

Valdez:

**Holdings of Limited Entry Permits, Sablefish Quota
Shares, and Halibut Quota Shares Through 1997
and
Data On Fishery Gross Earnings**

CFEC Report 98-SPValdez-N

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Abstract:

This report is one of a series of reports on Gulf of Alaska coastal communities that were prepared with funding provided by the Restricted Access Management Program (NMFS-RAM) of the National Marine Fisheries Service - Alaska Region. This report covers the holdings of restricted use-privileges by persons from the community of Valdez.

This report provides fishery-specific data on holdings of Alaska limited entry permits by persons from Valdez. There are tables that show the number of limited entry permits initially issued to persons from the community, and the number of these permits held at year-end 1997. Time series data on limited entry permit holdings are also provided. Similarly, the report contains data on halibut and sablefish quota shares initially allocated to persons from Valdez as well as quota shares held at year-end 1997. Quota shares are the basic use-privileges issued under the halibut and sablefish individual fishing quota (IFQ) programs. Time series data on quota share holdings are also provided. Finally, the report contains time series data on the fishery gross earnings of Commercial Fisheries Entry Commission (CFEC) limited entry and interim-use permit holders from Valdez, organized by permit fishery. The report also contains 1995-1997 time series data on gross earnings in the halibut and sablefish IFQ fisheries for quota share holders from the community.

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Introduction

Purpose of the Report

This report is one of a series of reports on Gulf of Alaska coastal communities. The reports were prepared by the Commercial Fisheries Entry Commission (CFEC) with funding provided by the Restricted Access Management Program (NMFS-RAM) of the National Marine Fisheries Service - Alaska Region. This particular report covers the holdings of restricted use-privileges by persons from the community of Valdez.

In early 1998, the *Gulf of Alaska Coastal Communities Coalition* (Coalition) made presentations to two committees of the Ocean Studies Board of the National Academy of Sciences (NAS) and National Research Council regarding restricted access programs of the North Pacific Fishery Management Council (Council). These two committees were “the Committee to Review Community Development Quotas (CDQ)” and “the Committee to Review Individual Fishing Quotas (IFQ).” A presentation was also made before a joint meeting of the Alaska Board of Fisheries (ABOF) and the Council.¹

The Coalition indicated that Gulf of Alaska coastal communities were dependent upon continued access to commercial fishing and they wanted their concerns to be considered in the future when the Council develops new restricted access programs or modifies existing Council programs. They also indicated that some Gulf of Alaska coastal communities had not fared well under the State of Alaska’s limited entry program or under the Council’s sablefish and halibut IFQ programs.

NMFS-RAM administers the sablefish and halibut IFQ programs and the Council’s vessel moratorium for groundfish and crab. NMFS-RAM will administer the new groundfish and crab license limitation programs passed by the Council as well as any future restricted access programs passed by the Council. NMFS-RAM is committed to monitoring changes under the existing restricted access programs in Alaska so they can provide the Council and the public with accurate data and information on the programs. NMFS-RAM hopes this monitoring effort will help inform policy discussions on proposals for new programs or proposals to alter existing programs.

For this reason, NMFS-RAM contracted with CFEC to produce a series of reports on Gulf of Alaska coastal communities or groups of communities. The purpose of the series

¹The name of the group making the presentations was slightly different for each presentation. The statement to the Committee to Review CDQs in January 1998 was made by a group called “The Coalition of Gulf of Alaska Small Boat Fishermen In Support of Marine Resources Conservation and Allocation Equity.” The statement made at the February 1998 joint meeting of the ABOF and the Council was made by a group called “Gulf of Alaska Fisheries Dependent Communities Coalition.” The presentation to the Committee To Review IFQs in April 1998 was made by a group called the “Gulf of Alaska Coastal Communities Coalition.” The authors have assumed that these are the same groups and we have used the latter name herein for ease of exposition.

of reports is to provide basic data on how these communities have fared with respect to the initial allocation and retention of entry permits for Alaska's limited fisheries and with respect to the initial allocation and retention of quota shares under the sablefish and halibut IFQ programs. Data are also presented on the estimated fishery gross earnings of persons from these communities.

