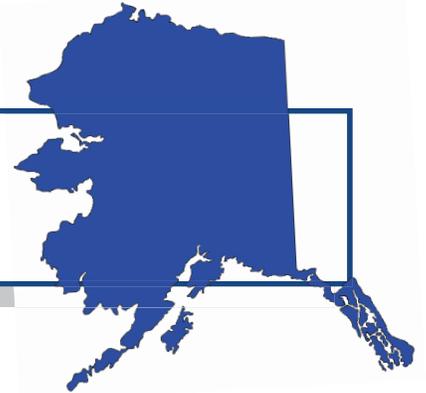


C F E C



Commercial Fisheries Entry Commission 2006 Annual Report





“King of the Sea”
cover art courtesy of
Juneau Wildlife Artist
Ed Mills

Inside photo courtesy of
Andy Mills



STATE OF ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION 2006 ANNUAL REPORT

Dear Governor, Legislators, and Fellow Alaskans:

We are pleased to submit the Commercial Fisheries Entry Commission's 2006 Annual Report, pursuant to AS 16.43.980.

The Alaska Legislature enacted the Limited Entry Act in 1973, soon after Alaska voters approved a constitutional amendment which authorized entry limitation. The Limited Entry Act created a system for limiting the number of participants in Alaska's commercial fisheries and established the Commercial Fisheries Entry Commission to implement and administer the program.

During 2006, the Commission issued more than 29,000 annual fishing permits and vessel licenses, reviewed more than 1,800 transfer requests, and issued 165 adjudicatory decisions. At various stages of adjudication, 162 cases were before the Commission as of the end of 2006.

Working with the Legislature, Administration, and the fishing industry in 2006, the Commission continued to provide fisheries data, as well as information concerning options, statutory tools, and protections needed to meet the challenges facing Alaska's evolving fisheries. Additionally, the Commission continued to work closely with fishermen, organizations, communities, the Alaska Department of Fish and Game, the Alaska Department of Commerce, Community and Economic Development, Alaska Board of Fisheries, the Commercial Fishing and Agriculture Bank, Alaska Business Development Center, Child Support Enforcement Division, Division of Emergency Services, Small Business Administration, Internal Revenue Service, as well as the North Pacific Fisheries Management Council and other federal fisheries management agencies on issues of importance to Alaska's commercial fishing industry.

We remain dedicated to our role in promoting conservation and sustained yield management of Alaska's fishery resources and economic stability among fishermen and those dependent upon them for a livelihood.

Sincerely,

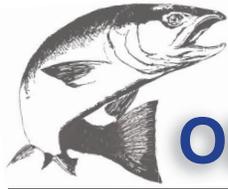
COMMERCIAL FISHERIES ENTRY COMMISSION

Frank Homan, Chairman

Peter Froehlich, Commissioner

Bruce Twomley, Commissioner





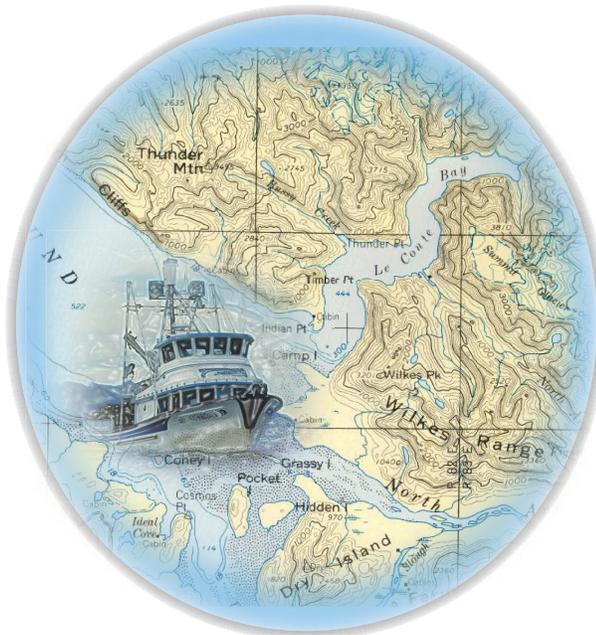
OEO/ADA Compliance Statement

The Commission is administratively linked to the Alaska Department of Fish and Game (ADF&G).

The Alaska Department of Fish and Game administers all programs and activities free from discrimination based on race, color, national origin, age, sex, religion, marital status, pregnancy, parenthood, or disability. The department administers all programs and activities in compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and Title IX of the Education Amendments of 1972.

If you believe you have been discriminated against in any program, activity, or facility, or if you desire further information please write to ADF&G, P.O. Box 25526, Juneau, AK 99802-5526; U.S. Fish and Wildlife Service, 4040 N. Fairfield Drive, Suite 300 Webb, Arlington, VA 22203, or O.E.O., U.S. Department of the Interior, Washington DC 20240.

For information on alternative formats for this and other department publications, please contact the department ADA Coordinator at (voice) 907-465-4120, (TDD) 907-465-3646, or (FAX) 907-465-2440.





Commercial Fisheries Entry Commission



**State of Alaska
Governor**

Sarah Palin

Commissioners

Frank Homan, Chairman

Peter Froehlich, Commissioner

Bruce Twomley, Commissioner

Adjudications

Frank Glass, Project Leader

**Information
Technology**

Ty McMichael, Project Leader

Licensing

Karen Wells, Project Leader

Research

Kurt Schelle, Project Leader

Office Location

Commercial Fisheries Entry
Commission (CFEC)
Jordan Creek Center
8800 Glacier Highway, #109
Juneau, Alaska

Mailing Address

CFEC
8800 Glacier Highway, #109
P.O. Box 110302
Juneau, AK 99811-0302

Telephone

(907) 789-6150 Licensing Only
(907) 789-6160 Reception

Fax

(907) 789-6170

Web Address

<http://www.cfec.state.ak.us>

2006 Annual Report design and
layout by Shirley Penrose

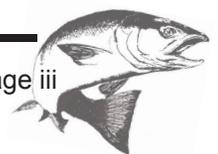




Table of Contents

INTRODUCTION	1
ORGANIZATION BY FUNCTION	5
DECISIONS AND ACTIVITIES	6
Permit Fees.....	6
New CFEC website.....	6
Other Issues.....	6
ADJUDICATIONS	8
Overview.....	8
Administrative Proceedings and Decisions.....	8
Judicial Rulings and Appeals.....	10
LICENSING	11
Overview.....	11
Fee Structure.....	12
Permit Transfers for Fleet Consolidation.....	12
Demerit Points.....	13
Vessel Entry Permits.....	13
Permit Transfer Requests.....	14
Permits and Licenses Issued.....	16
Summary of Permitting Activity.....	19
RESEARCH	20
Overview.....	20
New Limitations.....	20
Optimum Numbers and Salmon Restructuring.....	20
Conferences.....	22
Other Projects and Reports.....	22
REVENUE	23
Overview.....	23
Revenue Generated by CFEC.....	24
APPENDICES	25
Employee Names and Electronic Mail Addresses.....	26
Decisions and Activities in Prior Years.....	27





Introduction

The commercial fishing industry is a major component of Alaska's statewide economy and is the economic backbone of Alaska's coastal communities. Our seafood industry is one of the state's largest sources of private sector jobs. The Alaska Commercial Fisheries Entry Commission (Commission) plays an essential management role in developing and sustaining Alaska's billion dollar fishing industry.

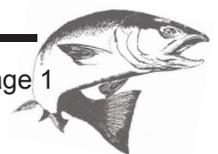
In 1972, Alaskans voted to amend Article 8, Section 15 of the State's constitution to allow limited entry into Alaska's commercial fisheries. With this new authority, the Legislature enacted the Limited Entry Act in 1973. The Act created the limited entry program and established the Commission as an independent regulatory and quasi-judicial agency to carry out the mandate of the people and legislature.

The Limited Entry Act directs the Commission to promote the conservation and sustained yield management of Alaska's fishery resources, and the economic health and stability of the fishing industry, by regulating entry into the state's commercial fisheries. To meet these responsibilities, the Commission organizes its staff into four sections: Adjudications, Research, Licensing, and Information Technology (see the chart: Organization by Function, page 5).

The Commission engages in the following activities mandated by law (AS 16.43):

- Establishes maximum numbers of entry permits for fisheries to be limited and administers applications and point systems to rank eligible applicants;
- Processes entry permit applications and adjudicates claims not resolved in initial classification;
- Issues annual permits in limited and unlimited fisheries, and issues annual licenses for all vessels as required to legally participate in the state's commercial fisheries;
- Processes requests for emergency and permanent transfers of entry and interim-use permits and compiles data on all such transfers;
- Enforces provisions of the Limited Entry Act by regulating permit transfer activities;
- Participates in the research and development of comprehensive fisheries economic data;
- Works with other state and federal management agencies to develop, analyze, and coordinate fisheries policies;
- Assesses demerit points against permit holders for convictions of violations of commercial fishing laws in the salmon fisheries; and
- Issues vessel permits in two fisheries under vessel-based limitations.

Since 1973, the Commission limited entry into 68 of Alaska's fisheries. The Commission regularly receives petitions for the limitation of additional fisheries and works with fishermen and the Department of Fish and Game to analyze these requests.



The percentage of limited entry permits held by Alaska residents has remained relatively stable. Thirty-two years after enactment of Alaska's Limited Entry Act, Alaskans hold 77% of all limited entry permits. At the end of 2006, Alaskans held 11,180 limited entry permits, with rural Alaskans holding more than half of that number.

