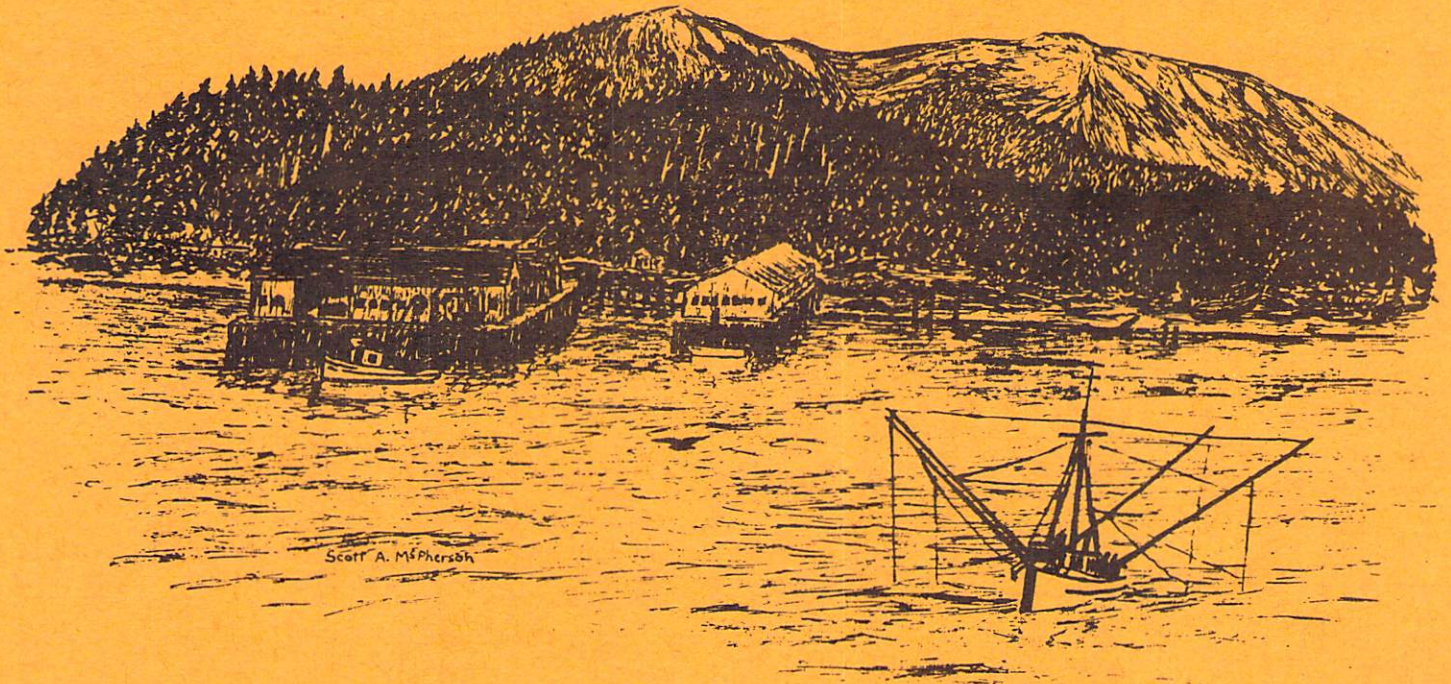


**1980 Annual Report**

**Commercial Fisheries  
Entry Commission**



**State of Alaska**

1980 ANNUAL REPORT  
ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

Pouch KB

Juneau, Alaska  
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Robert J. Simon  
Chairman

John Williams  
Commissioner

Burke Riley  
Commissioner

August 1981

## INTRODUCTION

The Commercial Fisheries Entry Commission Annual Report addresses five categories of Commission activity during the 1980 calendar year: (1) the continuing administration of the limited entry law (AS 16.43); (2) progress on the reduction of entry permits to optimum levels; (3) Commission recommendations to the Legislature and legislative actions; (4) court decisions and cases pending that involve the Commission; and (5) special projects.

## 1980 COMMERCIAL FISHERIES LICENSING

During the 1980 calendar year the Commercial Fisheries Entry Commission (CFEC) issued 32,211 entry and interim-use permits totaling \$2,837,750 in gross revenues. In accordance with AS 23.35.060, \$166,740 was transferred to the Fisherman's Fund, leaving a net contribution of \$2,671,010 to the General Fund. This represents a 12.2% increase in the number of licenses issued and a 5.3% increase in revenue over 1979. The new fee schedule was based upon comparative gross returns to permit holders in the various fisheries.

Vessel licensing during 1980 also increased from 15,683 to 16,903 vessels. This 7.7% increase generated \$338,060 in revenue to the General Fund, bringing CFEC's total 1980 General Fund contributions to \$3,009,070.

Table 1.--Commercial Fisheries Entry Commission licensing growth, 1974-1980.