Report Overview

This report is divided into three sections. Each section contains information on both CFEC permits issued under Alaska's limited entry program and on Quota Shares (QS)/IFQ issued under the Council's sablefish and halibut IFQ programs.

Section 1 provides data on the initial allocation of permanent limited entry permits issued to persons from Valdez and the year-end 1997 number of entry permits held by persons in the community. These data are provided by limited entry fishery. The section also provides data on the amount of QS initially allocated to persons from the community and the amount of QS held by persons in the community at the end of 1997. These data are provided for the sablefish and halibut fisheries by management area.

Section 2 provides a more detailed time series table on the holdings of limited entry permits by persons from Valdez. The table shows how the holdings of entry permits have changed over time. These data are provided by limited fishery. Section 2 also provides a time series table on the holdings of sablefish and halibut QS by persons from the community. These data are provided by species and management area and show how QS holdings have changed over time.

Section 3 provides information on the estimated fishing gross earnings associated with persons from Valdez. One table provides time series gross earnings information on CFEC permit holders who live in the community. These data are based upon fish ticket records and include information on both limited and unlimited fisheries. A second table provides time series gross earnings data associated with quota share holders from the community. These data are based upon NMFS-RAM harvest records and are presented by species and management area.

1. Initial Allocation and Year-End 1997 Holdings Of Restricted Use-Privileges

This section provides overview data on the restricted fishery use-privileges held by persons from Valdez at initial allocation and at year-end 1997.

Table 1a provides data on holdings of Alaska limited entry permits by permit type. These data are compiled from CFEC permit files.

The table shows the number of limited entry permits held at initial allocation and at year-end 1997 by limited fishery permit type. One summary row shows the total number of limited entry permits held across all limited fisheries. A second summary row shows the number of unique persons from Valdez who hold limited entry permits.

Note that a person can hold limited entry permits for more than one limited fishery. Note also that different fisheries have been limited at different points in time since 1975, and the initial allocation of permits may have taken place in any year over the 1975 to 1997 period.

There are several reasons why the number of limited entry permits held by persons from a community can increase or decrease over time. Permits can be initially allocated to persons in the community. Permits can also be transferred from persons outside the community to persons in the community, or vice versa. Similarly, persons holding limited entry permits can move into or out of the community. Finally, some limited entry permits can be revoked or forfeited under the law. For all of these reasons, the number of entry permits for a particular fishery held at year-end 1997 might be different than the number of entry permits held by persons in the community at some other point in time.

Table 1b provides data on halibut and sablefish QS holdings at initial allocation and at year-end 1997. These data are taken from NMFS-RAM computerized records.

The table shows the amount of QS and the number of QS holders at initial allocation and at the end of 1997, by species and management area. QS amounts have been converted into 1997 IFQ equivalent pounds using 1997 NMFS-RAM standard conversion factors.

Summary rows showing halibut and sablefish IFQ pounds and the unique counts of QS holders across areas are provided. Lastly, a community total row is provided showing the unique number of QS holders from the community across both species and all management areas.

The reader should note that a QS holder might hold QS in multiple areas and for both halibut and sablefish. Also, it should be noted that individual QS units hold different values as IFQ pounds from year-to-year and from area-to-area and therefore are not additive across areas.

There are several reasons why the amount of QS held by persons from a community can increase or decrease over time. Quota shares can be initially allocated to persons in the community. Quota shares can also be transferred from persons outside the community to persons in the community, or vice versa. Similarly, persons holding QS can move into or out of the community. Finally, some QS may be revoked. For all of these reasons, the amount of QS of a particular type held at year-end 1997 might be different than the amount of QS of that type held by persons in the community at some other point in time. For similar reasons, the number of QS holders can change over time.

Table 1a. Number of entry permits held in VALDEZ at initial issuance and at year-end 1997, by limited entry fishery.

