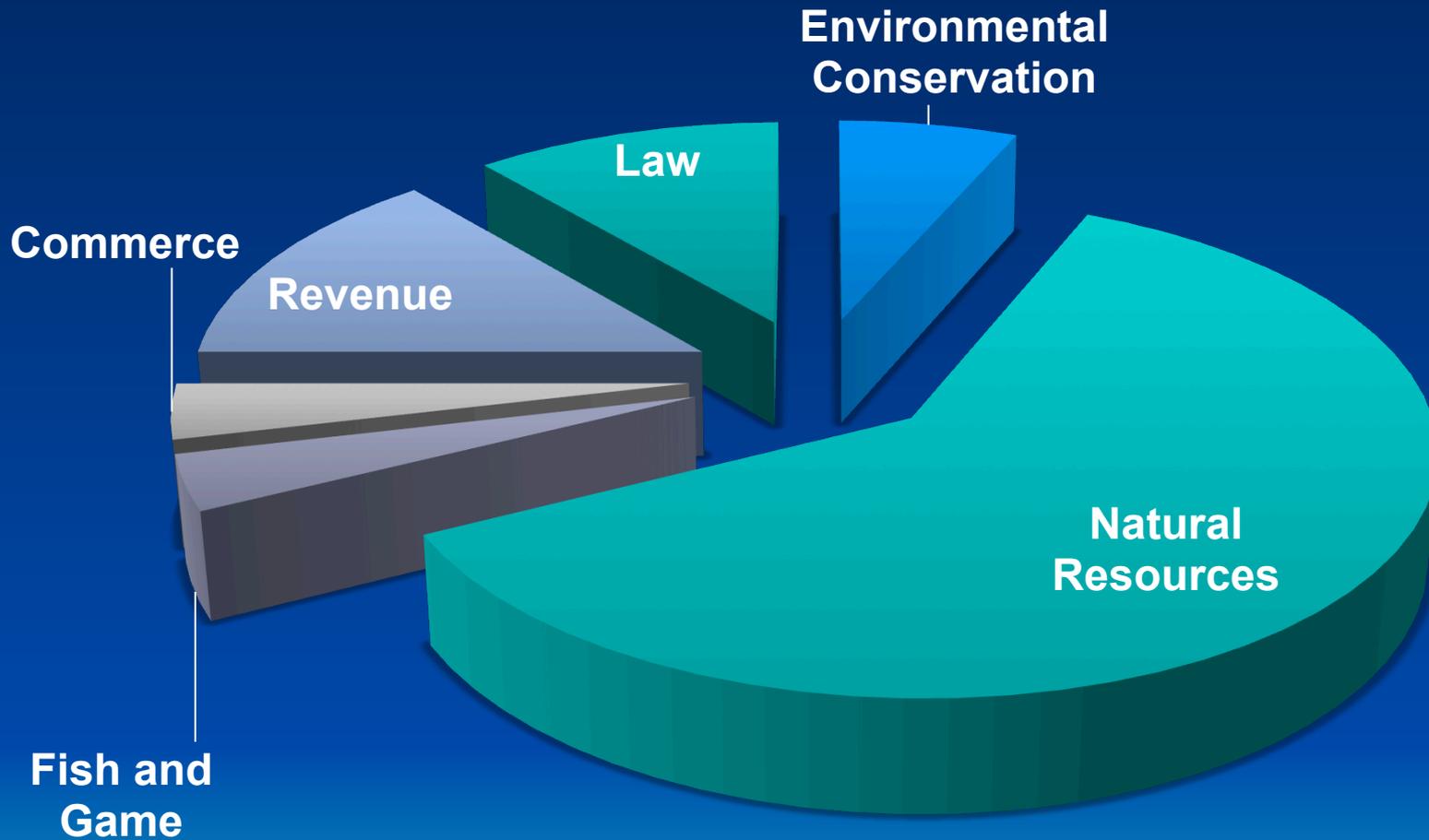
Expense

- Capital
- Operating

State Mining Revenue: \$96.4 million



State Mining Operating Budget: \$10.7 million



Capital Budget: \$4.0 million

- 5 projects (2 projects spread over 5 years)
 - Ambler Mining District Road Study
 - Strategic and Critical Minerals Assessment
- Average = \$4.0 million/year

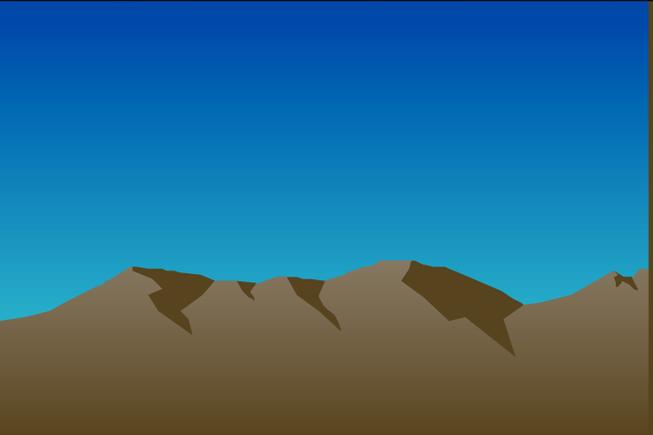


Municipal Revenue: \$22.5 million

- Red Dog - largest taxpayer in Northwest Arctic Boro
- Fort Knox – payment to Fairbanks Boro
- Greens Creek & Kensington – 1st & 2nd largest taxpayer in Juneau
- Usibelli Coal Mine - payment to Denali Boro



