

HB

59

<TARGET><BILL>HB 59</BILL><SUBJECT>HB
59</SUBJECT><COMM>HFIN27</COMM></TARGET>

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSHB 59 (FIN)
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB059-DCCED-DED-03-28-12 Dept. Affected DCCED
 Title COMMERCIAL FISHING LOAN ACT Appropriation Investments
 Allocation Investments
 Sponsor Representative Seaton
 Requester House Finance OMB Component Number 383

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1036	Cm Fish Ln (DGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES				(2.9)	(3.7)	(4.6)	(5.3)
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Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

This fiscal note has been updated to reflect the change in revenues to the Commercial Fishing Revolving Loan Fund.

Prepared by Wanetta Ayers, Director
 Division Economic Development
 Approved by JoEllen Hanrahan, Director Administrative Services
Commerce, Community, and Economic Development

Phone 269-4048
 Date/Time 3/28/12 2:30 PM
 Date 3/28/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHB 59 (FIN)

Analysis

HB 59 would amend the Commercial Fishing Revolving Loan Fund (CFRLF) to allow the Department of Commerce, Community, and Economic Development (DCCED) the discretion to provide an interest rate reduction of up to 2 percent to applicants obtaining loans for energy efficiency upgrades or product quality improvements that use products manufactured in Alaska.

If the department approves this reduction, it would be calculated and fixed at the time the loan is granted. Under current interest rates this would set the loan's interest rate at the statutory floor of 3 percent. Due to historic lows in the prime interest rate, this would result in no change to the interest rate currently offered for this type of loan.

The estimates in this fiscal note takes into consideration three to five loans made per year that meet specific criteria of the bill. Total demand of these loans will be about \$200,000 per year. During FY2013 and 2014 interest rates will remain constant at 3 percent floor and may begin to increase slightly over the remaining four fiscal years.

This impact would be minimal to the CFRLF, but would result in a loss of revenue to the fund. DED anticipates the proposed changes will decrease revenue by approximately \$0 in FY2013 through FY2014 (due to estimated interest rates remaining at historical lows with a 3 percent floor for next two years), \$2.9 in FY2015, \$3.7 in FY2016, \$4.6 in FY2017 and \$5.3 in FY2018. This would result in total losses to CFRLF in the amount of \$16.5 over the first six years.

These changes may cause a very small change in revenues as a result of this legislation.

CS FOR HOUSE BILL NO. 59(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVE SEATON

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to loans made to commercial fishermen under the Commercial Fishing**
2 **Loan Act for product quality improvements and energy efficiency upgrades; and**
3 **providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 *** Section 1.** AS 16.10.320 is amended by adding a new subsection to read:

6 (l) For a new loan under AS 16.10.300 - 16.10.370 made on or after the
7 effective date of this Act, the department may provide a reduction of the interest rate
8 of not more than two percent if at least 50 percent of the loan proceeds are used by the
9 borrower for product quality improvements or energy efficiency upgrades if the
10 improvements or upgrades use products manufactured or produced in the state. When
11 the department offers a reduction under this subsection, the department shall provide
12 the reduction to all applicants for new loans who meet the criterion described in this
13 subsection. In this subsection, "manufactured or produced" means processing,
14 developing, or making an item into a new item with a distinct character and use.

1

* **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

Adopted
3/28/12

Amendment #1
submitted by Fairclough

HB 59

27-LS0317/A

Section 1, Line 12 ~~base all the~~
after "the reduction to all"

Insert "new"

Alaska State Legislature

State Capitol, Room 102
Juneau, AK 99802
Phone: 465-2689
Fax: 465-3472
Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us



345 W. Sterling Highway
Suite 102B
Homer, AK 99603
Phone: 235-2921
Fax: 235-4008

REPRESENTATIVE Paul Seaton

District 35

HB 59

Alaska Manufacture preference

To be eligible for the rate reduction under HB 59 at least 50% of borrower's purchases with the loan fund have to be manufactured in the State of Alaska. The definition of manufacture is "processing, developing, or making an item into a new item with a distinct character and use."

HB 59 allows the Department of Commerce Community and Economic Development to give Commercial Fishing Loan Fund borrowers a reduction in the interest rate on their loan if 50% of the loan is spent on a product produced or manufactured in the State of Alaska. The Commercial Fishing Loan Fund was created by the State of Alaska to aid commercial fishermen in securing new equipment, quota shares and upgrades to their vessels. The Department already allows reductions in interest rates for borrowers who pay on time, make engine and fuel efficiency upgrades or product quality improvements.

HB 59 does not make the rate reduction mandatory because the Department needs to have the discretion to institute it when the market allows. For example, in today's market the interest rates are so low, if the Department were required to issue the interest rate discount it would create a loss for the fund.

HB 59 promotes economic development in Alaska by encouraging Alaska fisherman to purchase equipment manufactured in the State of Alaska when using Commercial Fishing Loan Fund dollars.

Alaska State Legislature

State Capitol, Room 102
Juneau, AK 99802
Phone: 465-2689
Fax: 465-3472
Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us



345 W. Sterling Highway
Suite 102B
Homer, AK 99603
Phone: 235-2921
Fax: 235-4008

REPRESENTATIVE Paul Seaton

District 35

Common Questions on HB 59

How would the Division of Economic Development determine whether or not a product is manufactured in the state of Alaska?

