

HB

898

PROJECT OUTLINES

1. Formation of non-profit corporation; application to IRS for non-profit status
2. Solicitation of member organizations and member processors
3. Review of submitted project proposals
4. Solicitation of funding for future projects
5. Appointment of executive director and setting up office in Anchorage

BUDGET SUMMARY

	<u>Cost</u>	<u>Government Contribution</u>	<u>Industry Contribution</u>
Start-up expenses (18 Committee members, 4 meetings)			
Printing (est.)	\$ 200.00		\$ 200.00
Travel		\$ 2,000.00	\$12,700.00
Professional services	\$18,000.00		\$18,000.00
Telephone (est.)	\$ 500.00		\$ 500.00
Note: to date memberships have contributed			\$ 285.00
Executive Director (salary 12 months)	\$54,000.00		
Secretary	\$14,400.00		
Travel	\$36,000.00		
Phone	\$ 9,600.00		
Legal Fees	\$12,000.00		
Office Rental and overhead (6 months)	\$15,000.00		
		\$236,250.00	

(Looking for state funding - \$10,000.00/\$15,000.00)

\$101,250 is requested for FY78 and \$135,000 is requested for FY79.

*Funds oct*

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# Alaska State Legislature

## House of Representatives

Committee on Resources

Official Business

Pouch V  
State Capitol  
Juneau, Alaska 99811

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24 March 1978

### AGENDA

HB 811 Advisory vote on use of D-2 lands

HB 898 Appropriation for Alaska Fisheries Development Corp.

over head = daily  
Dick Reynolds = Ind. Rec.

Revealing - ~~☒~~ —

Revealing Freds

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# Alaska Fisheries Development Corporation (information)

BOX 969  
CORDOVA, ALASKA 99574  
(907) 424-3116

March 13, 1978

The Honorable Terry Gardiner  
House of Representatives  
State Capitol Building  
Juneau, Alaska 99811

Dear Representative Gardiner,

The Alaska Fisheries Development Corporation (Corporation) is a not-for-profit Alaska corporation recently formed by members of the Alaska fishing industry. The organization has been carefully structured so that its voting membership will equitably reflect both the harvesting and the processing sectors of the industry. Since December 3, 1977, a representative group of fishermen and processors has worked cooperatively to both form the Corporation and to draft a comprehensive bottomfish proposal which would win industry's support. Both goals have been realized.

Though many factors have encouraged this promising effort on the part of historically opposed segments of the industry, the most persuasive has been the promise of 2.7 million dollars in federal funding which the industry was led to believe would be available from Saltonstall-Kennedy Fund monies for the development of the Alaska bottomfish industry. Because it was necessary to have a viable legal entity which could receive and manage such monies and programs, the industry was compelled to coordinate its efforts and form the corporation. The current bottomfish proposal is the first of the research and development projects which the Corporation anticipates it will undertake.

Though early indications from NMFS and NOAA are encouraging the Corporation has been informally advised that contrary to earlier agency assurances the full 2.7 million dollars is not available for Alaska. Concurrently a hard look is being taken at this somewhat surprising cooperative effort on the part of industry. Skeptics lurk at every corner despite the demonstrated ability of this organization to perform well and to be flexible as well as resourceful.\*

\*Though timely filed with NMFS the proposal was modified by industry at the urging of both NMFS staff and high-level NOAA personnel. The revised proposal includes the independently submitted proposal of the Aleutian-Pribilof Fisheries Cooperative additional supporting marketing and economic data and a change from a one to a two year time frame.

To date members of the industry have volunteered their time with the understanding that incurred travel, telephone and printing expenses will be reimbursed. Similar organizations in other areas of the United States have and are obtaining funding for such initial activities through federal channels. Alaska's request to NMFS for such seed money was denied, though the Alaska Sea Grant program donated \$2000 for travel expenses to insure that working sessions were attended by fishermen as well as processors.

The Corporation is aggressively seeking funding with a membership drive and from donations of supportive components of the industry. Though the response has been excellent the process is a slow one. In order to maintain interest in and commitment to the Corporation and the proposal and to attract future funding, it is imperative that the proposed projects are implemented as soon as the money is available. A qualified staff, a solid budget and a base of operations are all prerequisites to the successful management of the projects.

Thus the Corporation seeks a grant of \$100,000 from the State of Alaska. It is essential that such funding be appropriated immediately for two reasons: 1) to indicate to both federal agencies and the industry itself that the State endorses this activity and has confidence in the industry's ability to look after its own needs and 2) to insure that there is a management team in place as soon as possible.

It is crucial that the viability of the Corporation be insured; that it is poised to swing into action as soon as the allocation of S-K funding for Alaska is confirmed so that no momentum is lost. Delay could well result in denial of funding for 1979 and beyond, not to mention the impact that such failure would have on the development of this most important fishery.

Thank you in advance for considering this request for a grant for \$100,000. Your concern and support of the fishing industry in Alaska does not go unnoticed. It is the industry of the future for Alaska.

Respectfully,

The Board of Directors  
Alaska Fisheries Development  
Corporation



by:

Sara S. Hemphill

SSH:dd