



Coastal Villages Region Fund

711 H Street, Suite 200 • Anchorage, Alaska 99501 • Phone 907.278.5151 • Fax 907.278.5150

Speaker Louise Stutes
State Capitol Room 208
Juneau, AK 99801

Senator Gary Stevens
State Capitol Room 103
Juneau, AK 99801

February 7th, 2022

RE: Support for HB 188 / SB 33, Alaska's Seafood Product Development Tax Credit

Dear Speaker Stutes and Senator Stevens,

Coastal Villages Region Fund (CVRF) is one of six Community Quota Development (CDQ) groups operating in Western Alaska, serving 20 remote communities and over 9,300 residents. CVRF supports the wellbeing and economic vitality of communities in its region by channeling revenue from fishery investments in the Bering Sea and Aleutian Islands pollock fishery towards programs to support housing, education, job training, subsistence lifestyles, and infrastructure development.

We write today to express our strong support for your proposed legislation to reauthorize and expand Alaska's Seafood Product Development tax credit to include pollock and cod, alongside salmon and herring. The Seafood Product Development tax credit is an important investment in Alaska's seafood industry that has produced measurable benefits by incentivizing greater utilization of fishery resources and the waste stream, while also supporting infrastructure improvements to capture additional value from fish harvested in the state.

Analysis provided by the Alaska Seafood Marketing Institute and the Pacific Seafood Processors Association finds that the tax credit has directly contributed to the generation of an additional \$114.4 million in new revenue to the State of Alaska general fund due to product form changes and the resulting increase in product value. Expansion of this tax credit to include pollock and cod is a timely and strategic step to derive even greater value from Alaska's significant pollock and cod fisheries.

As Alaska's commercial fisheries and seafood processors continue to recover from the economic harm inflicted by COVID-19, we urge the Alaska Legislature to swiftly pass House Bill 188 and Senate Bill 33.

Sincerely

Cc:

Senator Lyman Hoffman
Senator Donald Olson
Representative Neal Foster
Representative Tiffany Zulkosky



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P.O. Box 21989, Juneau, AK 99802
Phone (907) 586-4360

www.seconference.org

Email info@seconference.org

SOUTHEAST ALASKA REGIONAL DEVELOPMENT ORGANIZATION

February 7, 2022

Senator Gary Stevens

Email: Senator.Gary.Stevens@akleg.gov

Senator Jesse Kiehl, co-sponsor

Senator.Jesse.Kiehl@akleg.gov

Dear Senators Stevens and Kiehl,

Southeast Conference is the State of Alaska's Regional Development Organization (ARDOR) for Southeast Alaska and strongly supports SB 33, which would re-establish and augment the seafood product development tax credit. This bill is consistent with the regional goals of full utilization of our natural resources while supporting our seafood industry which is critical to Alaska (generating \$5 - \$6 billion in economic value in Alaska annually with more direct jobs (62,200 per new McKinley report, Jan 2022) than any other private industry in the state.

The Seafood Product Development Credit has directly contributed to the generation of an additional \$114.4 million in new revenue to the State of Alaska general fund due to product form changes and the resulting increase in product value. Reports show there is a cumulative increased value in the years after the tax credit was enacted (2004 – 2019) of \$5.1 billion for all salmon species. In a round estimate, applying the fisheries business tax rate of 3% yields a gross tax revenue of \$151.7 million. \$37.3 million in total credits were paid over that period, resulting in cumulative 'added' revenue of \$114.4 million to the State of Alaska general fund.

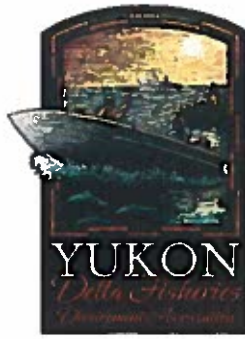
SB 33 will provide Alaska's seafood processors with the ability to receive some capital cost recovery in exchange for investing in new equipment that produces value-added products within Alaska incentivizes getting more value out of each fish, which, in turn, provides greater benefit to the State of Alaska, coastal communities, fishermen, and processors.

