



UNITED FISHERMEN OF ALASKA

Mailing Address: PO Box 20229, Juneau AK 99802-0229

Physical Address: 410 Calhoun Ave Ste 101, Juneau AK 99801

Phone: (907) 586-2820 **Fax:** (907) 463-2545

Email: ufa@ufafish.org **Website:** www.ufafish.org

March 6, 2018

Representative Louise Stutes, Chair
House Special Committee on Fisheries
Alaska State Legislature
Juneau AK, 99801

Re: United Fishermen Support for HB 354 – Dive Fishery Management

Dear Chair Stutes and Committee Members,

At the spring 2018 Board of Director's meeting, United Fishermen of Alaska (UFA) voted unanimously to support HB 354 in order to allow Southeast Alaska Regional Dive Fisheries Association (SARDFA) to change its voting requirements to change its assessment tax process.

SARDFA is a private non-profit, economic development organization representing the harvest divers, processors, and communities of Southeast Alaska. About two hundred divers make landings in these fisheries, although there are almost 400 CFEC permits issued. The three fisheries have an ex-vessel value of approximately \$10 million a year.

SARDFA was formed in 1998 under Alaska statutes 43.76.150-210. SARDFA works cooperatively with ADF&G in developing its Annual Operating Plan (AOP), which determines how the dive assessments (self-imposed tax on the dive resources) will be spent. Each fishery (sea cucumbers, geoduck clams, and sea urchins), can tax itself at a different rate. Current rates are 5% in the sea cucumber fishery, 7% in the geoduck fishery and 5% in the sea urchin fishery. The taxes are based on ex-vessel value at the time of landing. This is in addition to the 3% State fishery tax.

UFA supports enacting HB 354 which would modify the way a dive association can conduct an election to change the assessment tax.

SARDFA divers have found that the current regulation to change assessment taxes makes it nearly impossible to make the changes. HB 354 would streamline the processes and make it easier to change the assessment taxes.

An example of the difficulty in changing an assessment tax occurred 2 years ago in the sea cucumber fishery. At this time we can lower the assessment tax in the sea cucumber fishery. Over the years the sea cucumber fishery has enough money in its reserve funds to support the fishery at a lower assessment tax. However, under current regulations it was difficult for divers to initiate a petition to change the tax. The other issue is getting enough divers to vote in the election to change the tax. Under HB 354 these problems would be fixed.

Changing the assessment tax would not affect the way SARDFFA does business with the Alaska Department of Fish and Game. SARDFFA taxes are used by the department to conduct resource assessment surveys, manage the fisheries, and do necessary research. SARDFFA would continue to work with the department to develop the AOP and meet its financial obligations to the State. We have talked to the appropriate people within the department and they do not have a problem with this legislation.

HB 354 should only affect the SARDFFA divers. Making it easier to lower the assessment tax will help the business stability in the dive fisheries. Divers can also raise their taxes if necessary for the costs management. It would not cost the State any money, and SARDFFA would continue to meet its financial obligations to the Alaska Department of Fish and Game under the AOP.

Thank-you for your time in this matter.



Jerry McCune
President



Frances H. Leach
Executive Director

CC: Representative Dan Ortiz

MEMBER ORGANIZATIONS

Alaska Bering Sea Crabbers • Alaska Independent Tendermen's Association • Alaska Longline Fishermen's Association • Alaska Scallop Association
Alaska Trollers Association • Alaska Whitefish Trawlers Association • Armstrong Keta • At-sea Processors Association • Bristol Bay Fishermen's Association
Bristol Bay Reserve • Cape Barnabas, Inc. • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association • Cordova District Fishermen United
Douglas Island Pink and Chum • Freezer Longline Coalition • Golden King Crab Coalition • Groundfish Forum • Kenai Peninsula Fishermen's Association
Kodiak Regional Aquaculture Association • Kodiak Seiners Association • North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association
Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owner Association
Seafood Producers Cooperative • Southeast Alaska Herring Conservation Alliance • Southeast Alaska Fisherman's Alliance
Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners • Southern Southeast Regional Aquaculture Association
United Cook Inlet Drift Association • United Southeast Alaska Gillnetters • Valdez Fisheries Development Association