



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of Commerce, Community,
and Economic Development**

OFFICE OF COMMISSIONER SUSAN K. BELL

P.O. Box 110800
Juneau, Alaska 99811-0800
Main: 907.465.2500
Programs fax: 907.465.5442

April 2, 2013

The Honorable Paul Seaton, Chair
House Special Committee on Fisheries
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Representative Seaton:

Thank you for the opportunity to comment today on HB177. We would like to follow-up on two questions presented by the committee:

1) Which division within the Department of Fish & Game received the funds transferred from the Commercial Fishing Revolving Loan Fund (CFRLF) and what was the purpose?

From FY2004-2010, the greatest percentage of the funds provided to the Department of Fish & Game were put toward the general operating expenses of the Division of Commercial Fisheries, the remaining portion of the funds were spread across four other divisions within the Department. As noted on the handout, the practice was ended after FY2010 because the fund transfers were threatening the viability of the Commercial Fishing Revolving Loan Fund.

2) Is the turndown requirement in statute?

As a point of correction and clarification, the turndown requirement is specifically cited in AS16.10.310 Sections (B), (C), (E), however we would like to note that under Sections (A), (D), (F), and (11), a turndown letter is not required. In particular, Section (A) refers to limited entry permits and the product quality and fuel efficiency loans. As it relates to the State of Alaska competing with the private sector, banks do not loan on limited entry permits as permits cannot be used as collateral, thus a turndown letter is not required. The product quality and fuel efficiency loan programs are public policy objectives set by the Legislature to improve Alaska's seafood quality, price and competitiveness in the world marketplace. The fuel efficiency objective is meant to address environmental stewardship, reduce fuel expenses, and be proactive in addressing potential federal engine efficiency requirements for Alaska's fishing industry. It is important to note that the overall intent of the CFRLF is to serve Alaska residents within the fishing community that have limited access to capital or are not likely to be viable for a commercial loan.

Sincerely,

A handwritten signature in blue ink that reads "Lorene Palmer".

Lorene Palmer
Director

CC: Louie Flora, Legislative Assistant
Tim Clark, Legislative Administrative Assistant
Crystal Koeneman, Special Assistant to the Commissioner, DCCED