Southeast Conference joins the many voices statewide calling for passage of SB 33 and thanks you for your efforts on this bill and the opportunity to comment, and please let me know if I can answer any questions as this legislation moves forward.

Sincerely,

Robert Venables
Executive Director





February 5, 2022

VIA E-MAIL: Senator.Gary.Stevens@akleg.gov

AND FIRST CLASS MAIL

Senator Gary Stevens
State Capitol Room 103
Juneau, AK 99801

Re: SB 33, Seafood Production Development Tax Credit

Dear Senator Stevens:

Yukon Delta Fisheries Development Association, one of the six Western Alaska Community Development Organizations ("YDFDA"), strongly supports SB 33 and very much appreciates your introduction of this measure.

YDFDA is an Alaska non-profit organization focused on economic development in the Lower Yukon River Delta region. Our six member communities represent more than 3,400 residents who live in one of the most economically challenged regions in the United States. Our economic development activities are supported entirely from our allocations of the Bering Sea federal fishery resource through the CDQ program and subsequent investments and, as such, do not rely on any expenditures from the State of Alaska.

We have used the State's seafood product development tax credit in the past to augment our investments in our salmon processing plant in Emmonak. This resource has helped us maintain and operate Kwikpak Fisheries, the largest private employer in our region, supporting more than 400 local jobs and providing a salmon market for 500 permit holders.

Re-establishing the tax credit program for salmon processing equipment and expanding it to include Alaska pollock and Pacific Cod related investments would directly benefit our program. Our Alaska based processors produce pollock and Pacific Cod products and we hope to start a small pilot project to bring commercial quantities of Pacific Cod on shore in Emmonak to provide an alternative fishery due to the low Yukon River salmon returns.

Yukon Delta Fisheries Development Association

Representing the Alaskan Communities of: ALAKANUK • EMMONAK • GRAYLING • KOTLIK • MOUNTAIN VILLAGE • NUNAM IQUA

T 907.644.0326 • F 907.644.0327 • 2909 Arctic Blvd. • Anchorage, AK 99503

Senator Stevens, the capital cost recovery this program provides will directly benefit the State of Alaska, and its coastal communities, fishermen, and processors. This program needs to be re-established and extended.

Thank you again for our efforts.

Very truly yours,

YUKON DELTA FISHERIES DEVELOPMENT
ASSOCIATION



Ragnar Alstrom, Executive Director

cc: Governor Mike Dunleavy: via fax at 907-465-3532
Senator Donny Olson: Senator.Donald.Olson@akleg.gov
Representative Neal Foster: Representative.Neal.Foster@akleg.gov
Senator Lyman Hoffman: Senator.Lyman.Hoffman@akleg.gov
Representative Tiffany Zulkosky: Representative.Tiffany.Zulkosky@akleg.gov
Representative Bryce Edgmon: Representative.Bryce.Edgmon@akleg.gov
Western Alaska Community Development Association (WACDA) members

Founded 1975

Executive Director
Marleanna Hall

2020-2021

Executive Committee

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Mike Satre, Vice President
Lori Nelson, Secretary
Lance Miller, Treasurer
Eric Fjelstad, Past President

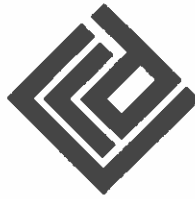
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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

April 5, 2021

The Honorable Josh Revak, Chair
Senate Resources
Alaska Legislature

Re: Senate Bill 33, An Act related to a seafood product development tax credit

Dear Chair Revak, and members of Senate Resources:

The Resource Development Council for Alaska, Inc. (RDC) is writing to support Senate Bill 33, an Act related to reauthorizing and expanding upon Alaska's seafood product development tax credit.

RDC is a statewide trade association comprised of individuals and companies from Alaska's fishing, forestry, mining, oil and gas, and tourism industries. RDC's membership includes Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

SB 33 increases the value of Alaska seafood by incentivizing new product development, and it allows seafood processors to be able to respond more effectively to changes in the market and consumer demand. Seafood processors have used the existing salmon tax credit to make critical investments in processing technologies for salmon that would have otherwise been cost prohibitive for some, and it has changed the face of salmon processing to an increase in fillet and other value-added salmon products that have a strong U.S. market. SB 33 would expand this program to include wild Alaska pollock and Pacific Cod. A higher value product means a higher return on investment for the state, coastal communities, and all participants, as fish taxes are based on fish value.