The Commission issued more than 29,000 permanent permits, interim-use permits, and vessel licenses for the 2006 license year and reviewed more than 1,800 permit transfer requests. In fiscal year 2006 (July 1, 2005 to June 30, 2006), the Commission collected approximately 4.5 million dollars in revenues for the state.

The economic challenges facing the salmon industry have generated substantial discussion about potential cost efficiencies in the fisheries, including consideration of options for reducing fleet size. The Commission continues to participate in this ongoing discussion with the public and policy makers, and to provide data to assist and inform the exploration of ideas. (See Decisions and Activities section for more information, page 6.)

By working with other state and federal agencies throughout 2006, the Commission continued to help Alaska fishermen protect their fishing privileges. For example, during 2006, Commissioner Twomley completed his term on the National Taxpayer Advocacy Panel where he chaired the Multi-Lingual Initiative Committee. Commissioner Twomley has worked for years to ensure remedies provided to taxpayers under the 1998 IRS Reform Act continue to be available and known to Alaska commercial fishermen and other taxpayers.

*THE LIMITED ENTRY ACT
DIRECTS THE COMMISSION TO
PROMOTE THE CONSERVATION
AND SUSTAINED YIELD MANAGE-
MENT OF ALASKA'S FISHERY
RESOURCES, AND THE ECONOMIC
HEALTH AND STABILITY OF THE
FISHING INDUSTRY, BY REGULAT-
ING ENTRY INTO THE STATE'S
COMMERCIAL FISHERIES.*

In addition to working with policy makers, agencies, fisheries organizations, and individual fishermen on the many pressing issues facing the fishing industry, the Commission continues to perform its primary functions of limiting fisheries, licensing fishermen and vessels, adjudicating claims, performing critical research, and providing data to governmental agencies, private organizations and the general public.

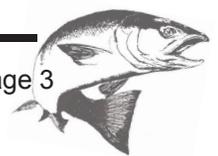
Major decisions and activities of the Commission in 2006 are outlined in this report. Prior years' activities, events, and decisions that affected the Commission's operations are highlighted in the appendices.



Alaska's fishing industry is vital to the state's economy and provides an important food source to the world. Alaskans must ensure that our fisheries are developed wisely and sustained through sound management. We at the Commission continue our commitment to fulfill our statutory role in achieving this goal.



Photo courtesy of Beccy Charles





Organization by Function

COMMERCIAL FISHERIES ENTRY COMMISSION

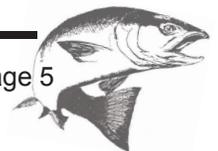
COMMISSIONERS

Frank Homan, Chairman
Peter Froehlich, Commissioner
Bruce Twomley, Commissioner

Shirley Penrose
Administrative Officer

Personnel, Payroll, Travel,
Accounting, Purchasing,
Property/Supply Management,
and Budget Development

ADJUDICATIONS	LICENSING	RESEARCH	INFORMATION TECHNOLOGY
Frank Glass Project Leader	Karen Wells Project Leader	Kurt Schelle Project Leader	Ty McMichael Project Leader
<ul style="list-style-type: none"> • Application Processing and Classification • Administrative Hearings • Case Management • Decisions on Claims • Preparation of Official Record in Judicial Appeals • Residency and Fraud Investigations 	<ul style="list-style-type: none"> • Entry and Interim-use Permit Renewal • Vessel Licensing • Permanent and Emergency Transfers • Permanent File Management • Revenue Accounting 	<ul style="list-style-type: none"> • Fisheries Data Collection • Economic Profiles • New Limitations Research • Priority Hardship (“Point” System) Development and Testing • Optimum Number Research 	<ul style="list-style-type: none"> • Licensing Systems • Fisheries Database • Technology Development for Adjudications and Research • Agency Technical Support • Website Design and Maintenance





Decisions and Activities

PERMIT FEES

In 2005, the Alaska legislature passed SB 93 (Chapter 16 SLA 2005) which raised the maximum allowable base fee (“fee cap”) for an annual permit renewal from \$300 to \$3,000. In accordance with the revised law, the Commission proposed new fee regulations in May 2005. The Commission adopted final regulations in September 2005 to be implemented beginning with the 2006 licensing year. The regulations created 40 new fee classes to replace the 5 former fee classes.

The Commission decided to phase-in the new fee structure and cap permit fees at fee class 14 or \$1,050 for 2006; at fee class 27 or \$2,025 for 2007, and fee class 40 or \$3,000 for 2008 and after. Additionally, beginning in 2006, individuals who sold less than 8,000 pounds of halibut or less than 9,000 pounds of sablefish under the federal quota share program had the option of renewing a CFEC interim-use permit at fee class 1 or \$75. These issues are further discussed on page 12.

PERMIT RENEWAL FEES ARE BASED ON A FORMULA OF 4/10^{THS} OF 1% OF THE ESTIMATED MARKET VALUE OF THE PERMIT FOR LIMITED FISHERIES AND 4/10^{THS} OF 1% OF THE ESTIMATED AVERAGE GROSS EARNINGS FOR UNLIMITED FISHERIES.

NEW CFEC WEB SITE

In Spring, 2006, the Commission launched its new web site. The new web site is more user friendly and includes a permit holder database which allows users to search for permit holders for all fisheries and years. Information on permit and vessel renewals and applications and transfer forms are easier to find and use. The web site also includes links to standard data tables and a variety of Commission reports and research publications on participation and earnings in Alaska’s commercial fisheries.

OTHER ISSUES

HB 484 (Chapter 91 SLA 2006) addresses the problem a salmon association would face if they financed a permit buyback program after which an optimum number determination required more permits to be reissued and sold back into the fishery. This 2006 legislation would authorize the legislature to reimburse the association by appropriating revenue from the sale of the re-issued permits.

On September 21, 2006, Chairman Frank Homan presented “30 Years of Limited Entry” at a conference held in Anchorage entitled “Alaska’s Fishing Communities: Harvesting the Future.” The University of Alaska Sea Grant program organized the conference and NOAA National Marine Fisheries Service sponsored it. In February and June, 2006, Commissioner Peter Froehlich met with representatives of Alaska’s congressional delegation and the State



of Alaska office in Washington, D.C. to discuss federal legislation affecting Alaska's commercial fisheries.

In December 2006, Commissioner Bruce Twomley participated in meetings with the Alaska Department of Fish and Game Sport Fish Division and sport charter guides to discuss issues regarding limited entry and the sport fish guide industry.

In 2006, the legislature passed HB 251 (Chapter 11 SLA 2006) which authorized the Board of Fisheries to adopt regulations allowing a person who holds two limited entry permits for a single salmon fishery to obtain additional fishing privileges such as additional gear. In December 2006, the Board of Fisheries considered proposals that would allow a person who holds two Bristol Bay drift gillnet permits some additional fishing privileges. The Board voted to submit the proposals to the Board's restructuring committee (see pages 18-19 for more detail).

Photo Courtesy of the Alaska Seafood Marketing Institute





Adjudications

OVERVIEW

The Adjudications Section evaluates, classifies, and adjudicates applications for limited entry permits. Permit applicants are classified and ranked against each other under point systems that measure each applicant's past participation and economic dependence on a fishery. Entry permits are issued first to applicants shown by their point levels to be most dependent on a fishery and then to applicants at successively lower point levels until the maximum number of permits for the fishery has been issued. Because point systems are designed for particular fisheries, they vary significantly from fishery to fishery.

Adjudication functions are performed by two paralegals, three hearing officers and the Commissioners. The paralegals evaluate entry permit applications and make the initial determination on accepting, denying and classifying them. An applicant may challenge the denial or classification of an entry permit application by requesting a hearing. Commission hearing officers conduct administrative hearings and issue decisions based on the record.

Hearings may also be requested if the Commission's Licensing Section denies requests for emergency transfers or permanent transfers of entry permits. Emergency transfer hearings are held and decided by paralegals. Permanent transfer hearings are held and decided by hearing officers.

The Commissioners review each paralegal and hearing officer decision and may order further review and hearings on their own motion or upon the request of an affected party, and may take formal action to modify, reverse, or affirm the decisions.

Commission hearing officers also preside over hearings arising from enforcement (notice to show cause proceedings), in which the Commission may impose fines, revoke, or suspend the permits of those who attempt to mislead the Commission with false information. These hearings are held in the presence of the Commissioners.

FROM 1990 THROUGH 2006, THE COMMISSION ISSUED OVER 1,800 FINAL DECISIONS THEREBY DECIDING CASES AT A RATE FASTER THAN APPLICANTS FILED NEW APPEALS AND REDUCING ITS CASELOAD TO 162.

ADMINISTRATIVE PROCEEDINGS AND DECISIONS

The Adjudications staff issued 47 decisions in 2006. Twenty-three decisions were issued on permit applications, 18 on permit transfers and 6 on notices to show cause, fines and miscellaneous matters. At the end of the year, 72 entry permit application cases were pending before hearing officers.

