



PACIFIC SEAFOOD PROCESSORS ASSOCIATION

Est. 1914

24 February 2014

Representative Alan Austerman, Co-Chairman
Representative Bill Stoltze, Co-Chairman
House Finance Committee
State Capitol
Juneau, Alaska 99801-1182

Dear Representatives Austerman and Stoltze,

Thank you, both, for taking up SSHB 204 – Extension of the Salmon Product Development Tax Credit.

I am writing to you, and Committee members, to express our association's strong support for this bill. Our member companies operate seafood processing plants throughout Alaska, from Ketchikan to Togiak. The Salmon Product Development Tax Credit has a proven track record of encouraging the production of value added salmon products in Alaska.

In years past our members have used the credit to make capital investments in a variety of equipment, including filet machines, vacuum packers, and ice machines, raising both the quality and value of our finished products. This has enabled the industry to meet changing market demands and to strengthen the Alaska Seafood brand in national and international markets. Raising the value of salmon products benefits harvesters, processors, coastal communities, and the state of Alaska.

That being said, it is important to renew this successful legislation to ensure Alaska protects the gains made in the market place over the past decade. Encouraging the industry to optimize the value of Alaska's natural resources not only makes good financial sense, but reflects sound public policy. Having the capacity to produce higher value products provides industry with the ability to better cope with seasonal variations in harvest levels as well as downturns in domestic and international economies.

Passing SSHB 204 this session will provide processors with the certainty needed in planning for major capital expenditures. Extending the credit for five years, along with the additional provisions in SSHB 204, will encourage and enable our members and other processors to react quickly to advancements in processing equipment technology and emerging markets.

Please let me know if there is any additional information I can provide to you about our members' use of and support for this legislation. Again, thank you, for taking up this important issue.

Sincerely,

John V. O'Shea
Vice President - Alaska

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