




C F E C



**Commercial Fisheries
Entry Commission
2013-2014 Annual Report**





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

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Andy Mills**

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Shirley Penrose**



*The Commercial Fisheries Entry Commission Annual Report
is published in accordance with AS 16.43.980*



State of Alaska Commercial Fisheries Entry Commission 2013-2014 Annual Report

Dear Governor, Lieutenant Governor, Legislators, and Fellow Alaskans:

In accordance with AS 16.43.980, we hereby submit an annual report for the operations of the Alaska Commercial Fisheries Entry Commission (CFEC or Commission) in 2013 and 2014.

The Commission is a self-supporting agency that is completely funded from annual permit and vessel license fees. Any revenue that exceeds CFEC's budget authorization has been allocated by the Alaska Legislature to fund projects which support the Alaska commercial fisheries industry or transferred to the Alaska Fishermen's Fund. In the past two fiscal years, transfers to the Fishermen's Fund have exceeded \$700,000. These contributions by fishermen help pay the cost of medical claims for fishermen injured in the course of their work.

Alaskans are aware that our fisheries were severely mismanaged to a point of crisis by Outside interests prior to statehood. Once a state, Alaska endured many more years of failed efforts to manage access to our fishery resources in a manner that would ensure long-term sustained yield. When the people of Alaska amended the State Constitution in 1972 by a three-quarters majority to authorize the limitation of entry to commercial fisheries, they created a sustainable and solid means of managing aggregate demand to participate in Alaska commercial fishing that has well stood the test of time. In 1973, the Alaska Legislature passed the Limited Entry Act and created a logical and transparent system for limiting the numbers of fishermen in Alaska's commercial fisheries. In 1974, the Commercial Fisheries Entry Commission (CFEC or Commission) began to implement this program and our work continues to this day. By the end of 2014, CFEC had limited entry in 68 fisheries, considered nearly 23,000 discrete applications, and issued approximately 1.5 million cumulative annual permits and licenses.

In 2013 and 2014 the Commission continued to facilitate and support the Alaska commercial fisheries industry through the issuance of annual fishing permits and vessel licenses as well as by reducing the number of pending adjudication decisions before the Commission.

In 2013, the Commission issued 27,755 fishing permits and vessel licenses, reviewed 869 emergency transfer requests and 1,169 permanent transfer requests, and issued 59 adjudications. In 2014, the Commission issued 27,311 fishing permits and vessel licenses, reviewed 830 requests for emergency transfers and 1,157 requests for permanent transfer, and issued 143 adjudications. In a two-year period, the Commission issued 202 adjudications of all types.

The Commission has made substantial progress in reducing the number of pending permit application cases, which represent only a portion of the Commission's adjudication caseload. At the end of 2014, there were 28 cases pending before hearing officers and the commissioners, down from a high of nearly 900 in 1990.

Working with the State Legislature, the Administration, and the fishing industry in 2013 and 2014, the Commission continued to provide fisheries data, as well as information concerning options, statutory tools, and protections needed to meet the challenges facing Alaska's evolving fisheries. The Commission also continued to work closely with individual fishermen, fishing organizations, local communities, and State and federal agencies including the Alaska Board of Fisheries and the North Pacific Fishery Management Council, on issues of vital importance to Alaska's commercial fishing industry. We remain firmly dedicated to our role in promoting conservation and sustained-yield management of Alaska's unique fishery resources and supporting economic stability among fishermen and those dependent upon them for a livelihood. We are proud to be part of an internationally-renowned fishery management system that produces food for the world and supports the economic health of a vibrant industry.

Sincerely,

ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

Frank Homan, Commissioner (retired 1/23/2015)

Verne Rupright (appointed 1/23/2015)

Benjamin Brown, Commissioner

Bruce Twomley, Chairman

OEO/ADA Compliance Statement

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

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

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- ADF&G ADA Coordinator, PO Box 115526, Juneau, AK 99811-5526
- U.S. Fish & Wildlife Service, Office for Diversity & Civil Rights Programs
4040 North Fairfax Drive, Room 300, Webb Building, Arlington, VA 22203
- Office of Equal Opportunity, U.S. Department of the Interior, 1849 'C' Street, NW, MS 5230,
Washington, DC 20240

ADF&G's ADA Coordinator can also be reached by telephone at the following numbers:

- VOICE 907-465-6077
- Statewide Telecommunication Device for the Deaf (TDD) 1-800-478-3648
- Juneau TDD 907-465-3646
- FACSIMILE 907-465-6078

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Photo Courtesy of the Alaska
Seafood Marketing Institute (ASMI)





**State of Alaska
Governor**

Sean Parnell, 2013-2014
Bill Walker, 2014

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Bruce Twomley, Chairman

Benjamin Brown, Commissioner

Frank Homan, Commissioner
(retired 1/23/2015)

Verne Rupright, Commissioner
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Introduction

Commercial fishing is a crucial and amazing part of Alaska's history, economy, and way of life. The fishing industry is a fundamental element of the economic health of Alaska's coastal communities and employs vast numbers of Alaskans from all parts of the Great Land. The Alaska Commercial Fisheries Entry Commission (CFEC or Commission) has for over four decades played a pivotal role developing, nurturing, and sustaining Alaska's billion-dollar fishing industry.