Mining Caveats: averages don't represent all segments

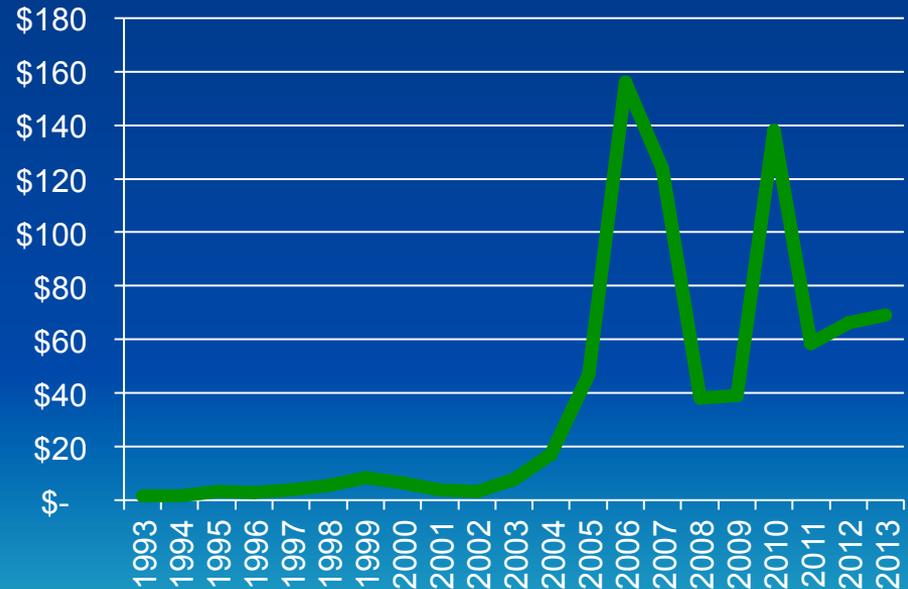


Revenue dependent on prices

Figure 14. Gold Price (\$/oz)



Figure 15. Historical Mining Revenue (Million \$)