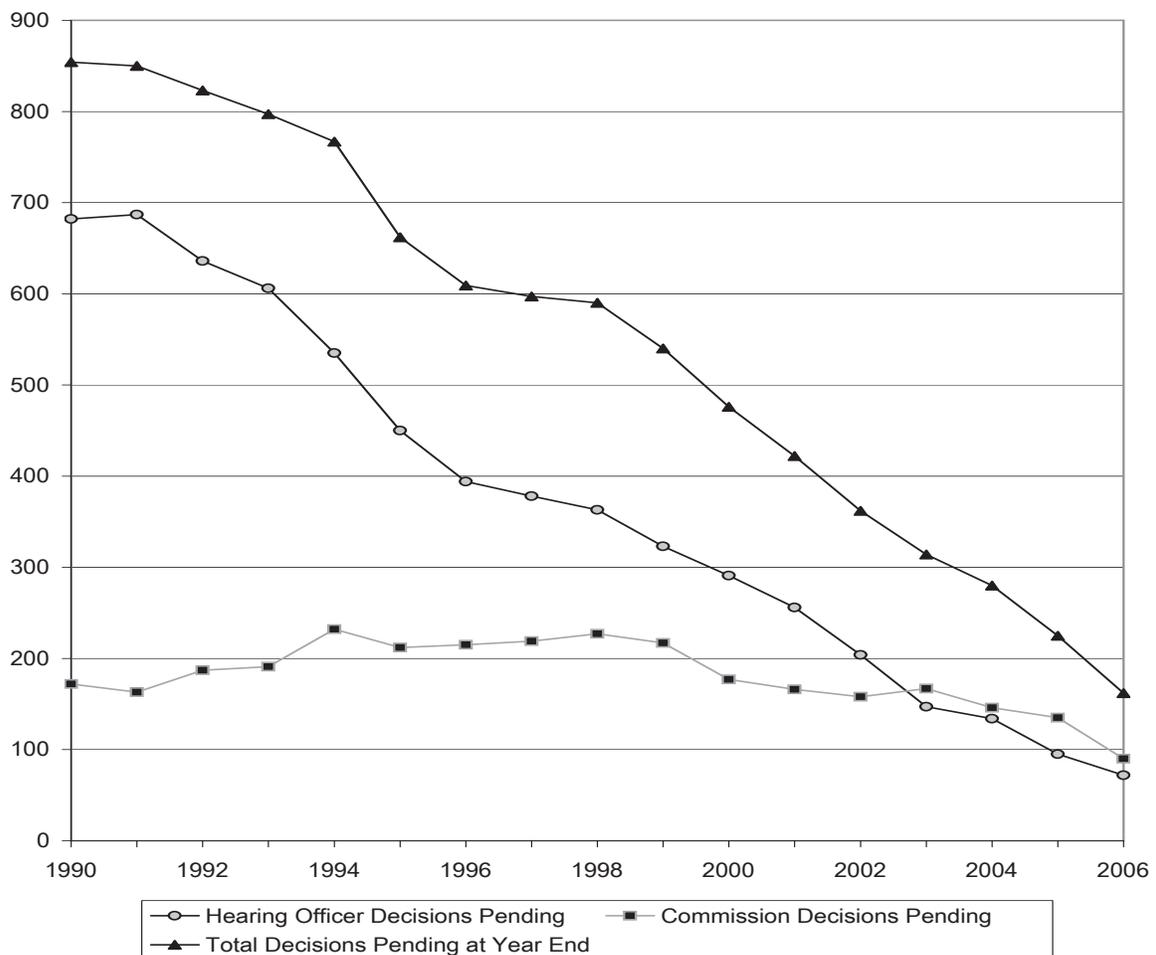
The Commissioners adjudicated a total of 118 cases during 2006. Eighty-eight cases were adjudicated on permit applications, 20 on permit transfers and 10 on notices to show cause,



finances, and miscellaneous matters. At the end of the year, 90 entry permit application cases were pending before the Commissioners.

By the end of 2006, Commissioners and Hearing Officers made substantial progress through the Commission's adjudication caseload. Looking back to 1990, as the result of the Wassilie settlement (authorizing hundreds of new applications in the salmon fisheries) and a series of Alaska Supreme Court cases during the 1980's, the Commission's caseload had risen to nearly 900 cases. Additionally, since 1990, the Commission has been required by statute to limit 26 additional fisheries generating thousands of new applications for entry permits. From 1990 through 2006, the Commission issued over 1,800 final decisions thereby deciding cases at a rate faster than applicants filed new appeals and reducing its caseload to 162.

Commission's Adjudication Caseload



JUDICIAL RULINGS AND APPEALS

In *Brandal v. State*, CFEC, 128 P.3d 732 (Alaska 2006), the Alaska Supreme Court upheld the CFEC's denial of an income dependence claim by an applicant for a Chignik salmon purse seine entry permit who had fished only as a crewmember before the January 1, 1973 qualification date. The court criticized the CFEC for the time required to reach a final decision, but the court affirmed the Commission on the merits and held that Brandal was not prejudiced because he was allowed to fish while his application was pending.

In *State v. Grunert*, 139 P.3d 1226 (Alaska 2006) [*Grunert II*], the Alaska Supreme Court held that an emergency regulation adopted by the Board of Fisheries in response to an earlier decision in *Grunert v. State*, 109 P.3d 924 (Alaska 2005) [*Grunert I*] was invalid because it remained "fundamentally at odds with the Limited Entry Act." In *Grunert I*, the court held that a cooperative with an allocated harvest share was not authorized and the Limited Entry Act required active participation in the fishery by permit holders. The Board of Fisheries sought to save the cooperative by requiring each permit holder in the cooperative to make at least 10 deliveries during the season. The court found that, among other things, this measure did not cure the conflict with the Limited Entry Act because it "still allowed cooperative fishers to benefit economically from the work of other fishers." In order for the Board of Fisheries to authorize a cooperative the court said, the legislature must enact specific statutory authority.



Photo Courtesy of the Alaska
Seafood Marketing Institute





Licensing

OVERVIEW

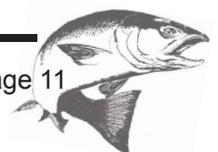
The Licensing Section is responsible for issuance of annual permit and vessel licenses required for participation in Alaska's commercial fisheries. The Section strives to provide commercial fishermen with renewal forms, permits, and vessel licenses in a timely manner to avoid lost fishing time. Additionally, the Licensing Section handles replacement of lost licenses, tracking of vessel ownership changes, salmon net area registrations, and issuance of emergency and permanent transfers.

The Licensing Section serves as a source of information for commercial fishermen about laws and regulations affecting the fishing industry. Besides keeping up to date with licensing requirements and actions of the Commission itself, licensing staff maintain contact with ADF&G, Division of Investments, National Marine Fisheries Service, and other agencies to keep track of changes in relevant laws and regulations. Some of these changes include actions by the Commission and the legislature to bring fisheries under entry limitation or moratoria, to implement new types of licensing mechanisms, and to accommodate regulatory changes by the Board of Fisheries, and federal agencies to create or revise moratoria or restricted access programs such as License Limitation (LLP), Individual Fishing Quota (IFQ), and Community Development Quota (CDQ) programs.

*THE COMMISSION
ISSUED MORE THAN
29,000 ANNUAL
FISHING PERMITS AND
VESSEL LICENSES FOR
THE 2006 LICENSE
YEAR AND REVIEWED
1,868 PERMIT
TRANSFER REQUESTS.*

While keeping up with additional licensing responsibilities associated with new regulatory developments, licensing staff must also respond to thousands of information requests annually with current information. In coordination with the Commission's Information Technology Section, the Licensing Section is continually streamlining procedures, automating processing wherever possible, and looking for innovative ways to efficiently meet the ever-increasing informational demands.

The total number of permits and vessel licenses issued for the 2006 license year again decreased below the previous year. This trend may be attributed to several factors, including fleet consolidations occurring under federal rationalization programs like that implemented in the Bering Sea and Aleutian Island (BSAI) crab fisheries in 2005 and 2006. Another factor is the waiver of annual licensing requirements in several fisheries (e.g. Cook Inlet and PWS herring and Togiak herring spawn-on-kelp) due to season long closures. Also, some holders of nontransferable permits in fisheries like salmon hand troll, Southeast sea cucumber, and Southeast pot shrimp continue to allow their permits to lapse. Finally, the



number of permits issued annually has been further reduced by the elimination of interim-use permits each time a new fishery is limited and each time an application for a permanent permit is adjudicated and denied.

NEW FEE STRUCTURE FOR 2006 LICENSING YEAR

Senate Bill 93 passed the Alaska State Legislature in May 2005, and was signed by the Governor. The legislation changed the fee schedule for annual permit renewals and vessel licenses beginning with the 2006 licensing year. The maximum allowable permit renewal fee was raised to \$3,000 by the legislature. This mainly affected those higher value fisheries that benefitted in the past from the lower cap. The statute calls for fees to reflect the economic return from different fisheries. The actual individual fishery fee will depend on the economic return for each fishery.

Additionally, Senate Bill 93 established a new fee schedule for vessel lengths. In 2006 vessel fee classes went from 5 to 13 fee classes based on 25 foot vessel length increments ranging from 0-25 to 300 plus feet.

The Commission held public hearings, took testimony, and modified the proposed permit fee schedule to accommodate a phased-in procedure. The maximum permit renewal fee for 2006 was capped at \$1,050 and will be capped at \$2,025 for 2007 and \$3,000 for 2008.

Also, beginning in 2006, a permit fee of \$75 was available for statewide halibut and sablefish long line or pot gear permit holders who provided documentation showing they sold less than 8,000 pounds of halibut (headed and gutted weight) or 9,000 pounds of sablefish (whole weight) in the previous year. To qualify for this \$75 fee, the permit holder must provide a copy of a NMFS/RAM summary of fishing activity.

In addition to the annual base fee all permit holders must pay to obtain or renew a permit, nonresidents are required to pay a nonresident surcharge on the first permit renewed or obtained for the year. The surcharge is calculated according to a formula adopted pursuant to the Supreme Court in *Carlson*. For 2006, the nonresident surcharge was \$115.

