

II. TRANSFER INCIDENCE

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Statewide Turnover Rates

During the period 1975-2007, 16,392 permanent limited entry permits were issued in 65 limited entry fisheries. However, not all of these permits were available for transfer. AS 16.43.250 requires that CFEC develop hardship ranking systems (“point systems”) to allocate permits, and to determine point levels at which a person would experience only minor economic hardship if excluded from an initial permit allocation. Permanent permits issued to persons classified at minor economic hardship levels are nontransferable.

A total of 14,104 transferable permits and 2,288 nontransferable permits have been issued. By the end of 2007 14,472 permits remain, 13,610 transferable and 862 nontransferable. The net reduction of 494 transferable permits is due to the cancellation of 619 transferable permits and the net addition of 125 permits that were converted from nontransferable to transferable status through the CFEC adjudication process. The net reduction of 1,426 nontransferable permits is due to the cancellation of 1,301 nontransferable permits and the net conversion of 125 nontransferable permits to transferable status through the CFEC adjudication process.

During this same time span there were 33,087 permanent permit transfers. Original permit holders transferred 11,292 permits, indicating approximately 80% of all transferable permits had changed hands at least once by the end of 2007.

Two types of annual transfer rates are shown in Table 1. The first type is the ratio of the permits transferred for the first time (i.e., from initial issuees) to the number of transferable permits. This ratio would be expected to decline over time if no new permits were issued because each year there would be fewer permits still held by initial issuees. This transfer ratio has declined from 0.08 to 0.01 over the 1975-2007 time period. The average annual ratio of transfers from initial issuees to the sum of annual transferable permit counts is 0.03 for the entire time period.

The second type of annual transfer rate reported in Table 1 is the ratio of transfers to available transferable permits, which provides a measure of the annual turnover rate for transferable permits. This ratio varied between 0.06 and 0.13 over the 1975-2007 time period, and averaged 0.08 for all years combined. As can be seen in Table 1, this transfer ratio dropped below the all-years average in 1989 and has remained relatively low through 2007. The 0.06 ratio in 1999 and again in 2002 is the lowest turnover rate recorded in all years.

Turnover Ratios by Permit Type, 1975-2007

In Table 2, permit types were divided into groups based upon the year(s) in which they were limited. A summary of transfer rates is provided for each group. The first group consists of the original 19 salmon permit types for which permanent permits were first issued in 1975. The second group consists of the 6 Arctic-Yukon-Kuskokwim (AYK) salmon permit types for which permanent permits were first issued in 1976. The remaining limited herring, roe herring, shellfish, dive and sablefish permit types are also grouped by years of limitation. These permit type groupings appear on tables throughout the report.

The sum of annual permit counts represent a summation of the number of transferable permits existing at the end of each year. These rates are comparable to the all-years statewide summary rates presented in Table 1.

Two measures of average annual transfer rates for individual permit types are shown in Table 2. The first transfer rate is calculated by dividing the cumulative total transfers from initial issues, 1975 to 2007, by the sum of annual transferable permit counts over the same period. The permit types limited in the most recent years have the highest rates of transfers from initial issues, but this rate is expected to decline over time because each year there will be fewer initial issues remaining in the permit type.

The second transfer rate is calculated by dividing all permanent transfers over the time period by the sum of annual transferable permit counts over the same period. For the second type of turnover rate (ratio of transfers to the sum of annual transferable permit counts), the transfer rates vary considerably by permit type. The transfer rates for about one-half of the permit types are 0.09 or greater when averaged across all years. Some of the permit types with lower annual average rates are all of the AYK salmon permit types, most of the Westward herring permit types, the Chignik salmon purse seine permit, the Goodnews Bay herring gillnet permit, the Cook Inlet Dungeness pot permit, and the Kodiak Tanner bairdi pot gear permit for vessels up to 120 feet.

The annual transfer rate within a permit type may vary considerably from year to year. This is demonstrated in Appendix B where the number of transferable permits, the number of transfers, and the transfer rates for each year are presented for individual permit types.