Limited Entry Fishery	Number of Permits at Initial Issuance	Number of Permits at Year-end 1997
Roe Herring, Purse Seine, Prince William Sound	3	1
Herring (Roe & Food/Bait,) Purse Seine, Cook Inlet	2	0
Roe Herring, Gill Net, Prince William Sound	7	0
Herring Spawn on Kelp, Pound, Prince William Sound	5	2
Salmon, Purse Seine, Prince William Sound	16	15
Salmon, Purse Seine, Kodiak	1	0
Salmon, Drift Gill Net, Prince William Sound	12	9
Salmon, Drift Gill Net, Cook Inlet	2	1
Salmon, Drift Gill Net, Bristol Bay	2	1
Salmon, Set Gill Net, Prince William Sound	4	0
Salmon, Set Gill Net, Kodiak	0	1
Salmon, Set Gill Net, Bristol Bay	0	1
Salmon, Hand Troll, Statewide	2	0
Total Number of Entry Permits (All Fisheries)	56	31
Number of Unique Persons Holding Entry Permits	40	27

Table 1b. Type and amount of QS, 1997 IFQ pounds equivalent and number of unique QS holders in VALDEZ at initial issuance and at year-end 1997.

Quota Share Type	Area	Initial Issuance			Year-end 1997		
		Amount of QS (QS units)	1997 IFQ Equivalent (pounds)	Number of QS Holders	Amount of QS (QS units)	1997 IFQ Equivalent (pounds)	Number of QS Holders
Halibut	2C	13,105	2,217	2	0	0	0
	3A	721,084	97,483	43	420,624	56,864	34
	3B	4,401	735	1	4,401	735	1
	Halibut Total		100,435	43		57,599	34
Sablefish	West Yakutat	7,928	752	1	0	0	0
	Central Gulf	13,822	1,410	4	3,696	377	3
	Sablefish Total		2,163	4		377	3
Community Total (Unique)				43			35

2. Comparisons of Holdings Of Restricted Use-Privileges Over Time

This section provides more detailed time series data on the restricted use-privileges held by persons in Valdez.

Table 2a provides time series data on the type and number of limited entry permits held by persons from the community in five-year increments from 1975 through 1995 and at year-end 1997. Holdings of entry permits in the community can change over time due to initial allocations, permit transfers, the relocation of permit holders, and permit revocations or forfeitures.

The reader should note that this table only covers entry permits in limited fisheries. Fisheries are limited under Alaska law only when limitation becomes necessary. The original 19 salmon fisheries were limited in 1974. Other limitations occurred in more recent years.

Table 2b provides time series data on the amount of sablefish and halibut QS held by persons from Valdez over the 1995 to 1997 time period. The sablefish and halibut IFQ program began in 1995. The table is organized by species, management area, and year. It also shows the number of QS holders from the community and translates the QS holdings into 1997 IFQ equivalent pounds using standard NMFS-RAM conversion factors. The table includes summary rows showing the total unique number of QS holders from the community in each year across all areas and species.

The reader should note that the counts of QS holders in the table refer to the persons holding the QS. These persons can be natural persons (individuals), corporations, partnerships, or other legal entities. These persons are not always the individuals who fish the IFQ in a year. Provisions in the IFQ program allow for the use of hired skippers and for some QS leasing under certain conditions.

Holdings of QS in the community can change over time due to initial QS allocations, QS transfers, the relocation of QS holders, QS revocations, or other changes due to administrative appeals.

Table 2a. Year-end number of permits, by limited entry fishery, held by persons from VALDEZ from 1975 to 1997.