PERMIT TRANSFERS FOR FLEET CONSOLIDATION

In 2003, the Legislature passed HB 286 allowing holders of salmon permits to hold up to two permits in a given fishery for the purpose of fleet consolidation. The Commission adopted regulations to implement this new ability to hold two permits in a salmon fishery. At the end of 2006, 72 fishermen held two permits in 11 salmon fisheries: Southeastern Alaska



purse seine and drift gillnet, Prince William Sound purse seine and drift gillnet, Cook Inlet set gillnet, Kodiak purse seine and set gillnet, Peninsula Aleutian purse seine and drift gillnet, Bristol Bay drift gillnet and Upper Yukon fish wheel.

DEMERIT POINTS

In 1998, the Alaska Legislature enacted AS 16.43.850-16.43.895, which established a demerit point system for suspending commercial fishing privileges based on convictions for fishing violations in the salmon fisheries. Under this law, the Commission must suspend a salmon permit holder's commercial fishing privileges for a period of one to three years if certain threshold levels of demerit points are accumulated in a three-year period.

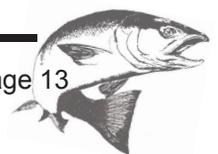
After nine years, the Commission has issued demerit points to 659 fishermen and suspended two salmon permits in Bristol Bay. The majority, 73.75%, of the demerit points assessed have been for violations occurring in the Bristol Bay salmon drift gillnet fishery.

VESSEL ENTRY PERMITS

In 2002, Alaska's Legislature authorized vessel limited entry programs for Bering Sea hair crab and weathervane scallop fisheries. Licensing Staff issued the first vessel entry permits in the Bering Sea hair crab and weathervane scallop fisheries in 2005. As a result of this new system, new forms were created for transfer of these permits and substitution of vessels. To date, 24 vessel entry permits have been granted. These vessel entry permit programs will sunset at the end of 2008 unless reauthorized by the legislature.



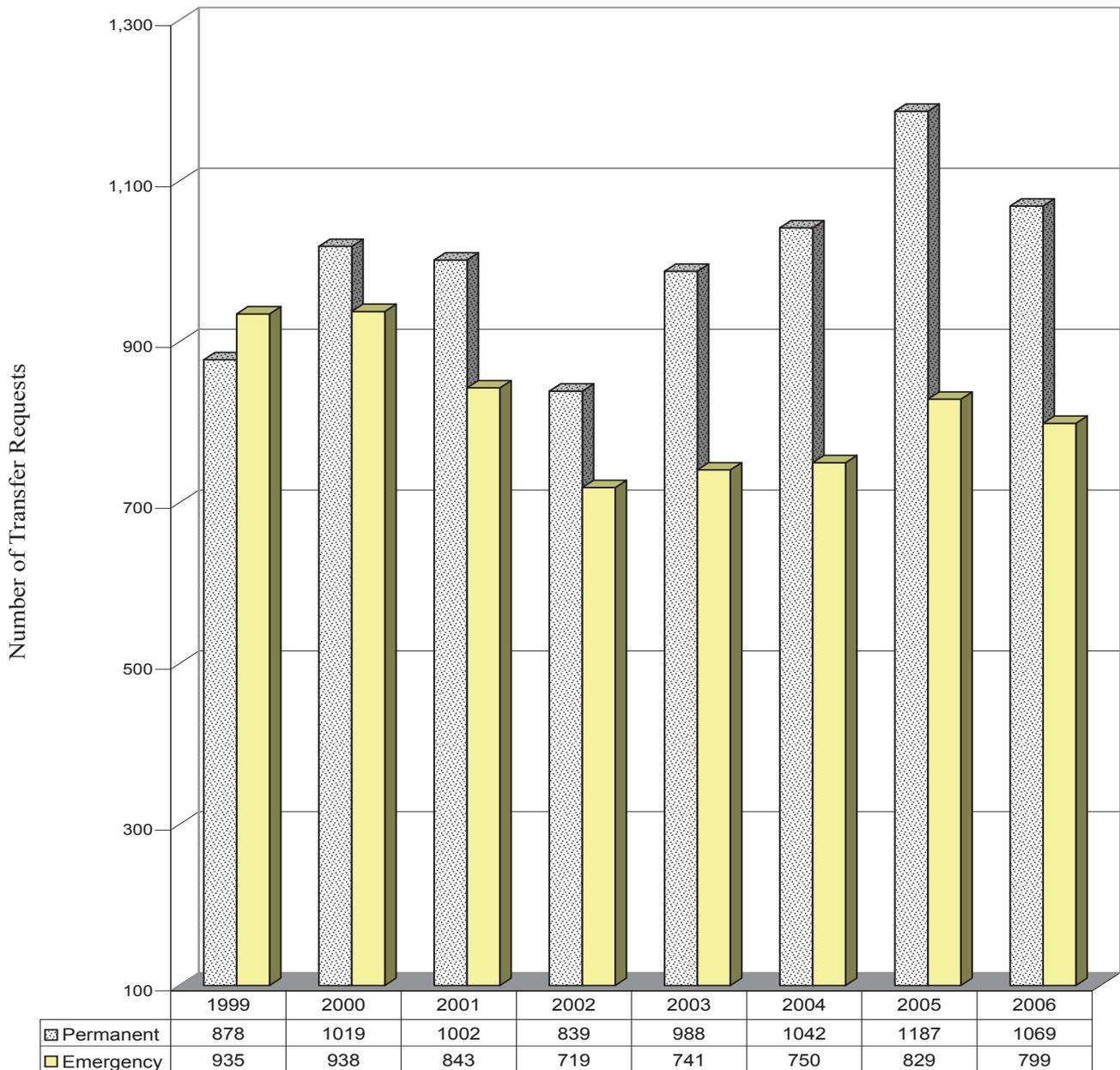
Photo Courtesy of the Alaska Seafood Marketing Institute



PERMIT TRANSFER REQUESTS

During 2006, the Commission reviewed 1,868 requests for permanent and emergency transfers of permits. These included 799 emergency transfer requests and 1,069 permanent transfer requests. A breakdown of transfer requests over the last 8 years by type of transfer is shown in the graph below.

Permanent and Emergency Permit Transfer Requests Reviewed



(From CFEC reports B1420P-A and B1425P-C, E, J)



PERMANENT TRANSFER REQUESTS IN 2006

Standard transfers approved.....	992
Survivorship transfers to spouse approved	24
Foreclosure transfers by loan agencies approved	9
Total Approved.....	1,025
Transfers Denied.....	26
Withdrawn transfer requests	18
Total Reviewed	1,069

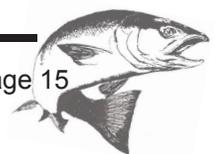
EMERGENCY TRANSFER REQUESTS IN 2006

Emergency transfer requests approved	755
Emergency transfer requests denied	44
Total Reviewed	799

TOTAL TRANSFER REQUESTS REVIEWED IN 2006.....1,868

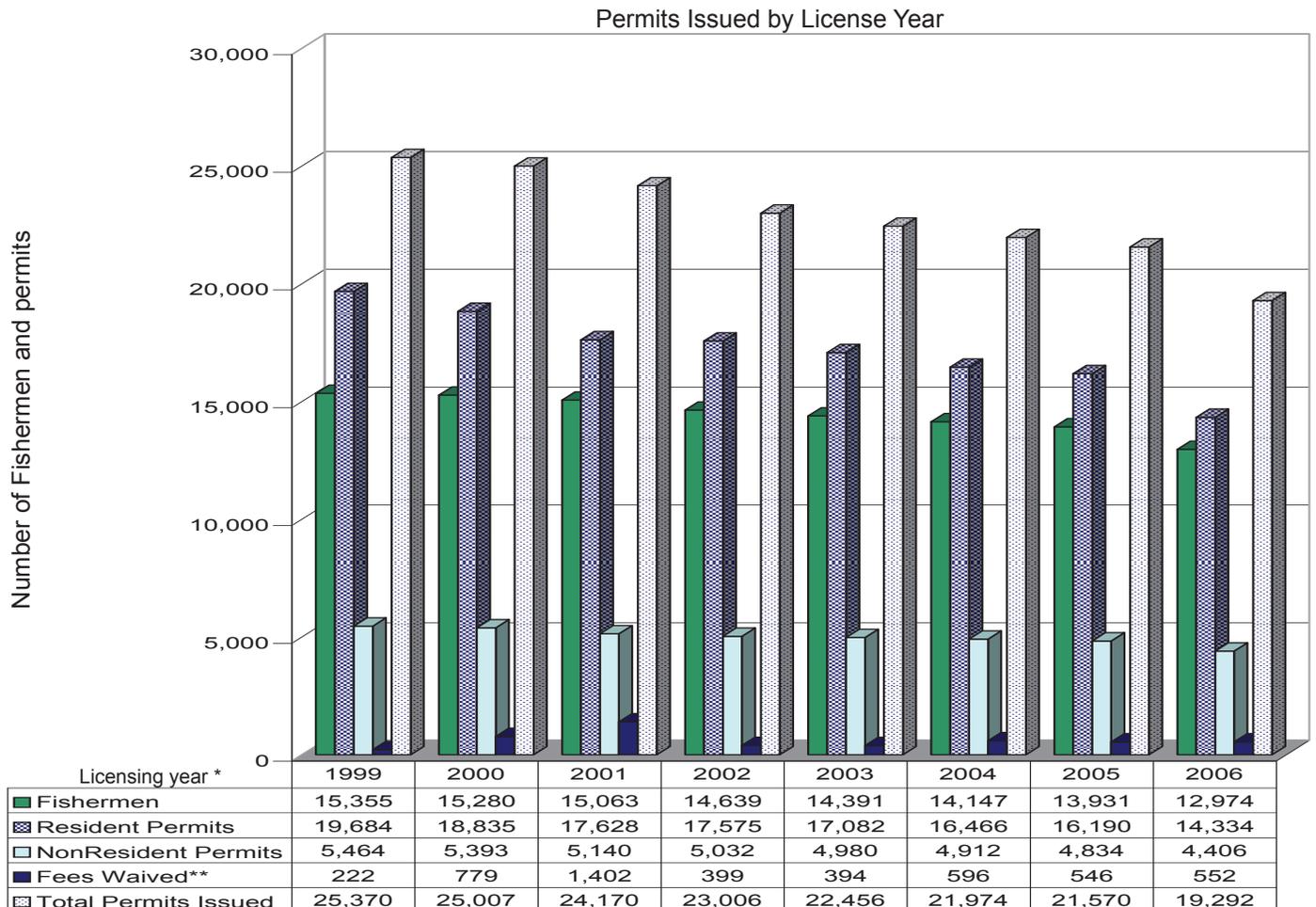


Photo Courtesy of the Alaska
Seafood Marketing Institute



PERMITS AND LICENSES ISSUED

The following graphs provide data on permits and vessel licenses by year:



