

February 23, 2018

Jeremy Leighton  
Box 1176  
Ward Cove, AK 99928

Rep. Dan Ortiz  
State Capitol Room 513  
Juneau AK, 99801

Re: HB 354

Dear Representative Ortiz,

First we'd like to thank you for your time and help on this legislation. I am presently the President of the SARDFFA Board of Directors. I am also the Chairperson of the SARDFFA Sea Cucumber and Geoduck Clam Committees. I have been a commercial harvest diver in Ketchikan for over 20 years.

As you know SARDFFA is looking to streamline the process on changing the amount we assess ourselves in our fisheries. The last time we tried to lower the assessment tax in the Sea Cucumber fishery we found it impossible to follow the existing regulations. We feel that by initiating the assessment tax change through the Board of Directors, setting a floor for the number of divers that need to vote, and having the majority of returned votes carry the day would fix the problems in the old legislation while still maintaining the integrity of the voting process.

At this time in the Sea Cucumber banking account has sufficient money to meet our financial obligations to the State of Alaska for years and still lower the assessment tax. By reducing the assessment tax the divers that participate in the sea cucumber fishery would realize real money back to their pockets starting in the 2018\_19 season. The commercial divers still pay a 3% fisheries tax on top of the Assessment tax.

During the 2016\_17 season the sea cucumber fishery had an ex-vessel value of \$5,354,246. Sea cucumber divers paid a 5% assessment tax, or \$267,712. If, for example, the assessment tax had been 1% the divers would have been taxed \$53,542 or a savings of \$214,170. During that season 169 divers landed sea cucumbers. This would have saved the average diver \$1,267.

The three SARDFFA fisheries (geoduck clams, sea cucumbers, and red sea urchins) will always meet their financial obligation to the State. If we don't we would not have a fishery that year. This Bill does not change that obligation. Successful passage of this Bill would have no effect on the State or any other organizations.

Again, thank you our efforts on our behalf.

Sincerely,

Jeremy Leighton