SB 33 would improve the ability to recover some portion of capital costs for new equipment to create marketable products out of the portions of the fish that would otherwise be wasted. There is no better way to increase the value of Alaska's seafood resources than to increase the utilization of a fish that has already been harvested. Reauthorizing the value added tax credit will help Alaska producers continue this progress and expand it more fully to other species.

In closing, RDC supports SB 33 because it improves the ability of Alaska seafood to compete in highly competitive markets, both domestically and abroad, while providing a higher value product that in turn benefits harvesters, processors, coastal communities and the state of Alaska, which assess fish taxes based on value.

Thank you for your consideration of our comments.

Sincerely,

Marleanna Hall
Executive Director

cc: Senator Gary Stevens





UNITED FISHERMEN OF ALASKA

Mailing Address: P.O. Box 20229, Juneau AK 99802-0229

Phone: (907) 586-2820

E-mail: ufa@ufa-fish.org **Website:** www.ufa-fish.org

February 24, 2021

Senator Gary Stevens
State Capitol Room 103
Juneau AK, 99801

RE: Support SB 33- Seafood Product Development Tax Credit

Dear Senator Stevens,

United Fishermen of Alaska (UFA) is the statewide commercial fishing trade association, representing 36 commercial fishing organizations participating in fisheries throughout the state, and the federal fisheries off Alaska's coast.

United Fishermen of Alaska supports SB 33- Seafood Product Development Tax Credit bill and thanks you for once again introducing it. This bill seeks to extend the sunset date for the seafood product development tax and include pollock and cod.

The Seafood Development Tax Credit was developed when salmon prices were extremely low and has helped the processing sector to upgrade infrastructure and develop new products outside of canned salmon. The tax was extended to herring during a time of low prices and shrinking marketplace again helping to innovate product development. UFA appreciates extending the tax credit benefit to pollock and cod during a downturn in this industry. This seafood development tax credit is helpful to processors and has shown in the past through innovation and updated equipment to increase the raw fish tax paid into the State of Alaska.

Please do not hesitate to reach out with questions.

Regards,

Matt Alward
President

Frances H. Leach
Executive Director



February 22, 2021

Senator Joshua Revak, Chair
Senate Resources Committee
State Capitol Room 125
Juneau, AK 99801
Senate.Resources@akleg.gov

RE: Support SB33

Dear Senator Revak and Members of the Senate Resources Committee,

Silver Bay Seafoods is a vertically integrated, primarily fishermen-owned processor of salmon, herring, Pacific Cod, pollock, rockfish, and other species. Silver Bay began in 2007 as a single salmon processing facility in Sitka, Alaska, and has since grown into one of the largest seafood companies in Alaska. Silver Bay has invested in state of the art, high volume processing facilities throughout Alaska, with operations in several coastal communities, including Sitka, Craig, Valdez, Naknek, False Pass, and Kodiak.

Silver Bay Seafoods supports SB-33, Seafood Product Development Tax Credit bill and we thank Senator Gary Stevens and Senator Jesse Kiehl for co-sponsoring this bill. This bill seeks to extend the sunset date for the seafood product development tax and include pollock and cod as eligible species.

We have been able to take advantage of the past versions of this legislation which has encouraged our investment in additional equipment and infrastructure to produce more value-added products in Alaska. This new legislation supports additional value-added processing within the State and provides significant return on investment to Alaska through increased economic activity and fish tax revenue. By expanding this to other species, some of which have experienced market impacts from the COVID-19 pandemic, this promotes continued investment in fisheries and encourages businesses to find innovative and adaptive ways to thrive in a time of consumer activity change.

Maximizing the value and full utilization of our fish resource will benefit harvesters, processors, communities, and the State of Alaska.

Thank you for your time and consideration of SB-33.

