

Hello, My name is Leroy Cabana, I would like to share some of my thoughts on HB251 and the financial shortfall the State of Alaska is trying to solve. First and foremost I would like to say, Its up to all folks in Alaska to try to work together and render a solution to finding a balanced budget, fishermen will have to help share this burden.

Now saying that I would like to share my personal experience in harvesting salmon in PWS and trying to make a living.

HB 251 appears to effectively raise the gross fishery landing tax from 3% shore based and 5% floating processor to 4% and 6% respectively. This tax is treated by the processors like other expenses and directly affects the ex vessel price paid to fishermen for their catches. In the fishery I am involved in, a vessel/permit owner is lucky to retain 20 - 25% of the gross harvest value after paying expenses, here is my experience, crew wages 35%, insurance 22k, fuel 44k, groceries 12k, moorage 7k, vessel upgrade loan payment 39k, and the list goes on.

If a vessel owner realizes 20% of the gross as profit, each 1% increase on the gross fish landing tax represents 5% of the vessel owners income each year.

Like I stated above, All Alaskans will be affected by the current attempt to balance the state budget, and I guess I can swallow hard and try to understand the need of HB251. What concerns me is the next step you folks in Juneau will take, I mean, come on, a 1% increase in fisheries landing tax is going to be small drop in a very large bucket towards balancing the state budget. I expect a personal income tax and cuts to the PFD will be in the works in our near future, if HB251 is passed as written and then we get a personal income tax and cuts to the PFD, Fishermen will be carrying a heavy burden.

My worry is the Gross fishery landing tax will be approved, then right after that we will be hit with an income tax, cuts to the PFD and who knows what else, the accumulative effect will be to render salmon seining in PWS unprofitable or close to it .Pink salmon prices last year was 20 cents per pound to the fishermen, its not easy at 20 cents per pound without additional taxes, what I ask is please consider the future impact of other tax increases on fishermen when deciding on HB 251.

Thanks for taking my input

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