(From CFEC report B1440P-C. Includes Interim-Use, Interim-Entry ***, Entry and Vessel Entry Permits)

The numbers of permits in this table are preliminary and may increase further due to late renewals of entry permits. Numbers of permits are higher than number of fishermen, as some individuals hold permits in more than one fishery. Annual renewal fees for entry permits must be paid unless waived by the Commission. Failure to renew an entry permit for a period of two years from the year of last renewal can result in forfeiture of the entry permit.

* Licensing year refers to the fishing year for which the license or permit is issued, regardless of when fees were paid. Breakdown between resident/nonresident determined by resident category of fees paid.

Data include permits issued in both open access fisheries and limited fisheries.

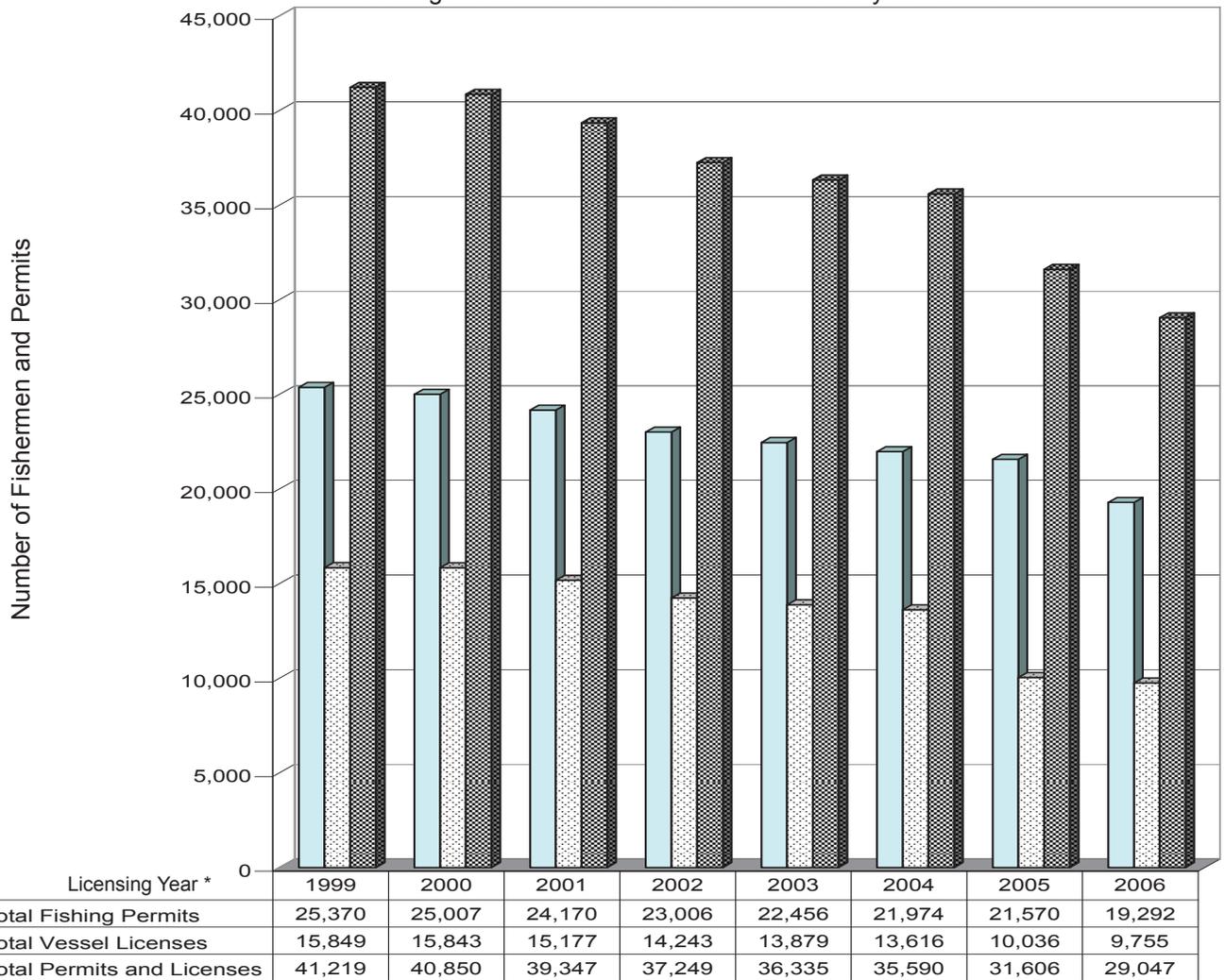
Includes only permits with fees paid by 8/8/2007 or fees waived.

** Number of permits for which the Commission waived fees due to a fishery not opening.

*** "Interim-Entry" permit refers to an Interim-Use Permit issued to an applicant for a permanent limited entry permit in a limited fishery.



Fishing Permits and Vessel Licenses Issued by License Year



(From CFEC report B1440P-C. Includes Interim-Use, Interim-Entry **, Entry and Vessel Entry Permits)

The numbers of permits in this table are preliminary and may increase further due to late renewals of entry permits. Numbers of permits are higher than number of fishermen, as some individuals hold permits in more than one fishery. Annual renewal fees for entry permits must be paid unless waived by the Commission. Failure to renew an entry permit for a period of two years from the year of last renewal can result in forfeiture of the entry permit.

* Licensing year refers to the fishing year for which the license or permit is issued, regardless of when fees were paid.

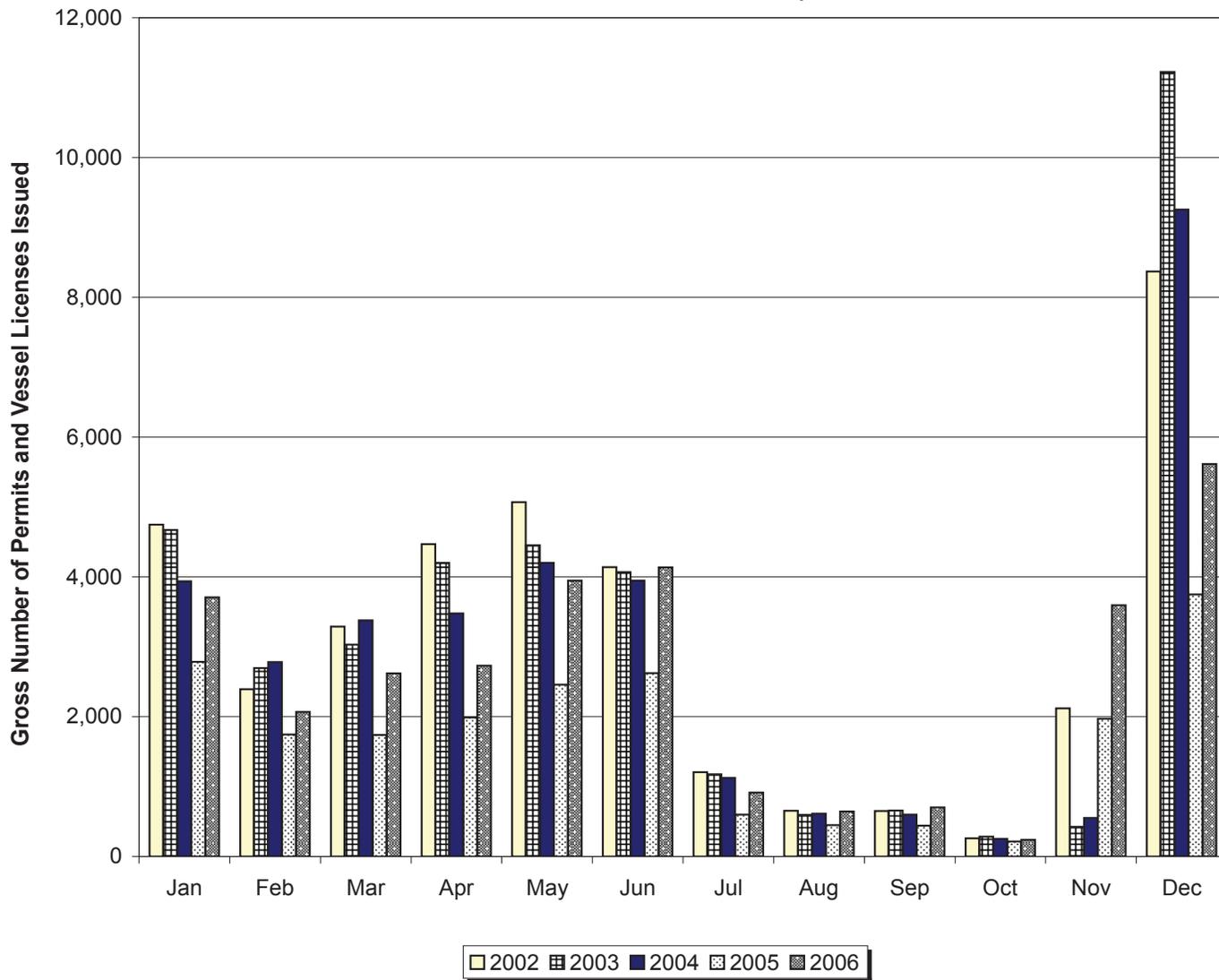
Data include permits issued in both open access fisheries and limited fisheries.

