

# Commercial Fisheries Entry Commission



## Annual Report for 2017



All photos courtesy of the Alaska Seafood Marketing Institute (ASMI)



# Commercial Fisheries Entry Commission 2017 Annual Report

## CFEC Overview

The seafood industry is Alaska's largest private sector employer, providing jobs and income for residents and economic stability for communities from Ketchikan to Barrow. The total ex-vessel value of Alaska seafood is \$1.8 billion in 2017, which was transformed into additional benefits to Alaskan's as those dollars moved through the local economy. The Commercial Fisheries Entry Commission (CFEC) plays a vital role in developing and maintaining the sustainable fisheries that underpin Alaska's billion dollar fishing industry.

In 1972, Alaskan's voted to amend the constitution to create a fisheries limitation system ([Article VIII, Sec. 15](#)). The Alaska Legislature approved the Limited Entry Act in 1973 and created CFEC as an exempt and independent agency to carry out the mandate of the people and the legislature. Since that time, CFEC has granted limited entry permits to 16,717 Alaskans participating in 68 limited entry fisheries. Approximately 77% of all permits are held by Alaska residents, roughly half of whom live in rural communities. ([see graph on page 17](#))

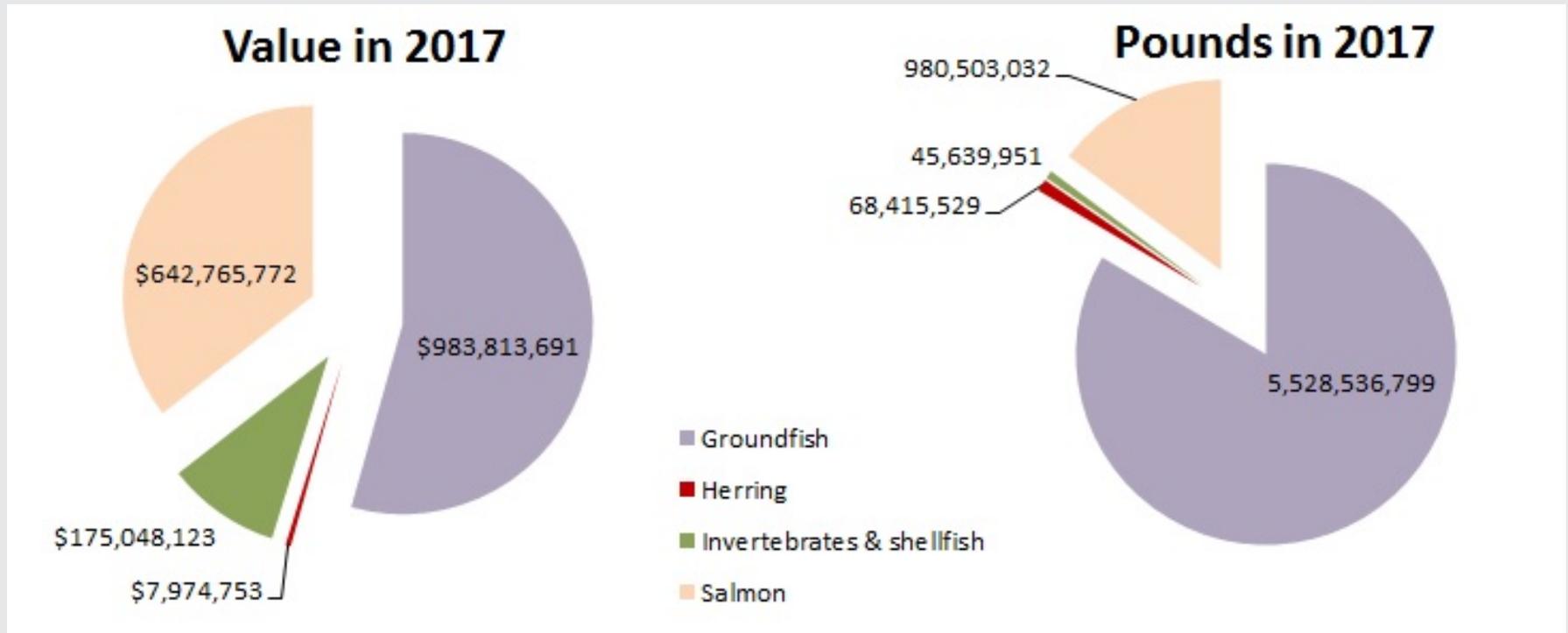
CFEC is governed by statutory and regulatory requirements found at [AS 16.43](#) and [20 AAC 05](#). The Commission promotes conservation and sustained yield management of fisheries resources and the economic health and stability of the commercial fishing industry, by regulating entry into the state's fisheries. CFEC issues permit and vessel licenses to qualified individuals; oversees various forms of permit transfers; monitors fisheries to assess the need for limitation or setting optimum numbers; conducts research and develops fisheries economic data; and, coordinates with state and federal fishery managers to develop fisheries policies.

CFEC is a quasijudicial agency empowered with the authority to conduct investigations, subpoena evidence, hold administrative hearings, and adjudicate claims. The Commission currently employs 15 staff members, who are organized into four sections headed by up to three appointed commissioners.

Pursuant to [AS 16.43.980.\(a\)\(1\)&\(2\)](#), this report includes discussions on optimum levels of permits, along with recommendations for future legislation in Appendix G and H, respectively ([pages 21-31](#)).



# Alaska Fisheries Value & Pounds



Alaska's fisheries are a valuable asset that CFEC helps to protect. In 2017, a total of nearly 6.6 billion pounds of fish and shellfish were harvested with a dockside, ex-vessel value paid to fishermen totaling nearly \$1.8 billion (still preliminary data for the value at this point). Groundfish - including Pollock, halibut, sablefish, rockfish, flatfish and other bottom species - composed the majority of the harvest and the value in 2017. The salmon fisheries contributed a large portion - \$643 million - of the value.



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The CFEC annual report was published and made available to legislators on 04/11/18



# Commercial Fisheries Entry Commission 2017 Annual Report

## Adjudications

Since its inception, the CFEC has limited entry into 68 fisheries and evaluated over 22,000 applications for limited entry permits. At the end of 2017, the Commission had completed the adjudication of all of the applications in 60 of the 68 fisheries.

Fifteen limited entry permit applications remain pending before the commissioners. Hearing officer decisions have already been issued on these cases. In 2018, the Commission will work to complete the administrative review and final adjudication of the remaining applications.

During 2017, the hearing officer and paralegal issued a total of 18 decisions: 14 on permanent and emergency transfers; 4 on miscellaneous matters, such as permit fee refunds and the assessment of demerit points. There are currently no limited entry permit application cases pending before a hearing officer. Decisions issued by the hearing officer and paralegal are reviewed by the commissioners, who may adopt, reverse or modify the decisions.

The commissioners issued 55 decisions during calendar year 2017: 11 on limited entry permit applications, 41 on permanent and emergency transfers and 3 on miscellaneous matters. As of the end of 2017, no CFEC cases were pending before any court.

The CFEC Adjudications Section is staffed by a hearing officer and a paralegal. Duties performed by the section include:

- ➔ Evaluate, classify, adjudicate and maintain tracking system for limited entry permit applications.
- ➔ Conduct administrative hearings and write decisions on emergency and permanent transfers, permit fee refunds, reinstatement of forfeited permits, assessment of demerit points and fee arrearages based on residency.
- ➔ Assess demerit points and suspend fishing privileges for convicted violators of salmon fishing laws.
- ➔ Prepare the official record in judicial appeals.
- ➔ Residency and fraud investigations.
- ➔ Receive, catalogue and store all commercial fish tickets filed with the state.

For additional information, see Appendix C - [Page 10](#)



## Information Technology

The Information Technology (IT) Section is responsible for technology infrastructure at CFEC. IT maintains a small, highly skilled and responsive staff that must be flexible and proficient in several disciplines. This includes the installation and maintenance of network hardware, such as switches, routers, servers, printers, cabling and storage area networks. The IT Section is also responsible for the installation and maintenance of desktop hardware including personal computers, printers, embossers and other equipment. IT maintains technical support for office staff and customers. IT staff is responsible for data integrity; application development and maintenance of a wide array of software centered on CFEC's core mission; and the reliable and timely distribution of data to other agencies, to fisheries and to the general public. IT maintains local resources such as web services, network operating systems, shared storage, network topology, file services, digital security, database services, IP telephony, and all other IT related tasks. IT solutions at the Commission are organic, efficient and are provided internally.