The Alaska Limited Entry Act directs the Commission to promote the conservation and sustained yield management of Alaska's fishery resources, and to promote the economic health and stability of the fishing industry, by regulating entry into Alaskan commercial fisheries. To fulfill these responsibilities, the Commission is organized into four sections: Adjudications, Research & Planning, Licensing, and Information Technology (IT) (see chart on page 9). CFEC works with other State and federal management agencies to develop, analyze, and coordinate fisheries policies.

The Commission engages in statutorily mandated activities according to the terms of the Limited Entry Act (AS 16.43.010 et seq.), including the following:

- Establishing maximum numbers of entry permits for fisheries to be limited and administering applications and point systems to rank eligible applicants;
- Processing entry permit applications and adjudicating claims not resolved in the initial classification process;
- Issuing annual permits in limited and open-access fisheries, and issuing annual vessel licenses for all commercial vessels as required to participate legally in the State's commercial fisheries;
- Processing requests for emergency and permanent transfers of entry and interim-use permits and compiling data on all such transfers;
- Enforcing provisions of the Limited Entry Act by regulating permit transfer activities;
- Participating in the research and development of comprehensive fisheries economic data; and,
- Assessing demerit points against, and when appropriate suspending the fishing privileges of, permit holders for convictions for violations of commercial fishing laws in the salmon fisheries.

The Commission has limited entry into 68 of Alaska's fisheries and continues to receive expressions of interest from the public regarding the potential limitation of additional fisheries. CFEC works with fishermen and ADF&G to analyze these requests and monitor the status of these fisheries of interest.

The percentage of limited entry permits held by Alaska residents continues to remain relatively stable. After 40 years, Alaskans hold nearly 77% of all limited entry permits. At the end of 2013, Alaskans held nearly 11,000 permanent limited entry permits, with rural Alaskans holding more than half of that number.

For calendar year 2014, the Commission issued 27,311 permanent permits, interim-use permits, and vessel licenses, and reviewed 1,987 permit transfer requests. In fiscal year 2013 (July 1, 2012 to June 30, 2013), the Commission collected approximately \$7.6 million in revenue for the State. In fiscal year 2014 (July 1, 2013 to June 30, 2014), CFEC collected a comparable amount in revenue. The challenges the Alaska salmon industry faces continue to spur interest and discussion about implementing efficiencies in the fisheries, including fleet-size reduction measures. The Commission has in the past played a direct role in fleet reduction programs, and continues to participate in ongoing discussions with the public and policy makers, and provides data to assist and inform the exploration of ideas for further fleet reduction plans (see Decisions and Activities section for more information, page 12).

By working with other State and federal agencies throughout 2013 and 2014, the Commission continued to help Alaska fishermen protect their fishing privileges. In addition to working with policy makers, agencies, fisheries organizations, and individual fishermen on the many pressing issues facing the fishing industry, the Commission continues to perform its primary functions of limiting fisheries, licensing fishermen and vessels, adjudicating claims, performing critical research, and providing data to governmental agencies, private organizations and the general public.

Major decisions and activities of the Commission in 2013-2014 are outlined in this report. Prior years' activities, events, and decisions that affected the Commission's operations are highlighted in the appendices.

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



Photo Courtesy of the Alaska
Department of Fish and Game

Organization By Function

Commercial Fisheries Entry Commission

Commissioners

Bruce Twomley, Chairman
 Benjamin Brown, Commissioner
 Frank Homan, Commissioner (retired 1/23/2015)
 Verne Rupright, Commissioner (appointed 1/23/2015)

Administration

Shirley Penrose
 Operations Manager

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

Adjudications	Licensing	Research	Information Technology
<p>Frank Glass Project Leader</p> <ul style="list-style-type: none"> • Application Processing & Classification • Administrative Hearings • Case Management • Decisions on Claims • Preparation of Official Record in Judicial Appeals • Residency & Fraud Investigations • Archiving & Records Management 	<p>Yvonne Fink Project Leader</p> <ul style="list-style-type: none"> • Entry and Interim-use Permit Renewal • Vessel Licensing • Permanent & Emergency Transfers • Permanent File Management • Collecting & Entering Licensing Revenue • Demerit Point Assessment 	<p>Kurt Iverson Project Leader</p> <ul style="list-style-type: none"> • New Limitations Research • Priority Hardship ("Point" System) Development and Testing • Optimum Number Research • Fisheries Data Collection & Database Enhancement • Standard & Custom Reports on Fisheries Economics, Participation, and Performance 	<p>Ty McMichael Project Leader</p> <ul style="list-style-type: none"> • Licensing Systems • Fisheries Database • Technology Development for Adjudications & Research • Agency Technical Support • Website Design & Maintenance