Respectfully,

Abby Fredrick
Director of Communications



Southeast Alaska Fishermen's Alliance

1008 Fish Creek Rd
Juneau, AK 99801

Email: kathy@seafa.org

Phone: 907-586-6652

Cell Phone: 907-465-7666

Fax: 907-917-5470

Website: <http://www.seafa.org>

February 22, 2021

Senate Resources
Alaska State Legislature
State Capitol, Room 205
Juneau, AK 99801

RE: SUPPORT for SB 33 – SEAFOOD PRODUCT DEVELOPMENT TAX CREDIT

Dear Senator Josh Revak, Chair and Committee Members,

Southeast Alaska Fishermen's Alliance supports SB 33 the extension of the Seafood Product Development Tax Credit with the addition of pollock and cod to the salmon and herring resources already a part of this program. The tax credit has provided the opportunity for making significant investments in capital costs and development of value-added products in the herring and salmon fisheries and utilizing the waste stream/by-products to create marketable products out of what would normally go unutilized. The capital improvements increase product diversity and increased quality of the fishery resources. This investment in return, adds economic value to the fishermen and the State of Alaska by raising the price paid at the dock to harvesters, further supporting coastal Alaska and small family businesses. Extending the sunset date and adding additional fishery species of pollock and cod will allow these species to benefit from the program which will provide additional economic value to the State's fisheries. New opportunities will be a benefit to the State as we try to recover from the effects of COVID 19 on the marketplace.

Southeast Alaska Fishermen's Alliance (SEAFA) is a multi-gear/multi-species non-profit commercial fishing association representing our 300+ members involved in the salmon, crab, shrimp and longline fisheries in Southeast and the Gulf of Alaska.

Sincerely,

Kathy Hansen
Executive Director



February 21st, 2021

Senator Gary Stevens
Alaska State Legislature
Juneau, AK 99801
Senator.Gary.Stevens@akleg.gov

RE: Support for SB 33 SEAFOOD PRODUCT DEVELOPMENT TAX CREDIT

Senator Stevens,

Icicle Seafoods operates a shorebased processing facility in Dutch Harbor and a floating processor in the Dutch Harbor area, both of which participate mainly in the pollock and cod fisheries in the Bering Sea and Aleutian Islands. With a long history of dependence in these fisheries, our processing platforms, employees, and independent harvesters depend on our ability to process efficiently and supply the market with high-quality desirable product and product forms. Alaska produces some of the most sustainable and sought-after seafood in the world and we pride ourselves on being a contributor to Alaska's economy since 1965.

Icicle is pleased to support SB 33, the extension of the Seafood Product Development Tax Credit bill with the inclusion of pollock and cod as eligible species under this long-standing and important program. The seafood industry is a critical component of Alaska's economy generating \$5.6 billion in economic value annually and creating more direct jobs than any other private industry in our state. We take our role as food producers seriously and we are proud to be part of the critical infrastructure of Alaska and the United States.

Seafood is Alaska's only major renewable resource industry. As such, our processing efforts and our harvesters continually face uncertainty such as fluctuating resource levels as well as domestic and international market conditions. Creating higher valued seafood products is one of the primary methods we have to increase the dockside price of fish for our harvesters. Through SB 33 and the inclusion of pollock and cod as eligible species, we would be able to purchase equipment to not only increase the quality of seafood we produce, but also turn to value-added product forms that would help revolutionize our processing platforms and further our ability to compete with overseas seafood producers. SB 33 would also vastly improve our ability to further capture the waste stream and turn this unused resource into a viable product.

The COVID-19 pandemic has brought many challenges including drastically increased operating costs. Icicle has worked hard to streamline our operations since the pandemic began, but the impacts of these costs have been felt throughout the company and our industry. Although domestic and global retail sales are at all-time highs for seafood, those sales haven't been enough to off-set the staggering decrease in restaurant and other foodservice sales. Although SB 33 is beneficial even in non-pandemic times, we are even more supportive of this vital legislation given the current challenges facing the industry. In the hope that SB 33 passes this session, we are actively researching how to upgrade our processing platforms to bring more value to our processing efforts.