The legislation states that in order for a borrower to be eligible for the rate reduction "at least 50 percent of the loan proceeds" need to be spent on a product that is manufactured or produced in the state (p.1, 1.8). As long as half of the money borrowed is spent on an Alaskan product, the entire loan is eligible for the rate reduction. The Department would have vendors certify their product under the Made in Alaska and Alaska Product Preference programs (see email from Cathy Jeans).

Mary Ellen, AG for the Department of Commerce, Community and Economic Development, is confident that the language in the bill is clear enough for the Department to administer and that any further definitions can be dealt with in regulations. The language defining Alaska Manufacture in the bill came from the State Procurement statutes, AS 36.30.332 and 338.

Can you clarify the definition of manufacture?

HB 59 states " 'manufactured or produced' means processing, developing, or making an item into a new item with a distinct character and use." (p.1 1.13-14) Merely assembling a product from a kit would not be making a product with a new and distinct purpose. However, taking various parts – pieces of pipe, steel and wire – and making a new distinct product would be considered a product manufactured in Alaska. The Department would require the borrower to prove the product was manufactured in Alaska by presenting a statement from the Alaskan company before they would be eligible.

Hypothetical borrowing situations:

Under the Product Quality Program:

A fisherman borrows \$40,000 under the Product Quality Program. They purchase an Alaskan made refrigeration unit for \$30,000 and spend \$10,000 to install it. Seventy-five percent of the loan is spent on an Alaska manufactured product, which makes the entire \$40,000 loan eligible for a rate reduction under HB59.

Under the Engine Efficiency Program:

A fisherman borrows \$20,000 under the Engine Efficiency Program. They purchase an Alaskan made marine electrical generator for \$14,000 and spend \$6,000 to install it. Seventy percent of the loan is spent on an Alaska manufactured product, which makes the entire \$20,000 loan eligible for a rate reduction under HB59.

Staff contact: Katie Koester, 465-2028

*Prepared by the office of Rep. Seaton
Updated 2-1-2011*

Katie Koester

From: Jeans, Cathy (CED) [cathy.jeans@alaska.gov]
Sent: Monday, January 31, 2011 3:06 PM
To: Katie Koester
Cc: Ayers, Wanetta Jo (CED); Andersen, Jim (CED)
Subject: RE: common questions on HB59

Categories: Katie

Hi Katie, I met with our director and senior management staff to discuss the first question listed in your "response to questions for house finance" document. The question was: How would the Division of Economic Development determine whether or not a product is manufactured in the state of Alaska? We discussed that an expedient way to deal with the question of Alaskan manufactured products would be to have the vendors certify their products with the Made in Alaska and Alaska Product Preference programs to meet the requirement. It appears that the processes already in place for these programs may mirror the intent of this legislation.

We thought the following definitions for the Made in Alaska and Alaska Product Preference programs and their respective websites would be helpful. Please let us know if you have additional questions. Thank you. Cathy

Made In Alaska - <http://www.commerce.state.ak.us/ded/dev/mia/permit.htm>

Certification Requirements

A finished product that is only partially manufactured within the state may be authorized to use the MADE IN ALASKA emblem if:

- the producer demonstrates that no manufacturing facility exists in the state with the capacity or expertise to do the work being accomplished outside the state; the commissioner or MADE IN ALASKA agent will not consider cost alone as a valid justification for using out-of-state manufacturing facilities; and
- the majority of the value-added processes are accomplished in the state.

DEFINITIONS

- (3) "manufactured product" means a product that is built, formed, fabricated, or assembled from a raw or semi-finished material which is changed in character in the final product;
- (4) "product line" means a product or group of products that is manufactured utilizing similar materials and manufacturing processes and producing a finished product that is similar in form, content, and use;
- (5) "value-added process" means a process that changes a raw material or a basic industrial material into a more finished product or alters the function, shape or appearance resulting in a product with increased value.

Alaska Product Preference - <http://www.commerce.state.ak.us/ded/dev/prodpref/prodpref.htm>

Product Certification

To be certified as Alaska Product Preference, a product must be made with materials and supplies that are:

1. 25 percent or more and less than 50 percent produced and/or manufactured in state. This is **Class I**, and receives 3% bid preference;
2. 50 percent or more and less than 75 percent produced and/or manufactured in state. This is **Class II**, and receives 5% bid preference;
3. 75 percent or more produced and/or manufactured in state. This is **Class III**, and receives 7% bid preference.

Please note that the certification in the State's preference programs goes to the products and not to the manufacturer.

Per AS 36.30.338, the following **definitions** are used:

1. "Alaska product" means a product of which not less than 25 percent of the value, as determined in accordance with regulations adopted under AS 36.30.332(a), has been added by manufacturing or production in the state;
2. "produced or manufactured" means processing, developing, or making an item into a new item with a distinct character and use through the application within the state of materials, labor, skill, or other services;
3. "product" means materials or supplies but *does not include gravel and asphalt* .

