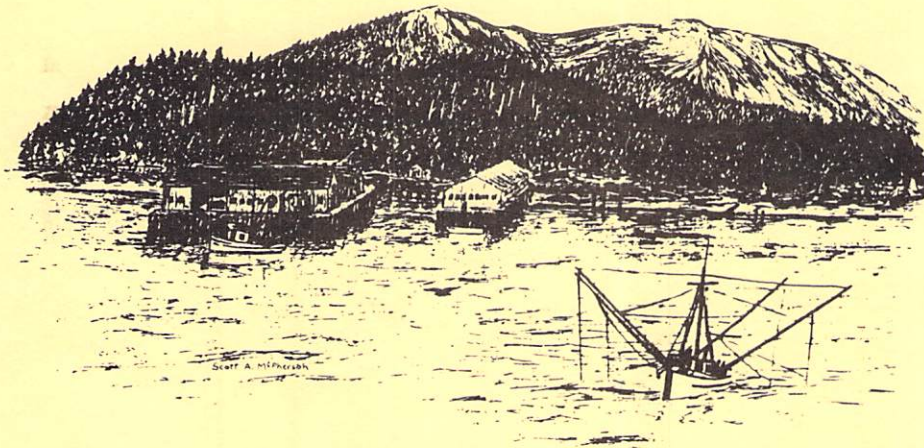


1982
ANNUAL REPORT

COMMERCIAL FISHERIES
ENTRY COMMISSION



STATE OF ALASKA

1982 ANNUAL REPORT

ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

Pouch KB
Juneau, Alaska
99811

John Williams
Chairman

Bruce Twomley
Commissioner

Michael Whitehead
Commissioner

June 1983

INTRODUCTION

The Commercial Fisheries Entry Commission Annual Report addresses eight categories of Commission activities during the 1982 calendar year:

- (1) Continuing administration of the limited entry law (AS 16.43);
- (2) Transfer information;
- (3) Profile of loans made by Department of Commerce and Economic Development, Division of Business Loans and Veteran's Affairs for the purchase of entry permits;
- (4) Special Projects:
 - (a) Kodiak Pilot Project (Remote Licensing)
 - (b) Distributive Data Processing Pilot Project (IBM #4331)
 - (c) Fraud Investigations;
- (5) Entry Limitation Programs (Case Backlog);
- (6) Judicial Rulings and Appeals;
- (7) Research.

1982 COMMERCIAL FISHERIES LICENSING

During the calendar year 1982, the Commercial Fisheries Entry Commission (CFEC) issued 30,081 entry and interim-use permits and collected \$2,556,865 in gross revenues. In accordance with AS 23.35.060, \$151,308 was transferred to the Fishermen's Fund, leaving a net balance of \$2,405,557 for the General Fund. That represents a 1% increase in the number of permits issued and an 8% decrease in revenue compared to 1981. The fee schedule is based on comparative gross returns to permit holders in the various fisheries.

Vessel licensing during 1982 increased 2%, from 16,313 to 16,633 vessels. This generated \$332,660 in revenue to the General Fund, bringing CFEC's total 1982 General Fund contributions (vessels and permits) to \$2,738,217.

Table 1.--CFEC licensing history, 1974-82 including the total number of permits issued in all limited and unlimited fisheries, the total number of vessel licenses issued each year since CFEC assumed that function in 1978, and annual and cumulative percent changes in the total number of permits and vessel licenses issued.

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	-0-		
1975	19,134	-0-	2.0	2.0
1976	19,245	-0-	1.0	2.6
1977	20,801	-0-	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
1981	29,790	16,313	- 6.0	146.0
1982	30,081	16,633	1.3	148.8

Table 2.--Numbers of permits issued in limited fisheries; number held by Alaska residents; number of permit transfer transactions and the actual number of permits involved in those transactions; the net gain or loss of permits to Alaska residents; and transfer survey information.

Fishery & Year ^{2/}	ACTUAL TRANSFER INFORMATION						TRANSFER SURVEY INFORMATION ^{1/}			
	Total No. of Permanent Permits	No. of Permits Held By Alaska Residents +	No. of Permit Transfer Transactions	No. of Permits Involved In Transfers	Net Gain or Loss In Permits To Alaska Residents	No. of Permits Financed By Department of Commerce or CFAB ^{3/}	No. of Non-Monetary Transfers	No. of Monetary Transfers	Average Price Paid For Permits	No. of Transfers That Were Financed
HERRING, PURSE SEINE, SAC ROE										
Southeastern	1977	38	36	0	0	0	--			
	1978	41	37	2	2	- 1	--	0	0	0
	1979 ^{4/}	42	38	2	2	0	1	1	0	0
	1980 ^{5/}	42	38	2	2	+ 1	1	2	0	0
	1981	41 ^{5/}	38	1	1	0	4	1	0	0
	1982	42	39	4	4	0	4	2	2	*
Prince William Sound	1977	85	77	3	3	- 1	--	0	1	*
	1978	91	80	7	6	0	--	0	1	*
	1979	92	81	16	13	+ 1	0	1	2	*
	1980	92	79	7	7	0	4	1	5	45,000
	1981	92	77	4	4	- 1	7	1	3	*
	1982	93	78	10	10	0	12	3	7	71,250
Cook Inlet	1977	61	57	1	1	0	--	0	1	*
	1978	67	62	9	7	0	--	1	1	*
	1979	68	61	10	7	0	0	0	4	27,500
	1980	68	59	3	3	0	5	0	2	*
	1981	68	58	4	4	- 2	6	0	4	7,917
	1982	69	60	2	2	0	6	0	1	*
HERRING, GILL NET, SAC ROE										
Southeastern	1978	10	10	1	1	0	--	0	0	0
	1979	39	35	2	2	0	1	0	0	0
	1980	44	38	4	4	+ 1	2	0	4	13,362
	1981	45	39	4	4	+ 1	6	0	4	13,875
	1982	59	47	6	6	- 1	10	0	6	27,500
Prince William Sound	1982	24	22	4	4	+ 1	0	1	3	*
SALMON PURSE SEINE										
Southeastern	1975	398	198	51	51	- 4	--	8	15	10,633
	1976	409	202	24	21	- 3	--	1	9	9,222
	1977	411	196	53	50	- 6	--	6	21	16,667
	1978	413	194	56	50	- 8	--	5	16	30,929
	1979	413	190	38	36	- 3	1	3	12	39,917
	1980	414	195	35	34	+ 3	13	9	20	39,778
	1981	414	194	35	34	0	16	12	23	40,435
	1982	414	187	31	31	- 6	24	8	22	40,636