- ➔ Technology Infrastructure & Networking
- ➔ Software & Updates
- ➔ Application Development
- ➔ Security
- ➔ Oracle Database Management
- ➔ Technical Support & Service
- ➔ Legacy Application Services
- ➔ Server Virtualization
- ➔ Enhanced Desktop Utilities
- ➔ Website Design & Maintenance
- ➔ High-Availablity
- ➔ Gross Earnings

For additional information, see Appendix D - [Page 11](#)



# Commercial Fisheries Entry Commission 2017 Annual Report

## Licensing

Licensing staff are committed to assisting Alaska's commercial fishing industry. The CFEC Licensing Section is staffed with five employees. Licensing staff performs (among other things) permit transfers (permanent and emergency), forfeitures, liens, and reinstatements of entry permits.

Licensing staff are responsible for collecting annual fees, issuing limited entry, interim-entry and interim-use permits, establishing eligibility and issuing vessel licenses required for participation in Alaska's commercial fisheries.

Licensing staff interact on a daily basis via telephone, facsimile, e-mail and through written correspondence, as a source of information for commercial fishermen; answering questions about permitting and regulations affecting the fishing industry.

Licensing staff maintains a close working relationship with ADF&G, DCCED, United States Coast Guard (USCG), the National Marine Fisheries Service (NMFS), and other agencies, to help track changes with the rules and regulations pertaining to Alaska fisheries that impact the issuance of Limit Entry Permits.

During 2017, the Licensing Section:

- |   |   |
|---|---|
| ➔ 11,655 Limited Entry Permits Renewed                      | ➔ 25 Special Harvest Area Permits Issued        |
| ➔ 17,990 Total Permits Renewed or Issued                    | ➔ 2 Educational Entry Permits Issued            |
| ➔ 35 Interim-Entry Permits Issued in Limited Fisheries      | ➔ 2 Mariculture Permits Issued                  |
| ➔ 4,660 Interim-Use Permits Issued in Open-access Fisheries | ➔ 9,133 Vessel Licenses Issued (All Categories) |

For additional information, see Appendix E - [Page 14](#)



# Commercial Fisheries Entry Commission 2017 Annual Report

## Research and Planning

The Research & Planning Section provides the Commission with studies on fishery limitations, reduction of entry permits to optimum levels, fishery economic analyses, permit reports, and any necessary support specific to cases before the Commission. In addition, the Research Section issues many standard and specialized reports that then get used by a variety of people and fishing entities to address a range of issues related to commercial fishing. The foundation for much of the work produced by the Research Section resides in several large electronic databases. Research Section and IT collaborate in monitoring and maintaining the integrity of data in the Gross Earnings databases. Much of the data is in turn shared with ADF&G, NMFS and the North Pacific Fishery Management Council through the Alaska Fisheries Information Network. This data allows CFEC and others to provide services to local, State and federal government agencies, the Alaska Legislature, researchers, consultants, and other non-governmental organizations.

Core Functions of the Research and Planning Section:

- ➔ Fisheries Review
- ➔ Fishery Limitations and Reduction of Entry Permits to Optimum Levels (App G, [page 21](#))
- ➔ Buyback Reviews and Assessments (App G, [page 24](#))
- ➔ Permit Value Report [here](#)
- ➔ Analytical Reports ([page 19](#))
- ➔ Statutory Responsibilities
- ➔ Data Collaboration and Integrity
- ➔ Regulation Proposals
- ➔ Data Sharing with State, Feds and Private Sector
- ➔ Economic Reporting [here](#)
- ➔ Permit Holder Surveys
- ➔ Ex-Vessel Price Estimates

For additional information, see Research Supplemental Appendix F - [Page 18](#)



# Commercial Fisheries Entry Commission 2017 Annual Report

## Bruce Twomley Retirement



Photo courtesy of KTOO

With this year's report we bid farewell to long-time commissioner, Bruce Twomley. Appointed as a commissioner in 1982 by Governor Hammond, and chair since 1983, no single person has had a greater impact on Alaska's Limited Entry program.

The fact that Bruce was appointed by seven different governors representing three different political parties reveals the respect his work commands. His comprehensive understanding of the laws governing limited entry remains unparalleled and his resume outlines an outstanding list of personal and team accomplishments, most of which have directly benefited the state and its fishermen. Under Bruce's leadership CFEC has evolved to meet the challenges of the day in the face of an ever-increasing and complex body of law and dynamic changes in the commercial fishing industry.

Bruce drafted over 3,000 separate case decisions and was involved in controlling entry into 55 of the state's 68 limited fisheries. He reviewed and ruled on thousands of permit applications and transfer decisions. Bruce has a strong work ethic and unflagging belief in limited entry as an effective tool

to conserve and manage fisheries resources to achieve economic health and stability for Alaska's fishing communities. He was always willing to go that extra mile to keep permit holders on the water and he inspired a similar commitment in all who were fortunate to have worked for him.

Bruce has overseen a multitude of studies on Alaska fisheries. This work helped to craft meaningful limited entry programs, identify the value of Alaska's seafood, and inform various discussions on rationalization. Bruce's work to provide financing options for rural fishing families continues to help keep our coastal communities strong. He and his staff fought hard to maintain fishermen's rights as citizens to a fair and reasonable administrative appeals process. And, when the IRS attempted to involuntarily transfer a commercial fishing permit, the Commission, through Chairman Twomley, denied the demands of the permit transfer and promoted the idea that working cooperatively with the fishing public would be in the best interests of the state and IRS. The end result was that the permit holder was able to work things out with the IRS and limited entry permit holders are afforded some protection in IRS involuntary transfers.

Bruce was not a typical state bureaucrat; his compassion, knowledge, willingness to fight for his beliefs, and dedication to the industry has made him a true 'friend of the fishermen'. Those of us who worked with him are better for the experience. The state and its citizens will forever be indebted to Bruce for his 35 years of meritorious service.



# Appendix A - Report Requirements

## A progress report on the review of entry permits to optimum levels

- ➔ Optimum Levels - the Basics - [page 21](#)
- ➔ Optimum Levels - Progress - [page 23](#)
- ➔ Southeast Alaska Salmon Purse Seine Buy-back - [page 24](#)
- ➔ Cook Inlet Eastside Setnet Buy-back - [page 25](#)
- ➔ Southeast Sea Cucumber Dive Fishery Buy-back - [page 26](#)

[AS 16.43.980.\(a\)\(1\)](#) (see Appendix G, [page 21](#))

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## Recommendations for additional legislation relating to the regulation of participants and vessels into Alaska commercial fisheries

- ➔ Vessel Permit System for Bering Sea Hair Crab Fishery - [page 27](#)
- ➔ Demerit Point System - [page 30](#)
- ➔ Multi-Year, Multi-Fishery, Multi-Vessel Permit Cards - [page 31](#)

[AS 16.43.980.\(a\)\(2\)](#) (see Appendix H, [page 27](#))



# Commercial Fisheries Entry Commission 2017 Annual Report

## Appendix B

### State of Alaska:

Bill Walker, Governor  
Byron Mallott, Lt. Governor

### Commissioners:

Bruce Twomley, Chairman  
Benjamin Brown, Commissioner \*  
Fate Putman, Commissioner

### Management Staff:

Shirley Penrose, Acting Executive Director \*  
Frank Glass, Adjudications Leader  
Ty McMichael, Information Technology Leader  
Yvonne Fink, Licensing Leader \*  
Mele Maake, Acting Licensing Leader  
Craig Farrington, Acting Research & Planning Leader

### Office Location:

Commercial Fisheries Entry Commission (CFEC)  
Jordan Creek Center  
8800 Glacier Hwy, Suite 109  
Juneau, AK

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(907) 789-6150            Licensing  
(907) 789-6170            Facsimile

### Internet Address:

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

### Mailing Address:

CFEC  
P.O. Box 110302  
Juneau, AK 99801-0302

*The Commercial Fisheries Entry Commission Annual Report is published in accordance with [AS 16.43.980](#)*

\* Denotes employees who are no longer active.