Since its inception, this tax credit has drastically increased seafood industry innovation and quality. Higher value products and product forms allow for an increase in the price paid dockside to harvesters and more tax revenue for communities. With the inclusion of pollock and cod, we expect this program to continue to advance the industry to the benefit of the State of Alaska.

1

ICICLE SEAFOODS, INC.
4019 – 21st Avenue West • Seattle, WA 98199
P.O. Box 79003 • Seattle, WA 98119 • Tel: 206-282-0988

Northern Victor, Unalaska • P/V Gordon Jensen • Seattle

Thank you for introducing this legislation and helping create opportunity for Alaska's seafood industry. Please let us know if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Curry', written in a cursive style.

Julianne Curry
Public Affairs Manager
Icicle Seafoods
c. 907.518.1822
julianne.curry@icicleseafoods.com

February 19, 2021



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

Senator Gary Stevens
Phone: 907-465-4925
Senator.Gary.Stevens@akleg.gov



RE: Support for SB 33 – Seafood product development tax credit

Dear Senator Stevens,

February 11, 2021

The Alaska Fisheries Development Foundation (AFDF) would like to express strong support for Senate Bill 33 which adds Alaska pollock and cod to the list of seafood which can qualify for seafood product development tax credits. This will encourage further value-added product development in the seafood industry. Product development is a risky investment for companies; however, it is critically important in order for the entire industry to remain competitive and relevant to consumers. The success of new products not only affects seafood businesses throughout the supply chain, but also hundreds of communities and support sector businesses in Alaska.

AFDF's membership is comprised of seafood harvesters, seafood processors, and support businesses. Founded in 1978, AFDF's mission is to identify opportunities common to the Alaska seafood industry and develop efficient, sustainable outcomes that provide benefits to the economy, environment and communities.

AFDF has historically worked on research and development to further value-added product development and full utilization of the resource. AFDF also encourages investment by the industry in these areas by organizing an annual competition for new products made from Alaska seafood – called the Alaska Symphony of Seafood (Symphony). The Symphony is designed to encourage value-added product development, maximize the value of the resource and diversify markets for Alaska seafood.

Past Grand Prize winners of the Symphony include Yummy Chummy Dog Treats by Artic Paws, Hali Halibut Baby Food by Bambino's Baby Food, Candied Salmon Ice Cream by Coppa, Bullwhip Hot Sauce by Barnacle Foods, and Protein Noodles by Trident Seafoods (pictured here).



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Stellar North LLC

The companies that invest in value-added product development of Alaska Seafood deserve special recognition; the risk taken by these companies benefits many communities, fishermen, and supply chain businesses, because "a rising tide floats all boats".

Thank you for your sponsorship of this important bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Decker". The signature is fluid and cursive, with a long horizontal stroke at the end.

Julie Decker, Executive Director, AFDF

Cc: AFDF Board of Directors



BRISTOL BAY

Regional Seafood Development Association

February 5, 2021

To: Alaska Senator Gary Stevens
State Capitol Room 103
Juneau AK, 99801
Submitted via email to Senator.Gary.Stevens@akleg.gov

Re: Support for Alaska Senate Bill No. 33

Bristol Bay Regional Seafood Development Association ("BBRSDA") represents more than 8,000 commercial fishermen including nearly 2,000 permit holders whose livelihoods depend on the processing and sale of salmon caught in the Bristol Bay fishery.

BBRSDA supports Senate Bill No. 33 entitled *"An Act relating to a seafood product development tax credit; providing for an effective date by repealing secs. 32 and 35, ch. 61, SLA 2014; and providing for an effective date"* because it incentivizes the production of value-added salmon products through extending a tax credit to processing entities for investment in qualifying processing equipment.

Approximately 70% of Bristol Bay salmon production requires secondary processing to produce fillets from headed and gutted fish. Once frozen fillets produced in Alaska generally fetch a higher price than twice-frozen fillets cut from thawed headed and gutted fish. Fillet production has increased in Bristol Bay, but the large majority of salmon are still shipped out of Alaska as an intermediate product (in a frozen headed and gutted format).