Fishery & Year ^{2/}	ACTUAL TRANSFER INFORMATION					TRANSFER SURVEY INFORMATION					
	Total No. of Permanent Permits	No. of Permits Held By Alaska Residents	No. of Permit Transfer Transactions	No. of Permits Involved In Transfers	Net Gain or Loss In Permits To Alaska Residents	No. of Permits Financed By Department of Commerce or CFAB ^{3/}	No. of Non-Monetary Transfers	No. of Monetary Transfers	Average Price Paid For Permits	No. of Transfers That Were Financed	
Prince William Sound	1975	210	164	19	17	+ 2	--	0	7	8,000	5
	1976	247	194	42	36	- 5	--	5	11	10,700	6
	1977	255	198	28	24	- 3	--	1	6	29,800	5
	1978	257	195	36	32	- 5	--	3	10	24,272	4
	1979	258	196	47	41	+ 1	5	3	13	33,846	5
	1980	258	199	29	28	+ 1	15	9	19	38,259	9
	1981	259	192	34	34	- 5	32	18	16	74,250	11
	1982	259	190	26	26	+ 1	40	8	17	97,578	14
Cook Inlet	1975	49	49	3	2	0	--	0	0	0	0
	1976	63	62	7	6	- 1	--	1	2	*	2
	1977	72	72	12	11	0	--	2	4	10,625	2
	1978	74	74	10	9	0	--	2	5	40,000	4
	1979	75	74	9	8	0	1	2	1	*	1
	1980	75	74	12	12	0	4	3	8	82,785	3
	1981	75	73	10	9	- 1	10	3	7	83,714	5
	1982	77	75	11	11	0	14	6	5	84,267	5
Kodiak	1975	334	242	22	22	+ 4	--	4	7	4,571	5
	1976	358	262	42	40	- 1	--	6	13	9,736	5
	1977	365	270	72	62	+ 3	--	13	19	17,611	7
	1978	371	275	61	52	+ 2	--	11	9	47,611	9
	1979	374	274	57	41	- 2	3	5	12	66,045	6
	1980	375	277	35	34	+ 3	25	4	25	70,960	20
	1981	375	282	37	36	+ 6	50	18	19	69,605	14
	1982	376	285	43	42	+ 4	64	14	29	75,511	29
Chignik	1975	85	64	4	4	0	--	1	1	*	1
	1976	90	72	4	4	0	--	2	0	0	0
	1977	90	73	6	5	+ 1	--	2	1	*	1
	1978	90	76	3	3	0	--	1	0	0	0
	1979	90	76	1	1	+ 1	0	0	0	0	0
	1980	90	76	1	1	0	2	1	0	0	0
	1981	90	74	5	4	- 1	5	2	3	*	3
	1982	90	74	7	6	0	5	5	2	*	1
Alaska Peninsula	1975	108	95	3	3	0	--	0	0	0	0
	1976	112	99	6	5	0	--	3	0	0	0
	1977	113	100	15	13	0	--	4	1	*	0
	1978	115	105	12	12	+ 1	--	2	3	*	2
	1979	117	103	13	12	- 3	0	3	5	66,000	1
	1980	117	99	19	17	- 3	3	11	5	102,500	2
	1981	117	98	9	9	0	7	7	2	*	2
	1982	118	99	5	5	0	6	3	2	*	0