Decisions and Activities

The *Carlson* Class Action

In the lengthy *Carlson v. State* class action lawsuit, the superior court in 2010 issued an \$82 million judgment (including \$12 million for overpayment of nonresident fees and \$62 million in pre-judgment interest) in favor of the class of nonresident fishermen who successfully claimed that Alaska's longtime fee structure for nonresident commercial fishing license and permits was unconstitutional. The Alaska Attorney General successfully appealed the award of excessive pre-judgment interest, and the Alaska Supreme Court in *Carlson V* (January 2012) reduced the interest award which resulted in the return of almost \$49 million to the State of Alaska. The superior court ultimately set December 31, 2013, as the deadline for the submission of refund applications to the *Carlson* claims administrator.

During the refund application and payment process, CFEC assisted the claims administrator by supplying all relevant data available on the claimants, and fielded many inquiries from fishermen seeking information about their claims, including whether they were eligible for a refund and how their individual license and permit purchase histories were used to make refund determinations. CFEC also heard appeals from a number of claimants who argued they were wrongfully omitted from the list of those due a refund or that their refund amounts had been miscalculated. CFEC decided against the claimants in all but one of these appeals, and none of the adverse decisions were appealed to the superior court.

After the initial payment of the *Carlson* refunds, the claims administrator determined in early 2014 that approximately \$2 million remained unclaimed from the *Carlson* fund. Following briefing from both the *Carlson* Class and the State of Alaska, the superior court in June 2014 issued a decision granting the Class's request that the claims administrator refund the nonresident differential paid by any nonresident purchaser of a commercial license or permit - starting with those purchased for calendar year 2013 - until the \$2 million remainder of the fund was exhausted. (The State had unsuccessfully argued that the unclaimed refunds should be treated as unclaimed property and held in trust by the Alaska Department of Revenue). In compliance with the court's decision, CFEC in August 2014 supplied to the claims administrator all the relevant permit purchase data on file for 2013-2014.

During 2012, at the request of CFEC, the Office of Management & Budget (OMB) recalculated the nonresident fee differential under the methodology approved by the Alaska Supreme Court in *Carlson III*. The resulting nonresident fee differential of \$190 will be applied to nonresident permit holders who renew permits for the following three years (2013, 2014 & 2015). In 2015, OMB will once again recalculate the proper fee differential and the new figure will be administered and collected by Licensing from 2016 through 2018.

Other Court Actions

After an unsuccessful applicant for permits in both the Northern and Southern Southeast Inside sablefish fisheries lost his appeal at the Alaska Supreme Court, the Commission notified the applicant that his interim-use permits for the fisheries were no longer valid. The applicant sued to enjoin this action by the Commission. In January 2013, the suit was dismissed by the Juneau Superior Court.

The estate of an applicant for a Southern Southeast Inside sablefish longline permit appealed an adverse Commission decision to the Ketchikan Superior Court. Although the Commission's denial of a request to supplement the record was upheld, the court on November 6, 2013, remanded the case to the Commission for reconsideration of the applicant's extraordinary circumstances claim. The Commission invited supplemental briefing on the issue from the estate, which was filed in May 2014. The matter is pending before the Commission.

In another case involving an extraordinary circumstances claim, this time in an application for a Northern Southeast Inside sablefish longline permit, the Juneau Superior Court remanded the case to the Commission, which in turn remanded it to a hearing officer for an additional hearing which was held in October 2014. A hearing officer decision on that case was pending as of December 31, 2014.

Other Activities

Ongoing Status of Alaska Limited Entry Permits

In late 2011, CFEC helped Alaska Legal Services win a case before Social Security Administrative (SSA) Law Judge Paul T. Hebda, in Anchorage, for the benefit of a former limited entry permit holder from Togiak and other similar permit holders. The woman had received her setnet permit by gift from her grandmother, but later became disabled and transferred the permit by gift to her younger sister. Because she did not sell the permit for value, SSA disqualified her from eligibility for disability payments. CFEC provided research and expert testimony before the Administrative Law Judge who ruled entirely in the woman's favor. CFEC will continue to advocate in the hope this decision will help similar Alaska limited entry permit holders in the future.

Federal Legislation

As the result of CFEC's advocacy over the past decade, Alaska's congressional delegation introduced federal legislation to ensure that a maritime lien cannot be imposed on a license issued under federal or state law that authorizes a person or a vessel to fish. The legislation is intended to ensure that maritime liens would not be imposed upon Alaska limited entry permits and federal individual fishing quota to deprive fishermen of their means of earning a living, nor to deprive the two state-authorized loan programs of security for their loans. In 2013, political opposition blocked passage of the bill. Commissioner Peter Froehlich retired from the commission on November 1, 2012. His position remained vacant until former Commissioner Frank Homan was reappointed on November 13, 2014.