TABLE 1. Statewide Transfer Data on Permanent Permits by Year, 1975 – 2007

Year	Number of Permanent Permits*	Number of Transferable Permits**	Annual Number of Transfers From Initial Issues	Ratio of Transfers From Initial Issues to Transferable Permits	Total Annual Number of Transfers***	Ratio of Transfers to Transferable Permits
1975	6,762	6,762	568	0.08	590	0.09
1976	9,173	9,160	650	0.07	776	0.08
1977	9,772	9,710	780	0.08	1,108	0.11
1978	9,975	9,895	777	0.08	1,314	0.13
1979	10,104	10,016	557	0.06	1,209	0.12
1980	10,132	10,040	522	0.05	1,060	0.11
1981	10,204	10,112	505	0.05	1,092	0.11
1982	11,030	10,936	553	0.05	1,144	0.10
1983	12,488	10,965	566	0.05	1,211	0.11
1984	12,531	11,009	414	0.04	1,053	0.10
1985	12,509	11,173	387	0.03	1,111	0.10
1986	12,517	11,226	402	0.04	1,191	0.11
1987	12,492	11,253	305	0.03	1,120	0.10
1988	12,584	11,409	345	0.03	1,125	0.10
1989	12,655	11,495	276	0.02	914	0.08
1990	13,027	11,911	270	0.02	950	0.08
1991	13,066	12,000	260	0.02	929	0.08
1992	13,419	12,366	206	0.02	952	0.08
1993	13,423	12,429	216	0.02	854	0.07
1994	13,404	12,460	217	0.02	908	0.07
1995	13,357	12,461	232	0.02	1,010	0.08
1996	13,347	12,492	228	0.02	941	0.08
1997	13,639	12,798	262	0.02	961	0.08
1998	14,075	13,171	186	0.01	860	0.07
1999	14,291	13,321	172	0.01	814	0.06
2000	14,336	13,400	179	0.01	964	0.07
2001	14,802	13,708	256	0.02	958	0.07
2002	14,801	13,730	163	0.01	793	0.06
2003	14,654	13,660	183	0.01	942	0.07
2004	14,488	13,569	149	0.01	984	0.07
2005	14,536	13,653	178	0.01	1,142	0.08
2006	14,533	13,639	163	0.01	1,025	0.08
2007	14,472	13,610	165	0.01	1,082	0.08

Years	Sum of Annual Transferable Permits	Total Transfers From Initial Issues	Ratio	Total Number of Transfers	Ratio
1975 - 2007	389,539	11,292	0.03	33,087	0.08

* 2,046 permits have been cancelled. Except for 126 that were reinstated, these have been excluded from the year of cancellation forward.

** 619 transferable permits have been cancelled and 125 transferable permits have been added through conversion from nontransferable to transferable status through the CFEC adjudication process

*** The number of transfers includes 332 loan foreclosures by the Department of Commerce, Community and Economic Development or by the Commercial Fishing and Agriculture Bank, and 310 subsequent transfers from these entities.