Fishery & Year ^{2/}	ACTUAL TRANSFER INFORMATION						TRANSFER SURVEY INFORMATION				
	Total No. of Permanent Permits	No. of Permits Held By Alaska Residents	No. of Permit Transfer Transactions	No. of Permits Involved In Transfers	Net Gain or Loss In Permits To Alaska Residents	No. of Permits Financed By Department of Commerce or CFAB ^{3/}	No. of Non-Monetary Transfers	No. of Monetary Transfers	Average Price Paid For Permits	No. of Transfers That Were Financed	
SALMON BEACH SEINE											
Kodiak	1975	21	20	0	0	--	0	0	0	0	
	1976	23	22	2	2	--	0	0	0	0	
	1977	30	27	10	8	- 1	1	3	*	2	
	1978	33	30	16	14	0	4	3	*	1	
	1979	33	30	7	7	- 1	1	4	36,500	3	
	1980	34	31	9	9	- 1	2	4	41,375	2	
	1981	34	32	10	8	0	3	7	42,429	5	
	1982	34	32	4	4	0	2	2	*	2	
SALMON DRIFT GILL NET											
Southeastern	1975	431	293	94	89	+ 6	--	9	9,211	21	
	1976	449	313	59	48	+ 4	--	6	10,213	7	
	1977	460	323	71	68	+ 6	--	11	16,262	17	
	1978	463	329	81	67	+ 4	--	11	34,604	18	
	1979	464	324	72	60	- 6	9	8	41,763	14	
	1980	464	320	59	56	- 3	34	15	41,250	31	
	1981	464	317	66	61	- 2	54	25	43,898	35	
	1982	466	318	74	66	- 8	64	29	38,650	37	
Prince William Sound	1975	494	366	36	33	+ 1	--	4	3,089	6	
	1976	514	390	70	64	+ 3	--	10	4,500	15	
	1977	524	393	83	71	- 2	--	8	13,750	20	
	1978	528	386	84	69	- 2	--	8	27,742	19	
	1979	531	386	68	62	+ 1	3	11	35,632	13	
	1980	531	388	54	51	+ 4	14	30	27,810	22	
	1981	531	399	74	73	+ 8	54	19	32,836	37	
	1982	531	385	78	72	-11	69	23	46,337	37	
Cook Inlet	1975	453	291	30	30	+ 3	--	3	3,911	3	
	1976	514	342	76	73	+ 1	--	9	5,552	12	
	1977	539	359	87	79	- 4	--	13	9,643	14	
	1978	549	365	87	82	- 2	--	20	36,825	15	
	1979	554	371	86	75	+ 3	6	13	82,636	18	
	1980	554	373	76	72	+ 1	42	32	67,224	30	
	1981	554	374	76	73	- 1	81	28	67,629	43	
	1982	555	383	64	61	+ 4	92	22	58,176	34	

Fishery & Year ^{2/}	ACTUAL TRANSFER INFORMATION						TRANSFER SURVEY INFORMATION				
	Total No. of Permanent Permits	No. of Permits Held By Alaska Residents	No. of Permit Transfer Transactions	No. of Permits Involved In Transfers	Net Gain or Loss In Permits To Alaska Residents	No. of Permits Financed By Department of Commerce or CFAB ^{3/}	No. of Non-Monetary Transfers	No. of Monetary Transfers	Average Price Paid For Permits	No. of Transfers That Were Financed	
Alaska Peninsula	1975	152	109	4	4	0	--	1	0	0	0
	1976	153	110	17	17	0	--	1	4	6,333	1
	1977	154	108	31	26	- 1	--	7	7	10,286	5
	1978	156	109	27	25	- 5	--	6	5	15,000	3
	1979	156	108	32	26	- 1	0	7	4	60,625	3
	1980	156	104	28	25	- 4	12	16	11	92,454	6
	1981	156	101	23	23	- 4	15	13	10	123,500	7
	1982	156	98	25	24	- 2	18	10	14	128,833	8
Bristol Bay	1975	1,416	767	81	80	+ 9	--	16	19	1,166	9
	1976	1,622	918	126	124	0	--	34	30	2,536	10
	1977	1,663	947	213	196	-11	--	47	63	6,180	40
	1978	1,700	973	235	211	-13	--	49	78	21,638	52
	1979	1,717	973	225	197	-11	7	44	51	64,588	37
	1980	1,717	968	169	162	0	87	57	90	91,925	65
	1981	1,720	967	168	161	- 3	143	81	87	84,327	68
	1982	1,724	964	183	179	-14	188	60	122	95,936	87
SALMON SET GILL NET											
Yakutat	1975	147	131	9	8	+ 2	--	1	3	*	2
	1976	156	140	15	15	+ 1	--	8	4	6,000	2
	1977	158	141	16	15	- 1	--	2	5	7,000	1
	1978	161	142	22	20	- 1	--	4	5	10,480	2
	1979	164	143	13	12	- 3	0	3	3	*	1
	1980	164	146	16	15	0	2	10	3	32,500	2
	1981	164	145	23	20	0	5	12	11	26,682	7
	1982	164	145	15	14	- 2	11	7	8	32,792	5
Prince William Sound	1975	26	21	2	2	+ 2	--	0	0	0	0
	1976	28	23	0	0	0	--	0	0	0	0
	1977	28	21	2	2	- 1	--	0	0	0	0
	1978	28	23	5	4	+ 1	--	0	2	*	1
	1979	28	23	2	2	0	0	0	1	*	1
	1980	28	24	3	3	+ 1	0	2	0	0	0
	1981	29	24	2	2	0	1	0	2	*	1
	1982	30	27	5	5	+ 2	2	0	5	19,400	5