Alaska State Legislature

State Capitol, Room 103
Juneau, AK 99802
Phone: 465-2689
Fax: 465-3472
Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us



345 W. Sterling Highway
Suite 102B
Homer, AK 99603
Phone: 235-2921
Fax: 235-4008

REPRESENTATIVE Paul Seaton

District 35

MEMORANDUM

TO: Representative Bob Herron
Member, House Special Committee on Fisheries

FROM: Representative Paul Seaton

DATE: February 14, 2011

RE: Response to question on HB 59

This memo is in response to the questions you submitted in writing regarding HB 59: *"What economic impact might we expect from this bill? Which regions and specific businesses stand to benefit?"*

HB 59 allows the Department of Commerce Community and Economic Development to offer a rate reduction of up to 2% if a borrower from the commercial fishing revolving loan fund, product quality improvement, or engine fuel efficiency program purchases a product manufactured in Alaska with their loan dollars. The main beneficiaries of this legislation will be borrowers who purchase items in Alaska who will enjoy a more favorable rate on their loan and small businesses in Alaska who manufacture products for the fishing industry who will see an increased demand for their products. Generally speaking, Alaskan suppliers of goods for the fishing industry are small welding shops, mechanic shops, refrigeration manufactures and canvas sewing shops in our coastal communities. These include, but are by no means limited to: Coastal Refrigeration in Kachemak City, Alaska Diesel Electric in Anchorage, Nomar in Homer, Webber Marine in Cordova, and Aluminum Fabricators in Dillingham. Over time and with greater demand for Alaska manufactured products, the marine support industry in Alaska will grow and be able to offer more diverse products and choices for our Alaskan fleet.

cc: Rep. Thompson, Chair House Special Committee on Fisheries
Curtis Thayer, Wanetta Ayers, Crystal Koeneman, Curtis Thayer, Department of Commerce
Community and Economic Development
Ben Mulligan, Department of Fish and Game

**DIVISION OF ECONOMIC DEVELOPMENT
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
STATISTICS FOR LOAN SERVICING**

(Dollars in Thousands)

Effective December 31, 2010

<u>DCCED LOANS</u>	<u>COMM.</u>	<u>FISH. AK CAPSTONE</u>		<u>HIST.</u>	<u>MINING</u>	<u>ALTERN.</u>	<u>TOTAL</u>
	<u>FISH.</u>	<u>ENHANCE</u>	<u>AVIONICS</u>	<u>DIST.</u>		<u>ENERGY</u>	
Number of Loans Outstanding	1,566	174	7	2	0	1	1,750
Principal Amount Outstanding	67,020.1	60,914.5	425.4	51.9	0.0	2.5	128,414.4
Average Loan Amount	42.8	350.1	60.8	26.0	0.0	2.5	73.4
Number of Other Accounts	441	138	0	0	1	3	583
Principal Amount Outstanding	8,223.8	33,378.0	0.0	0.0	381.9	12.2	41,995.9
Total Loans and other Accounts	2007	312	7	2	1	4	2333
Total Principal Amount Outstanding	75,243.9	94,292.5	425.4	51.9	381.9	14.7	170,410.3
Total Average Loan Amount	37.5	302.2	60.8	26.0	381.9	3.7	73.0

DELINQUENCY AND DEFAULT STATISTICS

Statistics Based on Balances Outstanding

Delinquent	3.0%	0.0%	0.0%	0.0%	0.0%	100.0%	1.3%
Foreclosure	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%

**SERVICED FOR
OTHER AGENCIES**

	<u>SMALL BUS.</u>	<u>BULK FUEL</u>	<u>ALCOHOL</u>	<u>RURAL DEV</u>	<u>RURAL DEV</u>	<u>TOTAL</u>
	<u>ECON. DEV.</u>	<u>BRIDGE GRANT</u>		<u>RDIF</u>	<u>FISH REVITAL</u>	
Number of Loans Outstanding	57	30	0	27	12	126
Principal Amount Outstanding	5,924.6	1,797.6	0.0	2,880.4	1,061.5	11,664.1
Average Loan Amount	103.9	59.9	0.0	106.7	88.5	92.6
Number of Other Accounts	10	0	0	3	0	13
Principal Amount Outstanding	763.5	0.0	0.0	17.9	0.0	781.4
Total Loans and Other Accounts	67	30	0	30	12	139
Total Principal Amount Outstanding	6,688.1	1,797.6	0.0	2,898.3	1,061.5	12,445.5
Total Average Loan Amount	99.8	59.9	0.0	96.6	88.5	89.5

DELINQUENCY AND DEFAULT STATISTICS

Statistics Based on Balances Outstanding

Delinquent	4.1%	0.0%	0.0%	0.0%	0.0%	2.5%
Foreclosure	0.0%	0.0%	0.0%	11.0%	0.0%	3.2%

Notes:

Delinquent is defined as 30 days or more past due.

Other Accounts include judgments, deferred interest, accounts receivable, and repossessed property.

Serviced for other state agencies:

The Small Business and Economic Development, Rural Development Initiative Fund loan portfolios and the Rural Development Fisheries Revitalization loan programs are serviced for the Alaska Industrial Development and Export Authority.

The Bulk Fuel Bridge Loan Fund (BFBLF) portfolio is serviced for the Department of Commerce, Community, and Economic Development, Division of Community & Regional Affairs

The Alcohol and Drug Abuse (ADA) portfolio is serviced for the Department of Health and Social Services.