TABLE 2. Transfer Ratios by Permit Type, 1975-2007, All Years Combined

Permits First Issued in:	Sum of Annual Permit Counts* 1975-2007		Cumulative Number of Transfers from Initial Issues	Ratio of Transfers from Initial Issues to Sum of Annual Transferable Permit Counts	Cumulative Number of Transfers**	Ratio of Transfers to Sum of Annual Transferable Permit Counts
	Total Permanent	Total Transferable				
1975						
SE Salmon Seine	13,678	13,678	369	0.03	1,060	0.08
SE Salmon Drift Gillnet	15,416	15,416	431	0.03	1,700	0.11
Salmon Power Troll	31,192	31,192	900	0.03	2,702	0.09
Yakutat Salmon Setnet	5,439	5,439	148	0.03	534	0.10
PWS Salmon Seine	8,617	8,617	243	0.03	777	0.09
PWS Salmon Drift Gillnet	17,595	17,595	456	0.03	1,536	0.09
PWS Salmon Setnet	974	949	29	0.03	112	0.12
Cook Inlet Salmon Seine	2,606	2,606	81	0.03	236	0.09
Cook Inlet Salmon Drift	18,384	18,384	532	0.03	1,787	0.10
Cook Inlet Salmon Setnet	24,389	24,389	650	0.03	2,467	0.10
Kodiak Salmon Seine	12,440	12,440	340	0.03	1,108	0.09
Kodiak Salmon Beach Seine	1,076	1,027	30	0.03	131	0.13
Kodiak Salmon Setnet	6,116	6,116	169	0.03	818	0.13
Chignik Salmon Seine	2,967	2,967	70	0.02	157	0.05
Pen/Aleutian Salmon Seine	3,898	3,898	102	0.03	283	0.07
Pen/Aleutian Salmon Drift	5,217	5,217	155	0.03	534	0.10
Pen/Aleutian Salmon Setnet	3,652	3,652	110	0.03	428	0.12
Bristol Bay Salmon Drift	58,516	58,516	1,681	0.03	4,979	0.09
Bristol Bay Salmon Setnet	<u>31,544</u>	<u>28,737</u>	<u>814</u>	<u>0.03</u>	<u>2,995</u>	<u>0.10</u>
	263,716	260,835	7,310	0.03	24,344	0.09
1976						
Upper Yukon Salmon Gillnet	2,122	2,122	48	0.02	109	0.05
U Yukon Salmon Fish Wheel	4,416	4,416	122	0.03	262	0.06
Kuskokwim Salmon Gillnet	25,806	25,806	671	0.03	1,282	0.05
Kotzebue Salmon Gillnet	6,349	6,349	173	0.03	351	0.06
Lower Yukon Salmon Gillnet	22,377	22,377	539	0.02	1,138	0.05
Norton Sound Salmon Gillnet	<u>6,012</u>	<u>6,012</u>	<u>163</u>	<u>0.03</u>	<u>340</u>	<u>0.06</u>
	67,082	67,082	1,716	0.03	3,482	0.05
1977-1978						
SE Roe Herring Seine	1,359	1,359	38	0.03	81	0.06
SE Herring Gillnet	2,708	2,708	85	0.03	262	0.10
PWS Roe Herring Seine	3,119	3,119	77	0.02	188	0.06
Cook Inlet Herring Seine	<u>2,236</u>	<u>2,236</u>	<u>56</u>	<u>0.03</u>	<u>146</u>	<u>0.07</u>
	9,422	9,422	256	0.03	677	0.07
1980-1987						
Salmon Hand Troll	39,617	19,735	674	0.03	2,259	0.11
NSEI Sablefish Longline	705	705	29	0.04	56	0.08
SSEI Sablefish Longline	81	81	6	0.07	15	0.19
SSEI Sablefish Pots	20	20	1	0.05	1	0.05
SE Red,Blue King Crab Pot	27	27	3	0.11	6	0.22
SE Red,Blue,Brn Kng Crb Pot	34	33	3	0.09	4	0.12
SE Brown King Crab Pot	49	44	3	0.07	6	0.14
SE Red,Blue King/Tanner Pot	172	172	10	0.06	13	0.08
SE Brown King/Tanner Pot	15	15	2	0.13	2	0.13
SE All King/Tanner Pot	308	307	17	0.06	24	0.08
SE Tanner Crab Pot	154	154	14	0.09	18	0.12
PWS Roe Herring Gillnet	624	624	20	0.03	39	0.06
PWS Her Spawn on Kelp Pound	2,558	2,558	82	0.03	138	0.05
Kodiak Roe Herring Seine	1,412	1,145	39	0.03	105	0.09
Kodiak Roe Herring Gillnet	1,966	1,728	69	0.04	172	0.10
Kodiak Roe Her Seine/Gill	<u>37</u>	<u>21</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
	47,779	27,369	972	0.04	2,858	0.10

