

Editorial

Knowles fish bills deserve support

We heartily applaud new initiatives made by Gov. Tony Knowles to strengthen the position of Alaska's salmon industry. Acting on recommendations of his recent Salmon Strategy Forum, the governor has introduced two bills that provide financial incentives to help Alaska salmon processors and harvesters adapt to dramatic changes in the world seafood market.

The first, part of the administration's Alaska Business Investment Incentive Plan, provides a tax credit against a company's fisheries business tax for purchase of processing equipment that is used in Alaska to produce value-added salmon products. The credit would only apply to equipment that would process salmon beyond a headed and gutted product, such as filleting, portioning, mincing, smoking, brining, packaging, blast freezing and pin bone removal. Salmon canning would not be included.

This bill would also extend raw fish tax credits to marketing efforts for new Alaska salmon products. Allowable tax credits would not exceed 50 percent of a company's salmon tax liability and could not be used to fund more than 50 percent of an expenditure. The credit would be available for 1997, 1998 and 1999 tax years with a two-year carry-forward through 2001. The tax credit would not affect revenues shared with local communities.

The second bill would provide another, and more direct, form of assistance to fishers seeking market options on their own by authorizing loans from the Commercial Fishing Revolving Loan Fund for market diversification. Available only to resident fishers, the loans would be similar to those currently made for limited entry permits, vessels and quota shares. The plan could make up to \$2 million available annually for marketing and market diversification loans, which would be fully collateralized and limited to \$100,000.

These proposals represent the kind of fast, sensible action needed to protect and enhance a precious resource and its contribution to our economy. We urge their quick passage by the Legislature.