Prepared by Division of Economic Development 1/25/2011

SUMMARY

Total No. of Loans Outstanding	1,876
Total Principal Amount Outstanding	140,078.5
Total Average Loan Amount	74.7

Total No. of Other Accounts	596
Total Principal Amounts of Other Accounts	42,777.3

Delinquency and Default Statistics

Statistics Based on Balances Outstanding

Delinquent	1.3%
Foreclosure	0.2%

TOTAL LOANS AND OTHER ACCOUNTS	2,472
TOTAL PRINCIPAL OUTSTANDING	182,855.8

**Division of Economic Development
Department of Commerce, Community, and Economic Development**

Product Quality Improvement Loans as of December 31, 2010

	Section A		Section B		FY TOTALS
	Branch 205 Number of Loans	Branch 205 Amount of New Loans	Branch 215 Number of Loans	Branch 215 Amount of New Loans	
FY 2011	13	1,189,700.00	5	218,270.00	1,407,970.00
FY 2010	11	504,255.00	9	265,196.99	769,451.99
FY 2009	19	1,367,470.00	11	375,449.00	1,742,919.00
FY 2008	9	514,400.00	5	218,000.00	732,400.00
FY 2007	15	1,059,728.00	3	165,000.00	1,224,728.00
FY 2006	17	671,699.00	5	287,774.00	959,473.00
FY 2005	8	412,258.00	4	194,750.00	607,008.00
FY 2004	19	881,302.00	3	48,285.00	929,587.00
FY 2003	13	904,971.00	5	132,802.61	1,037,773.61
FY 2002	7	266,600.00	9	195,138.00	461,738.00
FY 2001	8	370,430.00	2	113,700.00	484,130.00
FY 2000	6	690,420.00	8	181,403.00	871,823.00
FY 1999	7	343,212.00	1	13,200.00	356,412.00
TOTALS	152	9,176,445.00	70	2,408,968.60	11,585,413.60
AVERAGES	12	705,880.38	5	185,305.28	891,185.66

Engine Efficiency Upgrades as December 31, 2010

	Section A		Section B		FY TOTALS
	Branch 206 Number of Loans	Branch 206 Amount of New Loans	Branch 219 Number of Loans	Branch 219 Amount of New Loans	
FY 2011	21	1,597,948.00	2	94,790.00	1,692,738.00
FY 2010			18	718,691.00	0.00
FY 2009			30	1,516,213.00	0.00
TOTALS	21	1,597,948.00	50	2,329,694.00	1,692,738.00
AVERAGES	21	1,597,948.00	17	776,564.67	564,246.00

[Home](#) [Commercial Fishing](#) [Interest Rates](#) [Workplace Alaska](#)

Commercial Fishing Loan Fund

State of Alaska > Departments > Commerce, Community, & Economic Development > Division of Economic Development

Loan Program Goal and Objectives

To provide long-term, low interest loans to promote the development of predominantly resident fisheries, and continued maintenance of commercial fishing vessels and gear for the purpose of improving the quality of Alaska seafood products.

General Requirements

- Alaska resident for the past 2 years.
- Child support payments must not be past due.
- Provide a copy of each applicant's valid government issued identification at or before loan closing.

Definition of Resident

- Living in Alaska with the intent to remain indefinitely.
- Primary and permanent home in Alaska.
- Present in Alaska except for brief intervals (generally less than 90 days) except for military service, education or good cause.

Program Requirements

- Purchases - Loans are available for limited entry permits, quota shares, vessels, or gear purchased less than 12 months prior to the date your application is received.
- Refinancing - Vessels or gear loans made by other lenders more than one year prior to receipt of your application are eligible for financing.
- Collateral - The item being financed (limited entry permit, vessel, etc.) will be the collateral for the loan and, and generally, a priority lien must be obtained.

Terms and Conditions

- Interest rate is 2% above the Prime Rate, not to exceed 10.5%, not less than 3%.
- Interest rate for Product Quality Improvement and engine fuel efficiency upgrade loans is 2% below the Prime Rate, not to exceed 10.5%, not less than 3%.
- Interest rate will be fixed at the time of loan approval.
- Maximum loan term is 15 years.
- Borrower is responsible to pay all direct costs incurred in processing an application including surveys, inspections, appraisals, title insurance, etc.

Information and Applications

- † Engine Fuel Efficiency Upgrade
- † Extension
- † Limited Entry Permit Purchase
- † Loan Assumption
- † Product Quality Improvement
- † Purchase of Quota Shares
- † Refinance
- † Refinance of Vessel or Gear
- † Tax Obligation
- † Tender Vessel Product Quality Improvement
- † Vessel Purchase
- † Vessel Upgrade or Gear Purchase/Upgrade

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- † Alaska Capstone Avionics Loan Program
- † Community Quota Entity (CQE)
- † Commercial Fishing
- † Small Business Economic Development
- † Rural Development Initiative Fund
- † Fisheries Enhancement

Of Interest...

- † Fisheries Enhancement Revolving Loan Fund Program Overview
- † Interest Rates
- † IFQs for Sale
- † Permits for Sale
- † Real Estate for Sale
- † Vessels for Sale
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Interest Rates

State of Alaska > Departments > Commerce, Community, & Economic Development > Division of Economic Development

Effective January 01, 2011, the interest rates are:

Fund	Rate	Authority
Alaska Capstone Avionics (Fixed at 4.0%)	4.0%	3 AAC 75.045(c)
Commercial Fishing (Prime + 2%, not to exceed 10.5%, not less than 3%)	5.5%	3 AAC 80.055(k)
Engine Fuel Efficiency Upgrade (Prime - 2%, not to exceed 10.5%, not less than 3%)	3.0%	3 AAC 80.055(k)
Fisheries Enhancement (Prime + 1%, not to exceed 9.5%, not less than 3%)	5.0%	3 AAC 81.055(k)
Product Quality Improvement (Prime - 2%, not to exceed 10.5%, not less than 3%)	3.0%	3 AAC 80.055(k)
Rural Development Initiative Fund (Prime - 1%, not less than 4%)	4.0%	3 AAC 99.865
Small Business Economic Development (Prime - 4%, not less than 4%)	4.0%	Board Delegation
XML		

These rates stay in effect until changed, which will be no sooner than April 01, 2011, at which time they will be re-evaluated and may change.