Limited Entry Fishery	1975	1980	1985	1990	1995	1997
Roe Herring, Purse Seine, Prince William Sound	0	2	2	1	1	1
Herring (Roe & Food/Bait,) Purse Seine, Cook Inlet	0	1	1	0	0	0
Roe Herring, Gill Net, Prince William Sound	0	0	4	3	0	0
Herring Spawn on Kelp, Pound, Prince William Sound	0	0	0	5	2	2
Salmon, Purse Seine, Southeastern	0	0	0	0	1	0
Salmon, Purse Seine, Prince William Sound	8	13	17	12	15	15
Salmon, Purse Seine, Kodiak	1	0	1	0	0	0
Salmon, Drift Gill Net, Prince William Sound	10	11	8	10	12	9
Salmon, Drift Gill Net, Cook Inlet	1	0	0	0	1	1
Salmon, Drift Gill Net, Bristol Bay	1	0	1	0	1	1
Salmon, Set Gill Net, Prince William Sound	2	1	2	1	0	0
Salmon, Set Gill Net, Kodiak	0	0	0	0	0	1
Salmon, Set Gill Net, Bristol Bay	0	1	1	1	1	1
Salmon, Hand Troll, Statewide	0	0	2	1	1	0
Salmon, Power Gurdy Troll, Statewide	0	2	0	0	0	0
Total Number of Entry Permits (All Fisheries)	23	31	39	34	35	31

Table 2b. Quota share amounts held in VALDEZ in 1995, 1996 and 1997.

Quota Share Type	Area	Year-end	Amount of QS Held (QS units)	1997 IFQ Equivalent (pounds)	Number of QS Holders
Halibut	2C	1995	10,093	1,708	1
	3A	1995	581,259	78,580	39
		1996	451,541	61,044	37
		1997	420,624	56,864	34
	3B	1995	4,401	735	1
		1996	4,401	735	1
		1997	4,401	735	1
Sablefish	West Yakutat	1995	7,928	752	1
	Central Gulf	1995	13,822	1,410	4
		1996	13,822	1,410	4
		1997	3,696	377	3
	Community Total (Unique)	1995			39
	1996			39	
	1997			35	

3. Fishery Gross Earnings

This section examines the estimated fishery gross earnings of persons from Valdez. The gross earnings shown in these tables are CFEC estimates of the dollar amount received for the fish sold. These estimates are not measures of net earnings or profits because none of the costs associated with the fishing operations have been removed.

Table 3a provides time series data on the gross earnings of CFEC permit holders from Valdez. The table covers the 1975 to 1995 time period in five-year increments. The table is organized by CFEC permit fishery and includes counts of the number of persons from the community who had gross earnings from the fishery.² The table also includes a summary row that totals the gross earnings of CFEC permit holders from the community over all fisheries in the year and provides a count of the unique number of persons who recorded landings in any fishery during the year.³ The table includes data from both limited and unlimited fisheries. Table 3a is derived from Alaska Department of Fish & Game (ADF&G) fish ticket data and CFEC ex-vessel price estimates.⁴

Table 3b provides 1995-1997 time series data on the gross earnings of QS holders from Valdez in the sablefish and halibut IFQ fisheries. These data are derived by applying CFEC statewide average ex-vessel price estimates to NMFS-RAM harvest data. NMFS-RAM catch files represent a different data source than the ADF&G fish ticket files. The table includes estimates of total gross earnings and the number of QS holders from the community by species, management area, and year.⁵ A summary row provides the total gross earnings associated with the QS holders from the community summed over all management areas and species as well as a count of the unique number of QS holders from the community with commercial sablefish or halibut harvests during the year.⁶

Both tables represent estimates of fishery gross earnings associated with persons from Valdez, irrespective of where the harvest actually occurred or where the fish were landed. The reader should note that these tables do not represent the value of fish landed in Valdez. Data on halibut and sablefish landings by major port are available from NMFS-RAM.

²In some cases, CFEC permit codes for a fishery have changed over the years. In such cases, the reader may see a fishery description repeated in the table.

³A person may participate in multiple fisheries as a CFEC permit holder. Therefore, the unique number of permit holders in the community is usually less than the sum of permit holders with landings across all fisheries.

⁴The 1975 fishery earnings in the table for CFEC permit holders may be underestimated. 1975 was the first year that CFEC permit numbers were data entered. Permit numbers are not on the 1975 computerized halibut fish ticket records. Therefore, halibut earnings cannot be attributed to any CFEC permit holder during that year and hence cannot be assigned to communities. Also, in 1975, in some fisheries besides halibut, the percentage of missing or unmatched CFEC permit numbers was higher than in more recent years. For these reasons, the 1975 gross earnings may be underestimated.