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## Appendix B

### Commissioners

*Bruce Twomley, Commissioner \*\**  
*Benjamin Brown, Commissioner \**  
*Fate Putman, Commissioner*

### Acting Executive Director

Shirley Penrose \*  
 Personnel, Payroll, Travel, Accounting,  
 Purchasing, Facilities, Budget Manager

Adjudications	Licensing	Research	Information Technology
Frank Glass - Leader	Mele Maake - Acting Leader Yvonne Fink - Leader *	Craig Farrington - Acting Leader	Ty McMichael - Leader
Application Processing	Entry and Interim-use Permit Renewal	New Limitations Research	Licensing System
Administrative Hearings	Vessel Licensing	Priority Hardship (Point System) Development	Fisheries Database
Case Management	Permanent & Emergency Transfers	Optimum Number Research	Hardware & Software Support
Decisions on Claims	Permanent File Management	Fisheries Data Collections & Database Enhancement	Application Development
Preparations of Official Record in Judicial Appeals	Collecting & Entering Revenue	Standard & Custom Reports on Fisheries Economics, Participation and Performance	Report Generation
Residency & Fraud Analysis	Entry Permit Forfeitures, Liens and Reinstatement	Non-resident fee calculations as required by CFEC v. Carlson.	Website Design and Maintenance
Archive & Records Management			Data Backup and Recovery
Demerit Point Assessment			

\* Denotes employees who are no longer active.

\*\* Dale Kelley was appointed Commissioner on 03/01/18



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## Appendix B

### 2017 Commission Employees

<b>Commission</b>	Bruce Twomley **	Chairman	<b>Information Technology Services</b>	Ty McMichael	Info Tech Services Leader	
	Benjamin Brown *	Commissioner		Mykel George *	Analyst Programmer	
	Fate Putman	Commissioner		Don Huntsman	Analyst Programmer	
	Shirley Penrose *	Acting Executive Director		Joe Kollar	Analyst Programmer	
	Kristen Bomengen	Commission Decision Drafter		David Pearce	Network Specialist	
	Doug Rickey *	Law Specialist				
	Emily Timm	Commission Assistant		<b>Licensing</b>	Yvonne Fink *	Licensing Leader
	Fred Harmon	Receptionist			Mele Maake	Acting Licensing Leader
<b>Adjudications</b>	Frank Glass	Adjudications Leader	Kim Andrews	Transfer Officer		
	Randy Lippert	Paralegal	Kayla Lanz	Transfer Clerk		
			Suzanne Rumfelt	Transfer Clerk		
<b>Research</b>	Craig Farrington	Acting Research Leader	Ranelle Hinchman	Permit Clerk		
	Marcus Gho	Economist				

\* Denotes employees who are no longer active.

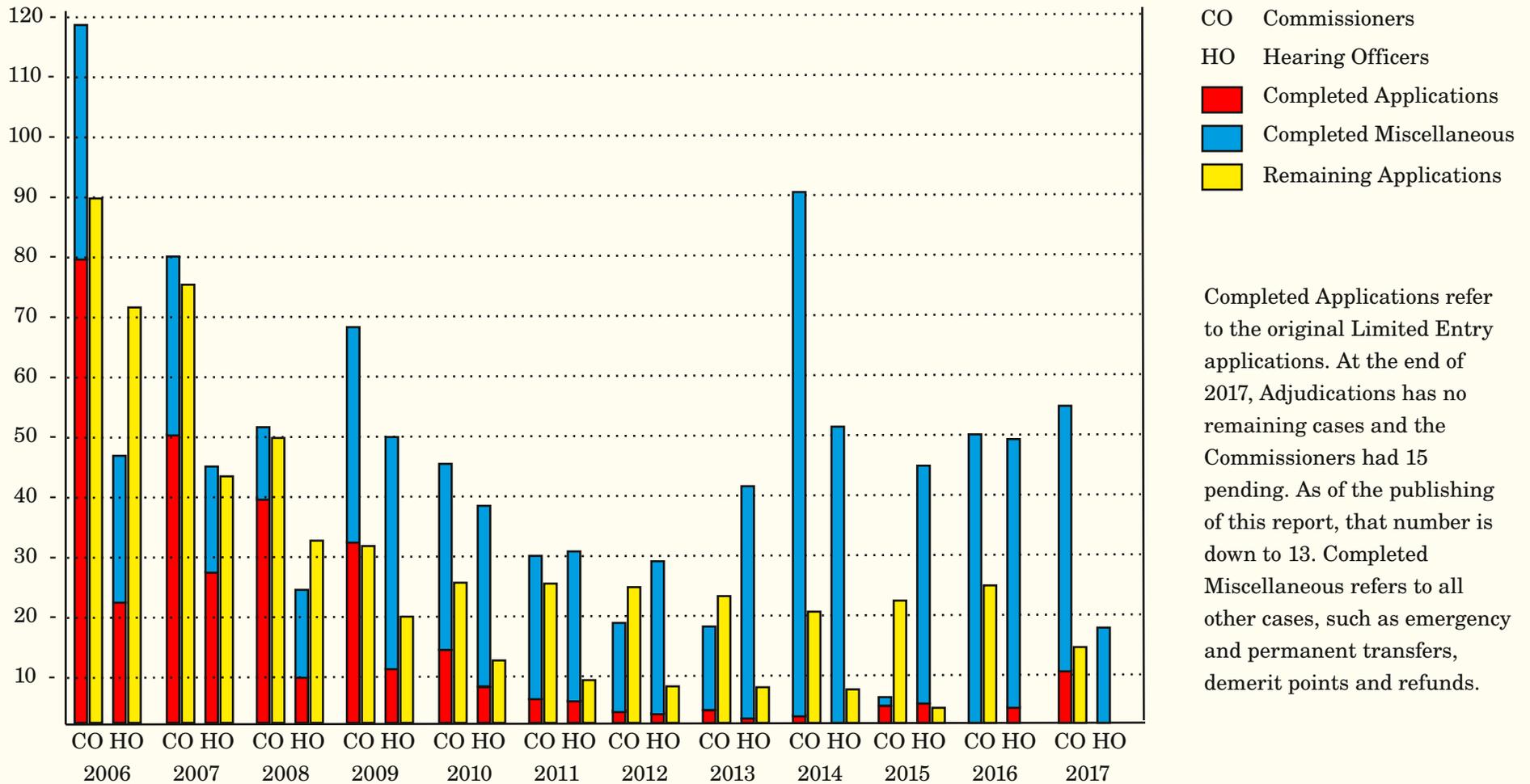
\*\* Dale Kelley was appointed Commissioner on 03/01/18



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## Appendix C

Adjudications - Case Chart



Completed Applications refer to the original Limited Entry applications. At the end of 2017, Adjudications has no remaining cases and the Commissioners had 15 pending. As of the publishing of this report, that number is down to 13. Completed Miscellaneous refers to all other cases, such as emergency and permanent transfers, demerit points and refunds.



# Commercial Fisheries Entry Commission 2017 Annual Report

## Appendix D

### Information Technology - Opportunities, Active Projects, Short & Long Term Goals

#### ***Opportunities:***

CFEC's Information Technology staff was reduced to 4 staff positions, who are responsible for IT duties and requirements of the agency. This presents a challenge in terms of resources; but recent changes in CFEC staff and structure also present an opportunity to pursue efficiencies and changes previously determined to be either undesirable or logistically impossible. These opportunities present likely efficiency potentials CFEC IT staff are anxious and excited to explore.

#### ***Active Projects:***

##### Gross Earnings Database:

Gross Earnings refers to a database and reporting system created, maintained, and operated by staff at CFEC. The Gross Earnings Database is built by combining ADF&G and International Pacific Halibut Commission (IPHC) fishery harvest data with additional data from the CFEC Licensing System. The data are also enhanced with CFEC estimates of ex-vessel fish and shellfish prices. The result is a database that can be queried using a wide range of qualifiers. The database is maintained for all fishing years from 1975 forward.

The Gross Earnings Database is an important file used by CFEC for both internal and external needs. It is also shared and used by other State and federal entities for a wide range of fishery-related topics. One important feature of the database is the Gross Earnings Reporting System, which generates a large number of web pages, PDF reports, and downloadable data on the CFEC Public Web Site (see '[Fishery Participation and Earnings](#)'). Major updates and changes were made to this process in 2016, including several new columns and changes to hard reports available through our website. The Gross Earnings 'process' is very laborious and time consuming. CFEC IT is actively working towards a solution that creates these tables in minutes and hours, as opposed to days and weeks. This effort also includes the ability for the Research and Planning section to generate Gross Earnings annual tables without the need for IT intervention.



