



# UNITED FISHERMEN OF ALASKA

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## **UFA Resolution 2015 – 02**

A RESOLUTION OF THE UNITED FISHERMEN OF ALASKA SUPPORTING THE DIVISION OF INVESTMENTS COMMERCIAL FISHERIES REVOLVING LOAN FUND AND THE FISHERIES ENHANCEMENT REVOLVING LOAN FUND AND OPPOSING ANY EFFORTS OF THE COMMERCIAL FISHING AND AGRICULTURE BANK TO ABSORB THESE PROGRAMS.

WHEREAS United Fishermen of Alaska (UFA) is the statewide commercial fishing trade association, representing 35 Alaska commercial fishing organizations participating in fisheries throughout the state and its offshore federal waters.

WHEREAS the Commercial Fisheries Revolving Loan Fund (CFRLF) and the Fisheries Enhancement Revolving Loan Fund (FERLF) have been successfully stimulating the seafood industry in Alaska since their inception in 1972 and 1976, respectively, by providing crucial financing to Alaskan commercial fishing businesses and non-profit salmon hatcheries, and

WHEREAS the revolving loan programs of the Division of Economic Development have a 40-year record of success in their mission of increasing Alaska participation in fisheries and motivating economic activity in Alaska's seafood sector and therefore are absolutely vital to hundreds of Alaskan owned businesses, and

WHEREAS these revolving loan programs operate at no cost to the State of Alaska general fund, as operating costs of this section of the Division of Economic Development are funded entirely by revenues generated by the funds themselves, and

WHEREAS the Alaska State Legislature created these funds to promote Alaskan investment and Alaskan ownership of fisheries permits, and

WHEREAS the CFRLF has not required any general fund investment from the State of Alaska since 1985 and the default rate is currently 1.5% and is much lower than private lending institutions, and

WHEREAS other commercial lending institutions are often not an option for many Alaskan fishermen and non-profit salmon hatcheries to access financing, and

WHEREAS the State of Alaska Limited Entry Act does not allow private banks to possess liens on limited entry permits, for the express purpose of safeguarding against corporate ownership of fishing permits in the case of foreclosure, and

WHEREAS CFAB is not truly a private lending institution because it was created in statute (AS) and is the only other entity besides the Division of Economic Development that has statutory authority to issue liens against limited entry permits, and

WHEREAS CFAB is asking to be considered as a private institution and if considered as such would be proposing a private takeover of public assets, and

WHEREAS CFAB loan programs are not accessible to the vast majority of entry level Alaskan investors in the fishing industry due to CFABs much more restrictive lending parameters, and

WHEREAS allowing CFAB to take over the loan portfolio of these funds would provide no cost savings to the State of Alaska and therefore would not contribute to the balancing of the state budget, and

WHEREAS CFABs proposed takeover of the loan portfolios in the CFRLF and FERLF would not serve any public interest and would in fact reduce opportunities for Alaskans entering into the seafood industry, therefore being a disservice to the people of Alaska, and

WHEREAS the “graying of the fleet” due to the increased average age of participants in the commercial fishing industry and the high costs of entry into the business is a viable threat to the long-term health of Alaska’s seafood industry, and

WHEREAS the next generation of fishermen are facing higher economic barriers to entry into the industry than the previous generation, and

WHEREAS the majority of loans provided by the CFRLF are to younger Alaskans with small family businesses living in rural communities with few economic prospects,


WHEREAS it is in the best interest of the State of Alaska to promote investment by Alaska residents in our own seafood economy,

THEREFORE BE IT RESOLVED United Fishermen of Alaska, in the strongest terms possible, opposes the efforts of CFAB to absorb any of the loan portfolios of the Division of Economic Development,

BE IT FURTHER RESOLVED that UFA supports the maintenance of the fund balances for their intended purposes, and the continued health and management of these portfolios as they exist, and

BE IT FURTHER RESOLVED that UFA strongly supports continuation of these very successful financing programs that bring benefits to Alaskans and the economy of the State of Alaska in perpetuity.

By the UFA Board of Directors, October 29, 2015.

  
Jerry McCune, President

  
Attest: Julianne Curry,  
Executive Director