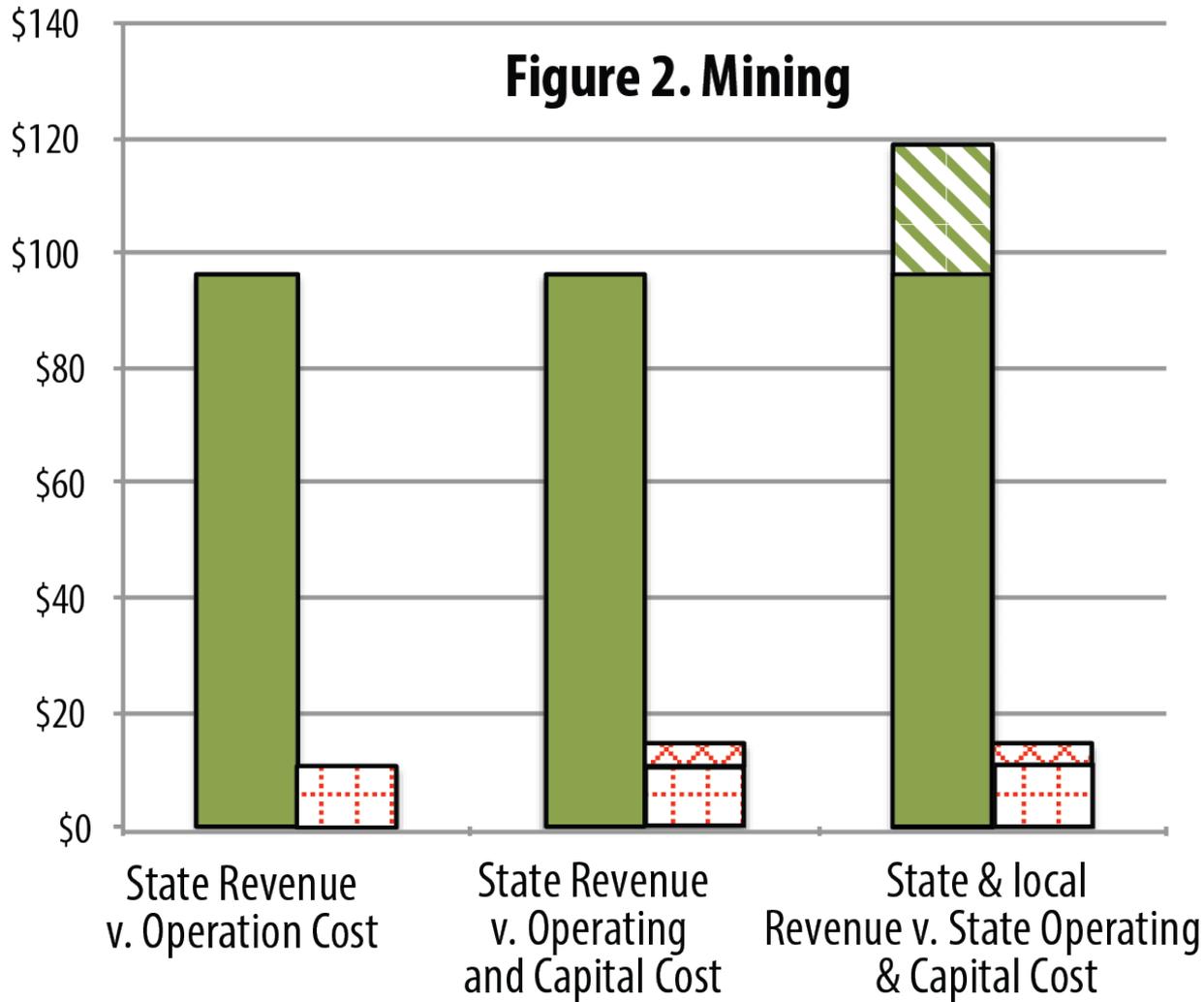
Revenue *not* Included

Alaska Railroad:
\$18.9 million in 2013



Payments to AIDEA:
\$12 million in 2013

Figure 2. Mining



Revenue

- Local
- State

Expense

- Capital
- Operating

Tourism

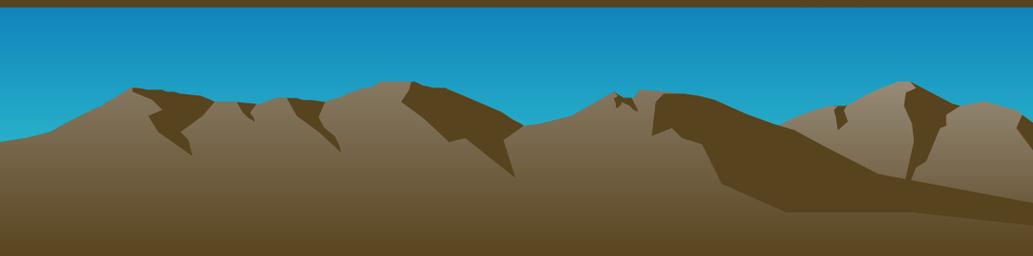
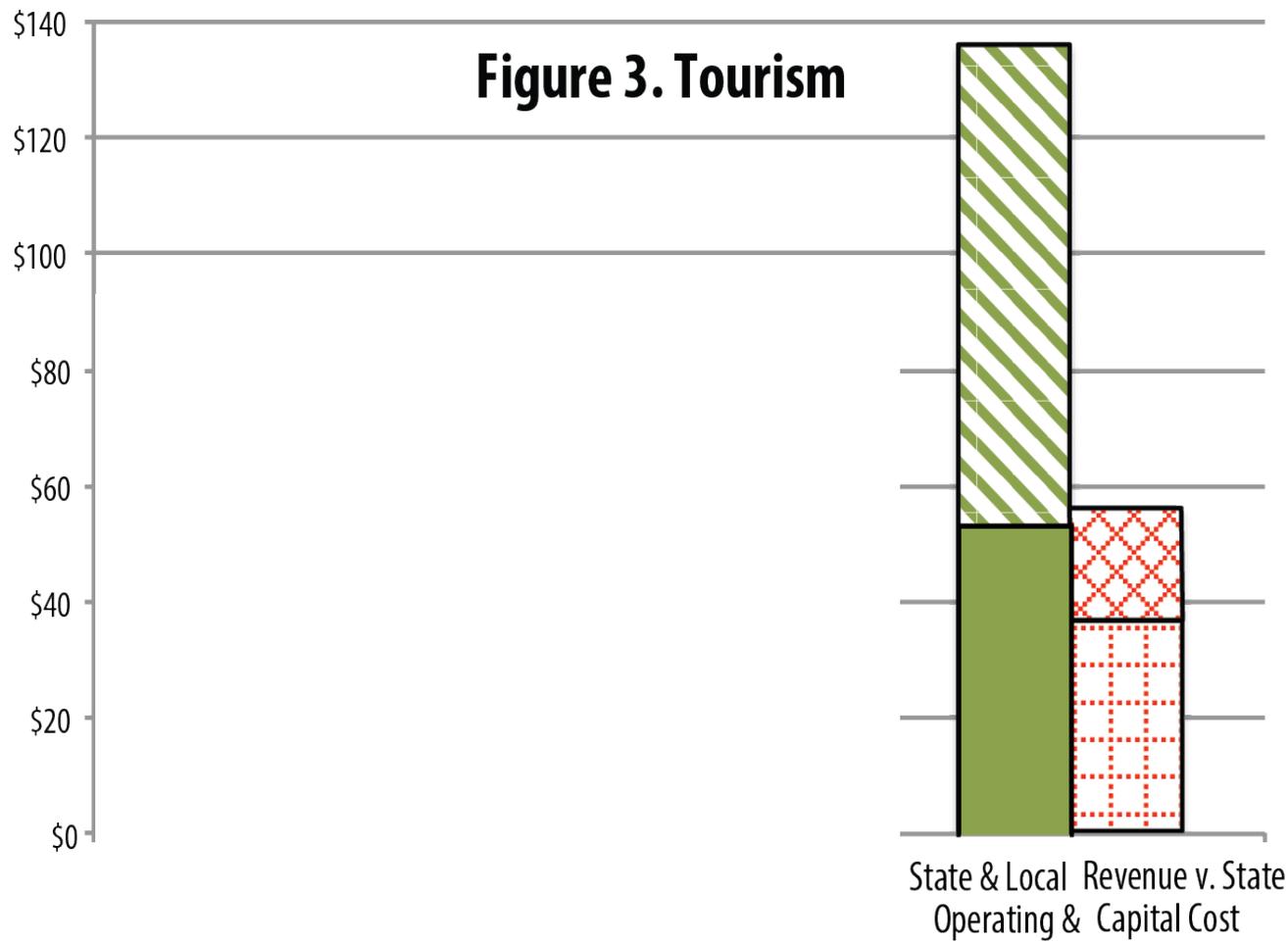


