

The City of Unalaska is this nation's number one commercial fishing port which is highly dependent on fishery shared and local landing taxes. The fishing industry of the Bering Sea is our only industry and if the fish tax revenues are impacted, it will be felt in all sectors of the community.

Unalaska's shared fish taxes make up 26% of Unalaska's 31 million GF revenues a little over 8.0 million dollars annually. Unalaska provides services to help support the nation's largest commercial fishing port that supports harvesters, onshore, and offshore processors.

The City of Unalaska has heavily invested in the infrastructure that supports our fishermen and processors. We fund health and safety, and we recently had a request to provide a half of million dollars to our local clinic which must provide medical services for our 24/7 community. We use the fish and sales tax revenues to pay our own way; we fund port and harbor upgrades, utilities improvements, roads, the school district at the cap amount annually, city facilities, local non- profits, which include services for women shelters and substance abuse to name a few. Many of our non-profits provide services the State once was responsible for.

If we lose the shared fish tax revenues the community as a whole will suffer, planned projects will be shelved and school funding will be impacted. It should also be pointed out that the majority of the projects are done with City dollars, from bonding or the use of our reserves, a case in point is the just completed 40 million City Dock extension that was totally bonded by the City. This was a "need" not a "want" to meet the demands of our viable industries. Unalaska really is open for business!

It has been years since the State of Alaska had capital project monies that weren't pass through dollars from the federal government. If the State of Alaska takes all of the state shared fish taxes, who step up to assist fishery dependent communities on projects that will be needed to support the seafood industry that is the economic engine of all fishery communities.

Taking the tax revenue from communities that support the industry, in its jurisdiction, is no different than the Federal Government mandating that the State redirect taxes collected from industries doing business in Alaska, the oil companies would be a good example.

With the lack of State of Alaska capital project funds, many communities have taken over formerly funded state services, maintenance of roads, harbors, and many health and human services issues. Most fishery dependent communities have local sales taxes, high mill rates, and local fishery landing taxes. I bet if you ask the seafood industry who they would want the other 50% of their fish tax dollars to go to, it would be to the communities they work with and not the State of Alaska.

The legislature must remember that fishery dependent communities across Alaska produce 56% of this nation's seafood, over 5 billion pounds and a value of close to 2

billion dollars! We need to keep Alaska fishery dependent communities strong not hurt them by taking away the State Shared Fish Tax Dollars.

The Governor has repeatedly stated that he will not implement a tax on the people. By taking dollars from communities that service the industries on a local level, the impact will require higher taxes imposed by the municipality. The Administration is in fact forcing local government to tax the people of Alaska- negatively impacting the quality of life for Alaskans.

Mayor Frank Kelty