# Commercial Fisheries Entry Commission 2017 Annual Report

## Appendix D

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### Information Technology - Opportunities, Active Projects, Short & Long Term Goals

#### Automated Workstations:

CFEC IT is actively working on a project that will allow online renewal transactions to be automatically entered into the Licensing system and output necessary materials to various output devices. Licensing Staff will collect the output and mail them to the customer on scheduled intervals. Online transactions make up roughly 37% of the total renewal traffic. This automation, coupled with an increased awareness of online abilities, will greatly reduce staff time and allow for more interaction with permit holders, vessel owners, partner agencies and the general public.

#### Cross-Training:

With the overall staff reduction, the Commission is actively pursuing opportunities to cross-train personnel for multiple duties, even between divisions. This has already proven beneficial during the initial wave of 2018 renewals. Cross-training of multiple jobs functions will also help provide a more consistent level of workload throughout the year, as well as provide a backup solution for employee personal and sick leave.

#### ***Short Term Goals:***

##### Upgrade Servers and Desktops:

CFEC staff are currently using desktop computers between 7 and 11 years old. CFEC also has some equipment in the networking and communications room that exceeds 10 years in age. A regular cycle of computer replacements have shown in case studies to be more cost effective, and 3 to 4 years is the recommended cycle time by the State of Alaska. The short term goal is to evaluate and update equipment as necessary in order to modernize CFEC systems.



# Commercial Fisheries Entry Commission 2017 Annual Report

## Appendix D

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### Information Technology - Opportunities, Active Projects, Short & Long Term Goals

#### ***Long Term Goals:***

##### Multi-Year Multi-Fishery, Multi-Vessel Permit Cards:

See Appendix H, page 31

##### Update Embossed Cards with Thermal Cards:

For 40 plus years, CFEC permit cards have been created using embossing machines. This equipment 'punches' information into a hard plastic card such that the text is all raised and legible. Embossing equipment is very expensive and high maintenance with thousands of moving parts. Each embossing machine costs about \$25,000 and the cost of maintenance is only growing with aging equipment. CFEC would like to propose a change from embossed permit cards to thermal printed cards that include both a magnetic stripe and bar code for easy validation. The cost of goods would be greatly reduced as would the maintenance of embossing equipment. Thermal printing, along with multi-year cards, provides an avenue that could later allow the printing of cards in remote locations. These cards would be more secure, more easily reproduced and invalidated if necessary.

**NOTE:** These long term goals will require both statutory and regulatory changes, as well as cooperation from affected agencies/departments, both state and federal. A notable percentage of processors are not yet participating in e-Landings for a variety of reasons, thus requiring an alternative methodology of reporting aside from embossed imprints.



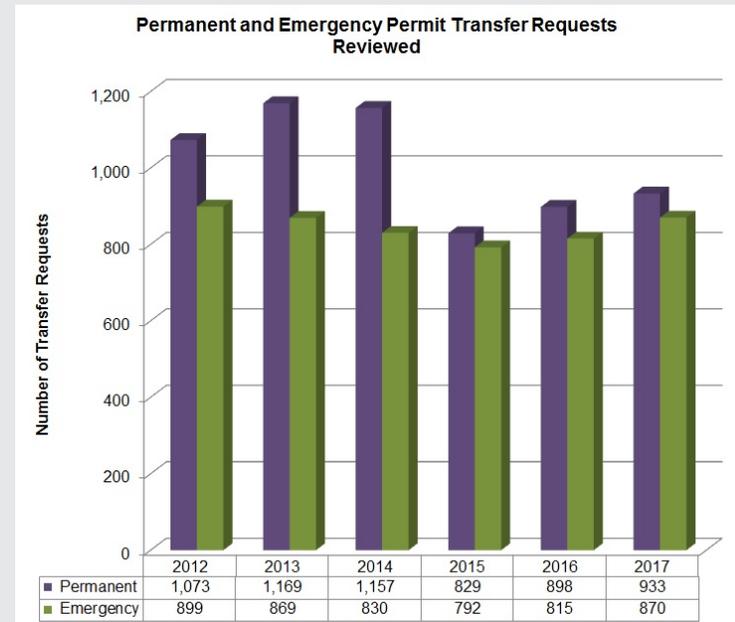
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## Appendix E

### Licensing - Statistics & Charts

Fishery Area	Number of Permit Holders assessed points in 2017	Suspensions 1998 through 2017
Alaska Peninsula, Aleutian Island	0	0
Bristol Bay	50	10
Chignik	0	0
Cook Inlet	1	0
Prince William Sound	38	6
Kodiak	0	0
Kotzebue	0	0
Kuskokwim	0	2
Norton Sound	0	0
Southeast	13	5
Statewide	9	0
Yakutat	0	0
Lower Yukon	0	0
<b>TOTALS</b>	<b>111</b>	<b>23</b>

A total of 111 permit holders were assessed demerit points in 2017. From 1998 through 2017, the Commission issued demerit points to 3,078 fishermen and suspended 23 fishing licenses.



From CFEC report B1440P-C. Includes Interim-Use, Interim-Entry 3, Entry and Vessel Entry Permits

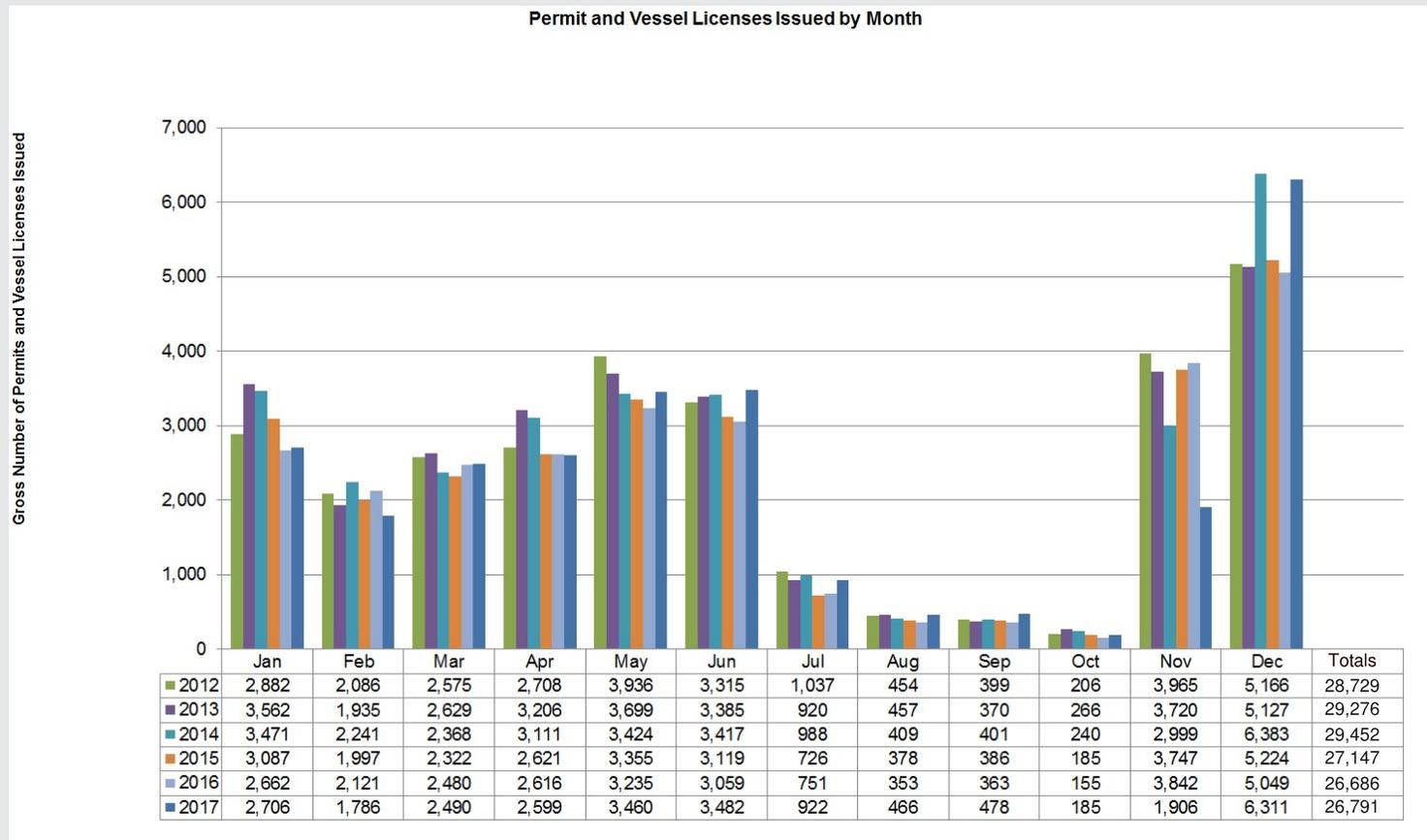
In 2017 Licensing staff reviewed 1,864 requests for permanent and emergency transfers of permits. These included 870 emergency transfer requests and 933 permanent transfer requests. A six-year breakdown of transfer requests by type of transfer is shown in the above graph.