Figure 3. Tourism



Revenue

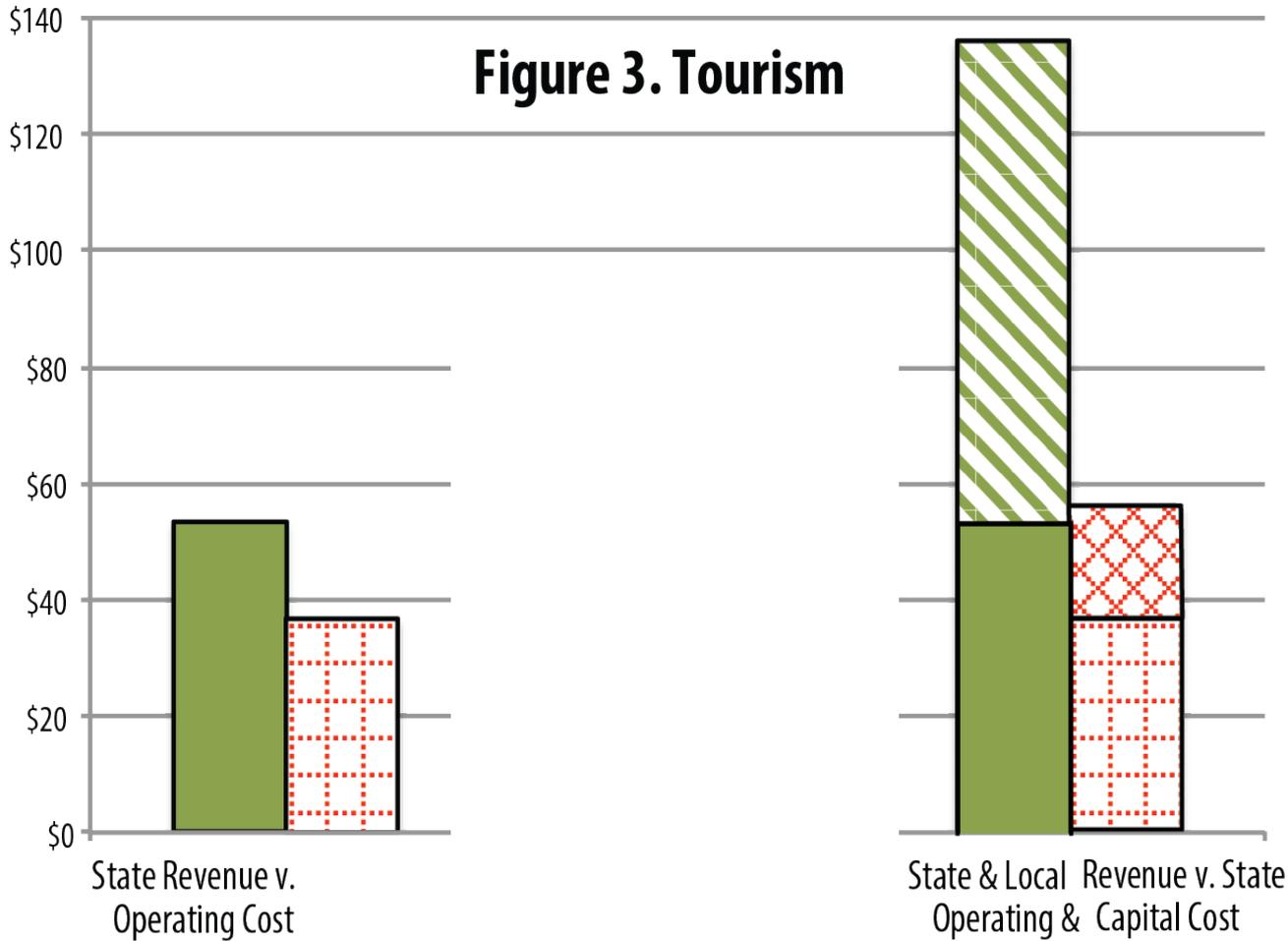
- Local
- State

Expense

- Capital
- Operating



Figure 3. Tourism



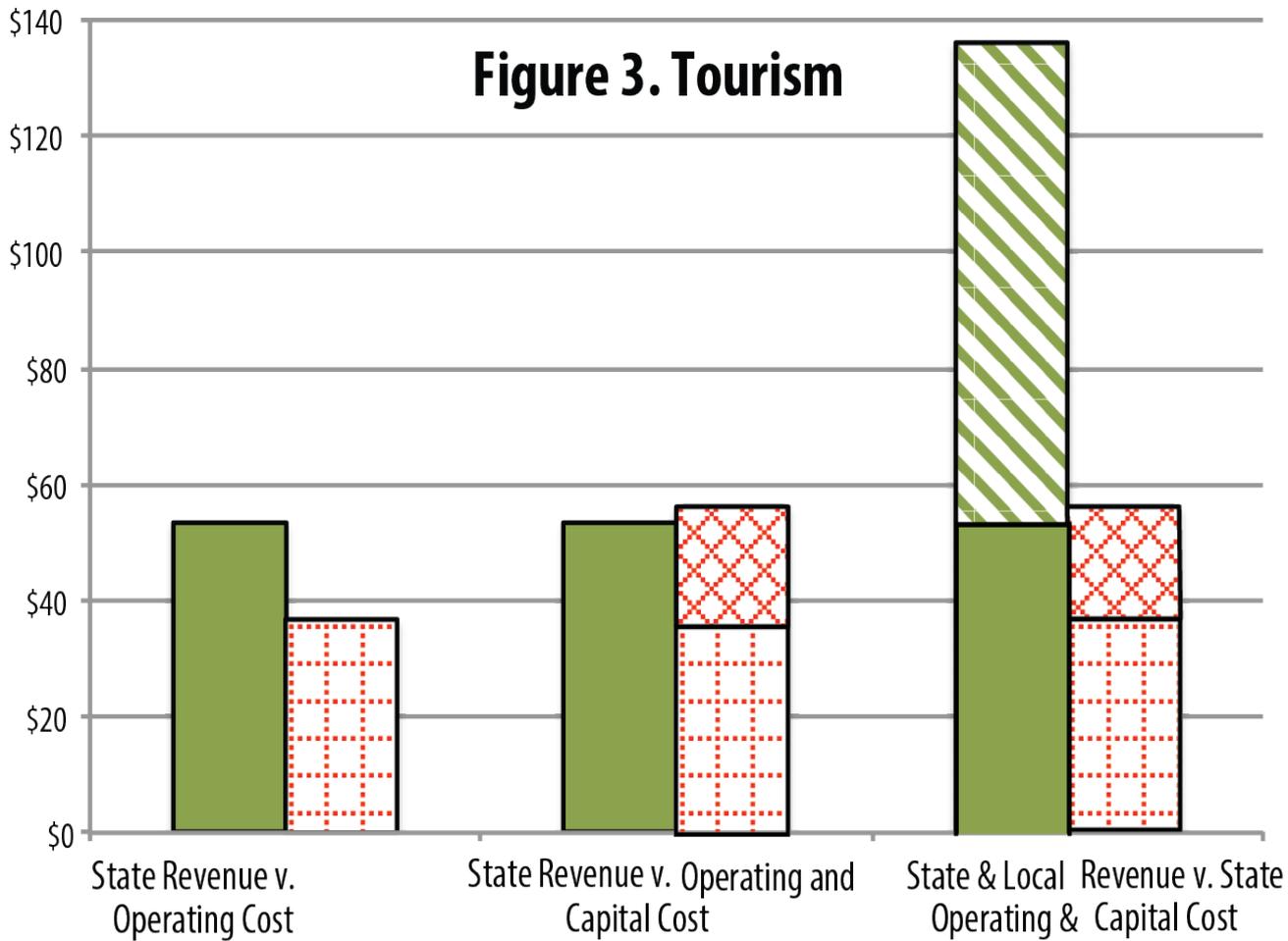
Revenue

- Local
- State

Expense

- Capital
- Operating

Figure 3. Tourism



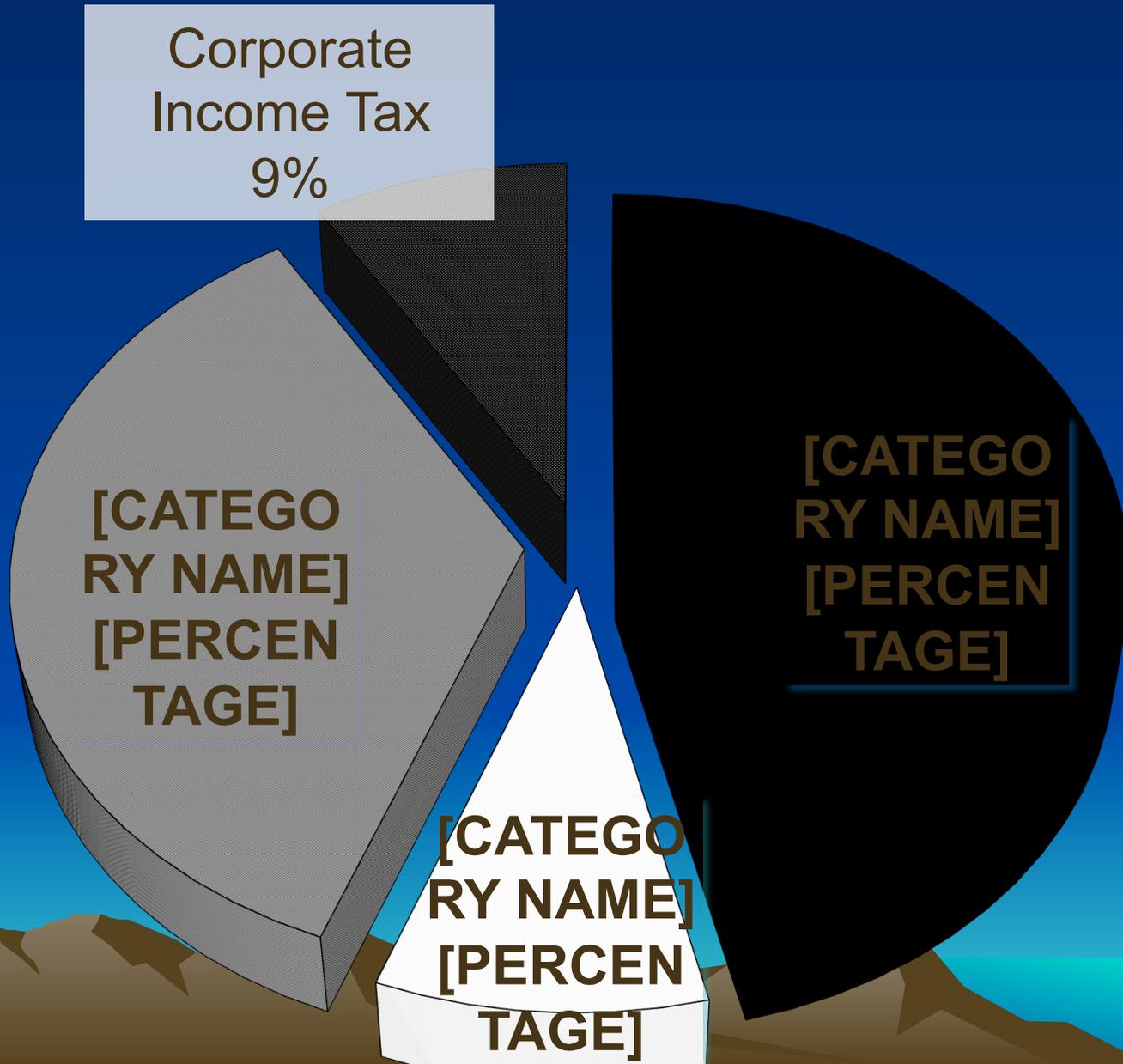
Revenue

- Local
- State

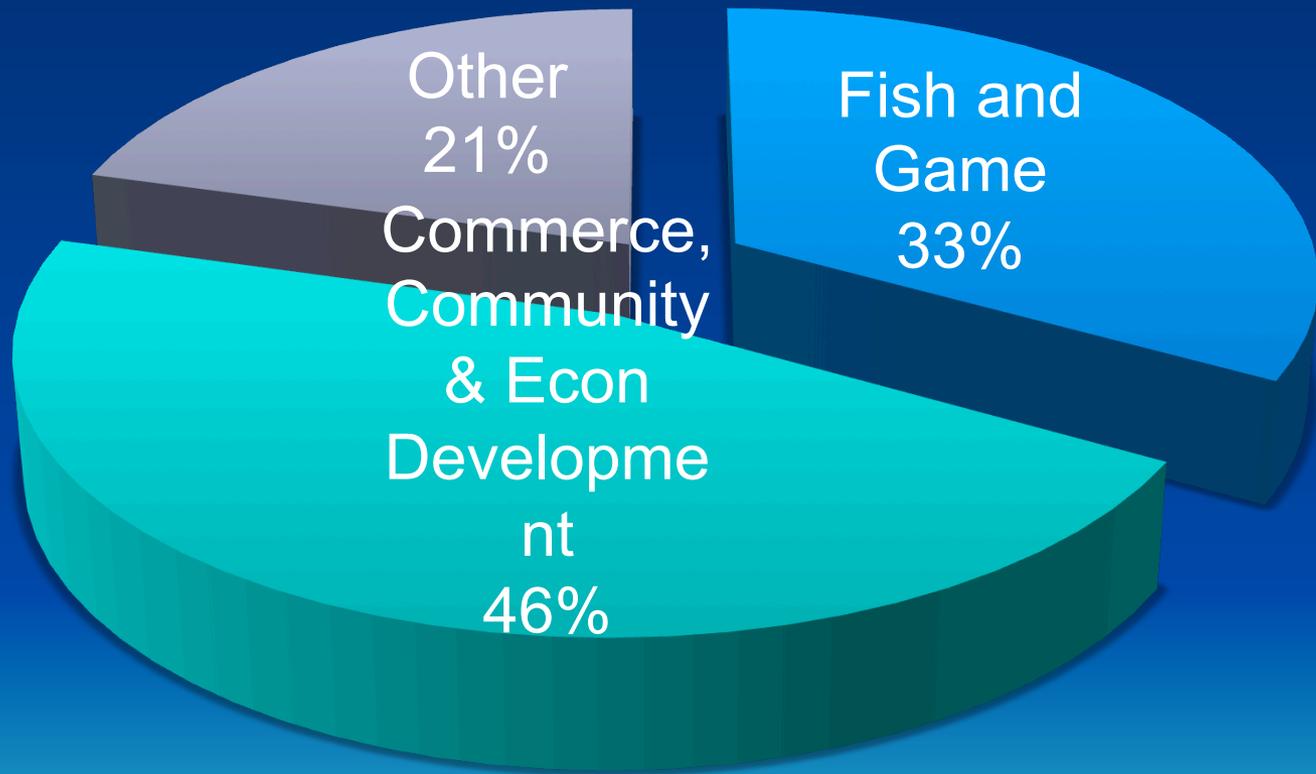
Expense

- Capital
- Operating

State Tourism Revenue: \$54.3 Million



Operating Budget Cost: \$35.9 Million



Operating Cost Assumptions

- 20% of DNR State Parks Budget
- 43% of DF&G Sport Fishing Budget
- 14% of DF&G Wildlife Conservation Bdgt
- 12% of DF&G Board Support Section



Tourism Capital Budget: \$19.4 million

- Same assumptions as for operating budget plus...
- 50% of CIPs to museums
- 110 Projects (partially tourism)
- Average: \$19.4/year



Municipal Revenue: \$82.6 million

Average Revenue 2010-2014	
Commercial Pass Vessel Tax, muni share	\$13.3
Visitor-related sales tax revenue	27.2
Lodging tax revenue	25.7
Dockage/moorage revenue	16.5
Local government funds total:	\$82.60

Tourism Caveats

- Tourism expenditures especially difficult to estimate
 - expenses overlap those for Alaskans
 - requires economic assumptions



Caveats continued

Averages may not represent any segment of Alaska's complex tourism industry.



