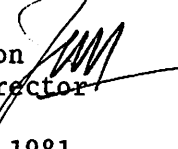


M E M O R A N D U M

TO: Council, SSC and AP Members
FROM: Jim H. Branson 
Executive Director
DATE: December 16, 1981
SUBJECT: Capital Construction Funds

ACTION REQUIRED

Information item. No action required.

BACKGROUND

At the December meeting, the Council staff was requested to find out what impediments exist to prevent fishermen having existing capital construction funds (CCF) from investing those funds in shore-based processing facilities. Under present legislation this is not allowed.

The NMFS Regional office in Juneau estimated the current (December 1981) CCF funds associated with Alaska fishery accounts to be 50-55 million dollars. With the present distressed status of the crab fisheries in the Bering Sea and other areas of Alaska, some Council members felt that there would be reduced interest by fishermen in using the accumulated CCF accounts to purchase new vessels or renovate existing vessels. There is, apparently, some interest by fishermen in being able to invest these accumulated accounts in shore-based processing facilities.

There is a current bill before the Congress, H.R. 3668, which would accomplish this objective. It was introduced by Congressman Breaux in May 1981, and referred jointly to the Merchant Marine and Fisheries Committee and the Ways and Means Committee. Up to the present time, this bill has received little attention and it is not scheduled to go before the Congress when they reconvene in January. It was the opinion of the individuals contacted in the Washington, D.C. offices of NMFS General Counsel and Financial Services that this bill would not receive approval by Congress without strong support.

If anyone desires further information on this item, copies of H.R. 3668 can be obtained from the Council staff.