Fishery & Year ^{2/}	ACTUAL TRANSFER INFORMATION						TRANSFER SURVEY INFORMATION				
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Cook Inlet	1975	652	608	47	46	0	--	7	9	2,250	6
	1976	712	670	77	74	+ 9	--	14	14	1,778	7
	1977	731	690	93	90	+ 3	--	12	29	4,821	15
	1978	742	698	129	120	+ 1	--	23	46	9,824	15
	1979	744	699	99	92	- 6	0	24	20	23,412	9
	1980	744	697	89	87	+ 4	5	35	48	18,362	28
	1981	744	685	110	103	- 7	17	52	58	15,276	36
1982	744	693	90	86	0	25	41	47	17,200	22	
Kodiak	1975	139	103	22	22	+ 8	--	7	7	5,380	5
	1976	176	133	37	34	- 2	--	4	10	3,900	2
	1977	181	137	28	26	+ 1	--	5	7	6,600	4
	1978	184	141	28	25	+ 2	--	9	6	19,800	4
	1979	185	140	32	27	0	1	4	10	33,667	6
	1980	186	140	34	33	+ 1	6	12	12	38,750	9
	1981	186	142	25	25	+ 1	17	16	9	41,278	9
1982	186	139	28	28	- 3	18	15	12	39,817	8	
Alaska Peninsula	1975	82	76	4	3	0	--	2	0	0	0
	1976	105	98	5	5	0	--	2	3	*	1
	1977	106	95	15	14	- 1	--	1	4	5,150	1
	1978	108	100	14	13	+ 1	--	3	2	*	0
	1979	108	100	12	11	0	0	2	0	0	0
	1980	109	99	17	14	- 2	1	6	6	15,625	3
	1981	109	99	21	21	0	3	12	9	54,278	7
1982	109	97	19	19	- 1	5	8	11	54,636	7	
Bristol Bay	1975	716	592	22	22	+ 2	--	9	0	0	0
	1976	759	620	68	65	- 4	--	23	11	2,755	6
	1977	824	669	76	74	- 6	--	21	19	2,694	4
	1978	891	733	133	125	+ 4	--	39	27	8,507	9
	1979	910	745	133	125	- 5	1	32	38	18,184	16
	1980	913	731	113	111	- 9	11	43	55	32,014	26
	1981	914	717	112	106	-16	30	55	57	26,000	34
1982	916	708	118	115	-12	48	36	79	37,394	47	

Fishery & Year ^{2/}	ACTUAL TRANSFER INFORMATION						TRANSFER SURVEY INFORMATION				
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SALMON POWER TROLL Southeastern	1975	849	619	137	130	+23	--	11	52	5,303	27
	1976	915	677	78	76	+ 2	--	14	29	5,065	18
	1977	929	698	159	147	+16	--	11	64	8,831	25
	1978	934	720	143	127	+13	--	13	78	15,457	39
	1979	939	720	126	108	- 2	23	13	61	26,680	39
	1980	939	706	97	94	-12	70	11	82	33,596	51
	1981	939	715	95	92	+ 7	119	27	68	28,938	48
	1982	940	720	86	83	- 3	143	12	74	21,630	50
SALMON HAND TROLL Southeastern	1982	696	665	56	53	- 2	0	20	36	3,828	4
SALMON FISHWHEEL Upper Yukon	1976	80	80	2	2	0	--	0	0	0	0
	1977	107	107	2	2	0	--	0	0	0	0
	1978	108	107	11	10	0	--	0	0	0	0
	1979	114	114	6	6	0	0	1	3	*	1
	1980	114	114	9	9	0	0	2	7	9,320	2
	1981	123	123	16	16	0	0	2	14	10,893	5
	1982	130	130	12	12	0	0	4	8	10,500	2
A-Y-K GILL NET Upper Yukon	1976	35	35	1	1	0	--	0	0	0	0
	1977	44	44	1	1	0	--	0	1	*	0
	1978	47	46	2	2	0	--	0	0	0	0
	1979	49	48	5	5	0	0	1	2	*	1
	1980	48 ^{5/}	47	6	5	0	0	4	1	*	0
	1981	64	64	8	8	0	0	6	4	5,000	0
	1982	72	71	9	8	+ 1	0	3	6	8,366	0
Kuskokwim	1976	688	688	8	8	0	--	3	0	0	0
	1977	761	761	18	18	0	--	11	0	0	0
	1978	766	765	50	47	0	--	26	6	6,100	2
	1979	781	780	39	37	0	1	17	10	6,420	4
	1980	782	781	59	56	0	3	30	18	6,912	6
	1981	785	784	49	47	- 1	4	35	14	8,339	4
	1982	831	829	44	44	- 1	4	34	10	9,722	3

Fishery & Year ^{2/}	ACTUAL TRANSFER INFORMATION						TRANSFER SURVEY INFORMATION				
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Kotzebue	1976	118	118	4	4	0	--	2	0	0	0
	1977	175	175	2	2	0	--	0	0	0	0
	1978	177	177	17	17	0	--	5	1	*	1
	1979	180	180	18	18	0	0	3	8	5,200	2
	1980	194	193	12	11	0	0	6	3	*	1
	1981	211	208	18	18	- 1	0	10	8	7,812	0
	1982	219	216	25	23	- 1	2	14	11	9,591	3
Lower Yukon	1976	678	677	6	5	0	--	4	0	0	0
	1977	692	691	9	9	0	--	3	2	*	0
	1978	695	691	26	25	- 1	--	14	5	6,700	3
	1979	702	698	28	27	0	0	12	8	5,834	1
	1980	703	698	45	44	0	1	26	10	9,060	3
	1981	706	703	36	35	0	1	24	12	9,333	5
	1982	707	704	40	38	0	2	27	13	18,250	6
Norton Sound	1976	169	169	0	0	0	--	0	0	0	0
	1977	176	174	2	2	- 1	--	0	0	0	0
	1978	176	176	8	8	0	--	1	4	4,350	3
	1979	177	176	11	11	- 1	0	2	5	6,300	1
	1980	177	175	18	18	- 1	1	3	12	7,833	4
	1981	195	194	17	16	0	2	7	10	9,450	5
	1982	200	199	20	19	0	3	9	11	10,100	3
TOTAL ^{6/}	1975	6,762	4,808	590	568	+58	--	83	167	5,634	102
	1976	9,173	7,114	776	729	+ 4	--	152	199	5,488	99
	1977	9,772	7,639	1,108	1,019	- 9	--	181	341	10,206	178
	1978	9,975	7,819	1,315	1,185	- 9	--	260	385	20,445	220
	1979	10,104	7,886	1,209	1,071	-37	63	216	342	29,291	194
	1980	10,132	7,869	1,060	1,017	-15	363	366	560	45,946	348
	1981	10,204	7,918	1,092	1,047	-22	693	442	605	44,731	409
	1982	11,031	8,679	1,144	1,100	-54	882	425	706	49,603	448

