

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES**

February 7, 2003

8:32 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Peggy Wilson, Vice Chair
Representative Cheryll Heinze
Representative Ralph Samuels
Representative David Guttenberg

MEMBERS ABSENT

Representative Ethan Berkowitz
Representative Pete Kott

COMMITTEE CALENDAR

OVERVIEWS: DIVISION OF INVESTMENTS FISHERIES RELATED STATE LOAN PROGRAMS; ALASKA FISHERMEN'S FUND, FEE COLLECTION FOR MEDICAL SERVICES

TAPES

03-4, SIDE(S) A & B

CHAIR PAUL SEATON called the meeting of the House Special Committee on Fisheries to order at 8:32 a.m. Present at the call to order were Representatives Seaton, Wilson, Heinze, Samuels, and Guttenberg.

SUMMARY OF INFORMATION

GREG WINEGAR, Director, Division of Investments, Department of Community & Economic Development, explained the structure and process of the publicly managed revolving loan funds dedicated to financing boats, permits, gear, hatcheries, and general maintenance associated with commercial fishing in Alaska. He said that the Division of Investments administers and services 15 loan programs primarily designed to promote economic development through direct state lending in industries that are not adequately serviced by the private sector. His presentation focused on the Division of Investments' two programs geared toward the fishing industry: the Commercial Fishing Revolving Loan Fund, and the Fisheries Enhancement Revolving Loan Fund;

however, he also provided information on the Rural Development Initiative Fund and the Small Business Economic Development Revolving Loan Fund. He stated that the goal of the Commercial Fishing Revolving Loan Fund is to provide long-term, low interest loans to promote the development of predominantly resident fisheries, and to assist with continued maintenance of commercial fishing vessels and gear, for the purpose of improving the quality of Alaska seafood products. The goal of the Fisheries Enhancement Revolving Loan Fund is to make loans available for planning, construction, and operation of fish hatchery facilities. Mr. Winegar noted that the funds offer a lot of leeway in extending and forgiving loans on a case-by-case basis. He said the funds are intended to help those who are most in need, who have few other options, and who are most dependent upon the fishery. He also mentioned the Nels Anderson Cooperative Program, a loan guarantee program involved with maintaining permits in specified areas.

MR. WINEGAR explained the funding history of the Fisheries Enhancement Revolving Loan Fund, stating that a total of \$60 million has been paid into the fund since its inception, with the last appropriation being in fiscal year 1985. He said \$74 million has been transferred out of the fund, and the fund is a totally self-sufficient program. Mr. Winegar projected next year's loan demand to be approximately \$12 million.

ED FISHER, Deputy Commissioner, Office of the Commissioner, Department of Labor & Workforce Development, introduced his staff: Paul Grossi, Director, Central Office, Division of Workers' Compensation, and Renee Cox, Program Administrator, Fishermen's Fund, Department of Labor & Workforce Development.

PAUL GROSSI, Director, Central Office, Division of Workers' Compensation, presented an overview of the Fishermen's Fund. He explained that the fund was established in 1951, and has since provided for the treatment and care of Alaska licensed commercial fishermen who have been injured while fishing in Alaska. He said the program is overseen by the commissioner of the Department of Labor & Workforce Development, with the assistance of the Fishermen's Fund Advisory & Appeals Council, a five-member council appointed by the governor and usually composed of fishermen. He stated that the Fishermen's Fund is designed to dovetail with other insurance programs and that generally the maximum allowance from the fund is \$2,500, which is often equal to the deductible for relevant insurance programs. This design helps to ensure that all medical costs

are paid for; however, some insurance companies' deductibles have been rising.

RENEE COX, Program Administrator, Fishermen's Fund, Department of Labor & Workforce Development, responded to questions from the committee and explained that in fiscal year 2002, the Fishermen's Fund received \$1,079,755.90 in receipts from commercial fishing permits and licenses. She said that during that year they had 808 claims, and paid \$584,408.00 to commercial fishermen. She said that administrative expenses for the fund totaled \$223,565.00, and total expenses were \$807,973.00. Ms. Cox said the largest number of claims were related to strained backs and cut fingers, with the majority of claims being submitted from Southeast Alaska. She stated that there is interest in increasing the fund's allowable benefit amount paid to fishermen.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 9:32 a.m.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Third Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.