



February 16, 2011

Representative Alan Austerman – District 36
State Capitol, Room 204
Juneau, AK 99801

RE: Support for HB 141 – CQE Revolving Loan Fund

Representative Austerman:

I am writing in support of House Bill 141, which will modify the financial instruments available to eligible Community Quota Entity (CQE) participants. In recent years, small communities have faced increasing pressure to remain competitive in light of the push into quota managed fisheries. This was made clear with the development of the Community Development Quota (CDQ) program that was initiated to hedge the outflow of traditional resources from communities of the Bering Sea. In much the same way today, many small, non-CDQ communities do not have the capacity to mobilize capital necessary to take part in fisheries that require the purchase of large vessels and quotas to allow participation in those fisheries.

The creation of the CQE program last decade was an admirable attempt to increase fisheries allocations for many small, rural Alaskan coastal villages; however, the initial CQE program regulations did not provide the necessary financial support needed for the successful implementation of the high risks involved in purchasing capital required to participate in the halibut and sablefish fisheries. Risks of buying into quota managed fisheries are clearly revealed in the adjustments to the 2010 & 2011 Total Allowable Catch (TAC) allocations which drastically reduced quota in all districts of the Gulf of Alaska, events that could have bankrupted communities who purchased quotas during this period of declining quotas.

The Southwest Alaska Municipal Conference (SWAMC) represents 11 communities on Kodiak Island, the Alaska Peninsula and the Aleutian Chain that drastically need further support necessary to participate in the CQE program. We support HB 141, which will provide additional financial assistance to communities that have been unable to utilize the CQE program as it is currently designed. This is evidenced by the fact that only two of the 42 eligible CQE communities have procured quota share to date. Thank you for introducing this legislation. I urge your colleagues to support this bill to press for changes to the CQE program that will increase fishing access to our coastal communities in hopes of improving their local economic conditions.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Varner", with a long, sweeping horizontal line extending to the right.

Andy Varner
Executive Director