Revenue *not* Included

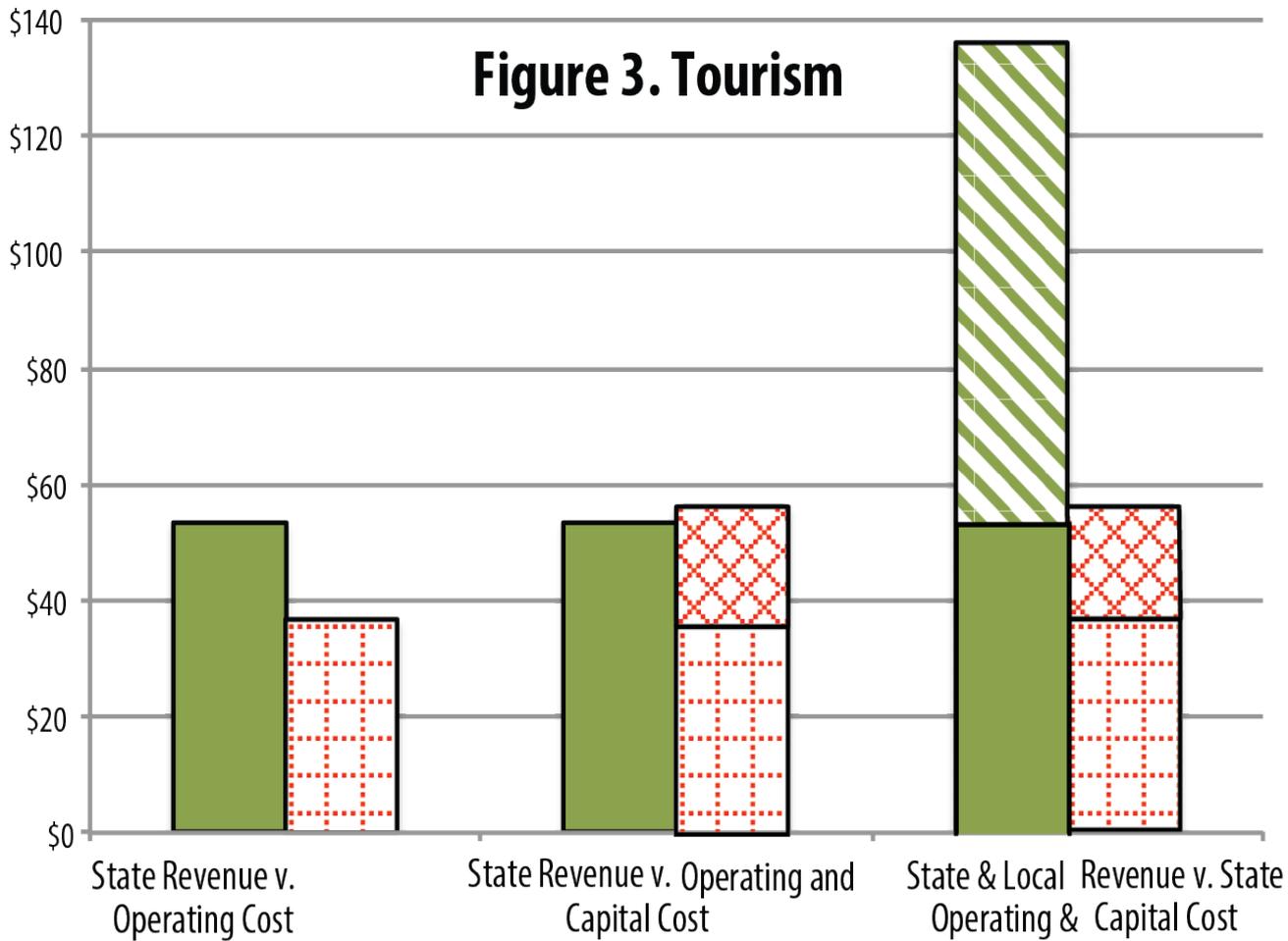
Alaska Railroad:
\$21.5 million



Non-resident fares on the
Alaska Marine Highway:
\$19.6 million



Figure 3. Tourism



Revenue

- Local
- State

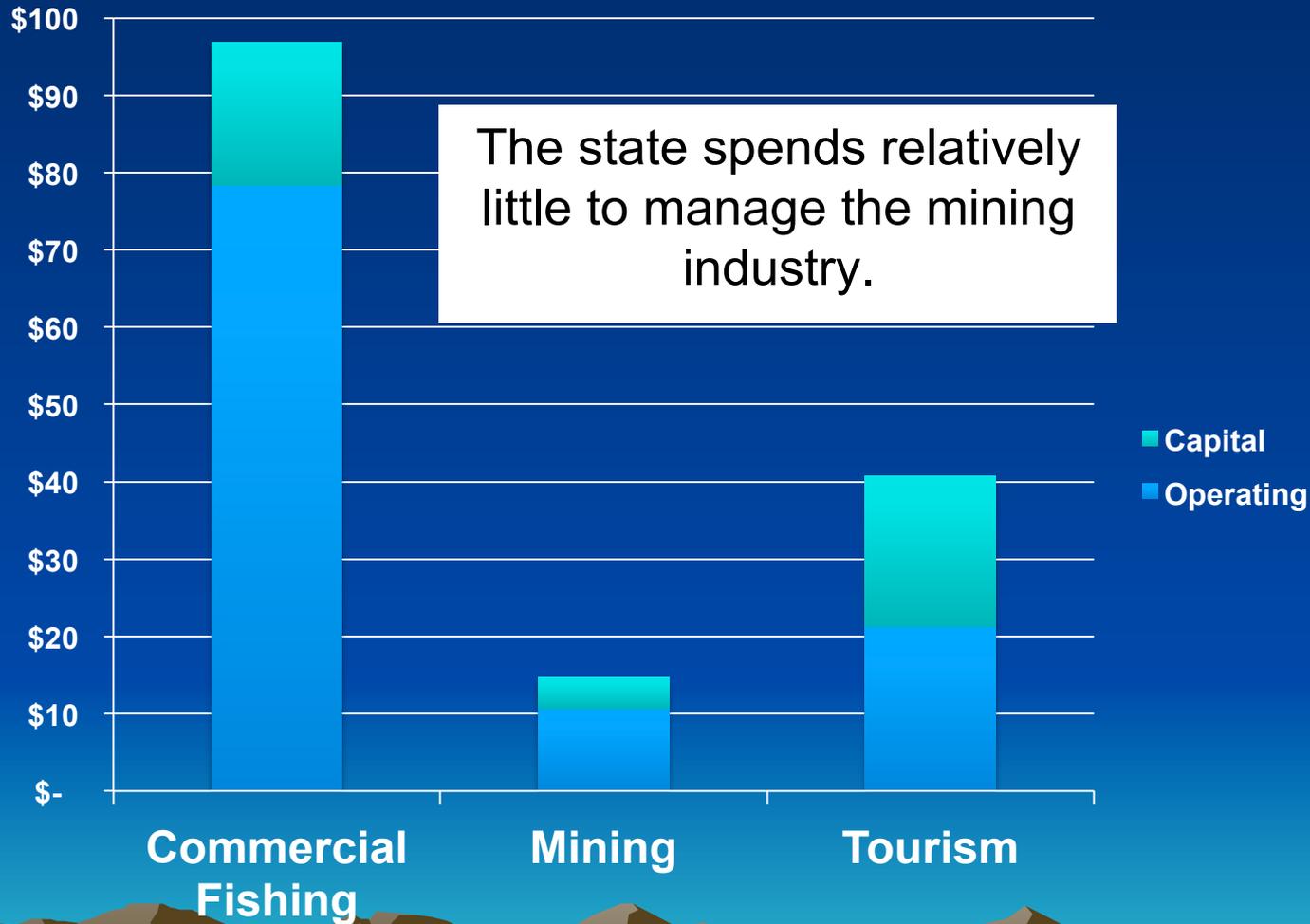
Expense

- Capital
- Operating

Some Observations