- 1/ Completion of the transfer survey has been required only since January 26, 1981. Transfer information for the years 1975 through 1980 is based on voluntary completion of surveys by some of those involved in permit transfers.
- 2/ Due to a temporary freeze on transfers, numbers may be slightly low in 1979.
- 3/ The Department of Commerce permit loan program began in 1979; the Commercial Fishing and Agriculture Bank loan program began in 1980. This number is computed by tabulating the number of loan indicators placed on the CFEC permit file. The figures are preliminary and research staff is currently editing and updating this portion of the file. The figures include financing of permit transfers and permits used as collateral for commercial fishing loans.
- 4/ All 1980 "Actual Transfer Information" data was generated from year-end permit status reports and R01-03B-7124 and 7125.
- 5/ Decrease in number of permanent permits is caused by revocation.
- 6/ Total average price is the sum of the total amount paid for transfers (as shown by the transfer surveys) divided by the total number of transfers (as shown by the transfer surveys).
- * An asterisk indicates that there were fewer than 4 observations.
- † From 1975-1978 residency figures were calculated using the permit holder's address, after 1978 permit holders were required to declare their residency status on the renewal form and residency figures were taken from those declarations. These numbers may differ somewhat from those reported in Changes in the Distribution of Permit Ownership in Alaska's Limited Fisheries 1975-1981. For that report, CFEC treated all persons who declared Alaska residency status but had out-of-state addresses as non-residents.

Table 3.--Loans made by Department of Commerce and Economic Development,
for the purchase of entry permits, all years through FY 1982^{1/}

<u>House Election District</u>	<u>Permit Only</u>		<u>Permit & Vessel</u>		<u>Total</u>	
	<u>No.</u>	<u>Dollars</u>	<u>No.</u>	<u>Dollars</u>	<u>No.</u>	<u>Dollars</u>
1	35	\$1,095,228	8	\$ 456,350	43	\$1,551,578
2	40	1,455,646	12	1,081,983	52	2,537,629
3	40	1,259,203	4	155,030	44	1,414,233
4	59	2,219,870	23	1,414,937	82	3,634,807
5	34	1,474,816	9	628,750	43	2,103,566
6	15	700,921	1	160,000	16	860,921
7-12	93	4,492,966	8	606,200	101	5,099,166
13	96	5,175,152	19	1,400,725	115	6,575,877
14	51	2,712,120	6	609,900	57	3,322,020
15	8	589,500	4	363,000	12	952,500
16	28	1,373,829	7	661,200	35	2,035,029
17,18,19	10	454,177	-	-	10	454,177
20	9	334,100	1	55,000	10	389,100
21	1	5,625	-	-	1	5,625
22	<u>3</u>	<u>20,873</u>	<u>---</u>	<u>---</u>	<u>3</u>	<u>20,873</u>
TOTALS	522	\$23,364,026	102	\$7,593,075	624	\$30,957,101

TOTALS BY FISCAL YEAR

FY 72-78	3	\$ 103,250	-	\$ -	3	\$ 103,250
FY 79	22	673,775	38	2,810,608	60	3,484,383
FY 80	98	4,221,676	48	3,598,686	146	7,820,362
FY 81	174	7,637,392	16	1,183,781	190	8,821,173
FY 82 (To 06/30/82)	<u>225</u>	<u>10,727,933</u>	<u>---</u>	<u>---</u>	<u>225</u>	<u>10,727,933</u>
TOTALS	522	\$23,364,026	102	\$7,593,075	624	\$30,957,101

^{1/} Information as of 06/30/82 supplied by Department of Commerce and Economic Development. House Election Districts reorganized. For partial FY 83 figures see Table 3A.

Table 3A.--Loans made by Department of Commerce and Economic Development
for the purchase of entry permits.^{1/}

<u>House Election District</u>	<u>Permit Only</u>		<u>Permit & Vessel</u>		<u>Total</u>	
	<u>No.</u>	<u>Dollars</u>	<u>No.</u>	<u>Dollars</u>	<u>No.</u>	<u>Dollars</u>
1	11	\$ 332,458	-	\$ -	11	\$ 332,458
2	13	547,570	-	-	13	547,570
3	2	35,000	-	-	2	35,000
4	6	138,555	1	41,580	7	180,135
5	11	748,460	-	-	11	748,460
6	4	373,557	-	-	4	373,557
7-15	10	542,395	-	-	10	542,395
16	1	71,500	-	-	1	71,500
17	1	7,200	-	-	1	7,200
18	-	-	-	-	-	-
19	-	-	-	-	-	-
20	1	32,850	1	92,893	2	125,743
21	-	-	-	-	-	-
22	1	8,476	-	-	1	8,476
23	-	-	-	-	-	-
24	-	-	-	-	-	-
25	1	13,500	-	-	1	13,500
26	3	221,454	-	-	3	221,454
27	5	315,855	-	-	5	315,855
TOTALS	70	\$3,388,830	2	\$ 134,473	72	\$3,523,303
<u>TOTALS BY FISCAL YEAR</u>						
FY 83 (to 12/31/82)	70	\$3,388,830	2	\$ 134,473	72	\$3,523,303
TOTALS	70	\$3,388,830	2	\$ 134,473	72	\$3,523,303

^{1/} Information as of 12/31/82 supplied by Department of Commerce and Economic Development.