Includes only permits with fees paid by 8/8/2007 or fees waived.

** "Interim-Entry" permit refers to an Interim-Use Permit issued to an applicant for a permanent limited entry permit in a limited fishery.



Permit and Vessel Licenses Issued by Month



(From CFEC reports B1430P-A and B2430P-A)



Photos courtesy of the Alaska Seafood Marketing Institute



SUMMARY OF PERMITTING ACTIVITY - 2006 LICENSING YEAR

Limited Entry Permits Renewed.....	12,785
Limited Entry Permits Not Renewed by end of 2006.....	1,203
Limited Entry Permits with Fees Waived *	545
Limited Entry Permits Revoked or Lapsed (since 1975).....	1,824
Interim-Use Permits Issued in Fisheries Under Limitation	216
(these are sometimes referred to as Interim-Entry Permits)	
Interim-Use Permits Issued in Open-to-Entry Fisheries.....	5,568
Special Harvest Area (Hatchery) Permits Issued	19
Educational Entry Permits Issued	1
Mariculture Permits Issued	13
Vessel Entry Permits Renewed	4
Vessel Permits Not Renewed by end of 2006	4
Vessel Permits with Fees Waived*.....	11

(From CFEC reports B1440P-A and B)

* Fees for limited entry permits may be waived in the event of season-long closures.





Research

OVERVIEW

The Research Section provides the studies and analyses needed by the Commission. The Research Section, coupled with the Commission's Information Technology Section, also produces basic economic data on Alaska's fisheries. The Research Section produces both standard and specialized reports. Commission research reports have been used to help inform a wide range of fishery issues.

In 2006, the Commission's Research staff was involved in many projects. These projects included efforts to monitor trends in Alaska's fisheries, to evaluate the need for access controls in particular fisheries, and to provide other agencies and users with needed data and analyses.

NEW LIMITATIONS

There were no new fisheries limited in 2006. The Research staff analyzed and evaluated several unlimited fisheries and produced internal confidential¹ briefing reports. Other unlimited fisheries were monitored through basic statistical reports. However, the Commission did not propose any new limited entry programs in 2006.

The research staff also reviewed the vessel limited entry programs in the Bering Sea hair crab fishery and the Alaska weathervane scallop fishery. The laws governing these limitations are due to "sunset" on December 30, 2008 unless the date is amended. The Commission will provide updated information on these programs to the Alaska legislature in 2007 for consideration in extending or removing the sunset date.

OPTIMUM NUMBERS AND SALMON RESTRUCTURING

The Commission did not make any new optimum number proposals during 2006. The Commission adopted an optimum number range for the Bristol Bay salmon drift gill net fishery in 2005, and is continuing to consider how best to promote a reduction in the number of units of gear in the fishery to the optimal range. The issue of fleet consolidation remains controversial.

In 2006, the Alaska legislature passed HB 251 which gives the Alaska Board of Fisheries (Board) the legal authority to adopt regulations that would give permit holders who hold

¹ The reports are confidential because, under the law, some of the data cannot be released to the public.



two permits in a fishery additional fishing privileges. The bill provides another mechanism for creating incentives to promote fleet consolidation in order to improve economic returns in the salmon fisheries.

The new law resulted in several regulatory proposals to the Alaska Board of Fisheries to provide additional fishing privileges in the Bristol Bay salmon drift gill net fishery to persons who hold two entry permits for the fishery. Most of these were suggested modifications to an existing “permit-stacking” regulation (5 AAC 06.333) that allows two permit holders who combine onto a single vessel to fish an additional 50 fathoms of gear under certain conditions.

The proposals were considered at the December Board of Fisheries meeting in Dillingham, Alaska. The Commission sent a memorandum to the Board supporting the concept of allowing persons who hold two permits to have additional fishing opportunities, without embracing any specific Board proposal. Commissioner Peter Froehlich and Kurt Schelle, head of the research section, also provided testimony at the board meeting on the same topic.

*FISHING GROUPS, THE
LEGISLATURE, AND THE
ALASKA BOARD OF
FISHERIES HAVE ALL BEEN
LOOKING AT WAYS TO
RESTRUCTURE THE
SALMON INDUSTRY*

The Commission believes that such an approach could create additional incentives for a voluntary “market driven” fleet consolidation that would not require a government-run buy-back program funded by taxes imposed on all permit holders. Fishermen who wanted to continue as a single permit operation could do so without having to pay a new buy-back tax and single permit operations would benefit from any reduction in the total number of fishing operations.

Some individuals opposed the proposals because of the fear that fleet consolidation would have a negative impact on the local area. Some expressed the belief that new marketing efforts would lead to improvements in ex-vessel prices so that the fishery could be profitable for more permit holders. The Board voted to refer the proposals to their salmon restructuring committee.

The Commission remains committed to help fishing groups, the public, the Alaska Board of Fisheries, and other policy makers explore salmon restructuring options and issues. The Commission is open to any proposal that would lead to improvements for Alaska salmon fishermen and their families. Nevertheless, the viability of different alternatives for industry restructuring may ultimately depend upon a satisfactory resolution of some of the issues raised by the Alaska Supreme Court in *Johns v. State*, CFEC, 758 P.2d 1256 (Alaska 1988), and *Grunert v. State*, 109 P.3d 924 (Alaska 2005).



CONFERENCES

The Commission participated in the conference titled “Alaska’s Fishing Communities: Harvesting the Future” in Anchorage on September 21-22, 2006. The conference was organized by the University of Alaska Sea Grant program and sponsored by NOAA National Marine Fisheries Service. The Commission’s economist helped prepare a PowerPoint presentation titled “30 Years of Limited Entry” which was presented by Chairman Frank Homan at the conference. The presentation is available on the Commission’s website.

On November 13-14, 2006 Kurt Schelle and Stefanie Moreland from the Research staff participated in the Seafood Harvesting Labor Data Stakeholders Work Session sponsored by the Southwest Alaska Municipal Conference (SWAMC). The purpose of the session was to explore alternatives for documenting crew participation in Alaska’s fisheries. SWAMC will provide their recommendations during 2007.

OTHER PROJECTS AND REPORTS

The Research staff produced monthly permit value estimates for the Department of Commerce, Community and Economic Development and other users. The following is a listing of some non-confidential reports that CFEC staff members prepared during 2006:

Changes in the Distribution of Alaska’s Commercial Fisheries Entry Permits, 1975-2005 (06-2N) by Cathy Tide and Nancy Free-Sloan.

Executive Summary - Changes in the Distribution of Alaska’s Commercial Fisheries Entry Permits, 1975-2005 (06-2N-EXEC) by Cathy Tide and Nancy Free-Sloan.

An Analysis of Non-participating Limited Entry Permits in the Bristol Bay Salmon Drift Gill Net Fishery, 1990-2005 (06-4N) by Stefanie Moreland.

These reports are available on the CFEC web site (<http://www.cfec.state.ak.us>). Copies of the reports may be obtained from the Commercial Fisheries Entry Commission, Research Section, 8800 Glacier Highway #109, P.O. Box 110302, Juneau, AK 99811-0302.

The screenshot shows the homepage of the Commercial Fisheries Entry Commission (CFEC). The header includes navigation links: Home, Permits, Forms, Contact, Site Index, and a search box. The main banner features a collage of fishing-related images and the text "Commercial Fisheries Entry Commission". Below the banner, the page is organized into several sections:

- WELCOME:** A paragraph explaining the CFEC's mission to conserve and maintain the economic health of Alaska's commercial fisheries by limiting the number of participating fishers. It also mentions that they issue permits and vessel licenses to qualified individuals and provide due process hearings and appeals. A second paragraph provides contact information for in-season managers.
- Highlights:** A list of links including 2007 Permit Fees, Permit Holder Database, Bristol Bay, Public Notices & News Releases, and Commission Presentations.
- Permits:** A list of links including Forms, Search Permit Database, Permit Value, and Dement Points.
- Fishery Statistics:** A list of links including Fishery Participation & Earnings, Permits & Permit Holders, Commercial Vessels, and Fishery Codes.
- Vessels:** A list of links including Forms, Commercial Vessel Database, and Sport Vessel Database.
- Transfers:** A list of links including Forms, Permanent Transfer, Emergency Transfer, Estate Information, Intent to Transfer List, and Intent to Transfer Database.
- Adjudications:** A list of links including Limited Entry Fishery Status Reports, Carlson Address Change Form, and Commission Decisions & Judicial Appeals.