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## Appendix E

### Licensing - Statistics & Charts



From CFEC reports B1430P-A and B2430P-A

The graph above shows the number of permits and vessels licenses issued by licensing staff in each month from 2012-2017.



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## Appendix E

### Licensing - Statistics & Charts

**Aggregatee Permit Fee Categories by Year**

Fees in dollars	Permit Year						
	2011	2012	2013	2014	2015	2016	2017
<b>Waived</b>	972	1,005	711	1,053	1,194	1,961	1,646
<b>75</b>	9,534	8,529	8,507	7,962	7,315	6,641	6,482
<b>Over 75 to 375</b>	7,699	6,296	5,838	7,085	5,192	4,795	4,860
<b>Over 375 to 750</b>	963	3,360	3,693	1,859	2,961	3,366	4,056
<b>Over 750 to 1125</b>	328	277	77	85	910	1,001	146
<b>Over 1125 to 1500</b>	191	159	373	673	630	249	236
<b>Over 1500 to 2925</b>	114	181	17	69	145	168	103
<b>3000 Fee Cap</b>	376	403	507	507	521	518	461
<b>Total</b>	20,177	20,210	19,723	19,293	18,868	18,699	17,990

From CFEC report B1440P-F

There are 40 separate categories for CFEC permit fees, ranging from \$75 to \$3,000 in increments of \$75 dollars. The table above displays the number of permits issued for the lowest and highest categories, with aggregated groups in between. Renewal fees are calculated using the estimated permit value as of June of a given year. The final fee is calculated by multiplying the permit value by four-tenths of one percent, then rounding to the nearest \$75 fee class, with the foremost fee cap of \$3,000. For open fisheries or fisheries with inadequate data, fees are calculated using the most recent 3 years of gross earnings, then applying the weighted average to the same formula.

**Vessel Fee Categories**

Fee Category based on overall length of vessel	Licensing Fee	Number of Vessels Licensed
Vessels to 25'	\$24.00	2,665
Over 25' to 50'	\$60.00	5,189
Over 50' to 75'	\$120.00	832
Over 75' to 100'	\$225.00	204
Over 100' to 125'	\$300.00	154
Over 125' to 150'	\$375.00	55
Over 150' to 175'	\$450.00	34
Over 175' to 200'	\$525.00	22
Over 200' to 225'	\$600.00	5
Over 225' to 250'	\$675.00	3
Over 250' to 275'	\$750.00	12
Over 275' to 300'	\$825.00	5
Over 300'	\$900.00	13
<b>Totals</b>		<b>9,193</b>

There are 13 separate categories for CFEC vessel fees determined by vessel length ranging from 25 feet to 300 feet in increments of 25 feet. The vessel license fee is based on the United States Coast Guard definition of overall length of the vessel as stated in [46USC2101\(20b\)](#).

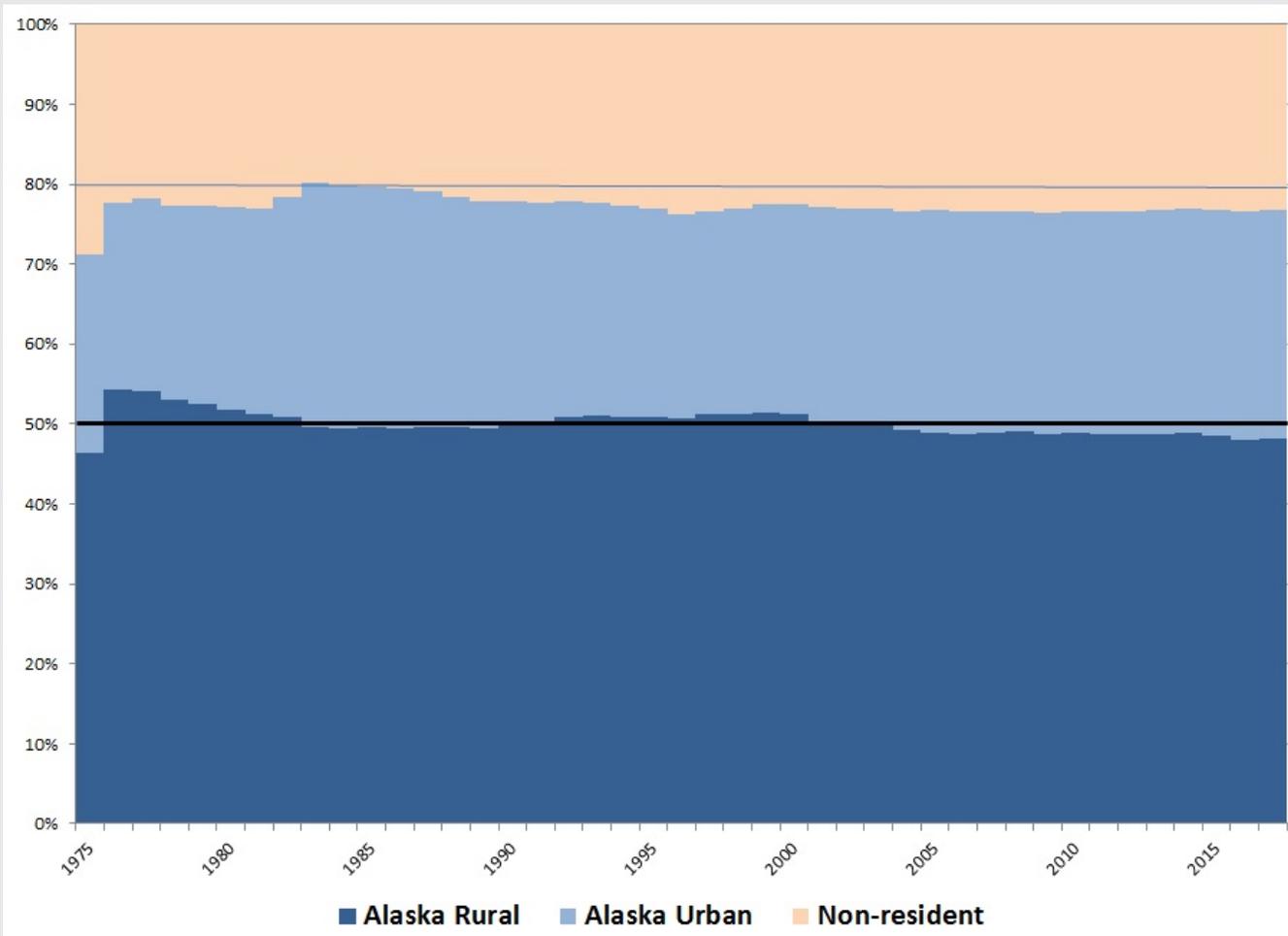


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## Appendix E

### Licensing - Statistics & Charts

Residency Percentage of Persons Holding Limited Entry Permits, 1975 - 2017



Urban and rural community designations are based on information from the 2010 U.S. Census Bureau. The Census Bureau's classification of "urban" consists of all territory, population, and housing units located within an urbanized area having a population greater than 50,000 persons, while "rural" is anything outside of the urbanized areas. In many regions of Alaska there are no urbanized areas. For example, in the Bristol Bay region every community is considered rural.

In 2017, 13,992 permits were issued to: 6,742 Rural Alaskans (48%), 4,009 Urban Alaskans (29%), and 3,241 Non-Residents (23%).



# Commercial Fisheries Entry Commission 2017 Annual Report

## Appendix F

### Research - Overview

The Research & Planning Section provides the Commission with studies on fishery limitations and reduction of entry permits to optimum levels, as well as analyses on fishery economics and how permits are held, and any necessary support specific to cases before the Commission. Research also issues standard and special reports used by the commercial fishing community and industry.

The foundation for much of Research's work resides in several large electronic databases. Both Research and the IT Section collaborate to monitor and maintain the integrity of data in the Gross Earnings Database. Much of the data is in turn shared with ADF&G, National Marine Fisheries Service (NOAA/NMFS) and the North Pacific Fishery Management Council through the Alaska Fisheries Information Network. This data allow CFEC and others to provide services to local, state and federal government agencies, the Alaska Legislature, researchers, consultants, and other non-governmental organizations.