Optimum Numbers

The Alaska Supreme Court in the *Johns* case ordered the commission to make an optimum number determination for each limited fishery. According to the Court, an optimum number is the only way to determine whether a limited fishery had become too exclusive by exceeding its Alaska constitutional purposes in Article VIII, Section 15: namely, to serve conservation and to prevent economic distress among fishermen and those dependent upon them. The Court also stated that limited entry must encroach on open access as little as possible, thereby creating a constitutional tightrope for CFEC to walk.

Normally an optimum number requires a complex and intrusive economic study looking at individual fishermen's tax returns to determine their net earnings and develop economic models based on these data. Given its limited resources to date, the Commission has formally determined three optimum numbers (Southeast roe herring purse seine, Northern Southeast Inside sablefish longline, and Bristol Bay salmon drift gillnet). The Commission remains keenly aware of its statutory duties to conduct optimum number studies, and has instructed the Research Section accordingly. Given the fact that resources remain limited, CFEC will have to meet this duty in as practical and efficient a manner as possible, by addressing first those fisheries most likely to be viewed as being potentially too exclusive.

Other Recent Activities

By invitation, Chairman Twomley, Commissioner Brown, and Research Project Leader Iverson appeared before a convening of fishermen sponsored by the Aleutians East Borough at the Pacific Marine Exposition (“Fish Expo”) in Seattle, Washington, in November 2014. These CFEC representatives fielded a variety of questions about Alaska’s limited entry program and invited a continuing dialogue with the group. Alaska State Senator Lyman Hoffman, State Representative Bryce Edgmon, and United Fishermen of Alaska Executive Director Julianne Curry also addressed the gathering.

Also in November of 2014, by invitation of the organizers of the Pacific Marine Expo, Chairman Twomley participated in a panel discussion addressing the topic *Permit Buy Back: Right Choice for Bristol Bay Drift Fleet?* The panel included: Jeff Regnart, ADF&G Commercial Fisheries Division Director; Mike Sturtevant, Program Manager for the National Marine Fisheries Service (NMFS) Fishing Capacity Reduction Program (Buyback); and Jonathan King, principal author of the Northern Economics report prepared for the Bristol Bay Regional Seafood Development Association (BBRSDA): *Possible Design and Economic Outcomes of a Permit Buyback Program in the Bristol Bay Salmon Drift Gillnet Fishery*. BBRSDA board member Matt Luck chaired the panel. Shortly after the panel discussion, on November 25, in the *Undercurrent News* under the headline ***Controversial Bristol Bay salmon permit buyback program support falters at PME***, Jeanine Stuart reported in part as follows:

Fishermen and regulators criticized the potential program’s cost, whether it is even necessary and the uncertainty of its ability to improve the fishery.

“I think we should look into other ways [of reducing the Fleet size],” one drift gillnet fishermen at the Pacific Marine Expo told *Undercurrent*, echoing sentiments expressed in a show of hands at the meeting, when roughly 2/3 of attendees supported fleet consolidation while only 1/3 supported the buyback.

Regulation Changes

In a public meeting held on April 17, 2013, the Commission adopted a number of minor revisions to its regulations. These revisions include: the creation of a separate gear code (“80”) to identify fish sold as part of a fishing derby authorized by Alaska Statute 16.05.662; an amendment to make clear that gillnet permits for Area T (Bristol Bay) may be used in another area if such use is authorized by Board of Fisheries regulation; and an amendment to allow the use of electronic imaging (e.g., e-mail attachments) when submitting permit and license renewal forms and landing history requests.

In addition, the Commission adopted a new regulation relating to the circumstances under which a permit may be reinstated. Under existing statute, if renewal fees are unpaid for two consecutive years, a permit will be forfeited “except as waived by the commission for good cause” (AS 16.43.150(d)). The new regulation (20 AAC 05.565) clarifies what does and does not constitute “good cause” for the Commission to reverse forfeiture and reinstate a permit.

The above changes in regulation became effective June 1, 2013.



In a public meeting held on October 11, 2013, the Commission adopted changes to its regulations concerning scallop administrative areas, the maximum number of Norton Sound herring gillnet permits, reduced permit fees, and the emergency transfers of nontransferable dive fishery permits:

1. Scallop Administrative Areas – Because the Alaska Legislature did not renew the authority of the Commission to create and maintain a vessel-based statewide weathervane scallop fishery, it reverted to open-access status beginning with the 2014 season. The Commission chose to create two administrative areas (State waters and federal waters) and two separate fee schedules for the reversion of this fishery to open-access.
2. Norton Sound Herring – During the adjudicative process for the Norton Sound herring gillnet fishery limitation, three permit applicants proved that they had each participated as interim-use permit holders and had made landings from licensed vessels, although the landings had been reported on another individual's fish tickets. Because these three should have been included when calculating the maximum number of permits for the fishery, the maximum number regulation was amended from 301 to 304.
3. Reduced Permit Fees – A low-income applicant may pay reduced fees for permits and licenses if they meet the criteria contained in federal regulations for the food stamp program. Because these federal regulations change each year, the Commission annually amends its regulations to reference current federal law.
4. Dive Fishery Permit Emergency Transfers – Under the existing regulation, a temporary emergency transfer of a nontransferable permit could be allowed to continue the operation of a permit holder's "fishing gear". (20 AAC 05.1740(b)). Because the "gear" in the dive fisheries is the diver himself or herself, the Commission recognized in a number of transfer decisions an implied exception to the strict language of the regulation when the transfer concerned dive fisheries. The adopted amendment made the implied exception explicit by adding a specific reference to the temporary continuation of a "transferor's dive fishery operation".