Revenue

OVERVIEW

Revenues generated by the Commission come primarily from issuance of commercial fishing permits and vessel licenses. Additional revenues originate from research and data processing services and reports requested by the public, fishing organizations, fisheries research groups, and other agencies. Total revenue for fiscal year 2006 (July 1, 2005 – June 30, 2006) was about \$4.5 million.

Senate Bill 93, which passed the legislature during the 2005 session and was signed by Governor Murkowski made two significant changes that increased CFEC revenues beginning with the 2006 commercial fisheries licensing year (calendar year). The first was to raise the cap on annual fishing permit renewals to \$3,000. This mainly affected those higher value fisheries that benefited in the past from the lower cap. The statute calls for fees to reflect the economic return from different fisheries. The second was a modification to the annual commercial fishing vessel license fee. The fee structure was expanded from 5 fee classes to 13 fee classes at 25 foot increments beginning at 0-25 feet.

*PERMIT RENEWAL FEE
CLASSES RANGED FROM
\$75 TO \$1,050 FOR
2006, WITH THE MAJORITY
BEING \$375 OR LESS*

Following the effective date of SB 93, the Commission proposed regulations, held a public comment period including several public hearings, and received oral and written testimony. In response to public comments, the Commission adopted an annual permit renewal schedule to accommodate a phased-in approach. The permit renewal fee for the 2006 licensing year was capped at \$1,050, for 2007 at \$2,025, and for 2008 at \$3,000.

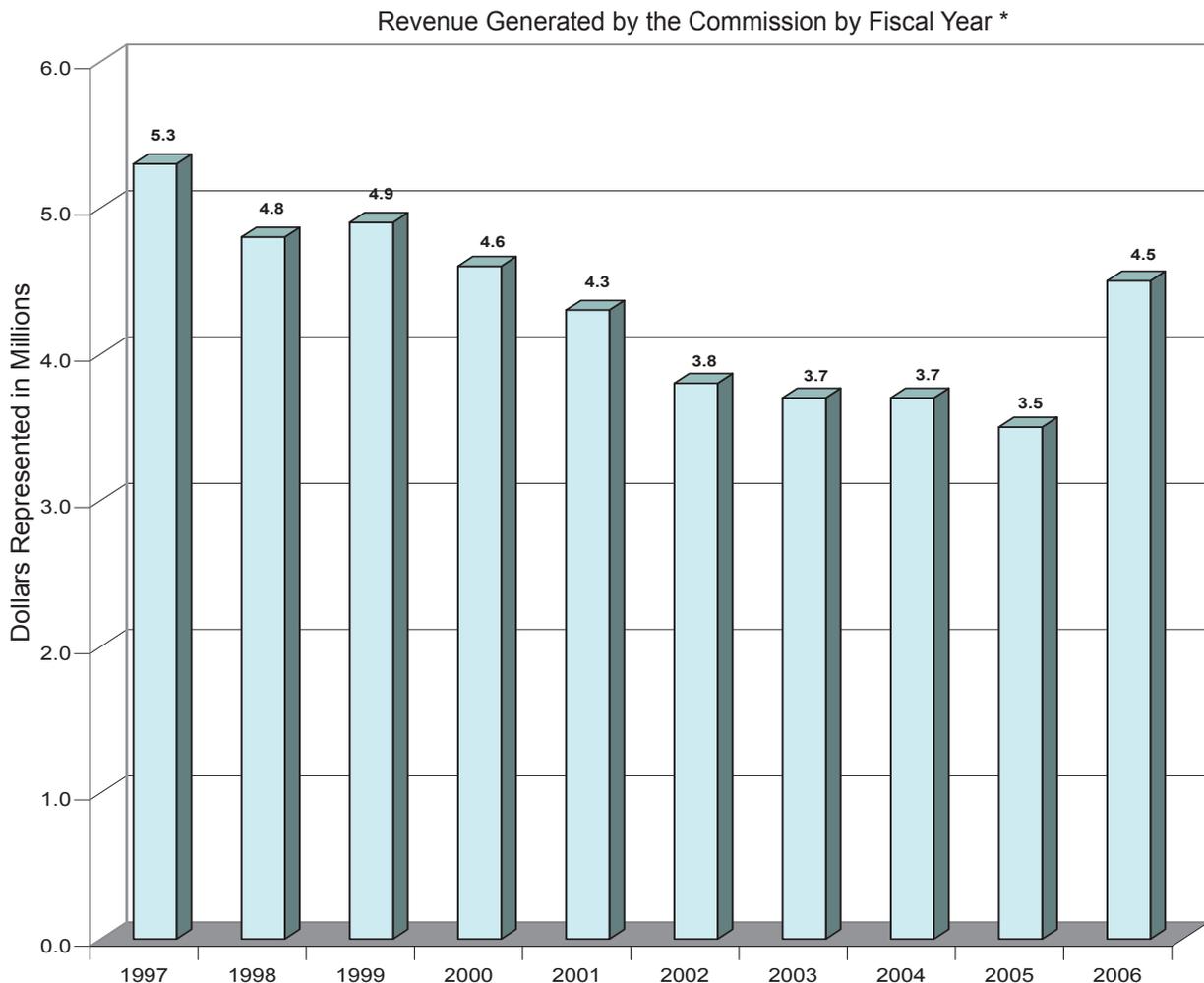
The permit renewal fees are based on a formula of 4/10ths of 1% of the estimated market value of the permit for limited fisheries and 4/10ths of 1% of the estimated average gross earnings for unlimited fisheries. The permit value represents the marketplace value of a limited entry permit. The phased in approach only affected high value fisheries. Those fisheries below the \$1,050 cap for 2006 will not see an increase by raising the cap in future years unless their economic value increases to a point where they are pushed into a higher fee class under the formula. Permit renewal fee classes ranged from \$75 to \$1,050 for 2006, with the majority being \$375 or less.

The 2006 fee increase impacted those fisheries that would have paid higher fees in the past if not for the previous fee cap. Based on this phased-in approach, we anticipated revenues generated above the CFEC obligations to exceed \$1.0 million in 2007. The legislature has used this additional revenue to fund programs that contribute to the support of Alaska's commercial fisheries.



The long-term decline in permit and vessel license renewals is expected to continue because of federal and state fleet consolidation programs. For example, the Bering Sea crab consolidation started in 2005 reduced the number of vessels and skippers applying for renewals in 2006. This will likely impact the future revenues. However, it is too early to calculate with any certainty, and is not reflected in our projections at this time. Other federal fisheries, such as Gulf of Alaska and Bering Sea groundfish, are expected to be affected in the future. In state waters, fleet consolidation programs are being discussed for the Southeast salmon purse seine fishery, the Bristol Bay salmon drift gillnet fishery and the Gulf of Alaska groundfish fishery.

REVENUE GENERATED BY CFEC



Note: These data reflect permit fees, vessel license fees, limited entry application fees, refunds and miscellaneous revenue.
* Revised from earlier Annual Reports





Appendices

LIST OF EMPLOYEE NAMES AND ELECTRONIC MAIL ADDRESSES.....26

DECISIONS AND ACTIVITIES, CALENDAR YEARS 2000 - 200527



Employee Names and Electronic Mail Addresses

COMMISSION	Frank Homan	Chairman	frank.homan@alaska.gov
	Peter Froehlich	Commissioner	peter.froehlich@alaska.gov
	Bruce Twomley	Commissioner	bruce.twomley@alaska.gov
	Beccy Charles	Executive Secretary	beccy.charles@alaska.gov
	Susan Haymes	Law Specialist II	susan.haymes@alaska.gov
	Sheri Paddock	Administrative Clerk	sheri.paddock@alaska.gov
	Shirley Penrose	Administrative Officer	shirley.penrose@alaska.gov
	Doug Rickey	Commission Decision Drafter	doug.rickey@alaska.gov
ADJUDICATIONS	Frank Glass	Adjudications Project Leader	frank.glass@alaska.gov
	Jackie Audap	Paralegal II	jackie.audap@alaska.gov
	Jim Bowen	Hearing Officer II	jim.bowen@alaska.gov
	Dorothy Frary	Managing Paralegal	dorothy.frary@alaska.gov
	Joyce James	Hearing Officer II	joyce.james@alaska.gov
INFORMATION TECHNOLOGY SERVICES	Ty McMichael	Info. Technology Services Leader	ty.mcmichael@alaska.gov
	Don Huntsman	Analyst Programmer V	don.huntsman@alaska.gov
	Joe Kollar	Analyst Programmer II	joe.kollar@alaska.gov
	Patricia Macklin	Analyst Programmer I	**
	Brant Oliphant	Analyst Programmer III	brant.oliphant@alaska.gov
LICENSING	Karen (Taffy) Wells	Licensing Project Leader	taffy.wells@alaska.gov
	Elerene McClure	Comm. Fish Permit Clerk VI	elerene.mcclure@alaska.gov
	Karil Miller	Comm. Fish Permit Clerk VI	**
	Yvonne Miller	Comm. Fish Permit Clerk VI	yvonne.miller@alaska.gov
	Lorraine Murray	Comm. Fish Permit Clerk III	lorraine.murray@alaska.gov
	Ray Skan	Comm. Fish Permit Clerk III	ray.skan@alaska.gov
	Jill Wood	Comm. Fish Permit Clerk IV	jill.wood@alaska.gov
	Kim Andrews	Comm. Fish Permit Clerk II	kim.andrews@alaska.gov
RESEARCH	Kurt Schelle	Research/Planning Project Leader	kurt.schelle@alaska.gov
	Stefanie Moreland	Economist	stefanie.moreland@alaska.gov
	Nancy Free-Sloan	Research Analyst III	nancy.free-sloan@alaska.gov
	Kurt Iverson	Fisheries Analyst	kurt.iverson@alaska.gov
	Cathy Tide	Research Analyst III	cathy.tide@alaska.gov