Research staff fulfills a number of statutory duties as required of CFEC, including monthly reports of estimated permit values, estimation of ex-vessel prices and gross earnings of statewide fish and shellfish harvests, permit transfer reports, and analyses used to determine fees collected for the annual renewal of CFEC permits.

Each year, Research Section publishes broad-based informational reports intended to inform the Alaska Legislature, ADF&G fishery managers, regulators, and the fishing community at large.

In 2017, Research published six reports of this type; they are listed on [page 19](#) and are available on CFEC's web site, (<https://www.cfec.state.ak.us/Publications/year.htm>).



# Commercial Fisheries Entry Commission 2017 Annual Report

## Appendix F

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### Research - Published Documents in 2017

Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975-2016. CFEC Report No. 17-1N

CFEC Salmon Set Gillnet Permits and DNR Shore Fishery Leases in Prince William Sound, Cook Inlet, Kodiak, Alaska Peninsula, and Bristol Bay 1975-2016. CFEC Report No. 17-2N

Rural, Urban, and Nonresidential Estimated Earnings in Alaska's Commercial Salmon Fisheries, 1975-2016. CFEC Report No. 17-3N

CFEC Permit Holdings and Estimates of Gross Earnings in the Prince William Sound Commercial Salmon Fisheries, 1975-2016. CFEC Report No. 17-4N

Mean and Quartile Estimated Gross Earnings (in 2016 Dollars) for Alaska's Limited Commercial Fisheries, 1975-2016, CFEC Report No. 17-5N

CFEC Permit Holdings and Estimates of Gross Earnings in the Yakutat and Southeast Alaska Commercial Salmon Fisheries, 1975-2016, CFEC Report No. 17-6N



# Commercial Fisheries Entry Commission 2017 Annual Report

## Appendix F

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### Research - 2017 Activities

The Alaska Board of Fisheries took up several proposed regulation changes that could have had implications for Alaska's limited entry program. Research Section provided information for the January 2017 Kodiak and February 2017 Upper Cook Inlet, and December 2017 Prince William Sound finfish meetings. CFEC memos specifically addressed restructuring proposals for two salmon fisheries: 1) modifying dual-permit operations in the Cook Inlet salmon drift gillnet fishery; and, 2) the potential for dual-permit operations in the Prince William Sound salmon purse seine fishery.

Special analyses were done at the request of other agencies, private research firms, and academics. One project for the DCCED Local Boundary Commission summarized CFEC permits held by residents of Sand Point. A report for the Alaska Legislature dealt with the potential to increase revenue by modifying the statutory cap on CFEC permit fees. [AS 16.43.160\(c\)](#) limits the fee amount CFEC can collect for certain permits; changing the statute could result in increased state revenues. (see [page 16](#))

CFEC advised the Southeast Alaska Dive Fishery Association (SARDFA) on developing a permit buy-back program consistent with the Limited Entry Act. Research updated a review of Southeast dive fisheries for geoduck clams, sea cucumber and urchins.

Research assisted NOAA/NMFS with its administrative functions on the Southeast Revitalization Association's (SRA) Fishing Capacity Reduction Program, a buy-back program for the Southeast salmon purse seine fishery.

To better understand the basic economics underlying the Cook Inlet salmon set gillnet fishery, a second survey (additional to a baseline data survey already conducted and reported) was developed to survey individual setnetters for their expenses in the fishery. Such survey data, in the aggregate, would be crucial in developing the average rate of economic return to Cook Inlet setnetters.

Research produced ex-vessel price estimates for all species of fish harvested in Alaska fisheries in 2016. The estimates are performed in the following year (e.g. 2017), due to the time lag to obtain adjustments made by fish processors after the end of the season. Research's ex-vessel price estimates are essential to understanding the basic economics of Alaska's fisheries, and are used in the NMFS Groundfish Observer Fee Program to oversee and maintain Alaska's substantial groundfish fisheries.



# Commercial Fisheries Entry Commission 2017 Annual Report

## Appendix G

### Limited Entry and Reduction to Optimum Levels of Permits - Basics

Open access to fishery resources is enshrined in the Alaska constitution under Article VIII, section 3 (known as the common use clause), which states, “wherever occurring in their natural state, fish, wildlife, and waters are reserved to the people for common use.” The common use clause does not prohibit statutes or regulations limiting use and access to trust resources if such limitations are related to conservation purposes; however, the state may use only those limitations that pose minimum infringement to open access. CFEC follows that precautionary approach when limiting entry to Alaska’s fisheries, or when defining optimum numbers of entry permits.

To date, limited entry permits have been issued in 68 fisheries and about 200 other fisheries remain open access. CFEC’s initial fishery limitations in 1975 were done for 19 salmon fisheries from all corners of the state. In 1976, the remaining 6 salmon fisheries were limited to entry, with the exception of the salmon hand troll fishery which was limited in 1980. The most recent of CFEC’s limitations were completed in 2004 for the Kodiak Tanner bairdi crab pot gear fisheries. Summary statistics of the permits issued in all limited entry fisheries can be found in the CFEC publication [Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975-2016: Executive Summary. CFEC Report No. 17-1N-EXEC.](#)

The Limited Entry Act also contains Article 4. Reduction to Optimum Number of Entry Permits. It states that CFEC shall establish the optimum number of entry permits for each fishery previously limited to entry. Optimum numbers have been established for three fisheries to date – the Southeast sac roe herring purse seine fishery, Northern Southeast sablefish longline fishery, and the Bristol Bay salmon drift gillnet fishery, each examined in turn below.

As required by [AS 16.43.980.\(a\)\(1\)](#)



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## Appendix G

### Limited Entry and Review of Optimum Levels of Permits - Progress

In a decision favorable to CFEC (Johns v. CFEC, 1988), the court noted that CFEC should embark on the optimum number process except where there is substantial reason for not doing so. In response, CFEC proceeded with an optimum number study for the Southeast sac roe herring purse seine fishery (G01A). The fishery was limited to entry in 1977 to a maximum of 41 permits. In 1994, CFEC established the optimum number at 46 G01A permits. Although the optimum number had exceeded the maximum number, there was no need to issue more permits because sufficient original applicants were eligible and available to receive the added permits.

The Northern Southeast sablefish longline fishery was limited in 1985 with a maximum of 73 permits, yet ADFG noted persistent conservation problems. The issue was sufficiently compelling for CFEC to complete an optimum number determination for the fishery in 2001. The optimum number was established at the same level as the maximum number.

In 2001 and 2002, low market prices for wild-caught salmon imperiled Alaska's salmon fisheries. That led to discussions on possibly restructuring the salmon fisheries to better cope with market forces to maintain long-term economic viability for fishermen.

Following discussions at the Joint Legislative and Salmon Industry Task Force, CFEC proceeded with an optimum number study of the Bristol Bay salmon drift gillnet fishery. Three years and thousands of hours of staff time later CFEC in 2005 established an optimum range of 900 to 1,400 S03T permits. Although the upper end of the range is 269 permits less than the maximum of 1,669 set in 1974, there has been no buy-back of surplus permits. Were the Commission to act to reduce S03T entry permits to the optimum level, it could be done under the buy-back provisions set out in [AS 16.43.310](#) and [AS 16.43.320](#). To date, there has been no enthusiasm by permit holders for a buyback tax assessment in the Bristol Bay salmon driftnet fishery, nor have fisheries managers called for a reduction in harvest capacity.

As required by [AS 16.43.980.\(a\)\(1\)](#)



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## Appendix G

### Limited Entry and Review of Optimum Levels of Permits - Ongoing Efforts

The Commission continues to receive inquiries for potentially limiting open access fisheries. The inquiries are usually advanced by fishermen wanting to limit the fishery in which he/she is participating. They may follow up by submitting a formal petition for limitation. Research staff then gathers information so the Commission can determine if limited entry in the fishery would fulfill all the statutory requirements. Since the last limitation in 2004, all petitions received have been found lacking with respect to meeting the requirements of the Limited Entry Act.