The above changes in regulation became effective December 25, 2013.

In a public meeting held on August 20, 2014, the Commission updated its regulations that reference federal guidelines used to determine eligibility for reduced permit fees, and also adopted the following:

1. Redesignation of Salmon Net Permit Areas – Salmon net fishermen must designate a single area in which they intend to use their vessel under Board of Fisheries regulations and permit under CFEC regulations during a calendar year. Under the CFEC regulations, if a fisherman later decided to fish a different area for that year, he or she had to designate the new area prior to the opening of the fishery in the first designated area; but under the Board regulations, he or she could redesignate the new vessel area at any time before the vessel had actually been used in the first designated area that year. The Commission found that the Board's approach made more sense, and amended the CFEC regulation to allow a salmon net fisherman to redesignate the permit area, as long as the redesignation were made prior to the permit being used in the salmon fishery first designated, rather than prior to the time the fishery opens.
2. Western Alaska CDQ Halibut Fishermen – Many fishermen from Western Alaska fish halibut only as part of the federal Western Alaska Community Development Quota (CDQ) Program. Because their individual catch under the program is relatively small, they qualify for a reduced permit fee, but issuing their permits each year involved an unnecessary amount of paperwork and correspondence with the CDQ community organizations. The Commission adopted a new regulation that allows these small-catch fisherman to submit a single reduced-fee permit application each year, as long as they designate on the application which CDQ community they will be fishing for, and certify they will be harvesting halibut only under the CDQ program.
3. Statewide Weathervane Scallop Vessel Permits – Because the statewide weathervane scallop fishery reverted to open-access status in 2014, the Commission repealed all regulations relating to the Statewide Weathervane Scallop Vessel limited entry fishery.

The above changes to regulations became effective November 13, 2014.

Adjudications

Overview

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

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

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

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

Hearing officers also preside over hearings that arise from enforcement proceedings, where the Commission may impose fines, revoke permits, or suspend permits of those who attempt to mislead the Commission with false information. These hearings are held in the presence of the commissioners.

Administrative Proceedings & Decisions

During calendar year 2013, Adjudications staff issued 42 decisions: 1 entry permit application, 33 emergency transfers, 2 permanent transfers and 6 miscellaneous actions. The miscellaneous cases included requests for re-funds, demerit points, and qualifications under the *Carlson* class action.

The commissioners adjudicated 17 cases in 2013: 3 entry permit applications, 13 emergency transfers and 1 permanent transfer.

During calendar year 2014, Adjudications staff issued 52 decisions: 39 emergency transfers, 5 permanent transfers and 8 miscellaneous matters.

The commissioners adjudicated 91 cases in 2014: 2 entry permit applications, 69 emergency transfers, 6 permanent transfers and 14 miscellaneous cases.

By the end of 2014, commissioners and hearing officers had made substantial progress reducing the commission's adjudication caseload from the 68 originally limited fisheries. Looking back to 1990, as the result of the *Wassillie* settlement (authorizing hundreds of new applications in the salmon fisheries) and a series of Alaska Supreme Court cases during the 1980s, the Commission's caseload had risen to nearly 900 cases. (These decisions on entry permit applications represent only a portion of the Commission's caseload.) As of the end of 2014, from the 68 originally limited fisheries, 7 permit application cases remained pending before the hearing officers and 21 permit application cases remained pending before the commissioners.

Additionally, since 1990, the Commission has been required by statute to limit 26 additional fisheries generating thousands of new applications for entry permits. From 1990 through 2014, the Commission issued 2,386 final decisions, thereby deciding cases at a rate faster than applicants filed new appeals and reducing its overall caseload to 28.

Commission decisions implementing the Limited Entry Act and their review by the Alaska Courts have generated a unique body of law characterized by one Alaska Supreme Court Justice as “arcane.”

Closing Out & Limiting Fisheries

The commission’s goal is to issue final decisions in all cases from the originally limited 68 fisheries by the end of 2016. Of course, court appeals, remands and reversals of commission decisions could follow and prolong the process.

On September 19, 2013, the commission decided the *Kuzmin* cases, denying two applicants who did not appeal to the courts. These complex cases illustrate where the commission is in the adjudication process and the fact that few easy cases are left before the commission at this point.