KODIAK PILOT PROJECT
(Remote Licensing)

For several years the Commission has been reviewing plans for providing licensing services via branch offices throughout Alaska, as evidenced by the CFEC Remote Site Study completed in 1980. In 1982, the Commission received a Capital Improvement Program budget appropriation of \$200,000 to operate a licensing office in Kodiak as a pilot project. The office was set up in late December of 1982 and opened after the first of the new year.

The site selected in Kodiak for the Commercial Fisheries Entry Commission (CFEC) office is in the Department of Fish and Game building. This allows for some sharing of office equipment, increased coordination and cooperation between CFEC and Department of Fish and Game Commercial Fisheries personnel and is convenient for the fishing public.

The Kodiak office is primarily intended to process applications for issuance and renewal of permits and vessel licenses, as well as duplicate licenses. (Permit transfers must still be processed through the Juneau office.) The Kodiak office uses the same on-line computer system that is used in Juneau; application data is entered on a computer terminal and transmitted from Kodiak to Juneau and back via the Anchorage Data Center. Data displayed on the computer terminal is then reviewed in Kodiak and the vessel license receipt or plastic permit card is automatically printed on the IBM printer or Data Card Embosser, respectively. Processing time for a typical fisherman's licenses is 5 to 10 minutes.

During the January through June period the Commission anticipates the Kodiak office will process upwards of 2,000 applications. The office will be staffed by one full-time licensing clerk.

DISTRIBUTIVE DATA PROCESSING PILOT PROJECT

For several years the Commission has had specific data processing requirements for in-house research and outside user requests that were not being fully met by the State's computer system. These requirements were identified in a study completed in April of 1981 by John Bacon & Associates, titled Division of Data Services Study. Based on the results of the needs assessment study and with support of the Department of Administration's Division of Data Processing support, a joint plan was developed outlining a pilot project using the "distributive" approach to data processing. Requirements indicated a mini computer would be necessary to provide the on-site computing power for research. An IBM #4331 processor with software specifically selected for research usage was chosen. The #4331 processor is connected to the State's mainframe computer and is used for specific research applications. CFEC's production jobs remain on the large mainframe system. This unit was installed in June of 1982, and has proven successful to date.

INVESTIGATIONS

Results of Special Project

In March 1982, the Commission (CFEC) reported to the Governor and the Legislature the results of investigations undertaken to address questions of alleged fraudulent domicile/residency claims made in applications for and renewals of Alaska commercial fisheries entry permits.

Two hundred eighty-seven (287) of 317 selected and random domicile/residency cases were investigated. A total of 104 (36%) were determined to be actionable cases. The percentages of fraudulent claims found in selected cases and random cases were found to be similar, 38% and 33% respectively. Subsequent to the above-mentioned March 1982 report, an additional five investigations were completed and the cases found to be actionable. This raised the total found to involve fraudulent claims as of December 31, 1982 to 109 (37%) of a total of 292 domicile/residency investigations completed.

Appropriate civil and/or criminal proceedings were initiated in 105 of the 109 cases. Four cases were closed because they involved false claims made to another state or the permit holders were beyond the Commission's reach. By December 1982, the following results had been achieved and information learned:

Total Actionable Domicile/Residency Cases = 109
*CFEC Entry Permit Revocation Actions = 15, None completed to date
CFEC Backfee Collections = 80, Paid to Date = 50
Department of Law Criminal Actions = 10, Convicted to Date = 6
Pending CFEC and Department of Law Actions = 49
Closed Cases, No Action Possible = 4
Appraised Value of Entry Permits Involved in CFEC Revocations
and Department of Law Criminal Actions = \$2,302,637^{1/}
Collectable Non-resident Renewal Fees Identified = \$121,520
Questionable Commercial Fishing Loans Discovered = 15/\$1,269,550
Total Fee Arrearages Collected and Fines Levied = \$97,180^{2/}

*There has been one other revocation action resulting from false domicile/residency claims but it resulted from false information discovery during the normal adjudication process and was initiated separately from this group of cases.

^{1/} Transferability of relevant entry permits is suspended by statute when administrative or criminal actions are brought under AS 16.43.355 and/or AS 16.43.360 respectively.

^{2/} This amount results from final action in 56 cases and averages \$1,735 in fees and fines per case.

Illegal Leasing of Commercial Fisheries Permits

Through increased liaison and communication with the Division of Fish and Wildlife Protection's post officers and through increased monitoring of transfer activity at CFEC, 32 cases involving suspected illegal leasing of entry permits were under investigation as of December 1982. Two types of illegal activity were identifiable. The first involved false statements made on required transfer forms processed through the Commission to effect prohibited transactions under AS 16.43.150(g). The second involved permit holders actually turning over their plastic permit cards to others for portions of or entire seasons in violation of 20 AAC 05.700(b) and AS 16.43.140(a). By December 1982, those cases had the following status:

Cases Involving Possible Violations of AS 16.43.150(g) = 11^{3/}
Cases Involving Possible Violations of 20 AAC 05.700(b) and
AS 16.43.140(a) = 14^{4/}
CFEC Revocation Actions = 1, Revoked to Date = 0
Department of Law Criminal Actions = 8, Convicted to Date = 5
Pending Cases = 16
Appraised Value of Permits in Actionable Cases - \$517,251^{1/}
Appraised Value of Permits in Pending Cases = \$1,378,428
\$ Amount of Fraud When Averaged Among Actionable Cases on a Per
Case Basis Not Including \$ Amount of Resource Taken Illegally
= \$57,472 Per Case
Total Fines Levied (5 cases) = \$13,950^{5/}

^{3/} AS 16.43.150(g) provides that: "Except as provided in AS 16.10.333-AS 16.10.337, an entry permit may not be: (1) pledged, mortgaged, leased, or encumbered in any way; (2) transferred with any retained right of repossession or foreclosure; or (3) attached, distrained, or sold on execution of judgment or under any other process or order of any court."