Calendar Year	Total Number of Permits Issued	Total Number of Vessel Licenses Issued	Percent Change From Preceding Calendar Year	Cumulative % Change Since 1974
1974	18,771	*		
1975	19,134	*	2.0	2.0
1976	19,245	*	1.0	2.6
1977	20,801	*	8.1	10.8
1978	23,799	14,500	84.1	104.0
1979	28,728	15,683	15.9	136.5
1980	32,211	16,903	10.6	161.6

\*CFEC did not assume vessel licensing responsibility until January 1, 1978.

Table 2.--Yearly distribution of interim-use permits <sup>1/</sup> between residents and non-residents in aggregations of selected unlimited fisheries.

Fishery	Year	No. of Permits Issued to Residents	No. of Permits Issued to Non-Residents	Per Cent Held By Residents
Halibut, all gear types, Statewide <sup>2/</sup>	1975	1,236	88	93
	1976	1,877	208	90
	1977	2,501	218	92
	1978	2,895	186	94
	1979	4,001	281	93
	1980	5,191	415	92
Black Cod, all gear types, Statewide <sup>2/</sup>	1975	77	8	91
	1976	83	13	86
	1977	143	25	85
	1978	155	26	86
	1979	265	64	81
	1980	364	88	80
Shrimp, all gear types, Statewide <sup>2/</sup>	1975	377	53	88
	1976	383	55	87
	1977	507	48	91
	1978	506	35	94
	1979	629	45	93
	1980	735	75	90
King Crab, pot gear, vessel R.L. <sup>3/</sup> < 50 ft., all areas	1975	284	14	95
	1976	327	12	96
	1977	469	20	96
	1978	520	23	96
	1979	614	27	96
	1980	343	14	96
King Crab, pot gear, vessel R.L. <sup>3/</sup> > 50 ft., all areas	1975	256	237	52
	1976	333	271	55
	1977	417	339	55
	1978	424	341	55
	1979	545	524	51
	1980	569	399	59
King Crab, <sup>3/</sup> other gear, all areas	1975	0	0	N/A
	1976	0	0	N/A
	1977	1	0	100
	1978	137	1	99
	1979	119	0	100
	1980	60	0	100

Fishery	Year	No. of Permits Issued to Residents	No. of Permits Issued to Non-Residents	Per Cent Held By Residents
Tanner Crab, all gear types, Statewide <u>2/</u>	1975	385	74	84
	1976	419	97	81
	1977	599	149	80
	1978	713	195	79
	1979	802	268	75
	1980	716	262	73
Dungeness Crab, all gear types, Statewide <u>2/</u>	1975	209	16	93
	1976	188	13	94
	1977	227	9	96
	1978	278	25	92
	1979	395	59	87
	1980	399	68	85
Razor Clams, all gear types, Statewide <u>2/</u>	1975	133	15	90
	1976	97	6	94
	1977	117	9	93
	1978	225	34	87
	1979	331	32	91
	1980	335	31	91
Herring Spawn on Kelp, all gear types, Statewide <u>2/</u>	1975	917	77	92
	1976	1,030	106	91
	1977	627	110	85
	1978	733	72	91
	1979	1,012	149	87
	1980	1,648	378	81

1/ These tabulations represent the number of interim-use permits issued; due to aggregation by gear type and/or area they may not necessarily represent the number of individual fishermen.

2/ This designation describes an aggregation of CFEC fisheries which are distinguished only by gear type.

3/ This designation describes an aggregation of CFEC fisheries which are distinguished only by area.

## CONTINUING CFEC PROGRAMS

### Point Systems Adopted and Maximum Numbers Proposed During 1980

During 1980 the Commission adopted regulations which established point systems for the salmon hand troll and the Prince William Sound roe herring gill net fisheries. Application periods for permanent permits for both fisheries will be conducted in 1981.

The Commission also held hearings on proposals to limit the Kodiak roe herring fisheries and moved to adopt a maximum number of 145 for the gill net fishery and 40 for the purse seine fishery. These maximum numbers will be adopted in early 1981. The qualification date for both fisheries is January 1, 1981. The Commission expects to process applications in 1981 although no point system has yet been proposed.

### Permanent Permit Transfers

Year-end summaries of permanent permit issuance, distribution by residency, transfers and transfer survey results are normally presented in Table 3; however, the Commission has deferred publication of Table 3 which tabulates permanent permit issuance and transactions from 1975 forward until computer file corrections can be made. The corrected table will be sent to everyone on the normal distribution list.

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 analyze transfer trends. The Legislature has authorized the Alaska Department of Commerce and Economic Development and the Alaska Commercial Fishing and Agriculture Bank to make loans to Alaska residents for permit purchases. The legislation enables fishermen to use the permit as collateral to borrow up to 90% of the appraised value of the permit.

Appraisals are established by CFEC for both loan programs based on data obtained from the survey. In 1980, CFEC amended its regulations to require all transferees to complete the survey form. Results of the survey from 1975-1980 are normally summarized in Table 3, along with actual transfer information.

### Optimum Numbers

The Entry Commission has not adopted optimum numbers for any limited fishery. The Commission has begun to develop methodologies to model certain aspects of commercial fisheries, including estimates of rates of return. This methodology would be used in the development of optimum numbers as well as the monitoring of the economic health of the commercial fisheries.

