

## Memorandum

**Date:** January 17, 2011

**To:** Representative Steve Thompson, Chair  
House Special Committee on Fisheries

**From:** Representative Bryce Edgmon

**RE:** HB 261 Hearing Request

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I respectfully request a hearing for HB 261—Commercial Fishing Entry Permit Loans—at your earliest possible convenience.

HB 261 would modify Section B of the Commercial Fishing Loan Act to allow loans for limited entry permits at two percent below the prime rate, with an interest floor of three percent. Additionally, to address the reality of today's permit costs, HB 261 would increase the maximum loan amount for entry permits under Section B from \$100,000 to \$200,000.

These loans would only be available to Alaska-resident borrowers who are not eligible for financing from commercial banks; 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.

Please find the following materials in the HB 261 packet:

- HB 261.
- Sponsor Statement.
- Summary of the Commercial Fishing Revolving Loan Fund, with Details on Section B.
- Financial and Statistical Information relating to the Commercial Fishing Revolving Loan Fund.
- Examples of average salmon fishery limited entry permit costs in 2011.

My staff contact for this legislation is Tim Clark, who can be reached at 465-2839.

Thank you for your consideration of this request.