Quick Links...

- › Alaska Capstone Avionics Loan Program
- › Community Quota Entity (CQE)
- › Commercial Fishing
- › Small Business Economic Development
- › Rural Development Initiative Fund
- › Fisheries Enhancement

Of Interest...

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 Juneau Office - 3032 Vintage Blvd. Suite 100 - PO Box 34159 - Juneau, AK 99803-4159 - (907)465-2510 - Fax (907)465-2103 - TDD (907)465-4410
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RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

February 7, 2011

Representative Paul Seaton
House Fisheries Committee
Alaska State Legislature
State Capitol, Room 102
Juneau, AK 99801

RE: HB59 - Commercial Fishing Loan Act

Dear Representative Seaton:

On behalf of the Resource Development Council for Alaska, Inc., (RDC), I am writing in support of HB59 - Commercial Fishing Loan Act.

RDC is a statewide business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries 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.

Throughout the last several years, Alaskans have been struggling with high energy costs. Fuel costs and usage have escalated as fisherman are required to go further out for catch due to impacts from endangered species listings, critical habitat designations, marine protected areas, and fish movement. Opportunities to improve energy efficiency through state loans are important not only for the pocket books of the fisherman who harvest over half of this nation's total catch, but also for the environment—increased efficiency will likely lead to lower costs and ultimately decreased carbon emission. Encouraging such improvements/upgrades to be completed instate, as this bill provides, allows for even more benefits to be felt within Alaska.

We encourage the committee to vote in favor of this bill. Thank you for your consideration.

Sincerely,

Marleanna Hall
Projects Coordinator

Founded 1975
Executive Director
Jason W. Brune
2010-2011 Executive Committee
Tom Maloney, President
Phil Cochran, Sr. Vice President
L.F. "Len" Horst, Vice President
Eric Fjelstad, Treasurer
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Northern Marine Canvas Products

Subject: Made in Alaska

NOMAR (Northern Marine Canvas Products) has been in business in Homer Alaska since 1978. We have slowly built our business by supplying products for the Commercial Fisheries. It was 1985 that the NOMAR cooler bag was introduced as a method of quickly delivery salmon in a way that improved the quality of the salmon being delivered.

It is now the standard for delivering salmon in Alaska. Next we introduced

The Slush Bag Or what we fondly refer to as Poor mans RSW (refrigerated sea water)

This simple waterproof Bin Liner holds the ice and sea water. The chilled ice water circulates thru the salmon chilling for maximum quality.

These were simple ways that an Alaskan company answered the need to improve the quality of our Alaskan Salmon.

I am delighted to put my support behind HB 59. It will serve two fold to support Alaskan manufacture with a cash incentive to fishermen to choose Alaskan made products.

There have been many loan programs to support our fishermen in building their businesses.

This is something that will help the Alaska businesses on the beach- who help keep Alaskans fishing.


Kate Mitchell
owner
NOMAR LLC
907-235-8363
www.nomaralaska.com

nomar@xyz.net 907) 235-8363 FAX (907) 235-4135 nomaralaska.com

104 EAST PIONEER AVENUE HOMER, ALASKA 99603

Katie Koester

From: Coastal Refrigeration [mandj@spitwspots.com]
Sent: Sunday, February 13, 2011 2:28 PM
To: Katie Koester
Subject: Re: HB59

Categories: Katie

Ladies and Gentleman of our Legislature, Regarding HB 59

I am a small Manufacturer of Refrigerated Sea Water systems for fishing vessels (RSW systems) We have been doing this since 1979 here in Homer Alaska, and are limited to building 3 or 4 systems a year because of price, and lack of orders, preventing us from keeping a crew together year round.

The freight, insurance, and wages required to sustain a business or family here, are far greater than in the lower 48. Mind you I have no problem paying high wages, refrigeration men (who are good mechanics), are expensive, but its the freight and insurance costs here which have become outrageous, incentive killers, accounting for over 20 percent of our gross. The greatest advantage we have is living here with the fleet, it enables us to not only build a better system, but to respond faster to emergency breakdowns when they occur. My hope is that this bill will provide sufficient incentive to our Alaskan fisherman to cause them to turn inward (if you will) thereby creating more small business for our State Thanks for listening and thanks for this bill. Granpa Jerry ,Original Message -----

From: Katie Koester
To: mandi@spitwspots.com
Sent: Wednesday, February 09, 2011 12:00 PM
Subject: HB59

Hi Jerry,

Thanks for taking the time to write a quick email about what your business can offer to commercial fishing revolving loan fund borrowers.

I have attached a sponsor statement that outlines the bill and a copy of the bill.

Best,

Katie Koester
Legislative Aide
Office of Rep. Seaton
907.235.2921



[Products](#) [Find A Dealer](#) [Dealer Access](#) [Drawings](#) [Literature](#) [Contact Us](#)

Marine Generators: 4.5 kW to 280 kW:

Northern Lights manufactures a complete line of 50 and 60 Hz marine generator sets from 4.5 to 520 kW. Powered by rugged Lugger diesels and proven in commercial fishing boats, high-performance yachts and passenger vessels, Northern Lights generators provide unmatched quality and reliability.