Because we are nearing the end of the process, cases like *Kuzmin* can have much more impact than the denial of two applicants. The commission had long completed the cases of 13 other applicants for the same fishery who remained pending at the same 6-point level. Whether they would be issued permits depended on the outcome of other cases like *Kuzmin*. Denial of the *Kuzmin* applications allowed the commission to issue permits at 6 points, but 13 exceeded the maximum number for the fishery, which normally would have propelled the commission to conduct a lottery creating winners and losers among the group. Mercifully, the legislature had the foresight to assign the commission a statutory duty to issue all 13 permits when doing so would not exceed the maximum number by more than 5% or 10 permits – whichever is greater. All 13 became winners, and CFEC closed out the adjudication of the entire fishery. CFEC cannot always reach a conclusion that leaves applicants content, and a potential for adverse consequences often will persist pertaining to all remaining adjudications.

Based on the principle that all applicants should be treated alike, the *Byayuk* case required the commission to apply a Supreme Court reversal retroactively to reopen previously closed applications. Subsequently, the *Cashen* case applied the same principle to require the commission to accept new applications for the first time long after original deadlines. The *Byayuk* retroactive principle required more adjudication and left the commission without a margin for error in its decisions. A reversible error by the commission could undo the limitation of a fishery upon which Alaskan fishermen rely for their livelihood. Therefore, in adjudicating individual cases, the commission could never afford to pursue quantity at the expense of quality.

The risk of retroactive application has been present since 1984, but the potential for far-reaching adverse outcomes has increased with the approaching completion of cases from the 68 originally limited fisheries.

In addition to the possibility of reversals and remands from the courts, CFEC continues to monitor fisheries that may require limited entry. When the record of a fishery shows that its limitation would serve conservation and prevent economic distress among fishermen, CFEC has an affirmative statutory duty to limit entry. Once limited, cases requiring adjudication all arise at nearly the same time thereby creating an instant new caseload.

Information Technology

The Information Technology Section (IT) is responsible for all technology infrastructure at CFEC. IT maintains a small and responsive staff that must be flexible and proficient in several disciplines. This includes the installation and maintenance of all network hardware such as switches, routers, servers, printers, cabling and storage area networks. The IT Section is also responsible for the installation and maintenance for all desktop hardware including personal computers, printers, embossers and other desktop equipment. IT maintains all technical support for local staff and customers, both hardware and software. IT staff is responsible for data integrity, all 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 and the general public. IT maintains several local resources such as web services, network operating system, network topology, file services, digital security, database services, IP telephony, and all other IT related tasks. IT solutions at the Commission are organic and are provided internally by IT staff.

CFEC's IT staff has spent considerable time over the last several years in an effort to modernize and standardize infrastructure and services while continuing to support an environment with some unique IT resources and functions. Those efforts have continued in 2013 and 2014 with projects such as increased server virtualization, an updated network topology, new IP phones, enhanced personally identifiable information (PII) security, updated backup and recovery processes, database and other middle tier software upgrades, updated desktop computers and software, new application development, and digital conversion of audio tapes and paper documents.

Server Virtualization

The majority of CFEC's server farm now exists as virtual machines running collectively within a clustered group of physical hosts. The physical hosts are capable of live migration and resource expansion for the pool of virtual machines, which allows for a high level of availability and fault tolerance. Having multiple machines running in a single computer helps reduce power consumption, rack space, and total cost of ownership while providing important failsafe features.

Virtual hardware can be provisioned quickly and easily. This allows for the isolation of applications and provision of continuing support for custom software developed for this unique program.

Updated Network Backbone

IT staff has significantly upgraded cabling infrastructure with multiple strands of new Category 5e cable running from offices and cubicles to the network communication rack. The network path is further segmented by isolating our workload into multiple areas and offloading that traffic to closet or border switches. Network segmentation has provided CFEC more efficiency, quick expansion, enhanced security and straightforward troubleshooting.

New IP Telephony

IT staff configured and deployed a new telephone PBX switch using existing hardware and utilizing an upgraded network backbone. New IP phones have been installed on all desktops at CFEC. This is a wholesale replacement of a telephone switch that was becoming difficult to maintain and increasingly unreliable. The updated PBX system is scalable, easy to maintain, secure, and offers advanced functionality for call queuing and routing.

Updated Backup and Recovery Process

IT staff has replaced tape media with faster and more reliable network storage for purposes of our data backups. IT is now utilizing a disk-to-disk methodology for data backups and recovery. Backup times and file restoration have significantly decreased while becoming more reliable and secure. CFEC continues to store critical files securely and in a cost-effective manner by partnering in off-site storage with another State agency.

Updated Desktop Computer Hardware & Software

IT staff configured and deployed new desktop computers for CFEC employees in 2012, including a new operating system and upgraded software, which continued to benefit all CFEC operations in 2013 and 2014.

Digital Conversion of Hearing Tapes

IT staff is converting aging audio tapes of recorded hearings into a digital format. To date, over 2,600 tapes have been converted and are now accessible through a simple search engine.

