

HB

230



REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

e-mail: Representative.Bill.Thomas@legis.state.ak.us webpage: www.akreblicans.org/thomas/

State Capitol

Juneau AK, 99801-1182

907-461-3732

888-461-3732

FAX 907-465-2652

SPONSOR STATEMENT

HB 230

Loans for Commercial Fishing Tenders

“An Act authorizing the making of loans for upgrade of commercial fishing tender vessels and gear.”

House Bill 230 makes a small change in the Commercial Fishing Loan Act (AS 16.10.300 – 370) to allow Alaskan owners of fish tenders to be eligible for loans to improve the quality of our seafood products. Under the current law, the Division of Investments in the Department of Commerce, Community and Economic Development offers low interest loans to fishing permit holders to upgrade their equipment in order to improve the quality of the seafood product they are handling. Fish tenders, who buy fish on the fishing grounds from fishermen and transport the product to processing plants, are an important part of the seafood handling process. However, they are not defined as fishermen and are therefore not currently eligible for the product quality improvement loans. The state has taken some positive steps to emphasize quality improvement on fishing vessels and in processing plants, but has neglected this segment of the seafood production system. This bill will allow qualified Alaska resident tender owners to participate in the state's loan program to upgrade their equipment, encouraging another key component of the fishing industry to improve the way fish are handled and increasing the quality and value of Alaska's seafood. HB230 is supported by the Alaska Independent Tendersmen's Association.

Contact Ian Fisk in Rep. Thomas' office at 465-3732

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 230
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title: Loans for Commercial Fishing Tenders RDU: Investments (122)
 Component: Investments
 Sponsor: Thomas
 Requester: House Fisheries Component No.: 383

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1035)	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other: (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would amend the Commercial Fishing Revolving Loan Fund (CFRLF) to allow the department to make loans for the upgrade of existing tender vessels and gear to improve the quality of Alaska seafood products. The total balances outstanding to a borrower on tender vessel upgrade loans may not exceed \$300,000. The department anticipates making approximately five tender upgrade loans each year totaling \$325,000.

No additional administrative costs would be required to accommodate this amendment to the CFRLF.

Prepared by: Greg Wiegner, Director Phone: (907) 465-2510
 Division: Investments Date/Time: 3/25/05 11:38 AM
 Approved by: Edger Blatchford, Commissioner Date: 3/25/2005
 Agency: Commerce, Community, and Economic Development

Southeast Alaska Fishermen's Alliance
9369 North Douglas Highway
Juneau, AK 99801



Phone 907-586-8652

Fax 907-523-1168

E-mail: seafa@gci.net

April 2, 2005

House Resources Committee
Representative Jay Ramras, Co-chair
Representative Ralph Samuels, Co-chair
State Capitol Building
Juneau, AK 99801

RE: Support HB 230 - Loans for Commercial Tendermen

Dear Representative Samuels and Ramras,

The Southeast Alaska Fishermen's Alliance (SEAFA) supports HB 230 that allows Alaskan tendermen the ability to get loans from the Division of Investments if they meet all the requirements. Tenders are an important part of the commercial fishing industry. As the Alaskan fishing industry works to increase the quality of our fishery resources, it is important that the tenders we use in the fishery have the ability to also upgrade. Without this ability we create a weak link in the handling of our product in trying to increase the quality of our products. We consider it only fair that they are allowed access to funds to upgrade their operations.

Southeast Alaska Fishermen's Alliance (SEAFA) is a multi-gear non-profit membership fishing organization that represents our members involved in the salmon, crab, shrimp and longline fisheries of Southeast Alaska.

Respectfully,

A handwritten signature in black ink, appearing to read 'Kathy H.', with a long horizontal flourish extending to the right.

Kathy Hansen
Executive Director

CC: Representative Thomas; Representative Eikne

F/V Kupreanof

P.O. Box 100
Sitka, AK 99801

(907) 747-5807

To Whom it may Concern,

Reference: HB 230

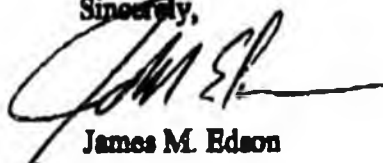
This is a letter of testimony in case I am out of town doing the Herring fishery here in Sitka when the bill comes up. This bill corrects an oversight in the Vessel Quality Improvement Program.

The State has grant and loan programs for processors and a loan program for fisherman however Tenders don't qualify for either. Tenders are where most of the refrigeration of product takes place. Tenders transport fish from the fishing grounds to the processors all over the state. Most Tenders these days are individually owned and operated, NOT company owned. I consider myself to be a normal tender. I own the boat and my wife and kids are the crew. I hire crewmembers as necessary when the kids are in school. We as Tender operators have suffered the same downtrend in the industry just like everyone else. Costs go up and income goes down. For me I consider it a "good year" if I can gross two thirds of what I did ten years ago.

This bill gives access to the Vessel Quality Improvement Program to Alaskans who own and operate tenders in the State of Alaska. Tenders are an integral part of the fishing industry. The ASMI saying "Keep it fresh, keep it cold, keep it moving".....We DO that! We need help to improve our refrigeration and product handling, too. I had to upgrade my refrigeration last spring after a breakdown. I was told by Arne Fugulvog F/V Kupreanof to use the program because he just had and it was an excellent program. When I tried to apply I was told I couldn't qualify because I was just a tender. Well, the Kupreanof was a Tender, too. It didn't fish, it just tendered! The only difference was that Arne held a permit.

This bill corrects that. I don't know anyone who is opposed to it. It WILL help improve fish quality in the State of Alaska. Thank you.

Sincerely,



James M. Edson

SUPPORT



Cordova District Fishermen United

P.O. Box 939
Cordova, Alaska 99574
(907) 424-3447 FAX (907) 424-3430

April 6, 2005

House Resources Committee
Representative Jay Ramras, Co-chair
Representative Ralph Samuels, Co-chair
State Capitol Building

RE: Support HB 230 -- Loan for Commercial Tenderman

Dear Representative Samuels & Ramras,

Cordova District Fishermen United (CDFU) supports HB 230 that allows qualifying Alaska tendermen the ability to obtain state loans from the Division of Investments.

Tenders are an important part of the commercial fishing industry and help to maintain high quality of our salmon from the fishing grounds to our processors. These loans will be available to existing tender owners that are Alaska residents. As the need to improve quality in Alaska's seafood product continues to rise, the ability for existing tender owners to obtain state loans for the purpose of upgrading their equipment & gear is critical.

Respectfully,

Diane Platt
Executive Director