TABLE 2. Transfer Ratios by Permit Type, 1975-2007, All Years Combined

Permits First Issued in:	Sum of Annual Permit Counts* 1975-2007		Cumulative Number of Transfers from Initial Issues	Ratio of Transfers from Initial Issues to Sum of Annual Transferable Permit Counts	Cumulative Number of Transfers**	Ratio of Transfers to Sum of Annual Transferable Permit Counts
	Total Permanent	Total Transferable				
1988-1991						
BBay Herring Spawn on Kelp	4,399	4,399	99	0.02	118	0.03
Norton Sd Her Beach Seine	60	60	1	0.02	1	0.02
Nelson Island Her Gillnet	2,296	2,296	49	0.02	63	0.03
Nunivak Island Her Gillnet	820	786	12	0.02	16	0.02
Lower Yukon Herring Gillnet	1,282	1,256	35	0.03	46	0.04
Norton Sd Herring Gillnet	<u>4,350</u>	<u>4,350</u>	<u>155</u>	<u>0.04</u>	<u>311</u>	<u>0.07</u>
	13,207	13,147	351	0.03	555	0.04
1997						
SE Dungeness Ring Net	68	0	0	0.00	0	0.00
SE Dungeness Dive	24	0	0	0.00	0	0.00
SE Dungeness 300 Pot	544	544	37	0.07	69	0.13
SE Dungeness 225 Pot	488	473	35	0.07	68	0.14
SE Dungeness 150 Pot	902	885	65	0.07	149	0.17
SE Dungeness 75 Pot	1,065	744	62	0.08	164	0.22
Cook Inlet Dunge Ring Net	6	0	0	0.00	0	0.00
Cook Inlet Dungeness Pot	<u>768</u>	<u>649</u>	<u>6</u>	<u>0.01</u>	<u>8</u>	<u>0.01</u>
	3,865	3,295	205	0.06	458	0.14
1998						
NSE Her Spawn on Kelp Pound	966	966	72	0.07	120	0.12
SSE Her Spawn on Kelp Pound	1,892	1,476	77	0.05	102	0.07
SE Shrimp Otter Trawl	5	0	0	0.00	0	0.00
SE Shrimp Beam Trawl	197	180	9	0.05	10	0.06
SE Shrimp Pot	2,721	1,512	89	0.06	147	0.10
PWS Sablefish Net Gear	10	10	0	0.00	0	0.00
PWS Sablefish Fixed 90ft	10	10	1	0.10	2	0.20
PWS Sablefish Fixed 60ft	15	15	2	0.13	3	0.20
PWS Sablefish Fixed 50ft	297	297	21	0.07	32	0.11
PWS Sablefish Fixed 35ft	<u>83</u>	<u>83</u>	<u>9</u>	<u>0.11</u>	<u>15</u>	<u>0.18</u>
	6,196	4,549	280	0.06	431	0.09
1999-2002						
SE Urchin Dive	594	593	52	0.09	83	0.14
SE Geoduck Dive	463	330	22	0.07	37	0.11
SE Cucumber Dive	2,423	1,082	69	0.06	97	0.09
Goodnews Bay Her Gillnet	1,271	1,255	22	0.02	23	0.02
Kodiak Fd/Bt Her Seine/Gill	30	30	1	0.03	1	0.03
Kodiak Fd/Bt Her Trawl 75ft	6	6	0	0.00	0	0.00
Kodiak Fd/Bt Her Trawl 70ft	6	6	0	0.00	0	0.00
Kodiak Fd/Bt Her Trawl 60ft	<u>12</u>	<u>12</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
	4,805	3,314	166	0.05	241	0.07
2004						
Kodiak Tnr Bairdi Pot 120ft	109	109	3	0.03	5	0.05
Kodiak Tnr Bairdi Pot 60ft	<u>417</u>	<u>417</u>	<u>33</u>	<u>0.08</u>	<u>36</u>	<u>0.09</u>
	526	526	36	0.07	41	0.08

* The sum of annual permit counts is the total number of permits at the end of each year, summed over the entire period.

** The number of transfers includes 332 permit foreclosures and 310 subsequent transfers of these permits.