^{4/} 20 AAC 05.700(b) provides that: "It is a violation of this chapter for any permit holder to allow another to use his or her permit without first transferring the permit through the Commission in accordance with 20 AAC 05.700-20 AAC 05.777. The permit holder and the unauthorized transferee will be subject to penalties as provided in AS 16.43.360."

AS 16.43.140(a) provides that: "After January 1, 1974, no person may operate gear in the commercial taking of fishery resources without a valid entry permit or a valid interim-use permit issued by the Commission."

^{5/} For the five cases, this results in an average of \$2,790 in fines per case.

Other Investigative Activities

During 1982, continuing assistance was provided to a number of state agencies related to specific investigations, training of personnel, application form revision, statutory and regulatory implementation, and methodology for screening of cases and verification of fraudulent claims.

The Division of Business Loans was assisted in the preparation of a revised application package and was provided suggestions for efficient verification of eligibility claims. Additionally, during FY 82 and FY 83 approximately 793 applications for loans involving entry permits were screened by CFEC in an effort to alert the Division of Business Loans to possible fraudulent eligibility claims by applicants for state loans.

The Division of Banking, Securities and Corporations was provided with specific case assistance in one case involving the use of entry permits as corporate assets.

The Permanent Fund Dividend Program was provided with specific case assistance in 45 cases being reviewed by them for suspect eligibility claims.

On request, the Alaska State Troopers were provided continuing assistance related to requests for information generally related to commercial fisheries.

The Department of Law's Civil Division was provided with general case reviews and research support in current civil litigation. On request, the Department of Law's Criminal Division was provided with specific case assistance subsequent to the filing of criminal charges for the filing of false claims by permit holders.

The Division of Fish and Wildlife Protection (F&WP) was provided with continuing assistance in specific cases of mutual concern and in the areas of personnel training, statutory/regulatory development and implementation, and follow-up related to F&WP requests for information to CFEC from posts throughout the state. Examples of those activities are as follows:

1. An outline was developed jointly for an orientation and training program at the Public Safety Academy for officers with regard to the limited entry program history, resources available from CFEC, frequent violations requiring mutual efforts and frequent violations related strictly to on grounds illegal commercial fishing activities;

2. A domicile/residency investigation was done on request of a post officer which provided the basis for state and federal charges against six individuals for the illegal hunting and taking of brown bear. Four of the persons pled guilty to federal charges out-of-state and were fined \$5,000 each. Alaska has current outstanding warrants for five of the individuals. The sixth individual was convicted of state and federal charges in Alaska resulting in fines totalling \$6,000, 60 days jail time to serve, and a suspension of hunting and fishing privileges in Alaska for 5 years;

3. Throughout 1982, various F&WP post officers were provided support in obtaining necessary certified copies of CFEC vessel licensing and permit records for documentation purposes in F&WP commercial fisheries cases being prosecuted for in-season violations;

4. Support was provided to F&WP's legislative liaison with respect to proposed legislation allowing F&WP access to fish tickets for commercial fisheries violations.

Entry Limitation Programs (Case Backlog)

With the assistance of contract personnel hired through a special appropriation of \$226,100 received in 1981, hearing officers in the adjudication section were able to review and prepare final recommended decisions in 307 applications during 1982. In addition, 75 administrative hearings were held, and the majority of cases were brought up to the point where recommended decisions could be prepared.

At the close of 1982, 179 applications remained to be adjudicated by hearing officers. Of that number, 110 were in a position to have a recommended decision prepared.

Because of the significant reduction in the backlog and the final adjudication of a large number of backlog cases, fishermen have been in a better position to make future gear and vessel investment decisions.

Judicial Rulings and Appeals

During 1982, approximately 23 appeals of final Commission determinations were filed with the court system. Cases decided in 1982 which set important precedent affecting the Commission are summarized below:

Irven R. Rose v CFEC

(Supreme Court Opinion No. 2515, June 11, 1982)

Irven Rose had participated as a crewman in the Prince William Sound salmon purse seine fishery each year from 1969 through 1971. In 1972, he purchased a vessel and gear and obtained a gear license with the intent to operate as a gear license holder in 1972. Unfortunately, the Department of Fish and Game was forced to declare an administrative closure for the 1972 season and Mr. Rose was unable to participate.

In his application for an entry permit for the fishery, Mr. Rose claimed five (5) points for participation in 1972 under the "unavoidable circumstances" provisions of the Commission regulations and six (6) points for income dependence under the "special circumstances" provisions. The Commission denied both claims. The participation claims were denied because a specific regulatory provision mandated that applicants receive no points for participation in any year during which there was a season-long administrative closure. The income dependence claims were denied because Mr. Rose had not been a gear license holder in 1970 or 1971, years which were substituted for income dependence determination for the Prince William Sound purse seine fishery due to the 1972 closure.

On appeal the Supreme Court found that the regulation providing for no participation points for the 1972 closure was controlling, and since it bore a rational relationship to the purposes of the legislation, did not violate equal protection provisions of the Alaska State Constitution.