CFEC monitors and evaluates all limited fisheries for the potential to establish the optimum level of permits. While it is important to ensure that sufficient opportunity exists to participate in Alaska's fisheries, particularly as the state looks to encourage the next generation of fishing business owners, CFEC has supported stakeholder driven permit buy-backs that are in line with the goals and objectives of the Limited Entry Act. Such programs can and do include federally-funded or industry-funded buy-backs different than those spelled out in [AS 16.43.310](#) and [AS 16.43.320](#). Although it wouldn't be necessary for CFEC to administer a federally-funded or industry-funded buy-back, it may fall to CFEC to determine an optimum number of permits for the fishery in question, to help avoid future legal challenges.

CFEC stays engaged with the stakeholders and groups pursuing permit buy-back programs and provides them with counsel on how best to proceed consistent with the Limited Entry Act. In 2017, CFEC was engaged with the three (3) different permit buy-back programs, which are discussed in the following pages.



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## Appendix G

### Southeast Alaska Salmon Purse Seine Buy-back

In 2004, almost half (49.5%) of the permits in the Southeast Alaska salmon purse seine fishery (S01A permits) had gone unfished. Both ADF&G and CFEC supported restructuring the fishery. The Southeast Revitalization Association (SRA) was formed under AS 16.40.250 as a qualified salmon fishery association. Comprised of S01A permit holders, its purpose was to promote the reduction of the Southeast seine fleet via buyback of permits. Representative Charisse Millett introduced successful legislation to facilitate the SRA fleet reduction program. The bill included legislative intent that fleet reduction would not reduce the total number of S01A permits below 260. The first buyback occurred in 2008 and was funded through federal grant money (nearly \$3 million) from the Pacific Coastal Salmon Recovery Fund and permanently retired 35 S01A permits. In 2012, a second buy-back, officially titled the "Fishing Capacity Reduction Program for the Southeast Alaska Purse Seine Salmon Fishery", was financed with a federal loan, which will be repaid by the remaining permit holders over the life of the loan (\$13.5 million at 3% interest over 40 years). It retired an additional 64 permits.

After the foregoing fleet reduction activities, \$10.4 million of the federal loan appropriation remained available. NOAA/NMFS approved a third buyback plan and in December 2016 conducted a referendum to determine the industry's willingness to pay for another fishery capacity reduction loan program. S01A permit holders voted 'NO' for a third buyback. The NOAA/NMFS Fishing Capacity Reduction Program for the Southeast Alaska Purse Seine Salmon Fishery currently has \$10.4 remaining available for loans.

In the 2008 buy-back, nonresidents held 74% of the permits relinquished, and 24 out of the 35 permits relinquished (69%) had not been fished for five or more years. In the 2012 buy-back, nonresident permit holders relinquished 67% of the permits and 50% of permits relinquished had not been fished for at least five years. Currently, there are 315 S01A permits, of which residents hold 171 (54%) and nonresidents hold 144 (46%). In the 2017 fishing season, 258 (82%) of the permits were fished.

As required by [AS 16.43.980.\(a\)\(1\)](#)



## Appendix G

### Cook Inlet Eastside Setnet Buy-back

In 2008, the Cook Inlet Salmon Task Force discussed means for a fleet reduction program for the Cook Inlet commercial salmon fisheries. Although it did not proceed beyond the discussion stage, the idea of a buyback in Cook Inlet has persisted. In 2017, discussions began to take place about a potential buy-back of the Cook Inlet Eastside Setnet Fishery. Although the permits (S04H) are valid for all waters of Cook Inlet south to Cape Douglas, the current buy back discussion narrowly applies to the setnet fishery occurring on the eastern shoreline. Discussions involve both CFEC administered buyback of S04H permits, and a buyout of shore fishery lease sites administered by the Department of Natural Resources.

In response, CFEC conducted a baseline data survey of S04H permit holders in 2016. One section of the survey asked for stakeholder input on the challenges they face in their fishery. The majority of survey respondents wanted CFEC to investigate the options for reducing fishing capacity in the fishery, but some permit holders indicated that they don't want intervention into the fishery.

An additional, separate survey methodology would be needed to define optimum numbers. That type of survey is designed to elicit responses from individual permit holders detailing their economic cost and expense information, usually taken from the permit holder's IRS Schedule C Profit or Loss From Business. This is crucial for determining the number of permits that would yield a reasonable average rate of economic return to each permit holder participating in the fishery (i.e. the optimum number). CFEC has developed such a survey expressly for the S04H permit holders. When to begin the survey process and who to include (all Cook Inlet S04H permit holder, or just Eastside setnetters) was an open question in 2017. The very nature of an in-depth economic survey brings intrusion into the lives of the permit holders, and the implied or real intent to alter the long-term dynamics of a fishery, and with it, the fishing communities and industry dependent upon it. CFEC is prepared to proceed with the survey should the stakeholders decide they would like to move forward.



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### Southeast Sea Cucumber Dive Fishery Buy-back

The Southeast Alaska Regional Dive Fisheries Association (SARDFA) is pursuing a buyback program in the Southeast sea cucumber dive fishery. Their impetus stems largely from negative fishery impacts due to the expanding sea otter population in Southeast Alaska waters. Since at least 2012, SARDFA has been actively exploring fishery capacity reduction in the Southeast dive fisheries, which includes the geoduck clam, sea urchin, and sea cucumber dive fisheries (Q11A permits).

SARDFA is a qualified regional dive fishery association under [AS 16.40.240](#) and has authority to levy an assessment on the harvest of dive fishery resources under [AS 43.76.170](#). SARDFA has tentative plans to use their assessment funds to retire some of the 264 Q11A permits active at this time. The number of permits retired would depend on considerations internal to SARDFA; including, but not limited to, the CFEC estimated value of a Q11A permit and the amount of assessment funds available to be dedicated to a buyback. The number of permits retired would need to be consistent with the Limited Entry Act.

Introduced in 2017, HB 354 Dive Fishery Management Assessment Procedures would amend statute to change the assessment procedures used by qualified regional dive fishery development associations, including SARDFA.

As required by [AS 16.43.980.\(a\)\(1\)](#)



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## Appendix H

### Recommendations for Additional Legislation

#### **Vessel Permit System for Bering Sea Hair Crab Fishery**

All sections of Article 7 in the Limited Entry Act, [AS 16.43.450](#) through [AS 16.43.521](#), are set to automatically repeal on December 30, 2018 under secs. 20 and 25, ch 2., SLA 2014. Article 7 is the vessel –based limited entry permit system for the Bering Sea hair crab fishery.

#### Preface:

In 1979, American vessels began participating in the Bering Sea hair crab fishery. Over the relatively short history of the fishery under State management, participation and harvest fluctuated greatly. In 1995 and 1996, CFEC received petitions requesting limited entry for the hair crab fishery. Research into patterns of participation in the hair crab fishery indicated that limiting the fishery under the state’s traditional program would be problematic. Under Alaska’s traditional limited entry program, CFEC must award permits to individuals with a history of landings in the fishery. In the hair crab fishery, it was common for vessels to be skippered by more than one captain, with each captain recording landings and therefore potentially eligible for a permanent permit. Under this scenario, effort could have substantially increased under limited entry, thereby diminishing the program’s benefits and statutory purposes.

To seek a more effective program, CFEC and representatives from the hair crab fleet pursued legislation that would allow CFEC to issue permits to vessels rather than to persons. The 2002 Alaska State Legislature approved laws giving CFEC authority to adopt regulations to implement vessel limited entry programs in the Bering Sea hair crab and the weathervane scallop fisheries. As a precautionary measure, the law was written with sunset provisions to have it expire in 2008. The 26th Alaska State Legislature passed SB254 in 2008 which extended the effective date of sunset to December 30, 2013. The 28th Legislature passed HB71 in 2014 which extended the effective date of sunset to December 30, 2018.

As required by [AS 16.43.980.\(a\)\(2\)](#)



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### Recommendations for Additional Legislation

CFEC adopted regulations for a vessel-based limitation of the Bering Sea hair crab fishery, and implemented the program in 2004; vessel owners applied for limited entry permits, and CFEC issued them to qualified vessels. However, the Bering Sea hair crab fishery was closed prior to limitation due to low stock abundance. It was thought at the time that if crab populations recovered, limited entry might help re-open the hair crab fishery and avoid future closures since fishing effort would be restricted through a limited number of boats.

#### **Current Status of the Bering Sea Hair Crab Fishery and Resource**

Table 1 (pg 29) presents the commercial harvest of the Bering Sea hair crab fishery by year, along with the total estimated gross earnings, average ex-vessel price, the number of persons and vessels with landings, the average and median harvest, and the estimated gross earnings per person or vessel. Because of low stock abundance, the Bering Sea hair crab fishery has been closed since 2001. As a result, there have been no commercial landings for nearly half of the years that the fishery was under a moratorium, and all of the years since limited entry has been in effect.

