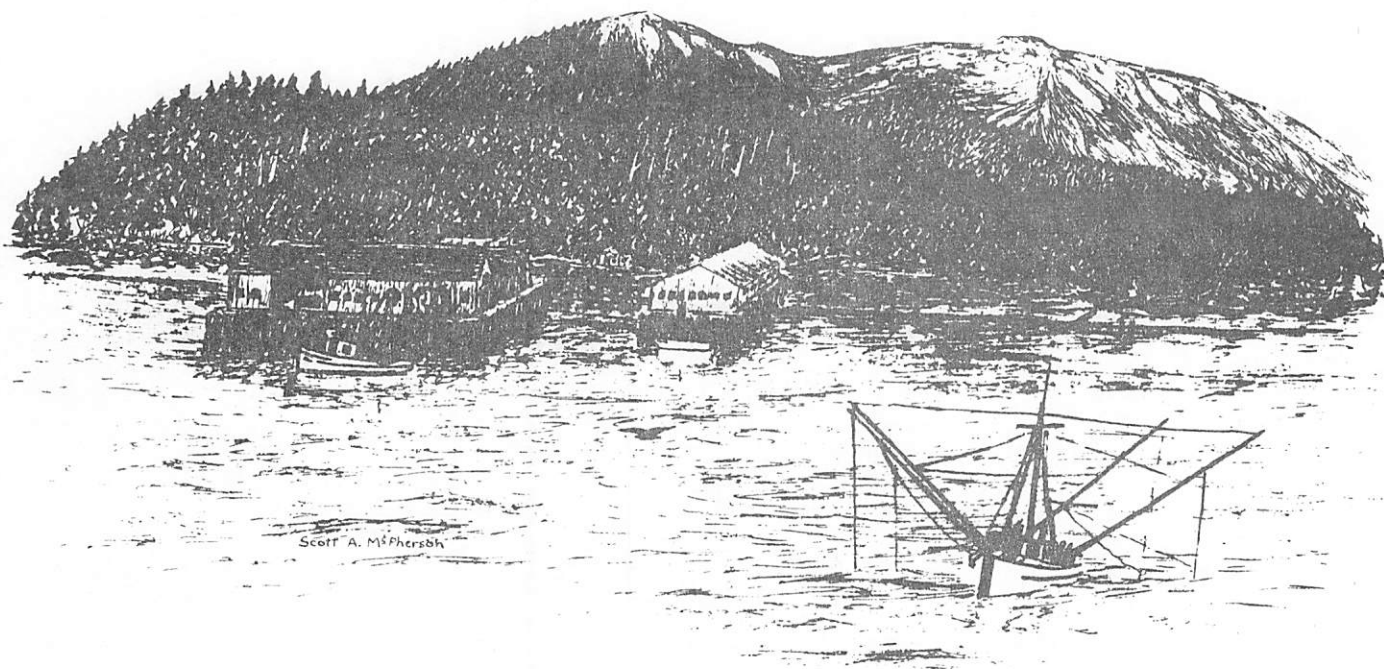


Timley

1977 Annual Report

**Commercial Fisheries
Entry Commission**



State of Alaska

1977 ANNUAL REPORT

ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

POUCH KB

JUNEAU, ALASKA

99811

ALLAN ADASIAK
CHAIRMAN

ROBERT J. SIMON
COMMISSIONER

JOHN GARNER
COMMISSIONER

MAY 1978

ANNUAL REPORT

Introduction:

This annual report submitted by the Commercial Fisheries Entry Commission (CFEC) addresses four categories of Commission activity during the 1977 calendar year. These areas are:

(1) the continuing administration of the limited entry law (AS 16.43) in Alaskan fisheries, (2) the implementation of new commercial fishing licensing procedures brought about by legislation during the last legislative session (Chapter 105, SLA 1977), (3) the coordination of State limited entry programs with those of the federal government which have resulted from the enactment of the Fishery Conservation and Management Act of 1976 (FCMA) and (4) legislative recommendations.

LIMITED ENTRY FOR 1977

Entry permit applications under Isakson v. Rickey:

The last application period for permits to be issued for the original 19 salmon fisheries brought under limited entry closed September 30, 1977. The acceptance of these additional applications was mandated by the Alaska Supreme Court decision of Isakson v. Rickey,¹ which required that the Commission accept applications for entry permits from persons who participated as gear license holders for the first time in either 1973 or 1974 in one of the 19 fisheries first placed under limitation in 1975.