⁵Again, these data represent the person who holds the QS and not necessarily the individual who recorded the landing. The IFQ programs allow the use of hired skippers under certain conditions. Some QS leasing is also allowed.

⁶QS holders may have holdings for more than one management area and species. Thus the unique counts of QS holders with harvests across all species and areas may be less than the sum of the counts of QS holders with harvests across all species and areas.

Table 3a. Gross earnings and number of persons from VALDEZ with landings by fishery and year, 1975-1995.

CFEC Permit Fishery	1975		1980		1985		1990		1995	
	Gross Earnings (\$)	# persons	Gross Earnings (\$)	# persons	Gross Earnings (\$)	# persons	Gross Earnings (\$)	# persons	Gross Earnings (\$)	# persons
Halibut, Longline, Under 5 Tons, Statewide	\$0	0	\$2,284	10	\$7,251	7	\$20,537	9	\$11,790	4
Halibut, Longline, 5 Tons or Over, Statewide	\$0	0	\$26,821	6	\$65,356	15	\$255,623	27	\$103,389	10
Sablefish, Pot Gear, To 50 Ft, Statewide(Excluding Southeast)	\$0	0	\$0	0	**	1	\$0	0	\$0	0
Sablefish, Longline, 5 Tons or Over, Statewide	\$0	0	\$0	0	**	2	\$0	0	\$61,220	4
Dungeness Crab, Pot Gear, To 50 Ft, Statewide	\$0	0	\$0	0	\$0	0	**	1	\$0	0
Roe Herring, Purse Seine, Prince William Sound	\$0	0	**	2	**	2	\$0	0	\$0	0
Roe Herring, Purse Seine, Bristol Bay	\$0	0	\$0	0	**	2	\$0	0	**	2
Roe Herring, Gill Net, Prince William Sound	\$0	0	\$23,579	5	\$57,595	4	**	2	\$0	0
Roe Herring, Gill Net, Cook Inlet	\$0	0	\$0	0	\$0	0	**	1	\$0	0
Roe Herring, Gill Net, Westward	\$0	0	**	1	\$0	0	\$0	0	\$0	0
Roe Herring, Gill Net, Bristol Bay	\$0	0	\$0	0	**	1	\$0	0	\$0	0
Herring, Purse Seine, Statewide	**	1	\$0	0	\$0	0	\$0	0	\$0	0
Herring For Bait/Food, Purse Seine, Prince William Sound	\$0	0	\$0	0	**	1	\$0	0	\$0	0
King Crab, Pot Gear, To 50 Ft, Prince William Sound	\$0	0	**	1	\$0	0	\$0	0	\$0	0
King Crab, Pot Gear, Over 50 Ft, Prince William Sound	\$0	0	**	2	\$0	0	\$0	0	\$0	0
King Crab, Pot Gear, Over 50 Ft, Bering Sea	\$0	0	\$0	0	\$0	0	\$0	0	**	1
Herring Spawn on Kelp, Diving/Hand-Picking, Prince Wm Snd	\$0	0	\$0	0	**	3	\$2,991	4	\$0	0
Herring Spawn, Pound, Prince William Sound	\$0	0	\$0	0	\$0	0	\$87,455	5	\$0	0
Herring Spawn on Kelp, Other Gear, Statewide	\$17,301	20	\$24,936	15	\$0	0	\$0	0	\$0	0
Misc Saltwater Finfish, Longline, Under 5 Tons, Statewide	**	1	\$0	0	**	1	**	2	\$0	0
Misc Saltwater Finfish, Mechanical Jig, Statewide	\$0	0	**	1	\$0	0	\$0	0	\$0	0
Misc Saltwater Finfish, Longline, 5 Tons or Over, Statewide	\$0	0	**	1	\$0	0	\$3,737	8	**	1
Shrimp, Otter Trawl, Statewide	\$0	0	**	1	\$0	0	\$0	0	\$0	0
Shrimp, Pot Gear, To 50 Ft, Statewide	**	2	**	2	\$80,838	15	\$0	0	\$0	0
Shrimp,Pot,50 Feet & Under, Prince William Sound	\$0	0	\$0	0	**	1	**	3	\$0	0
Shrimp, Beam Trawl, Statewide	\$0	0	\$0	0	**	1	\$0	0	\$0	0
Shrimp, Pot Gear, Over 50 Ft, Statewide	\$0	0	**	1	**	1	\$0	0	\$0	0
Shrimp,Pot,Over 50 Feet, Prince William Sound	\$0	0	\$0	0	\$0	0	**	1	\$0	0
Clams, Shovel, Statewide	\$0	0	\$0	0	**	1	\$0	0	\$0	0
Salmon, Purse Seine, Southeastern	\$0	0	\$0	0	\$0	0	\$0	0	**	1

