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February 13, 2010

Chairman Bryce Edgmon
Members of the House Fisheries Committee
State Capitol
Juneau, AK 99811-1182.

RE: HB 344, Salmon Tax Credit

Dear Chairman Edgmon and Members of the House Fisheries Committee:

North Pacific Seafoods would like to express our support for the passage of HB 344, renewing the Salmon Product Development Tax Credit. The current program has allowed the industry to keep pace on Alaska salmon products in the quickly changing domestic and world markets. The extension of this program will continue the momentum and success Alaska salmon products have enjoyed in the global markets.

North Pacific Seafoods started in Alaska in the canned salmon processing business. Today we own and operate four (4) shore based seafood processing plants that the largest portion is Salmon, though we also process crab, halibut, black cod, Pollock, Pacific cod, flat fish, rockfish and dive products. Our facilities are located in the coastal areas of Sitka, Kodiak, Pederson Point (Naknek) and Togiak. With the changing market demands, North Pacific Seafoods has converted from salmon canning to a 100% fresh and frozen processor of Alaska salmon and other seafood items.

North Pacific Seafoods continues to invest in our facilities each year. With the briskly increasing costs of energy, freight, labor and insurance, an increasing amount of our capital improvement funds have been diverted to address these issues that would normally be invested into product improvements. We have been utilizing the Salmon Tax Credit each year to improve our product development in salmon fillets and salmon caviar. We plan to continue to invest in salmon product development and the Salmon Tax Credit will allow us to invest at an accelerated level as long as this program continues.

We thank you for the continued support through the passage of the extension to the Salmon Product Development Tax Credit program.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Backlund", is written over a horizontal line.

Jeffrey Backlund
Vice President

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