



March 17, 2016

Dear Chairman Stutes and Members of the Committee,

The Alaska Longline Fishermen's Association (ALFA) SUPPORTS HB 366: An Act establishing community permit banks.

ALFA is a Sitka-based organization of independent fishermen committed to sustainable fisheries and thriving fishing communities. Our members support science-based fisheries management through collaborative research, advocacy and innovation. We work to safeguard ocean health and improve the economic viability of small boat fishing.

Commercial fishing is the economic driver of Alaska's communities; commercial fishing also provides residents of rural communities with access to important subsistence resources, supporting household economics and community culture. The dependence of communities on commercial fishing increases in the remote and isolated coastal areas stretching along the Gulf of Alaska and Bering Sea coasts.

Fishing permits and quota are leaving Alaska, especially leaving Alaska's rural coastal communities. Between 1975 and 2014, Alaska's rural communities experienced a net loss of over 2,300 limited entry permits. Federal quota has also become concentrated into fewer hands and migrated from rural communities. Because few alternative employment opportunities exist in these communities, losing access means losing livelihood and ultimately losing community.

Six billion dollars worth of fisheries resources are harvested off Alaska's coast each year. Non-residents have an important role in that harvest, but Alaska community residents depend on access to that valuable resource—and that access is increasingly out of reach.

The cost of access to some of Alaska's fisheries has doubled, quadrupled, and then doubled again since limited access programs were implemented. Young fishermen, especially fishermen from rural areas, lack the necessary capital and collateral to obtain loans. Even when funding is available, the risk new fishermen face is staggering.

Community permit banks are an essential part of addressing these issues. Permit banks anchor access in communities and provide an affordable entry level for new fishermen. As proposed in HB 366, community permit banks would obtain limited entry permits than lease these permits to resident fishermen for a limited amount of time. As a result, new fishermen would initially face only the cost of buying a boat and fishing gear, then tackle the cost of a permit after building equity in their boat, gaining experience, and weathering the first few fishing seasons. During the start up time, permit banks can mentor young fishermen in sound fishing and business practices, further lowering the risks they face and supporting their eventual success. In short, permit banks anchor access in communities, lower entry costs and reduce risks faced by new fishermen. From ALFA's perspective, community permit banks are an essential step toward reversing the loss of fishery access.

ALFA has been actively working since 2009 to address the loss of fishery access through a risk sharing arrangement that supports intergenerational transfer of federal fisheries quota to residents of Alaska's communities. Although we are making some progress, we recognize the erosion of access far outstrips our current capacity. A sea change is needed, and our members recognize community permit banks are an essential part of that change. Important to ALFA is the concept behind this bill that establishes permit banks as an entry level opportunity designed to launch independent fishermen into permit ownership, rather than permanent lease arrangements. Our members would not be comfortable without that provision. We recognize some changes and improvements will be made to HB 366 as it moves through the process, but highlight that provision as important to our support.

In sum, ALFA members urge the Committee to recognize the economic, social and cultural importance of HB 366 to Alaska in general and Alaska's rural communities in particular. We urge you to support the Bill and to work toward timely implementation.

Thank you for the opportunity to comment and for your commitment to Alaska's fisheries.

Sincerely,



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