Recognizing the diverse backgrounds of Alaskan commercial fishermen, the legislature, in 1977, provided an appropriation of \$38,000 to the CFEC to provide application completion assistance to persons eligible for permit application under the unexpected period mandated by Isakson v. Rickey. In addition to using its own staff, the Commission contracted with the Aleutians-Pribilof Islands Association, Inc., the Bristol Bay Native Association, the Cook Inlet Native Association, the Kodiak Area Community Development Corporation and Southeastern Alaska Community Action Program to provide assistance. The Commission received 1,327 applications under this Isakson application period; the processing of these applications should continue into the middle of 1978, although selected applications requiring hearings may take longer.

¹Isakson v. Rickey, 550 P 2d 359 (1966).

Hearings:

Hearings on pending permit applications are proceeding as rapidly as possible considering the research necessary to give each applicant the full opportunity to explore his or her case in its entirety. In 1977, Commission hearing officers held approximately 109 hearings in various communities including Anchorage, Seattle, Aniak, Dillingham, Fairbanks, Galena, Homer, Juneau, Kenai, Ketchikan, Kodiak, Kotzebue, Nome, Sitka, Togiak and Wrangell in order to assure that fishermen living in even remote areas would receive a fair and impartial hearing at a location near their place of residence.

New Limited Entry fisheries in 1977:

During 1977 three herring purse seine fisheries were added to the list of fisheries which have been determined by the CFEC to have reached levels of participation requiring entry limitation. Those fisheries are the Southeastern and Prince William Sound herring sac roe fisheries and the Cook Inlet herring purse seine fishery. The Commission was requested to investigate the need for limitation in these fisheries by fishermen, the Department of Fish and Game, and the Board of Fisheries.

Early in 1977 the Commission held public hearings in Kodiak, Homer, Cordova, Juneau, Petersburg, Ketchikan, Sitka and Seattle. Testimony from these hearings was helpful in establishing the ranking system for entry permit issuance in each fishery.

Applications for entry permits into these three fisheries were received from 262 fishermen. Of the 158 permits to be issued, 148 have been issued as of this writing.

In addition to work on the three herring purse seine fisheries put under limited entry, the Commission engaged in considerable research on the need for entry limitation into the herring gill net fishery in Southeast Alaska. This research culminated in regulations in early 1978 which limit the number of entry permits for the herring gill net fishery to 110.

Monitoring of other fisheries also occurred, including identification of effort level trends, catch trends, and economic research as appropriate. Some growth occurred in the long line and shellfish fisheries, while the salmon hand troll fishery in Southeast Alaska continued its rapid expansion.

Continued monitoring of permit transfers:

Since 1975, the Commission has conducted a voluntary survey of all fishermen transferring or acquiring permits. The purpose of the survey is to monitor permit prices and to analyze transfer trends. Copies of the survey questionnaire used in 1977 are attached as Appendix 1. During the past three years, responses to the survey have been received from 50 to 60% of those involved in transfers.

According to the survey information, permit prices increased significantly during 1977. Apparent causes were the healthy salmon harvests in 1977, anticipated harvest levels for 1978, and increases in the price of fishery resource products relative to the cost of fishing. Also, the failure of the 1976 initiative designed to repeal the Limited Entry Law was a cause of permit price escalation in 1977. Since success of the initiative would have made permits valueless, prices were restrained by uncertainty; after the 1976 election, there was a relatively abrupt increase in average prices. Appendix 2 indicates the results of a price survey for salmon entry permits from 1975 through December 31, 1977.

The computerized permit status file has allowed the Commission to monitor the transfer of permits between resident and nonresident fishermen to analyze the composition of the Alaska fishing fleets. As indicated by Appendix 3, permit transfers in 1977 resulted in a net gain of 30 permits to Alaskan fishermen. As in the past, most transfers were from a resident to a resident or from a non-resident to a non-resident.

Optimum number of permits:

Throughout the 1977 calendar year, work has continued on the determination of the optimum number of units of gear which might be supported in each of the 25 salmon fisheries under limited entry. Significant changes in fish prices,

operating costs and harvestable stock since 1973 have required updated economic research. The impact of projected aquaculture efforts must also be considered.