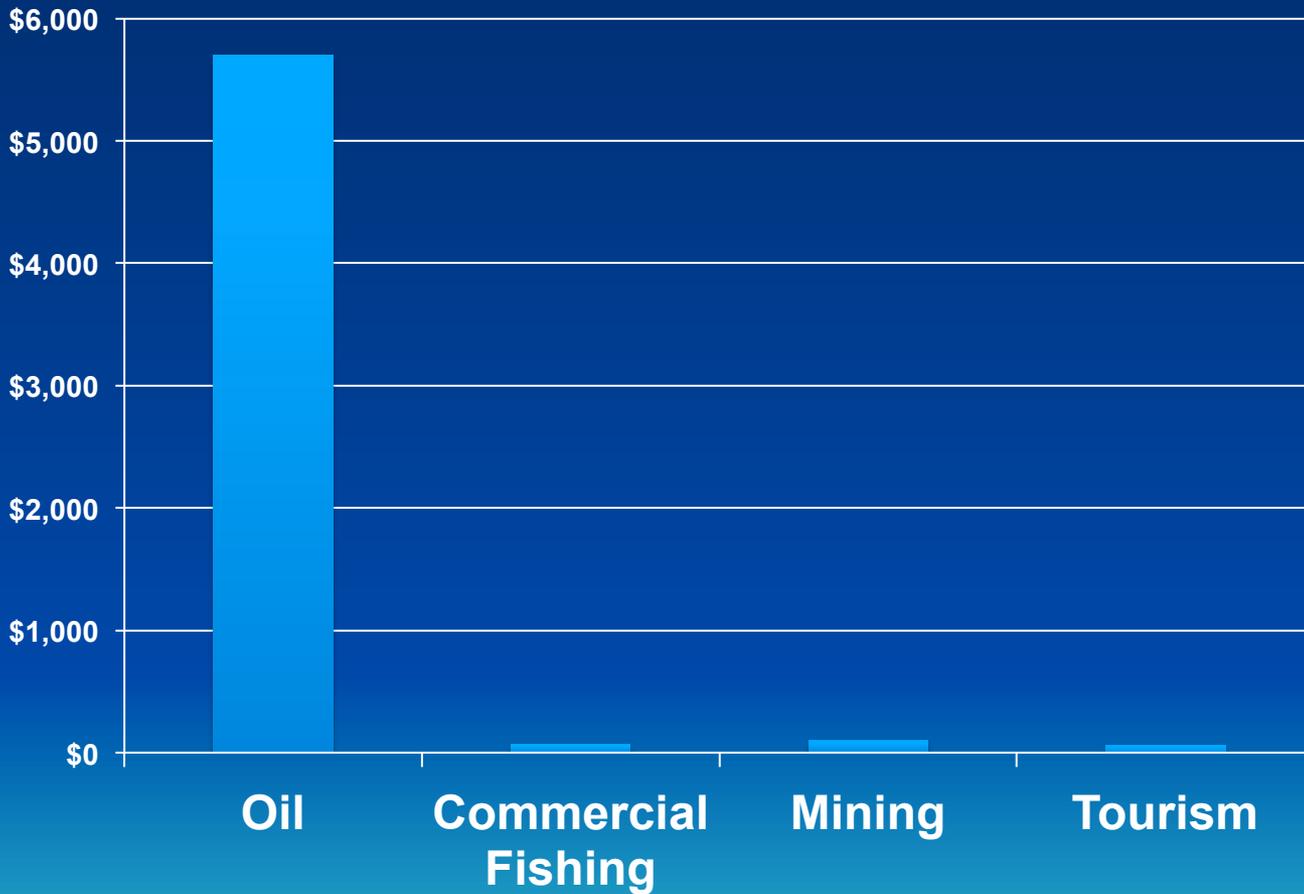
Some Observations: Management Cost



Revenue as % of First Market Value: Similar among the industries



These industry revenues do not compare to oil



So What?

To many people (me), these industries are most important for their economic contributions to people's well-being and communities.



