



Sponsor

Statement

**CSHB 261 (FIN)
COMMERCIAL FISHING ENTRY PERMIT LOANS**

SPONSOR'S INTENT

House Bill 261 seeks to increase Alaskan ownership of Alaskan fisheries by enabling a larger number of state residents to secure the level of financing necessary to purchase limited entry commercial fishing permits.

HB 261 modifies Section B of the Commercial Fishing Loan Act to address the reality of today's permit costs. To this end, the legislation would increase the maximum loan amount for entry permits under Section B from \$100,000 to \$200,000.

In several areas of the state, salmon permits are selling for well over \$100,000. For example, in 2011 salmon seining permits in Southeast averaged \$129,500; Prince William Sound drift gillnet permits averaged \$161,600; and Alaska Peninsula drift gillnet permits averaged \$127,000.

These loans would only be available to Alaska-resident borrowers who are not eligible for financing from commercial banks or from the Commercial Fishing and Agriculture Bank; HB 261 therefore avoids putting the state in competition with private-sector lenders.

This legislation holds special promise for young Alaskan entrepreneurs, who in recent years have found it more difficult to secure the large amounts of capital needed to launch gainful, life-long fisheries businesses. By helping a larger number of young Alaskans pursue ownership-level careers in fisheries, HB 261 will contribute to efforts to reverse the "graying of the fleet"—the worrying increase in the average age of resident skippers in commercial fisheries across Alaska.

Your support for HB 261 will strengthen one of the Commercial Fishing Loan Act's most important purposes: To develop predominantly resident fisheries in Alaska. In turn, by helping to put a greater number of limited entry permits in residents' hands and by keeping a greater proportion of fisheries earnings in the state, HB 261 will strengthen Alaska's economy.