Under current statutory provisions, the optimum number of entry permits for a fishery is the number which will:

- (1) maintain an economically healthy fishery that will result in a reasonable average rate of economic return to the fishery participants,
- (2) promote an orderly and efficient commercial harvest consistent with sound fishery management techniques and
- (3) avoid serious economic hardship to those currently engaged in the fishery, considering alternative economic opportunities reasonably available to them.

A management optimum number writing team was established in late 1977 comprised of Alaska Department of Fish and Game (ADF&G) fishery managers for each of four regions of the State of Alaska and a representative of CFEC. The writing team is currently preparing a working draft of the management optimum numbers in each of the 25 salmon fisheries. The intention is to update and refine preliminary work done in the past.

Completion of the National Marine Fisheries Service Shellfish Data Base Research Contract:

The CFEC entered into a \$100,000 contract with the National Marine Fisheries Service (NMFS) to gather information and develop an Alaskan Shellfish Bio-economic data base. This contract was completed in mid February of 1978 after many months of extensive research. As required under the

contract, the CFEC, in conjunction with fishermen and processors, designed a questionnaire which was administered to the owners and skippers of 223 of the 540 vessels in Alaska's shellfish fleet. Summaries of data from fish tickets and license files were also prepared in accordance with Alaska's statutes regarding confidentiality. Meetings were held with user-group representatives to review the data obtained.

The shellfish fleet was subdivided into fourteen subfleets on the basis of vessel size, species harvested and area fished. Sets of mean economic and physical characteristics were estimated with other relevant data; patterns of mobility and diversification were identified and summaries of future diversification plans developed. Data on catch and gross earnings patterns for 1969 through 1976, and comparisons of shellfish gross earnings with income from other fisheries and selected nonfishing industries were generated by subfleet.

The study has resulted in the cataloging of available sources of data on Alaska's shellfish fisheries and includes recommended topics for future research. This type of research will assist the North Pacific Fisheries Management Council (NPFMC) in developing the necessary data base to prepare fishery management plans for the shellfish and other fisheries.

REVISIONS IN COMMERCIAL FISHING LICENSING

Commercial fishing licensing procedures were streamlined and consolidated under the authority and implementation of Chapter 105, SLA 1977, passed during the last legislative session. This new licensing program requires that commercial fishermen need purchase only a permit from the CFEC in order to operate gear in a commercial fishery. Prior to the passage of this legislation, a commercial fisherman was required to purchase a gear license, a commercial fishing license and a permit. Public information efforts have been, and will be, used to smooth the transition to this more effective and less cumbersome method of commercial fishing licensing.

Also, under the authority of Chapter 105, SLA 1977, the CFEC was delegated the task of issuing commercial vessel licenses, which in the past had been issued by the Department of Revenue from field offices throughout the State. Under the new licensing program, all vessel licenses are now issued through a new centralized system located in Juneau. Since this is the first year of the transition, some problems have occurred and the Commission is doing everything possible to circumvent further inconvenience to the fishermen. Next year, for those who have licensed their vessels in 1978, each fisherman will receive a pre-printed vessel license application card similar to the pre-printed permit renewal

card used in the past years. Upon receipt of this card, an individual fisherman will only need to verify the data, sign his name and attach the \$20 license fee.

During calendar year 1977, approximately 20,406 interim-use and entry permits were issued, resulting in revenues to the General Fund of \$780,570. Of the permits issued, some 13,026 were in the State's salmon fisheries; 2,791 permits were issued for crab and shrimp fishing. Bottom fish fishery resources accounted for another 234, and in the halibut and black cod longline fishery 2808 interim-use permits were issued.

It is anticipated that in 1978 the Commission will issue approximately 21,000 interim-use and entry permits, and license in the neighborhood of 14,000 vessels. Based upon 1978 licensing fee schedules, this is expected to result in total license revenues to the General Fund of approximately \$2,000,000 in 1978. This figure is over and above any contributions made by commercial fishermen to the Fishermen's Fund.²

²The Fishermen's Fund is a dedicated fund for the purpose of providing disability compensation to fishermen injured during the course of commercial fishing. Revenues to support the fund come solely from the sale of crewmember fishing licenses and permits.

