

HALIBUT ASSOCIATION OF NORTH AMERICA

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Representative Louise Stutes
Chair, Special Committee on Fisheries
State Capitol Room 416
Juneau, AK 99801

March 7, 2016

SENT VIA EMAIL

Dear Chairwoman Stutes,

The Halibut Association of North America (HANA) represents processors in Alaska, British Columbia, Washington, Oregon, and California on management, business, and marketing issues focused on halibut. Our members process 80% of the halibut that comes out of the North Pacific each year. As you know, about 85% of that comes from Alaska.

HANA was formed just a few years after Alaska achieved statehood. Our leadership has worked closely with the State and its agencies ever since. In the past, our members have served on the Board of Fish, at regional advisory bodies, and on the board of the Alaska Seafood Marketing Institute. HANA currently chairs ASMI's Halibut and Sablefish Committee.

We have monitored HB251 since it was introduced, and have read and listened to the public comments offered to your committee. We thank you for holding what will be five public hearings on this proposed legislation. We applaud your concern about the fishing industry being singled out, and your efforts to ensure that this does not do more harm than good.

We believe there may be ways to increase revenues and achieve a level playing field at the same time. As many have already testified, the state code for fisheries taxes is extremely complex and parts of it are outdated.

If the the landing tax rate on halibut goes from 3% to 4%, our members would need to budget for a 33% increase in their obligation to the state for the Fishery Resource Landing Tax. The Fisheries Business Tax would be an additional 33% increase in the number of dollars paid.

Over the last ten years, the population of halibut in the North Pacific and the individual fish's size at age has decreased. We are fishing on a sustainable catch limit that is less than half what it was in 2008. Halibut is a long-lived species which means recovery will be slow. We have not yet discovered why a 16-year old female today is less than half the weight of a 16-year old female from 1995. The good news is both phenomenons have leveled off and perhaps turned around.

Halibut may be considered a high-value fish, but when contracts are dropped because the volume isn't available, margins go down. An across-the-board increase in fisheries taxes would hurt halibut processors to perhaps the greatest degree, and at a time when the industry is struggling between lower catch limits and a marketplace that does not welcome a strong dollar.

We are eager to be part of the budget solution, but feel strongly that HB251 is not the right approach. Moreover, we feel it could trigger negative economic effects resulting in fewer small-scale operations serving rural coastal communities.

Thank you for your time and attention to this important issue.

Sincerely,

Peggy Parker
Executive Director

MEMBERS

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DANA F. BESECKER	FRENCH CREEK	HART SALES	
ICICLE SEAFOODS	NORTH PACIFIC	PACIFIC SEAFOOD	
S.M. PRODUCTS	TRIDENT SFDS.	SEAFOOD PRODUCERS COOP	
SNUG HARBOR SEAFOOD		YAKUTAT SEAFOODS	