The National Marine Fisheries Service (NMFS) estimates the distribution and abundance of the hair crab resource each year when it conducts its annual trawl survey of the Eastern Bering Sea. NMFS's latest published report estimates the 2017 biomass for legal-sized male hair crab was higher than 2016, but lower than the 20-year average. ADF&G's current assessment is that there will not be an opening in the 2017/2018 season of the Bering Sea hair crab fishery.

If the hair crab population rebounds sufficiently in the future such that ADF&G is able to open the fishery, it would be advantageous if that future fishing effort were restricted through the limited number of vessels now maintained by CFEC through the vessel –based limited entry permit system.

Notwithstanding the Bering Sea hair crab fishery, there are other rationalized fisheries which are also vessel-based, some of which have state-waters components. If in the future, CFEC needed to limit the state-waters components of those fisheries, it would likely be done with a vessel limited entry program. It would be advantageous to maintain a vessel-based option in the Limited Entry Act, anticipating an eventuality to use such a limitation.

*With new legislation, vessel-based limited entry permit system could continue.*

As required by [AS 16.43.980.\(a\)\(2\)](#)



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**Table 1. Annual harvests and earnings in the Bering Sea hair crab fisheries**

Table 1. Annual harvests (pounds) and earnings (nominal dollars) in the Bering Sea hair crab commercial fisheries, 1979 – 2017.

Year	Fishery status	Total harvest	Total earnings	Ex-vessel price	Persons w/ landings	Average harvest	Median harvest	Average earnings	Median earnings	Vessels w/ landings <sup>1</sup>	Average harvest	Median harvest	Average earnings	Median earnings	
1979		**	**	**	18	**	**	**	**	16	**	**	**	**	
1980		69,009	\$50,272	\$0.728	19	3,632	271	\$2,646	\$190	17	4,059	511	\$2,957	\$358	
1981		2,128,349	\$1,713,285	\$0.805	96	22,170	1,906	\$17,847	\$1,534	76	28,005	1,805	\$22,543	\$1,452	
1982		1,225,098	\$799,250	\$0.652	80	15,314	1,676	\$9,991	\$1,088	69	17,755	2,127	\$11,583	\$1,296	
1983		888,447	\$628,556	\$0.707	61	14,565	715	\$10,304	\$685	49	18,132	1,170	\$12,828	\$868	
1984		568,717	\$746,654	\$1.313	24	23,697	1,234	\$31,111	\$1,322	24	23,697	666	\$31,111	\$852	
1985		**	**	**	5	**	**	**	**	6	**	**	**	**	
1986		**	**	**	4	**	**	**	**	3	**	**	**	**	
1987	Open Access	23,243	\$43,337	\$1.865	8	2,905	645	\$5,417	\$1,278	8	2,905	645	\$5,417	\$1,278	
1988		3,406	\$4,656	\$1.367	12	284	194	\$388	\$229	12	284	194	\$388	\$229	
1989		**	**	**	1	**	**	**	**	1	**	**	**	**	
1990		0	\$0	\$0	0	0	0	0	\$0	\$0	0	0	0	\$0	\$0
1991		379,715	\$1,237,491	\$3.259	6	63,286	6,502	\$206,249	\$21,190	6	63,286	6,502	\$206,249	\$21,190	
1992		1,338,818	\$2,815,534	\$2.103	18	74,379	42,833	\$156,419	\$90,078	17	78,754	30,119	\$165,620	\$63,340	
1993		1,439,155	\$3,109,853	\$2.161	27	53,302	33,881	\$115,180	\$73,217	22	65,416	32,333	\$141,357	\$69,872	
1994		1,904,287	\$5,768,782	\$3.029	20	95,214	83,095	\$288,439	\$251,778	14	136,021	95,499	\$412,056	\$289,362	
1995		1,986,106	\$5,441,930	\$2.740	25	79,444	69,476	\$217,677	\$190,364	21	94,576	102,373	\$259,140	\$280,502	
1996		713,309	\$1,993,699	\$2.795	20	35,665	31,588	\$99,685	\$88,287	19	37,543	32,778	\$104,932	\$91,615	
1997		650,240	\$2,078,167	\$3.196	18	36,124	27,756	\$115,454	\$88,707	16	40,640	38,876	\$129,885	\$124,246	
1998		**	**	**	12	**	**	**	**	12	**	**	**	**	
1999		**	**	**	9	**	**	**	**	8	**	**	**	**	
2000	Moratorium	**	**	**	3	**	**	**	**	3	**	**	**	**	
2001		-- No Fishery --													
2002		-- No Fishery --													
2003		-- No Fishery --													
2004		-- No Fishery --													
2005		-- No Fishery --													
2006		-- No Fishery --													
2007		-- No Fishery --													
2008		-- No Fishery --													
2009		-- No Fishery --													
2010	Limited Entry	-- No Fishery --													
2011		-- No Fishery --													
2012		-- No Fishery --													
2013		-- No Fishery --													
2014		-- No Fishery --													
2015		-- No Fishery --													
2016		-- No Fishery --													
2017		-- No Fishery --													

\*\* Data is masked for confidentiality where fewer than four participants, vessels, or processors (by ADF&G processor code or Federal ID when available) are indicated on fish ticket data within a year.

<sup>1</sup> The number of vessels with landings includes unlicensed vessels.

Note: This table includes both directed commercial hair crab harvests and hair crab bycatch in other crab fisheries.



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### Recommendations for Additional Legislation

#### **Demerit Point System**

Under [AS 16.43.850](#), CFEC has a duty to assign demerit points against a permit holder for a conviction of a commercial salmon fishing violation. When CFEC receives a record of the conviction from the court as required under [AS 16.43.880](#), CFEC is then able to assign demerit points to the individual. Different violations receive differing point amounts according to the schedule set out in [AS 16.43.850](#). For instance, fishing in closed waters receives 6 demerit points ([AS 16.43.850\(b\)\(1\)](#)) while fishing with more than the legal amount of gear receives 4 demerit points [[AS 16.43.850\(b\)\(3\)](#)].

CFEC also has a duty under [AS 16.43.880](#) to suspend the commercial salmon fishing privileges of frequent violators. The suspensions vary in length according to [AS 16.43.850\(d\)\(1 - 3\)](#). The law is that the suspension is ‘in the salmon fishery’. Should an individual hold another permit additional to his/her salmon permit, the suspension will be in the salmon fishery only. The permit holder who's salmon fishing privileges has been suspended could continue to fish in other fisheries including Salmon in another area.

The current laws for the demerit point system are for salmon fisheries only. Note that CFEC is totally dependent on the courts for notification of the court case and record of conviction in a salmon fishery violation. For commercial fishing violations outside of the salmon fisheries, the Alaska court system retains sole authority to impose sanctions. Once a court notifies CFEC of a fishing suspension in fisheries other than salmon, CFEC would not issue a permit for that fishery.

See [page 14](#) for details of demerit points issued by fishery area.

*With new legislation, the CFEC demerit point system could be expanded to include all types of commercial fisheries and not limit demerit point suspension to salmon only.*

As required by [AS 16.43.980.\(a\)\(2\)](#)



## Appendix H

### Recommendations for Additional Legislation

#### **Multi-Year, Multi-Fishery, Multi-Vessel Permit Cards**

CFEC wants to change the duration of permit cards. Currently CFEC generates approximately 18,000 new cards annually. In the event of emergency transfers, another card is created for the transferee and yet another one for the transferor when the permit is returned. If a permit holder wishes to fish on another vessel, a new card must be created. All these cards must be mailed and in many cases, expedited and shipped at the fishermen's expense. Every fishery that a fisherman participates in requires a separate card. Producing a multi-year card that is capable of validating against live data could eliminate these inefficiencies and provide fishermen the ability to renew a permit for a fishery without having to receive another card. Other fisheries and vessels could be instantly added to that card without the need to carry or ship multiple permit cards. The card could be made valid for a period of 3 to 5 years, thus eliminating the need to produce and ship 18,000 cards a year. Entry into a fishery would still require an annual fee, but the new multi-year card could recognize that validity within minutes of the renewal via electronic validation.

*CFEC will be recommending that the legislature amend the Limited Entry Act to allow issuance of multiple-year permit cards. This will require changes to multiple sections of [AS 16.43.100](#) - [AS 16.43.990](#).*