FEDERAL GOVERNMENT JURISDICTION

Under the authority of the Fisheries Conservation Management Act (FCMA), the federal government (through the NPFMC and the Secretary of Commerce) was authorized to develop plans for the management of fishery resources in the three to two hundred mile fishing conservation zone off the Coast of Alaska. The NPFMC is in the process of developing a management plan for the consideration of the Secretary of Commerce which incorporates the Alaska salmon power troll limited entry system. Other management plans for some shellfish (including tanner and king crab), ground fish fisheries and herring are currently being considered or drafted by the NPFMC. The NPFMC has indicated that it wants an examination of limited entry options to be included in all future management plans or plan revisions.

While all plans acknowledge the three mile territorial jurisdiction of the State of Alaska, the CFEC is working closely with NPMFC and ADF&G to promote compatibility between the Federal Management plans and the existing State systems. Compatibility is most important where, as in the salmon power troll fishery, portions of the harvest occur within both the State three mile territorial sea and the federal fishery conservation zone.

1978 LEGISLATIVE RECOMMENDATIONS

The CFEC supports two bills which are before the legislature:

Committee substitute for House Bill 573 incorporates the provisions of House Bill 581, introduced at the request of the Governor. HB 581 was drafted with the concurrence of the Department of Commerce and the CFEC. It would amend the Commercial Fishing Loan Act to allow the pledge of entry permits as security for a loan from the Department of Commerce to purchase an entry permit. With such monies available, Alaskan residents will be afforded another avenue of entry into Alaska's limited fisheries through long-term, low-interest loans.

The CFEC also supports Senate Bill 428 introduced at the request of the Senate Resource Committee. While this bill is primarily a housekeeping measure, it would establish more reasonable criteria for the emergency transfer of entry permits and provide for the administrative revocation of permits which have been issued on the basis of false information supplied by the permit applicant.

Acknowledgments:

During the past year, the CFEC received valuable assistance and cooperation from the Alaska Department of Fish and Game, the Department of Public Safety--Fish and Wildlife Protection Division, the Department of Commerce, the Governor's Office, the Alaska State Legislature, the North Pacific Fisheries Management Council, the National Marine Fisheries Service, various fishermen's associations, representatives of the fishing industry, and most important, many individual fishermen. The CFEC takes this opportunity to thank those persons, agencies and associations.

APPENDIX I

APPENDIX I
STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

COMMERCIAL FISHERIES ENTRY COMMISSION

POUCH KB - JUNEAU 99811
(907) 586-3456

Please submit this in connection with the Request for Transfer form you have submitted for your entry permit.

This form does not identify you, and the information on it will not be disclosed in any manner that would allow identification of you. The information will be used to allow the Commission to monitor permit prices and transfer trends.

You are acquiring a permit for _____
(Fishery Code) (Fishery Name)

1. How did you locate this permit?

- Relative or friend
- Commission list of permits for transfer
- Advertisement
- Fish Processor
- Other (explain) _____

2. Did you acquire the permit by (answer all items that apply)

- Sale
What was the sale price (including the fair market value of any items traded for the permit)? \$ _____
- Gift (no money)
What is your relationship to the transferor? _____
- Inheritance
What is your relationship to the transferor? _____
- Trade
What was traded? _____
- Along with a vessel, gear or set net site (indicate estimated value)
Vessel \$ _____
Gear \$ _____
Site \$ _____
- At no extra cost along with vessel, gear or set net site
- Other (explain) _____

3. If you financed the sale, was it through

- Financed by transferor
- Bank
- Fish Processor
- State loan
- Credit Association
- Other (explain) _____

4. Do you plan to transfer the permit back to the person you acquired it from?

- Yes
- No

For more space to complete this questionnaire, use the back of this paper.

If you have any questions concerning the completion of the form, do not hesitate to call or write the Commission. The Commission's phone number is (907) 586-3456, and its mailing address is Pouch KB, Juneau, Alaska 99811.

Thank you for your cooperation.