Table 3a. Gross earnings and number of persons from VALDEZ with landings by fishery and year, 1975-1995.

CFEC Permit Fishery	1975		1980		1985		1990		1995	
	Gross Earnings (\$)	# persons	Gross Earnings (\$)	# persons	Gross Earnings (\$)	# persons	Gross Earnings (\$)	# persons	Gross Earnings (\$)	# persons
Salmon, Purse Seine, Prince William Sound	\$152,662	10	\$903,779	13	\$1,311,767	18	\$1,281,378	12	\$606,724	13
Salmon, Purse Seine, Kodiak	\$0	0	\$0	0	**	1	\$0	0	\$0	0
Salmon, Drift Gill Net, Prince William Sound	\$43,119	9	\$20,387	5	\$180,818	8	\$245,637	7	\$220,034	8
Salmon, Drift Gill Net, Cook Inlet	**	1	\$0	0	\$0	0	\$0	0	**	1
Salmon, Drift Gill Net, Bristol Bay	**	2	\$0	0	**	1	\$0	0	**	1
Salmon, Set Gill Net, Prince William Sound	\$0	0	**	1	\$0	0	**	1	\$0	0
Salmon, Set Gill Net, Bristol Bay	\$0	0	**	1	**	1	**	1	**	1
Salmon, Hand Troll, Statewide	\$0	0	**	1	\$0	0	\$0	0	\$0	0
Salmon, Power Gurdy Troll, Statewide	\$0	0	**	2	\$0	0	\$0	0	\$0	0
Tanner Crab, Pot Gear, To 50 Ft, Statewide	\$0	0	**	1	\$0	0	\$0	0	\$0	0
Tanner Crab, Pot Gear, Over 50 Ft, Statewide	\$0	0	**	2	\$0	0	\$0	0	\$0	0
Tanner Crab, Pot Gear, Over 50 Ft, Kodiak	\$0	0	\$0	0	**	1	\$0	0	\$0	0
Unique Totals For All Fisheries	\$246,658	32	\$1,216,207	53	\$2,102,894	59	\$1,997,871	55	\$1,285,016	36

Note: ‘**’ and ‘*’ indicate data that are masked to preserve confidentiality

Table 3b. Gross earnings and numbers of persons (QS holders) from VALDEZ with credited IFQ landings in halibut and sablefish IFQ fisheries by area and year, 1995-1997.

Quota Share Type	Area	1995		1996		1997	
		Gross Earnings (\$)	Number of Persons	Gross Earnings (\$)	Number of Persons	Gross Earnings (\$)	Number of Persons
Halibut	3A	\$79,704	14	\$52,942	12	\$59,793	11
	Halibut Total	\$79,704	14	\$52,942	12	\$59,793	11
Sablefish	West Yakutat	**	1	0	0	0	0
	Central Gulf	**	2	0	0	0	0
	Sablefish Total	**	2	0	0	0	0
Community Total (Unique)		\$85,392	14	\$52,942	12	\$59,793	11

Note: '**' and '*' indicate data that are masked to preserve confidentiality