

**SCOMM**

**138:11**



## REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

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State Capitol

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### 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 Tendermen's Association.

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

**F/V Kupreanof**  
P.O. Box 2383  
Sitka, AK 99835

(907)743-2337 boat/cell

To Whom it may Concern,

Reference: HB 230

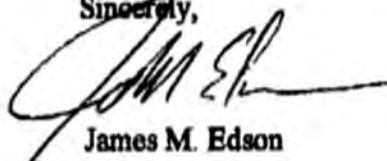
This is a letter of testimony in case I am out of town doing the Herring fishery here in Sitka when the bill comes up. This bill corrects an oversight in the Vessel Quality Improvement Program.

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 Mitkof 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 Mitkof 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

# 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    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      |            |            |            |            |            |            |
| Travel                 |            |            |            |            |            |            |
| Contractual            |            |            |            |            |            |            |
| Supplies               |            |            |            |            |            |            |
| Equipment              |            |            |            |            |            |            |
| Land & Structures      |            |            |            |            |            |            |
| Grants & Claims        |            |            |            |            |            |            |
| Miscellaneous          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                                  |            |            |            |            |            |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|
| <b>CHANGE IN REVENUES (1036)</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |
|----------------------------------|------------|------------|------------|------------|------------|------------|

**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) |            |            |            |            |            |            |
| <b>TOTAL</b>                            | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2005) 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 Winegar, Director Phone (907) 465-2510  
Division Investments Date/Time 3/25/05 11:36 AM  
Approved by: Edgar Blatchford, Commissioner Date 3/25/2005  
Agency Commerce, Community, and Economic Development