APPENDIX 2

APPENDIX 2

Price Survey for Salmon Entry Permits from 1975 to 1977

Fishery & Year		Average Price Paid for Permits	No. of Transfers Involving Money	Total ^{1/} / of Responses to the Questionnaire	No. of Permits Financed	^{2/} / High Permit Price	^{2/} / Low Permit Price
<u>SOUTHEASTERN</u>							
Salmon	1975	10,633	15	25	13	16,000	5,000
Purse	1976	9,222	9	10	5	15,000	6,000
Seine	1977	16,167	21	28	15	21,000	8,000
Salmon	1975	9,625	28	38	20	15,000	4,000
Drift	1976	10,213	12	19	7	15,000	5,500
Gill Net	1977	16,262	21	37	18	25,000	8,000
Salmon	1975	5,393	47	68	26	10,000	300
Power	1976	4,896	24	47	19	10,000	1,000
Troll	1977	8,834	59	76	25	15,000	3,500
<u>YAKUTAT</u>							
Salmon	1975	750	2	3	2	1,000	500
Set Gill	1976	3,333	3	10	2	5,000	2,000
Net	1977	7,000	4	7	1	10,000	3,000
<u>PRINCE WILLIAM SOUND</u>							
Salmon	1975	8,000	6	7	5	10,000	5,000
Purse	1976	10,700	10	16	6	20,000	2,000
Seine	1977	29,800	5	7	6	47,000	19,000
Salmon	1975	3,089	9	13	6	5,000	500
Drift	1976	4,406	16	30	16	7,000	1,000
Gill Net	1977	13,379	29	38	20	20,000	7,000
<u>COOK INLET</u>							
Salmon	1975	-0-	-0-	-0-	-0-	-0-	-0-
Purse	1976	7,500	2	3	2	10,000	5,000
Seine	1977	10,625	4	6	2	20,000	2,000

Fishery & Year		Average Price Paid for Permits	No. of Transfers Involving Money	Total ^{1/} No. of Responses to the Questionnaire	No. of Permits Financed	^{2/} High Permit Price	^{2/} Low Permit Price
<u>COOK INLET Cont.</u>							
Salmon	1975	3,911	9	13	3	10,000	500
Drift	1976	5,552	29	39	12	13,000	2,500
Gill Net	1977	9,871	26	41	14	40,000	2,000
Salmon	1975	2,250	6	16	6	2,500	2,000
Set Gill	1976	1,818	11	34	8	2,500	1,000
Net	1977	4,821	24	41	15	18,500	2,000
<u>KODIAK</u>							
Salmon	1975	4,571	7	11	5	7,500	1,000
Purse	1976	9,425	12	19	5	18,000	6,000
Seine	1977	17,611	18	32	7	36,000	1,500
Salmon	1975	5,380	5	14	5	11,000	1,000
Set Gill	1976	3,900	8	16	2	6,000	500
Net	1977	6,600	5	12	4	15,000	2,000
Salmon	1975	-0-	-0-	-0-	-0-	-0-	-0-
Beach	1976	-0-	-0-	-0-	-0-	-0-	-0-
Seine	1977	15,000	3	4	2	30,000	5,000
<u>CHIGNIK</u>							
Salmon	1975	600	1	2	1	-----	-----
Purse	1976	-0-	-0-	3	-0-	-0-	-0-
Seine	1977	7,500	1	3	1	-0-	-0-
<u>PENINSULA-ALEUTIANS</u>							
Salmon	1975	10,000	1	1	-0-	-----	-----
Purse	1976	-0-	-0-	3	-0-	-----	-----
Seine	1977	10,000	2	5	-0-	15,000	5,000

Fishery	Year	Average Price Paid for Permits	No. of Transfers Involving Money	Total ^{1/} of Responses to the Questionnaire	No. of Permits Financed	^{2/} High Permit Price	^{2/} Low Permit Price
<u>PENINSULA-ALEUTIANS Cont.</u>							
Salmon	1975	-0-	-0-	1	-0-	-----	-----
Drift	1976	6,333	3	5	1		
Gill Net	1977	10,286	7	15	6	12,000	10,000
<u>BRISTOL BAY</u>							
Salmon	1975	1,197	15	37	6	2,500	500
Drift	1976	2,484	23	64	10	10,000	500
Gill Net	1977	6,516	52	111	40	20,000	500
Salmon	1975	-0-	-0-	9	-0-	-0-	-0-
Set Gill	1976	2,207	14	35	6	5,000	300
Net	1977	2,538	17	42	4	5,000	50
			625	1,116	379		
<u>AYK</u>							
<u>KUSKOKWIM</u>							
Salmon	1976	-----	---	3	---	-----	-----
Set Gill	1977	-----	---	11	---	-----	-----
Net							
<u>KOTZEBUE</u>							
Salmon	1976	-----	---	2	---	-----	-----
Set Gill	1977	3,000	1	2	---	-----	-----
Net							
<u>LOWER YUKON</u>							
Salmon	1976	-----	---	4	---	-----	-----
Set Gill	1977	550	2	5	---	1,000	100
Net							

