



UNITED FISHERMEN OF ALASKA

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March 3, 2017

Representative Neal Foster, Co-Chair
Representative Paul Seaton, Co-Chair
House Finance Committee
Alaska State Legislature
State Capitol, Juneau AK 99801

Senator Mia Costello, Chair
Senate Labor and Commerce Committee
Alaska State Legislature
State Capitol, Juneau AK 99801

RE: Support for HB56 and SB 71– Commercial Fishing Loan Program

Dear Chairman Costello, Co-Chairmen Foster and Seaton, and Committee Members,

United Fishermen of Alaska (UFA) is a statewide commercial fishing trade association composed of 34 commercial fishing organizations representing fishermen who participate in state and federal waters fisheries.

UFA supports HB56 and SB71, which would increase the limit by \$100,000 on loans made to a borrower under the Division of Economic Development's Commercial Fishing Revolving Loan Program (Loan Program); and maintain the existing cap on the combined outstanding balance of all loans held to \$400,000.

Passage of HB 56 or SB 71 will help more Alaskans obtain the financing necessary to grow a successful fishing business. The cost of safe and reliable vessels for most fisheries typically exceeds the current \$100,000 limit. The Loan Program has been of great benefit to many skippers, whether seeking to get into the fishing industry or to upgrade existing equipment. Increasing allowable financing through HB 56 and SB 71, will help to ensure that the young fishermen of today have an opportunity to become the skippers of tomorrow. This in turn should provide options for those individuals who wish to remain in Alaska's small coastal fishing communities.

The revolving loan program is one of very few tools that the state has to give an advantage to Alaska residents with a desire to become fishing skippers. And, because a traditional bank lender must first reject a borrower in order to qualify for the Loan Program, we do not anticipate major negative effects on private sector lenders.

Thank you for your consideration,

Jerry McCune
President

Mark Vinsel
Executive Administrator