It's the meticulous craftsmanship that makes Northern Lights power the industry's most reliable. High copper content within the brushless generator end enables motor starting.

The hand-wound, skewed stator makes electricity with a symmetrical sine wave for today's sensitive electrical equipment. And a corrosion-resistant epoxy coating ensures protection against the harsh marine elements.

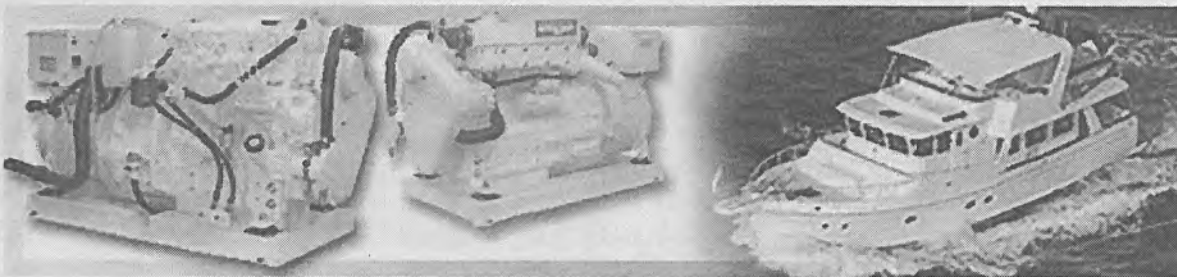
Maintenance is quick and easy. Most service points are arranged on a common side to put regular maintenance points right at your fingertips. All the small things add up to the most reliable, durable and simple to use power solutions on the market.

Marine Generator Models

60 Hz Ratings

50 Hz Ratings

Emergency Generator Sets



[home](#) | [Marine Generator Sets](#)

Northern Lights Marine Generators Lugger Propulsion Engines Technicold Marine Systems Clean-Sep Filtration System



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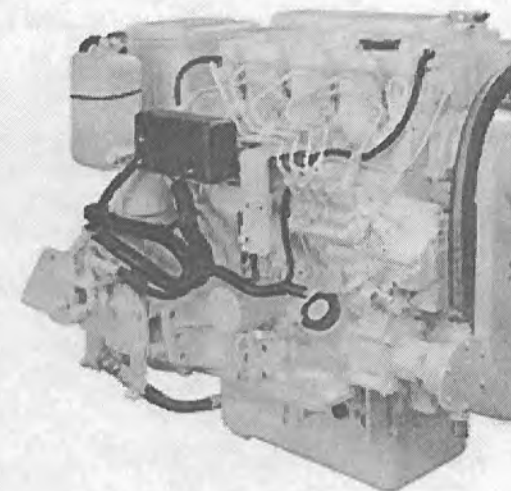
The Luger Marine Propulsion Engines:

40HP to 525HP

Northern Lights builds anvil-tough Luger marine diesels from 40 to 525 HP. Originally designed for the uninterrupted operation necessary on commercial vessels, Luger engines are recognized worldwide for performance, fuel efficiency, rugged reliability, and long-life dependability.

Luger's design philosophy has been its strength from the beginning. Fresh and raw water pumps are gear-driven to eliminate belts. Most hoses and leak points have been engineered away. Most service points are grouped on one side to be easily accessible. And the jacket-water cooled turbocharger has been low and at the rear of the engine for ease of installation and service.

Luggers are equipped with a comprehensive list of features to increase performance and keep your operating and maintenance costs low. From trawlers to tugs; passenger vessels to megayachts; Luggers are the clean, efficient and reliable power producing service.



NOMAR®



Alaskan made Products for Alaskan Lifestyles

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Fisheries Gear

"Deliver Quality, Deliver Faster, Deliver with NOMAR"

To Place an Order, Call 1-800-478-8364.

BRAILER BAGS, LINERS & ACCESSORIES

NOMAR BRAILER BAG

Standard Brailer: 30"x30"x40"

Holds 1,000 lbs.

In Stock.....\$150 each

[Add to Cart](#)

Custom Size: \$180

[Add to Cart](#)



[Click Image to Enlarge](#)

[CLICK HERE FOR HOW TO MEASURE FOR A CUSTOM-FIT BRAILER BAG](#)

BRAILER HOOKS

One-piece cast aluminum. Smooth, rounded contours designed to hold brailer bags open.

\$11.50 each

5/16" BUNGIE CORD.....40¢ per ft.

100 ft. roll.....\$40

BRAILER BAG REPAIR KIT

For field repairs. Kit contains 15"x32" piece of brailer bag material, waxed twine, needle and instructions. Order six or more NOMAR Brailer Bags and receive a FREE kit!

\$10 each

NOMAR TOTE LINER

Fits Magnum Totes. Extra-long handles for an even pick.

48"x48"x32". Holds 1,000 lbs.

\$165 each

[Add to Cart](#)



Fisheries Gear

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\$165 each

Add to Cart



SET NET BRAILERS



Designed for fishermen who deliver fish to trucks on the beach. Two nylon buckles hold panel in place. To dump, pull rope and brailer bottom spills fish. Recommended where height limitations prevent turning bag upside down.

