

Support HB56/SB71 **Petersburg Vessel Owner's Association**
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March 6, 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 HB56/SB71

Dear Committee Members,

Petersburg Vessel Owner's Association (PVOA) is composed of over 100 members participating in a wide variety of species and gear type fisheries. An additional 35 businesses supportive to our industry are members. Targeted species include salmon, herring, halibut, sablefish, cod, crab, shrimp, pollock, tuna, geoduck, and sea cucumber.

Petersburg Vessel Owner's Association supports HB56/SB71, which would increase the Division of Economic Development's limit on various loan sections within the Commercial Fishing Revolving Loan program by \$100,000. We believe this increase will make the loan program more affective and viable for more fishermen. However, we question if this increase is sufficient since it will not keep up with inflation. For example, the equivalent of the \$100,000 limit set on loans for the purchase of commercial vessels in 1982 is \$256,842.55 today.

Even without inflation proofing, the Division of Economic Development's Commercial Fishing Revolving Loan Program is valuable to aiding new entrants and advancements within our industry as it is one of only two loan programs that can use limited entry permits for collateral. This is important because within the fishing industry, limited entry permits are often the most valuable assets a fisherman owns early in their career.

PVOA supports this effort to increase the loan limit and believes it will help entry-level Alaskan fishermen access resources and advance their careers. As the Commercial Fishing Revolving Loan program has been self-sustaining and growing since inception, we see this bill as a means of improving services to Alaskans without affecting our fiscal gap.



Thank you for the opportunity to comment, we would be happy to answer any questions.

Respectfully,

Megan O'Neil



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 Executive Administrator

Mark Vinsel