



# **Sponsor Statement**

## **House Bill 177 Commercial Fishing Loans**

HB 177 restores the division of Economic Development's ability to offer incentivizing interest rates for important loan programs within the Commercial Fishing Revolving Loan Fund (CFRLF).

HB 177 also makes technical fixes to ensure that income earned on investments of the Community Quota Entity Revolving Loan Fund revolve back into the fund.

Since 1973, the CFRLF has been a cornerstone in the state's effort to increase Alaskan ownership of Alaskan fisheries. It encourages development of predominately resident fisheries by enabling more Alaskan fishers to make substantial investments in the efficiency and profitability of their businesses.

Among the most effective offerings in the CFRLF for boosting the competitiveness of Alaskan fishing operations are the Product Quality Improvement and Engine Fuel Efficiency loan programs. Upgrading vessels and gear to enhance product quality can dramatically increase the value of one's catch. Repowering a vessel with fuel efficient propulsion and generator engines can save a business tens of thousands of dollars each year.

By allowing the division of Economic Development to offer loan terms that encourage Alaska resident fishers to make these investments, HB 177 fosters the vitality of Alaskan businesses and helps to strengthen one of the state's most important industries.