Size: 30"x30"x40"

\$185 each



Click Image to Enlarge

<p>Add to Cart</p> <p>DOCK BRAILER LINERS Adapt an existing brailer or add our NOMAR brailer liner to the inside of web, or eliminate the web and use it alone. Rigs the same to standard salmon rings. Clean, smooth, easy bottom opening to delivery quality.</p> <p>36"x36", holds 800 lbs. \$110 each Add to Cart</p> <p>36"x48", holds 1,000 lbs. \$120 each Add to Cart</p> <p>Custom sizes are available - please call for a quote. <i>Complete Dock Brailer assembled with rings: Ask for quote</i></p>	 <p><i>Click Image to Enlarge</i></p>
<p>SLUSH BAGS / BIN LINERS Made with a waterproof, 18 oz. vinyl coated nylon. This water-tight bag is built to custom-fit your fish hold area. Put ice and water in the bottom, and hang your NOMAR Brailer Bag inside. As the fish are placed in the brailer, water and ice circulate around the fish, chilling and greatly improving quality. Built with- or without a threaded drain and plug. Brailer can be lifted and fish can be delivered without draining ice or having to handle fish one-at-a-time. Size requirements determine price. Please call toll free 1-800-478-8364 for a quote and ideas. CUSTOM-BUILT - NOT IN STOCK. Prices generally range \$225.00 to \$275.00 depending on size call with your sizes for a quote. Order early for guaranteed arrival for this years fishing season.</p> <p>SLUSH BAG REPAIR KIT Kit comes with everything you need to patch a Slush Bag, Tarp or Cover made from Seatarp. Instructions included \$15 Add to Cart</p>	 <p><i>Click Image to Enlarge</i></p>
<p>Small Bait Bags 12x14 \$5 each Add to Cart call for quantity pricing</p> <p>50 Put Up Add to Cart</p>	<p>Large Bait Bags 14x18 \$6 each Add to Cart call for quantity pricing</p> <p>50 Put Up Add to Cart</p>
<p>INSULATING FOAM 1/2" thick XPE closed cell, insulating foam Has an R-4 insulating value. We stock 60" wide goods. Sold by the linear foot. We can roll and ship all over Alaska. You cut to fit your fish hold, hang your slush bag in the hold. Both are removable to be scrubbed and disinfected at the end of fishing periods. \$7.50 per linear foot (\$1.50 per sq. ft.) Add to Cart</p>	
<p>NET STORAGE BAGS</p>	

Nomar

All net bags are made with heavy-weight, woven polypropylene that lets bags breathe and also drains moisture away from nets.

SINGLE SHACKLE

48"x72" flat Holds one (1)

50 fathom net

\$20 each.

Add to Cart

4 SHACKLE & 5 SHACKLE

Southeast • False Pass • Prince William Sound.

The gear keeps getting longer, deeper and heavier. Reinforced 2" webbing and four long picking handles to lift with cranes.

4-Shackle Holds 900 lbs. 48"x48"x60" \$78.75 each

Add to Cart

5-Shackle Holds 1,000 lbs. 48"x48"x72" \$90 each

Add to Cart

BRISTOL BAY NET STORAGE BAGS

A better, easier way to store one shackle of gear. Bright colors for easy identification of your gear. Built from vinyl coated polyester screen, similar to our brailer material. Two carry handles on side, spur grommets in hem to close bag. These are particularly good for the strings of gear you have the tender deliver to your fish area. Heavy-duty, reinforced bottom.

\$75 Add to Cart

Custom Order Only.

EXAMPLE

Integrated Marine Systems, Inc.

PRODUCT QUALITY
IMPROVEMENT EQUIPMENT

- [Home](#)
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* Note:
items listed here would not qualify under HB 59 as they are manufactured outside of Alaska.

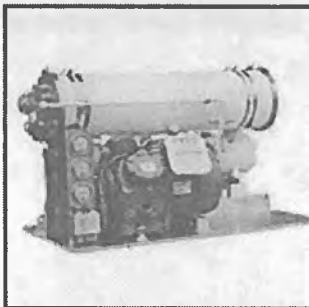
Products

[Jump to product](#)

Refrigeration Products from IMS

Commercial fishermen know that onboard refrigeration is the key to delivering quality product and earning higher prices for their catch. On land, seafood and food processors utilize refrigeration to ensure quality and strive to improve the efficiency of their plant operations. Keeping the cold chain intact from the point of harvest all the way to the consumer is critical. Integrated Marine Systems designs and manufactures chilling and freezing refrigeration products that share the characteristics of simplicity, ease of operation and dependability based on superior engineering and longer-lasting components.

Chilling

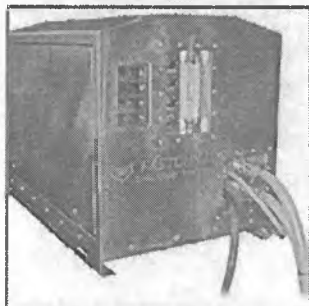


Refrigerated Seawater (RSW) Systems

RSW systems are an efficient way for processors and fishermen to chill product. The catch is chilled more rapidly than with ice and the risk of inadvertently freezing is avoided since the temperature of the water can be controlled.

For fishermen, time that would be lost on the fishing grounds going in to replenish their ice is saved, as well as the cost of fuel used for each trip. IMS offers self-contained RSW systems and systems with remote-mount chillers in a wide range of capacities and drive configurations.

[Learn More](#)



Slurry Ice Machines

Slurry Ice machines chill faster than conventional ice, penetrating every crevice quickly and evenly – without the bruising that can be caused by other types of ice. The IMS *FastChill* slurry ice machine delivers fluid, tiny ice crystals where you need it, when you need it. The result is a superior product that can be delivered with pride to increasingly discerning consumers...