SUMMARY OF TOTAL DATA

Year	No. of Surveys Received with Prices Listed	Total No. of of Surveys ^{1/} Received	No. of Permits Financed	Actual Total No. of Permits Transferred
1975	151	258	98	554
1976	176	353	101	707
1977	<u>298</u> 625	<u>505</u> 1,116	<u>180</u> 379	<u>937</u> 2,198

1/ Questionnaires are sent to the person transferring the permit and to the person acquiring the permit. In order to avoid duplication. Only responses from those acquiring permits were tabulated.

2/ The high prices seem to indicate "the going market" price, while the low prices reflect "deals" made to relatives or friends.

Note: Prices for permits in some areas have reportedly risen since January, 1978. The information here is complete to December 31, 1977.

APPENDIX 3

APPENDIX 3

PERMANENT TRANSFER OF ENTRY PERMITS IN 1977

Fishery	Total # Permits Issued	Res. - Non Res.	Res. - Res.	Non Res. - Res.	Non Res. - Non Res.	Total # of Transfers
<u>Southeastern</u>						
Salmon Purse Seine	411	7	17	3	16	43
Herring Sac Roe Purse Seine	38	-	-	-	-	
Salmon Drift Gill Net	459	3	32	12	10	57
Power Troll	929	10	68	29	28	135
<u>Yakutat</u>						
Salmon Set Gill Net	158	2	7	3	-	12
<u>Prince William Sound</u>						
Salmon Purse Seine	255	2	14	-	8	24
Herring Sac Roe Purse Seine	85	1	1	1	-	3
Salmon Drift Gill Net	542	5	35	11	13	64
Salmon Set Gill Net	28	1	1	-	-	2
<u>Cook Inlet</u>						
Salmon Purse Seine	72	-	11	-	-	11
Herring Purse Seine	61	-	1	-	-	1
Salmon Drift Gill Net	539	4	53	5	14	76

Fishery	Total # Permits Issued	Res. - Non Res.	Res. - Res.	Non Res. - Res.	Non Res. - Non Res.	Total # of Transfers
<u>Cook Inlet Cont.</u>						
Salmon Set Gill Net	720	1	74	7	2	84
<u>Kodiak</u>						
Salmon Purse Seine	365	4	33	8	10	55
Salmon Set Gill Net	181	2	16	4	2	24
Salmon Beach Seine	30	1	7	-	-	8
<u>Chignik</u>						
Salmon Purse Seine	90	-	3	1	-	4
<u>Peninsula-Aleutians</u>						
Salmon Purse Seine	113	1	10	2	-	13
Salmon Drift Gill Net	154	1	11	-	10	22
Salmon Set Gill Net	106	1	13	-	-	14
<u>Bristol Bay</u>						
Salmon Drift Gill Net	1,663	18	73	12	85	188
Salmon Set Gill Net	823	13	36	8	12	69

Fishery	Total # Permits Issued	Res. - Non Res.	Res. - Res.	Non Res. - Res.	Non Res. - Non Res.	Total # of Transfers
<u>Kuskokwim</u>						
Salmon Gill Net	175	-	16	1	-	17
<u>Lower Yukon</u>						
Salmon Gill Net	691	-	6	2	-	8
<u>Upper Yukon</u>						
Salmon Gill Net	44	1	-	-	-	1
Salmon Fishwheel	107	-	2	-	-	2
<u>Norton Sound</u>						
Salmon Gill Net	176	1	-	-	-	1
<u>Kotzebue</u>						
Salmon Gill Net	<u>175</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
Total	9,190	79	543	190	210	941