

February 19, 2021

OBI



Dear Honorable Senator Revak,

OBI Seafoods was formed in 2020 through a merger of the Alaska salmon and Gulf of Alaska groundfish operations of Ocean Beauty Seafoods and Icicle Seafoods, two of the oldest and most successful seafood companies in Alaska. The company operates 10 processing plants throughout the State of Alaska including Southeast, Prince William Sound, Cook Inlet, Kodiak, and Bristol Bay.

OBI Seafoods strongly supports the passage of Senate Bill 33 –Seafood Product Development Tax Credit. The effect of diversifying seafood resources, above all other efforts, has had the largest positive impact on value, job opportunities and opening new markets for Alaska seafood around the world.

At a time when the salmon business was struggling to survive, the introduction of the value added salmon tax credit gave our company and many others that ability to pivot and dramatically increase fillet production. The investment in new equipment to install fillet lines added forty jobs for each line we installed. This gave us the ability to diversify our customer mix and market mix and in turn increase the value to our harvesters while increasing our tax base to communities and the state. All of these were important in setting salmon on a recovery that went on for the next five years.

New product development is one of the highest risk aspects of our business yet one area that has kept our business strong and growing through tough economic times. The opportunity to accelerate the development of new products and processes through this important tax credit will continue to keep Alaska seafood competitive and will help gain new consumers around the world.

Value added products are not only a staple in foodservice and retail, but also for schools, nonprofit programs, and the department of agriculture's federal food programs. These products are a healthy and cost-effective way to produce nutritious and quick meals. By continuing and expanding this program, our company will be able to further capture the waste stream and create additional products that would typically go unutilized.

SB 33 will not only lead to the support of additional products but also additional jobs in Alaska. Creating additional value added products for Alaska will allow us to produce these products locally increasing jobs as well as driving the economy of the areas in which OBI Seafoods operates. Creating more value out of the seafood we process is one of the best tools we have to increase the value of the resource to our harvesters. Further, we support the inclusion of pollock and cod in this program and we look forward to expanding our product line as a result of this legislation.

OBI Seafoods supports the passage SB 33. We see this as a valuable opportunity to drive economic development, increase food security, and move toward full utilization of this valuable resource. I hope you can lend your support for SB 33 and help push our industry forward as we look for that next great

"Product of Alaska".

Best Regards,

Mark Palmer

President/CEO OBI Seafoods LLC