



UNITED FISHERMEN OF ALASKA

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May 13, 2025

Co-Chair Hoffman
Senate Finance
State Capitol Room 518
Juneau AK, 99801

Submitted Electronically to: Senate.Finance.Committee@akleg.gov

RE: Support for SB 156- AK Commercial Fishing & Ag Bank; Loans

Dear Co-Chair Hoffman and members of the Senate Finance Committee,

United Fishermen of Alaska (UFA) is the statewide commercial fishing trade association representing 35 commercial fishing organizations participating in fisheries throughout the state and the federal fisheries off Alaska's coast. UFA **supports** SB 156- AK Commercial Fishing & Ag Bank; Loans.

In recent years, Alaska's commercial fishing industry has faced an economic crisis, driven in large part due to geopolitical events and actions taken by foreign countries. During the 2024 legislative session, UFA worked with the State's Division of Investments and members of the legislature to secure a temporary change to the Commercial Fishing Revolving Loan Fund (CFRLF) to lend to fishermen at a lower interest rate than previously allowed by statute. This temporary reduction in the interest rate has been utilized by fishermen throughout the state and has no doubt, saved small fishing businesses from going under during these trying times.

An unintended consequence of the temporary measures put in place at the CFRLF was harm done to the Alaska Commercial Fishing and Agriculture Banks (CFAB). With the lower interest rates in place at the CFRLF, CFAB has been unable to match the CFRLF loan terms. As a result, CFAB has seen a decrease in loan volume. UFA recognizes that a strong CFAB is an important mesh in the lending web for commercial fisheries here in Alaska. CFAB and CFRLF are the only two entities that can encumber a state fisheries Limited Entry permit and CFAB, with its ability to lend in higher amounts to borrowers than CFRLF, fills a need that might otherwise be left unmet.

The solution proposed by SB 156 provides a one-time, temporary investment of state money. This state investment leaves intact the CFRLF, while providing CFAB the ability to issue comparable low-interest rate loans until the CFRLF rates return to normal in two years.

Lowering interest rates at the CFRLF gave the industry the ability to refinance smaller loans at more affordable rates. However, an unintended consequence of this action taken by the legislature is harm to CFAB and its operations. At a time when industry needs all the assistance it can get, UFA supports keeping CFAB's doors open via the proposed solution outlined in SB 156.

Sincerely,



Matt Alward
President



Tracy Welch
Executive Director

MEMBER ORGANIZATIONS

Alaska Bering Sea Crabbers • Alaska Longline Fishermen's Association • Alaska Scallop Association • Alaska Trollers Association
Alaska Whitefish Trawlers Association • Area M Seiners Association • At-sea Processors Association
Bristol Bay Regional Seafood Development Association • Bristol Bay Reserve • Cape Barnabas, Inc. • Concerned Area "M" Fishermen
Cook Inlet Aquaculture Association • Cordova District Fishermen United • Douglas Island Pink and Chum • Freezer Longline Coalition
Fishing Vessel Owners Assn • Groundfish Forum • Kodiak Crab Alliance Cooperative • Kodiak Regional Aquaculture Association
Kodiak Seiners Association • North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association
Northwest Setnetters Association • Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation
Purse Seine Vessel Owner Association • Seafood Producers Cooperative • Southeast Alaska Herring Conservation Alliance
Southeast Alaska Fisherman's Alliance • Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners
Southern Southeast Regional Aquaculture Association • United Catcher Boats • United Southeast Alaska Gillnetters
Valdez Fisheries Development Association