Application Development

IT staff is putting the final touches on a new desktop application that will provide quick access to all material relating to Commission decisions and judicial appeals. The application will quickly search through all years for any piece of information related to case decisions. Materials included in the search are database records, PDF content and audio files.

CFEC's web-based permit and vessel license renewal system continues to evolve with additional updates and modifications. The application is very stable, secure and available to anyone with an Internet connection. IT also continues to play an active role in the development of the Bristol Bay District Management and Registration web application. Regulatory updates and application enhancements provided CFEC an opportunity to continue to partner with ADF&G to maintain and deploy this application, which is unique to Bristol Bay. Originally developed by CFEC's IT staff, the application provides real-time information processing between fishery managers, processors, agents, and participating permit holders.

Web-Based Database

CFEC's web-based permit and vessel license database continues to be a very popular application for public, state, and federal use. The application offers a general public interface as well as a secure interface for partnering agencies who have a need to query for confidential information. Permit, vessel, and intent-to-transfer information can be easily accessed based on a wide array of criteria. Results can be downloaded or simply viewed online. All years of data are available to search. Providing reliable and easy access to CFEC data has always been a very important goal and will continue to be so.

Support Contacts FAQ Requirements **2015 CFEC Online Management Application** Comments CFEC Permit & Vessel lookup

Permit/Vessel Owner
CFEC Dummy Record
 Your renewable applications:
 Permits - 6
 Vessels - 1

Screen Instructions
 Reset Application

Please indicate what permit(s) you wish to renew AND if you intend to fish that permit. To modify an ADFG number:
 1) Select 'renew' for the appropriate permit.
 2) Double click on the existing ADFG number.
 3) Enter the new 5 digit ADFG number. (only valid numbers are accepted)
 Note: The ADFG number cannot be altered after their permit is renewed.
 To pay lower fees for halibut or sablefish permits, see the Notes column. If you landed less than the pounds indicated, you may check the 'Lower Fee?' box. If you do not intend to fish a permit, the card will NOT be issued to you.

Status, Fee Totals and Navigation
 Alaska Resident Fishing Permits: \$0 Differential: \$0 Vessels: \$0 Shipping: \$0 Total: \$0
 << Back OPTIONS ADDRESS VESSELS PERMITS PAYMENT CONFIRM Next >>

Permit renewal and intent selection

Your Permits - Select Permits to renew and/or intend to fish
 + CLICK HERE to add a new permit

Renew?	I intend to fish the 2015 season	Fishery	Serial #	Year	ADFG #	Fee	Lower Fee?	Notes
<input type="checkbox"/>	<input type="checkbox"/>	B 618	10004	2015	00001	1050	<input type="checkbox"/>	If you landed less than 8000 lbs of halibut in 2014 OR you are a member of one of the Western AK COQ halibut groups (NISEDC, YCFGA, CVRF, CESSA, APICCA, BISECO), select lower fee option
<input type="checkbox"/>	<input type="checkbox"/>	C 618	10003	2015	00001	900	<input type="checkbox"/>	If you landed less than 9000 lbs of sablefish in 2014, select lower fee option
<input type="checkbox"/>	<input type="checkbox"/>	M 918	10008	2015	00001	975	<input checked="" type="checkbox"/>	No Notes Available
<input type="checkbox"/>	<input type="checkbox"/>	S 03C	10005	2015	00001	375	<input checked="" type="checkbox"/>	No Notes Available
<input type="checkbox"/>	<input type="checkbox"/>	S 03T	10006	2015	00001	375	<input checked="" type="checkbox"/>	No Notes Available
<input type="checkbox"/>	<input type="checkbox"/>	S 150	10007	2015	00001	150	<input checked="" type="checkbox"/>	No Notes Available

Please note: The vessel you select for each permit MUST be licensed before we actually mail your card
 Please note: You will NOT receive a permit card unless you intend to fish the permit

CFEC Online Renewal Permit Selection Section

(CFEC Online Management Application)

Gross Earnings

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 data from the CFEC Licensing System. The data is 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 to the year immediately previous to the current calendar year. 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").

CFEC Website

IT also maintains CFEC's website. The site, located at <http://www.cfec.state.ak.us>, provides many useful links for both fishermen and the general public to commercial fisheries information. The data CFEC collects are available in various non-confidential formats and combinations, located under easy-to-understand headers. Along with the data, CFEC also makes available all of its forms in easy-to-download formats, including links to current pertinent public informational statements, proposed regulations, judicial appeals of Commission decisions and CFEC annual reports. CFEC's website is regularly updated and reviewed for accuracy, and reflects the Commission's dedication and commitment to being available and responsive to the public.

