

STATE OF ALASKA

DEPARTMENT OF REVENUE

Tax Division

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Re: Annual Alaska Salmon Production Report

March 9, 2007

To Whom It May Concern:

Enclosed is the "Annual Alaska Salmon Production Report" for calendar year 2006. We compile the report from Annual Alaska Salmon Production Reports completed by processors required to report by state statute. Note that areas E, F, H and I are not shown on the report because of confidentiality requirements. However, information for these areas is included in the statewide totals. The following will help in understanding the Annual Alaska Salmon Production Report:

STATUTORY REQUIREMENTS

1. The reporting threshold is 1 million pounds of salmon products sold at wholesale in the previous calendar year.
2. "Quantity" is the number of pounds of reportable product produced by a processor or its affiliate.
3. "Production area" is where the product was processed into a reportable salmon product within Alaska by the processor or its affiliate. If the salmon was exported in the round and then processed into a reportable product, the production area is "Exported in the Round" (Area I).
4. No quality distinctions are made within each product form category.
5. The "product forms" are those listed in statute. These are the only product forms that are included in the Annual Alaska Salmon Production Report database and the only ones that processors are required to report.

CONFIDENTIALITY

We do not report information for some areas because it could identify the quantity produced by a particular processor (as indicated by the use of double asterisk). We use the following guidelines when evaluating confidentiality:

1. If there are at least four processors for a given area, the information is reported.
2. If there are three processors for a given area, the information is reported unless one processor accounts for over 80% of total quantity or two processors account for over 95% of total quantity.
3. If there are only one or two processors for a given area, the information is not reported.

Please call Dan Stickel at 907-465-3279 or e-mail at daniel_stickel@revenue.state.ak.us if you have any questions.

Sincerely,



Paul Dick
Chief of Operations