Lyle P. Jones v CFEC

(Supreme Court Opinion No. 2547, August 13, 1982)

Lyle Jones applied for a Southeastern Alaska salmon purse seine entry permit, claiming points for vessel ownership and income dependence under the "special circumstances" provisions. Mr. Jones had participated in another fishery and not the subject fishery during the years for which income dependence points are available under Commission regulations.

The Supreme Court upheld the Commission's denial of the vessel ownership points based upon Mr. Jones' claim to salvage rights to a vessel which had sunk in 1958. Evidence as to Mr. Jones' ownership of a second vessel was found to be inconclusive.

The Supreme Court remanded the case to the Superior Court with orders that it be remanded to the Commission for reevaluation of Mr. Jones' claim to income dependence points under the "special circumstances" provisions.

Valdemar C. Anderson v CFEC

(Supreme Court Opinion No. 2588, November 12, 1982)

Mr. Anderson filed an appeal from the Commission's refusal to reconsider a determination by a hearing officer to deny Mr. Anderson's request for an administrative hearing. The appeal was filed in the Superior Court forty-seven days after the decision by the hearing officer. The Superior Court held that since there was no provision in Commission regulations for reconsideration of a hearing officer's determination of a hearing request, the 30-day time period within which to appeal commenced upon the issuance of the denial notice from the hearing officer.

The Supreme Court upheld the finding that no right to reconsideration was available, and that the appeal was therefore untimely. However, the Court found that the Superior Court had abused its discretion in failing to relax the time limit provision in light of the minimal delay and the severe consequences of denying the applicant access to the Courts. The case is again before the Superior Court.

RESEARCH

In 1982, the Commercial Fisheries Entry Commission (CFEC) was involved in a number of different research projects. These projects were designed to help monitor trends in Alaska's fisheries, to document and evaluate changes occurring under the entry limitation program, and to provide a means to help forecast the consequences of gear reductions in limited fisheries. The following is a brief summary of 1982 research activities.

Studies on trends in Alaska's fishing fleets require data on their physical attributes and fishing activities through time. Under contract 81-2 with the North Pacific Fishery Management Council (NPFMC), CFEC constructed a computer file containing the best available information on the characteristics of fishing vessels which participated in Alaska's fisheries between 1969 and 1980. The project involved extensive editing of licensing data and the addition of data on documented vessels from computer tapes maintained by the United States Coast Guard. A description of the methodology and some detailed summary outputs can be found in Alaska's Fishing Fleets: A Compilation of Data on Residence of Gear Operators, Vessel Characteristics, and Fisher Diversification Patterns for Some Major Alaskan Fishing Fleets, 1969-1980. This project report can be obtained from the NPFMC or CFEC upon request.

Information on costs, net earnings, and rates of return in a fishery are useful and needed for a wide range of fisheries policy and management applications. In 1982, Alaska Sea Grant, CFEC, NPFMC, and the National Marine Fisheries Service jointly conducted a survey of fishermen in the Southeast Alaska salmon fisheries. The research was conducted with the support and cooperation of the United Fishermen of Alaska, Alaska Trollers Association, Southeast Alaska Seine Boat Owners & Operators Association, and the United Southeast Alaska Gillnetters. The purpose of the survey was to obtain detailed information on operating costs and net earnings during the 1981 season. The results of the survey will be published in a joint report in early 1983.

As such surveys are difficult and costly to complete it is important to extract as much information from the responses as possible. CFEC is utilizing the Southeast survey data coupled with other data derived from catch and licensing records to develop fiscal models for the Southeast salmon purse seine, drift gill net, and power troll fisheries. The fiscal models contain equations which estimate various costs incurred by a particular operation during the year, based on the physical characteristics of the vessel and the effort which it exerted in the fishery. The explanatory variables in these equations are derived from data collected annually in the catch reporting and

licensing processes. Thus the fiscal models will allow CFEC to extend information derived from the surveys to estimate costs, net returns, and rates of return occurring during the other time periods or which would occur under a different set of conditions. Reports on preliminary versions of the CFEC models will be available in early 1983.

In recent years, high prices for Alaskan limited entry permits have been a matter of considerable public concern. In October 1981, CFEC was allocated \$25,000 by the Division of Policy Development and Planning to fund research on the determinants of entry permit values. Jonathan Mark Karpoff was hired by CFEC as a graduate assistant to perform the research. At the time, he was doctoral candidate in economics at the University of California, Los Angeles, and was also employed as an assistant professor at the University of Alaska, Anchorage campus.

As a result of this research, Mr. Karpoff earned his doctoral degree in the autumn of 1982. His dissertation entitled Entry Limitation and the Market for Limited Entry Permits in the Alaskan Salmon Fisheries contains several chapters of general interest to those concerned with permit markets and the results of Alaska's entry limitation program. These chapters are being reworked and expanded into a series of CFEC reports, which will be available in 1983.

CFEC also completed an extensive study on permit ownership patterns. The report, Changes In The Distribution Of Permit Ownership In Alaska's Limited Fisheries, 1975-1981, examines the 29 limited fisheries for which permanent permits had been issued by the end of 1981. It provides fishery specific and statewide data on transfer incidence, the initial geographic distribution of permit holders, changes due to transfer, changes due to migration, and the year-end 1981 geographic distribution of permit holders. Extensive information is also provided on the age distribution of permit holders, age differences between transferors and transfer recipients, the incidence of inter-family and business partner transfers, transfer remuneration methods, and transfer financing methods. As the consequences of free transferability with respect to the geographical distribution of permit ownership are matters of widespread interest, CFEC will update this report on an annual basis so that the legislature, the administration, and other concerned parties will be kept accurately apprised of the facts.