



Alaska Whitefish Trawlers Association

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Representative Steve Thompson, Chair
House Finance Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

Re: HB251 (Removal of \$3,000 cap on CFEC permits)

Dear Chairman Thompson:

The Alaska Whitefish Trawlers Association (AWTA) is located in Kodiak and has been actively working to represent the interests of independently owned trawl vessels for over 40 years. Our vessels harvest groundfish in the Gulf of Alaska and the Bering Sea for delivery to shore based plants for processing.

I am writing today to express our opposition to that portion of HB251 which would remove the \$3,000 limit on CFEC permits. Our member vessels begin fishing on January 20 and many continue working into late November or even December. Because of the long duration of our seasons, a number of our vessels employ two or even three skippers so that the vessel can continue to operate at its highest potential.

That portion of HB251 which would remove the \$3,000 cap on CFEC permits would have a direct economic impact on our vessels. Depending on which areas and fisheries an individual vessel participates in the cost could increase by more than 100% and will cause economic hardship. A vessel with multiple skippers might have to pay as much as \$19,575 just for the permits that allow the vessel to operate.

We understand the economic challenges facing Alaska but we feel that the fishing industry is being faced with disproportional tax increases. As trawlers, our vessels consume considerable amounts of fuel and the proposed doubling of the tax on fuel will be a burden. Increasing the raw fish tax on the product we deliver will be a burden. Increasing the cost of CFEC permits will be a burden. Collectively, all of these increased costs will be a burden for our industry.

We ask you to take no action on HB251 until a comprehensive analysis of the costs of these tax increases are evaluated in relationship to the perceived benefit that Alaska may receive.

Sincerely,

A handwritten signature in black ink that reads "Robert L. Krueger".

Robert L. Krueger, Executive Director
Alaska Whitefish Trawlers Association