** These people are no longer employed at the Commission as of 12/31/06.



Decisions and Activities in Prior Years

CALENDAR YEAR 2005

- Adopted an optimum number range of 900 to 1,400 permits for the Bristol Bay drift gillnet fishery.
- Provided testimony and data for SB 93, an act relating to commercial fishing permits and vessel license fees.
- Proposed and adopted regulations implementing SB 93, which raised the maximum allowable base fee (“fee cap”) for an annual permit renewal from \$300 to \$3,000.
- Continued to work with the Alaska Board of Fisheries, the Department of Fish and Game, and other interested persons and groups to explore options for groundfish fisheries in state waters.
- Participated in a discussion of groundfish issues in Kodiak.
- Participated in a panel discussion dealing with salmon consolidation at the Pacific Fish Expo in Seattle.
- Continued to maintain a professional relationship with the IRS to help Alaska fishers protect their fishing privileges.
- With the Alaska Attorney General, we continued to defend the state against elimination of nonresident fee differential in the *Carlson* case.
- Provided testimony and data for HB 251 authorizing the Board of Fisheries to adopt regulations regarding fishing by a person who holds two entry permits for a salmon fishery.

CALENDAR YEAR 2004

- Conducted research, held public hearings, and adopted regulations limiting entry into the statewide weathervane scallop fishery under a vessel-based system. Conducted an application period and received 10 applications. Completed adjudication of 9 applications and issued 8 permanent vessel entry permits.



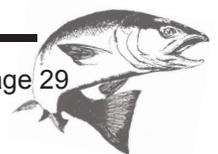
-
- Conducted a limited entry application period for the Bering Sea hair crab fishery and received 20 applications. Completed adjudication of 14 applications and issued 12 permanent vessel entry permits.
 - Conducted a limited entry application period for the Kodiak *bairdi* Tanner crab pot crab fishery and received 233 applications. Completed adjudication of 205 applications and issued 136 permanent entry permits.
 - Completed The Bristol Bay Salmon Drift Gillnet Optimum Number Report. Proposed an optimum number of entry permits for the Bristol Bay drift gillnet fishery and held public hearings.
 - Participated in the meetings of the Joint Legislative Salmon Industry Task Force and the Alaska Board of Fisheries' Salmon Industry Task Force.
 - Addressed the Kenai Working Group on limited entry issues.
 - Addressed the Southeast Inter-Tribal Fish and Wildlife Conference on Commercial and Subsistence Fisheries on limited entry issues.
 - Addressed the Bristol Bay Native Corporation's Leadership Conference on the optimum number proposal for the Bristol Bay drift gillnet fishery.
 - Participated in a discussion of the proposed Bristol Bay drift gillnet optimum number hosted by the Alaska Independent Fishermen's Marketing Association at Fish Expo in Seattle.
 - Participated in the Gulf of Alaska Groundfish Rationalization Committee formed by the Board of Fisheries.
 - Continued to maintain a professional relationship with the IRS to help Alaska fishermen protect their fishing privileges.
 - With the Alaska Attorney General, we continued to defend the state against elimination of nonresident fee differential in the *Carlson* case.





CALENDAR YEAR 2003

- Conducted research, held public hearings, and adopted regulations limiting entry into the Bering Sea hair crab fishery under a vessel-based system.
- Conducted research, held public hearings, and adopted regulations establishing a point system for the Kodiak bairdi Tanner crab pot fishery.
- Continued work on optimum number study for the Bristol Bay salmon drift gillnet fishery.
- Continued efforts to examine options for reducing the size of salmon fleets, throughout the year, by participating in discussions of and as a resource to the Joint Legislative Salmon Industry Task Force, and participating on the advisory panel for an Analysis of Options to Restructure the Bristol Bay Salmon Fishery, an independent study funded and published by the Bristol Bay Economic Development Corporation.
- Addressed the International Association for the Study of Common Property on *License Limitation in Alaska's Commercial Fisheries*.
- Participated in a meeting of the Salmon for Success Summit in Juneau on the status of limited entry permits in Southeast communities.
- Participated in discussions of and a resource to the Gulf of Alaska groundfish rationalization committee formed by the Board of Fisheries to explore options for managing statewaters groundfish fisheries.
- Continued to maintain a professional relationship with the IRS to help Alaska fishermen protect their fishing privileges.
- With the Alaska Attorney General, the Commission continued to defend the state against the *Carlson* case, a class action challenging the fee differential charged to nonresidents for annual renewal of Alaska commercial fishing permits.





CALENDAR YEAR 2002

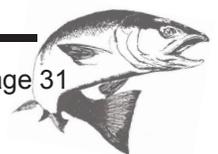
- Conducted research, held public hearings, and adopted regulations limiting entry into the Kodiak bairdi Tanner crab pot fishery.
- Received seven applications for the Kodiak food and bait herring gillnet and seine combined fishery and four applications for the Kodiak food and bait herring trawl fishery. Completed final adjudication of all of the applications for both fisheries and issued five limited entry permits for the Kodiak food and bait herring gillnet and seine combined fishery and four for the Kodiak food and bait herring trawl fishery.
- Adopted regulations implementing the new law (Chapter 134 SLA 2002) that allowed a person to hold up to two salmon permits for purposes of fleet consolidation.
- Continued work on optimum number study for the Bristol Bay salmon drift gillnet fishery.
- Continued efforts to examine options for reducing the size of salmon fleets, throughout the year, by participating in the Governor's 2002 Salmon Summit in Kodiak, Alaska, by participating in discussions of and as a resource to the Joint Legislative Salmon Industry Task Force, participating in a meeting of the Yukon River Drainage Fishermen's Association to discuss options for improving their salmon fishery, participating in a Workshop on Options for Restructuring Alaska's Salmon Fisheries at the University of Alaska in Anchorage, and participating in workshops at the Seattle Fish Expo dealing with the restructuring of Alaska salmon's fisheries.
- Received petitions to limit additional fisheries and began required analysis.
- Continued to maintain a professional relationship with the IRS to help Alaska fishermen protect their fishing privileges.
- With the Alaska Attorney General, the Commission continued to defend the state against elimination of nonresident fee differential in the *Carlson* case.





CALENDAR YEAR 2001

- Conducted research, held public hearings, and adopted regulations limiting entry into the Kodiak food and bait gillnet and seine combined fishery and the Kodiak food and bait herring trawl fishery.
- Conducted research, held public hearings, and adopted regulations establishing point systems for the Kodiak food and bait herring fisheries.
- Received 116 applications for the Southeast Alaska geoduck clam dive fishery. Completed final adjudication of 107 of the applications and issued 37 limited entry permits.
- Received 391 applications for the Southeast Alaska sea cucumber dive fishery. Completed final adjudication of 387 of the applications and issued 383 limited entry permits.
- Adopted regulations implementing the new fee structure for the annual renewal of limited entry permits and interim-use permits in preparation for the 2002 licensing year.
- Began preliminary work on an optimum number study for the Bristol Bay salmon drift gillnet fishery
- Continued efforts to examine options for reducing the size of salmon fleets, throughout the year, by participating in a meeting of the Bristol Bay Fisheries Committee (sponsored by the Bristol Bay Native Association); on panels at Fish Expo sponsored by individual fishermen and United Fishermen of Alaska (UFA); and in a statewide teleconference to discuss various options identified by the UFA and Representative Drew Scalzi.
- Received petitions to limit additional fisheries and began required analysis.
- Continued to maintain a professional relationship with the IRS to help Alaska fishermen protect their fishing privileges, including the completion of a jointly produced brochure entitled, *Resources for Alaska Commercial Fishers*.
- With the Alaska Attorney General, the Commission continued to defend the state against elimination of nonresident fee differential in the *Carlson* case.





CALENDAR YEAR 2000

- Conducted research, held public hearings, and adopted regulations limiting entry into Southeast Alaska sea urchin and sea cucumber dive fisheries.
- Conducted research, held public hearings, and adopted regulations establishing point systems for the Southeast Alaska sea urchin, sea cucumber and geoduck clam dive fisheries.
- Received 90 applications for the Southeast Alaska sea urchin dive fishery. Completed final adjudication of 82 of the applications and issued 76 limited entry permits.
- Conducted a public comment period and adopted a regulation establishing an optimum number for the Northern Southeast Inside sablefish longline fishery.
- The legislature adopted House Bill 429 which extended the vessel moratoria in the Bering Sea hair crab fishery and the Alaska weathervane scallop fishery until July 1, 2003, and July 1, 2004, respectively.
- Completed and published a report discussing the issue of transferability of limited entry permits.
- Participated in a discussion on Bristol Bay fleet reduction hosted by the Bristol Bay Native Association and the Bristol Bay Native Corporation.
- Received petitions to limit additional fisheries and began required analysis.
- Continued to meet with IRS to explore means to help permit holders achieve voluntary tax compliance and to eliminate attempted forced sales of limited entry permits.
- With the Alaska Attorney General, the Commission continued to defend the state against elimination of nonresident fee differential in the *Carlson* case.



YEARS PRIOR TO 2000

Information on prior years can be found in previous annual reports or on the Internet at the Commission website: <http://www.cfec.state.ak.us>.





This edition published August 2007