Table 4.--Loans made by Department of Commerce and Economic Development for the purchase of entry permits. <sup>1/</sup>

House Election District	<u>Permit Only</u>		<u>Permit &amp; Vessel</u>		<u>Total</u>	
	No.	Dollars	No.	Dollars	No.	Dollars
1	9	\$ 275,550	8	\$ 456,350	17	\$ 731,900
2	12	460,519	11	987,533	23	1,448,052
3	9	227,198	2	107,500	11	334,698
4	33	1,011,040	19	1,249,126	52	2,260,166
5	14	581,000	9	628,750	23	1,209,750
6	2	35,999	1	160,000	3	195,999
7-12	22	1,078,265	5	379,000	27	1,457,265
13	34	1,833,248	21	1,487,125	55	3,320,373
14	12	599,414	5	534,900	17	1,134,314
15	3	166,000	1	55,000	4	221,000
16	15	587,550	6	546,000	21	1,133,750
17,18,19	2	72,500	-	-	2	72,500
20	7	297,025	1	55,000	8	352,025
21	-	-	-	-	-	-
22	<u>1</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>4,000</u>
TOTALS:	175	\$7,229,308	89	\$6,646,484	264	\$13,875,792

TOTALS BY FISCAL YEAR

FY 72-78	5	\$ 123,250	-	\$ -	5	\$ 123,250
FY 79	22	673,775	39	2,885,608	61	3,559,383
FY 80	98	4,269,976	38	2,983,276	136	7,253,252
FY 81 (To 1/1/81)	<u>50</u>	<u>2,162,307</u>	<u>12</u>	<u>777,600</u>	<u>62</u>	<u>2,939,907</u>
	175	\$7,229,308	89	\$6,646,484	264	\$13,875,792

<sup>1/</sup> Information as of 1/31/81 supplied by Department of Commerce and Economic Development.



## LEGISLATION

In 1980 the Legislature amended AS 16.43.250 to extend "point pooling" benefits to the salmon fisheries of the Arctic-Yukon-Kuskokwim region. "Point pooling" legislation allows individuals who applied for two or more entry permits for identical fishery resources and gears in more than one area, but failed to qualify for any permits, to "pool" the points and receive a permit in the fishery for which the applicant is most qualified.

## LITIGATION

Since the last annual report, no major cases have been decided by the courts that impact the limited entry program; however, several cases currently pending have that potential.

While the Alaska Supreme Court in Commercial Fisheries Entry Commission v. Apokedak upheld the gear license requirement to determine eligibility to apply for a permanent entry permit, the case was remanded to the Superior Court to consider whether John Apokedak was a de facto gear license holder.

The Wassillie v. Adasiak litigation was decided in Superior Court in favor of the Commission. The court found that the state complied with due process requirements of notice regarding the application process and also upheld the application deadlines. The case is now on appeal to the Alaska Supreme Court.

The Estates of Smith and Anderson v. State challenged the Commission regulation requiring that an applicant be alive on the application qualification date as a prerequisite to the estate's representative filing an application on his behalf. The Superior Court in Juneau upheld the regulation and the matter was appealed to the Alaska Supreme Court.

Harold Ostrosky currently has pending two appeals challenging the constitutionality of the Limited Entry Act. These appeals resulted from criminal convictions for commercial fishing without an entry permit.

More than 100 other appeals of final Commission actions are pending in the Superior Courts.

## SPECIAL PROJECTS

### Legislative Resolve #35

Through LR #35, the Entry Commission and the Alaska Department of Fish and Game were asked to examine and report on the possibility of subdividing the Peninsula-Aleutians administrative area (Area M) and devising a method by which to issue permits for the "new" Aleutian Islands area. This report, Expected Impacts of the Proposal to Create a Separate Aleutian Islands Salmon Permit Area was completed early in 1981 and submitted to the Legislature. The report is available at the legislative reference library.

### Keypunching and Analysis of Halibut Fish Tickets

The North Pacific Fishery Management Council contracted with the Commission in 1980 to edit and re-key punch 1975-78 fish tickets containing halibut catch data. This data is currently processed by the International Pacific Halibut Commission. The project was designed to adjust halibut catch computer records to an ADF&G format, so that each record would accurately assign catch to an individual and each record would contain identifiers which would pinpoint the storage location of the actual fish ticket document from which it was derived. Such associations are essential for administration of entry limitation programs based on historical participation by individuals.

### Residency Claims Investigations

During 1980 Commission investigative staff identified approximately 2,000 possible instances of fraud by permit holders. The staff was able to investigate 272 of these cases in 1980. Of these, 84 investigations of residency status resulted in the collection of fee differentials or revocation of permits. Another 36 investigations were conducted involving possible abuse of emergency transfer forms, forgery, and false statements during hearings. In many instances, the Commission received assistance from the Department of Public Safety, Division of Fish and Wildlife Protection in resolving these cases. To date, six of these 36 cases have resulted in administrative or criminal action.