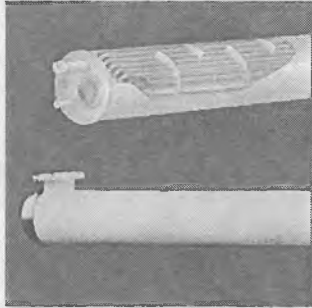
[Learn More](#)



Live Aquatic RSW Systems

RSW systems use titanium chillers and are outfitted with aeration and circulation systems to keep live product in top condition. The temperature can be adjusted to match the environment at the depth where the catch – like crab or lobster – were captured so that the amount of dead loss is reduced to almost zero.

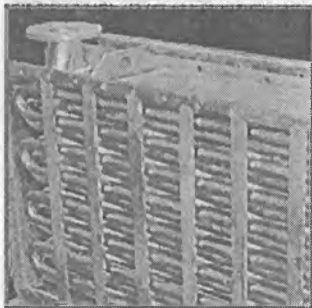
[Learn More](#)



Chillers

Chillers are a cost-effective way to remove heat from product using space-saving equipment. More commonly known in the agricultural industry as heat exchangers, IMS builds both Copper Nickel and Titanium versions in sizes that cover a wide range of needs for use on land or aboard vessels...

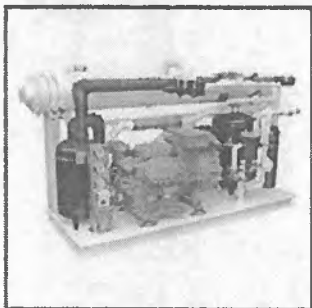
[Learn More](#)



Box Chillers

Box Chillers are a fast, economical way of chilling a variety of food products. Initially developed over 75 years ago, the Wescold Port-A-Chiller® incorporates the design improvements and engineering refinements made over time. It is manufactured with galvanized steel and known for its endurance. Easy to clean and maintain, these chillers are truly the workhorses of the food production industry.

[Learn More](#)



Combination Chilling and Freezing Systems

Combination Chilling and Freezing Systems provide fishermen with the ability to run freezing systems (either blast or brine) *and* chilling systems – allowing the vessel to work more than one fishery. Use the same system to harvest different catches...

[Learn More](#)

Freezing



Production Tunnel Freezers

Production Tunnel Freezers provide fast freezing times with colder temperatures to streamline production in food and seafood processing plants. The IMS FastFreeze is built into a standard-size shipping container, allowing for flexible placement and is easy to integrate into plant operations. Labor is reduced – product moves in and out of the freezer on a trolley system – doors aren't being opened to load and unload trays as with a blast freezer...

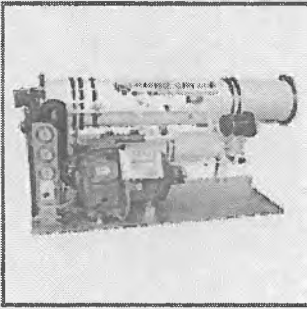
[Learn More](#)



Blast & Plate Freezers

Blast Freezers bring temperatures down fast to prevent bacterial growth and product degradation. Used in food processing plants and also onboard fishing vessels, blast freezing temperatures range from -20°F to -40°F. The IMS Hatch Mount Blast freezer is a compact unit that drops in, hooks up to power and condenser water to freeze fish onboard.

[Learn More](#)



Brine Freezing

Brine Freezing is used primarily in the seafood industry for crab and for large fish to be frozen whole – both onboard fishing boats and in seafood processing plants. The refrigerated brine solution means that the fish are frozen but that the water is not. Temperatures don't get as low as blast freezers, but the process is less labor-intensive...

[Learn More](#)

Choosing the Right Product for You

The decision about which chilling or freezing method would best suit your requirements depends on a number of factors. What you produce, how that product is handled on your boat or in your plant, how you bring it to market, budget requirements, power consumption and space constraints are all factors that help define what systems or combination of products will get the job done. IMS is committed to providing solutions that work.

More Information

Need help finding the right product for your needs? Want more information on a particular product or need questions answered?

[Contact Us](#)

Need More Information? 1-800-562-1945

Integrated Marine Systems

Manufacturing

P.O. Box 2028 / 775 Haines Place
Port Townsend, WA 98368

PH: 800-999-0765 / 360-385-0077

FX: 360-385-3410

Email: info@IMSinc.co



Alaska Diesel Electric, Inc.
1200 W. Int'l Airport Road
Anchorage, AK 99518-0208
Phone: (907) 562-2222
Fax: (907) 563-1921

Representative Paul Seaton
House Fisheries Committee
Alaska State Legislator
Juneau, Alaska

Re:HB59

Alaska Diesel Electric Inc would like to express our support for the passing of House Bill 59. As builders of Southern Lights diesel generators here in Alaska, we understand the high cost of building product and competing with product built outside of Alaska.

We have been in business here in Alaska since 1958 and believe that whatever we can do to assist the commercial fisherman in keeping their cost lower will not only benefit the commercial fisherman, but also benefit Alaska as a whole.

Reduced interest rates for loans to allow upgraded propulsion or generation engines for commercial fisherman will not only lower their operating cost due to increased fuel efficiency, but will greatly benefit our environment from the reduced emissions of the new engines.

Alaska Diesel Electric Inc strongly encourages the House Finance Committee to support and pass HB 59.

Thank you for your consideration on this matter.

Best regards,

Jeff Campbell
V.P. Alaska Operations
Alaska Diesel Electric