Alaska fish processors' eligibility for a tax credit to make "qualified investments" as defined in this bill, benefits fishermen through processors being equipped to be nimble and adjust to natural factors such as fish size and run timing without jeopardizing 1) the complete processing of salmon into a "value-added" product or 2) their ability to consistently buy fish throughout the season. Also, expanding the tax credit to other species allows processors to improve overall financial performance, which does have important indirect effects on Alaska salmon fishermen. In short, this bill is likely to produce more favorable conditions for increased value for Alaska fishermen.

Sincerely,

Andy Wink
Executive Director – BBRSDA

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February 2, 2021

Senator Gary Stevens
Email: Senator.Gary.Stevens@akleg.gov

Dear Senator Stevens,

The Pacific Seafood Processors Association (PSPA) strongly supports SB 33, which would re-establish and augment the seafood product development tax credit. Providing Alaska's seafood processors with the ability to receive some capital cost recovery in exchange for investing in new equipment that produces value-added products within Alaska incentivizes getting more value out of each fish, which, in turn, provides greater benefit to the State of Alaska, coastal communities, fishermen, and processors. Our understanding is that SB 33 would re-establish the program, which expired last year, through 2025 and would expand the list of tax credit eligible species to include Alaska pollock and Pacific cod. The latter is important, as Alaska pollock and Pacific cod comprise about 69% of Alaska's statewide harvest by volume, and getting more value long-term from these high-volume species is of benefit to all fishery participants and the State of Alaska. Also important is establishing an effective date of January 1, 2021, to allow for value-added investments this year. Thank you for sponsoring this bill, and we look forward to a Senate committee hearing.

PSPA is comprised of eight major seafood processing companies that purchase fish from harvesters and provide markets from Ketchikan to Unalaska to St. Paul. These companies operate 25 facilities in 15 coastal communities across Alaska and three floating processors to serve remote locations. The health of commercial fisheries and the seafood industry is critical to Alaska, as it generates \$5 - \$6 billion in economic value in Alaska annually and creates more direct jobs (58,700) than any other private industry in the state. We compete in a global market place, where our competitive advantage is our diversity, volume, and sustainable management systems. Nonetheless, we are not likely to see notable increases in wild fisheries volume over time, and therefore our primary opportunity for growth is in increasing the value of Alaska's seafood, not only through new markets for our existing products, but by creating new products from portions of the fish that are not being used currently.

SB 33 increases the value of Alaska seafood by incentivizing new product development, and it allows seafood processors to be able to respond more effectively to changes in markets and consumer demand. Seafood processors have used the existing salmon tax credit to make critical investments in processing technologies for salmon that would otherwise be cost prohibitive for some, and it has changed the face of salmon processing to an increase in fillet and other value-added salmon products that have a strong U.S. market. A higher value product means a higher return on investment for the



www.pspafish.net

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state, coastal communities, and all participants, as fish taxes are based on fish value. Value added products also require more labor than simply freezing or heading and gutting.

Part of our sustainability effort in Alaska is to increase and improve the utilization of each fish, which in turn generates more value out of the state's resources. The ability to recover some portion of capital costs for new equipment to create marketable products out of the portions of the fish that would otherwise be wasted is a *significant* factor in meeting this mandate. There is no better way to increase the value of Alaska's resources than to increase the utilization of a fish that has already been harvested. Great gains have been made in using milt, roe, stomachs, bellies, fish oil, bones, and skins to generate new products and new consumers of Alaska seafood. Reauthorizing the value added tax credit will help Alaska producers continue this progress and expand it more fully to other species.

While Alaska's shoreside processors rely on a diverse portfolio of species, high volume fisheries like Alaska pollock, salmon and Pacific cod are the foundation for the sector's economic impacts. SB 33 improves the ability of Alaska seafood to compete in highly competitive markets, both domestically and abroad, while providing a higher value product that in turn benefits harvesters, processors, coastal communities and the state of Alaska, which assess fish taxes based on value. Thank you for your efforts on this bill and the opportunity to comment, and please let me know if I can provide additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Barrows".

Chris Barrows
President, PSPA
chrisb@pspafish.net