Home Permits Forms Contact Site Index **CFEC** find

CFEC Public Lookup Database

This search engine allows you to search for Permit, Vessel and Intent records using any combination of valid criteria as set forth below. Results are limited to 5000 records, if you require more please navigate to the CSV tab for complete-year downloads. Select an option, then click FIND to view results. [Click here](#) for a complete description of the CFEC permit card. Please note that information for guided sport vessels is available through ADFG. **Clicking the + and - icons to the left of each record will toggle expanded record details.**

Permits Vessels Intents Yearly CSV Help

Serial: Contains ▾ ADFG: Contains ▾ Fishery: Starts With ▾

CFEC ID: Contains ▾ Zip Code: Contains ▾ Area(s): Select Area(s)

First Name: Contains ▾ Last Name: Contains ▾ Year(s): Less Than ▾

Find Clear Download

Page 1 of 1 Displaying 1 - 4 of 4

Permit				Permit Holder			
Year Fishery	Permit Permit Type	Record # YR/Seq/Alpha	Dates Valid	Status	Name and Address	Residency CFECID	ADFG Number
2010 S03T	10676 H Test Fishing	01 1001E	2010-05-27 2010-12-31	Permit holder	ADFG ANCHORAGE 333 RASPBERRY RD ANCHORAGE, AK 99518	U 914932	
2007 S03T	10676 H Test Fishing	01 0701P	2007-02-20 2007-12-31	Permit holder	ADFG ANCHORAGE 333 RASPBERRY RD ANCHORAGE, AK 99518	U 914932	
Permit Number: 10676							
Lien(s): None		Demerit Points against Individual: 0		Notes: Unavailable		Intent End Date: N/A	
Intent to Transfer: No		Intent Filed Date: N/A		Intent Effective Date: N/A			
Date	Actions	ID	Name	Residency			
2007-02-20	003 - Embossed Juneau	01 - 01P	914932	ADFG ANCHORAGE	U		
2007-02-16	002 - Fees Not Required	01	914932	ADFG ANCHORAGE	U		
2007-02-16	001 - New Issue	01	914932	ADFG ANCHORAGE	U		
1992 S03A	10676 X Test Fishing	01 9201M	1992-01-21 1992-12-31	Permit holder	ADFG JUNEAU BOX 20 DOUGLAS, AK 99824	R 800962	99999
1988 S03H	10676 B Test Fishing	01 8801P	1988-01-28 1988-12-31	Permit holder	FISH & WILDLIFE PROT... BOX 6188 ANNEX ANCHORAGE, AK 99507	U 683062	99999

(CFEC Public Lookup Database)



Photo Courtesy of the Alaska
Department of Fish and Game

Licensing

Overview

The Licensing Section is responsible for collecting fees and issuing limited entry, interim-entry and interim-use permits, as well as issuing vessel licenses required for participation in Alaska's commercial fisheries. Licensing staff attempt to expedite the issuance of licenses to ensure that fishermen do not lose fishing time during the season, a paramount goal of the Commission. Licensing employs procedures that specifically address the circumstances relating to immediate fishing, including specific forms for the issuance of duplicate licenses, changes to vessel information, and processing both permanent and emergency transfers. Licensing is also responsible for tracking salmon net area vessel registrations and assessing demerit points which may result in suspensions.

Licensing staff are committed to assisting Alaska's commercial fishing industry. Licensing staff interact on a daily basis via telephone as a direct source of information for commercial fishermen, fielding questions about permitting and regulations affecting the fishing industry. Besides keeping current with licensing requirements and the actions of the Commission, Licensing staff maintains a close working relationship with ADF&G, the Alaska Department of Commerce, Community & Economic Development (DCCED), the National Marine Fisheries Service (NMFS), and other agencies to track changes in the fishing industry and relevant laws and regulations. Some of these changes include actions by the Commission and the legislature to bring fisheries under entry limitation or moratoria, to implement new types of licensing mechanisms, to accommodate regulatory changes by the Board of Fisheries, and federal agency actions relating to restricted access programs, such as License Limitation (LLP), Individual Fishing Quota (IFQ), and Community Development Quota (CDQ).

Licensing is continually streamlining procedures, automating processing wherever possible, and looking for innovative ways to efficiently meet ever-increasing informational demands.

Recent Changes

In 2014, the Licensing staff benefitted greatly from a new telephone system put in place by CFEC's IT section. The enhanced system allows a higher level of functionality and increased efficiency for the staff, which is crucial during the busiest times of the year. The system can also be used to track CFEC's licensing production. In June 2014 (historically, the Licensing section's busiest month), five Licensing staff members fielded some 5,000 telephone calls; nearly all were from CFEC permit holders, vessel owners, and ADF&G offices, seeking information or needing Licensing services. Large numbers of e-mails, faxes, and in-person visits to the CFEC customer counter also add to the Licensing staff's contact with the public.

Demerit Points for 2013 & 2014

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

From 1998 through 2014, the Commission issued demerit points to 2,371 fishermen. The total number of suspended fishermen from 1998 through 2014 is 19. A total of 310 permit holders were assessed demerit points in 2013 and a total of 255 permit holders were assessed demerit points in 2014, as illustrated below:

Demerit Points & Suspensions for 2013 & 2014

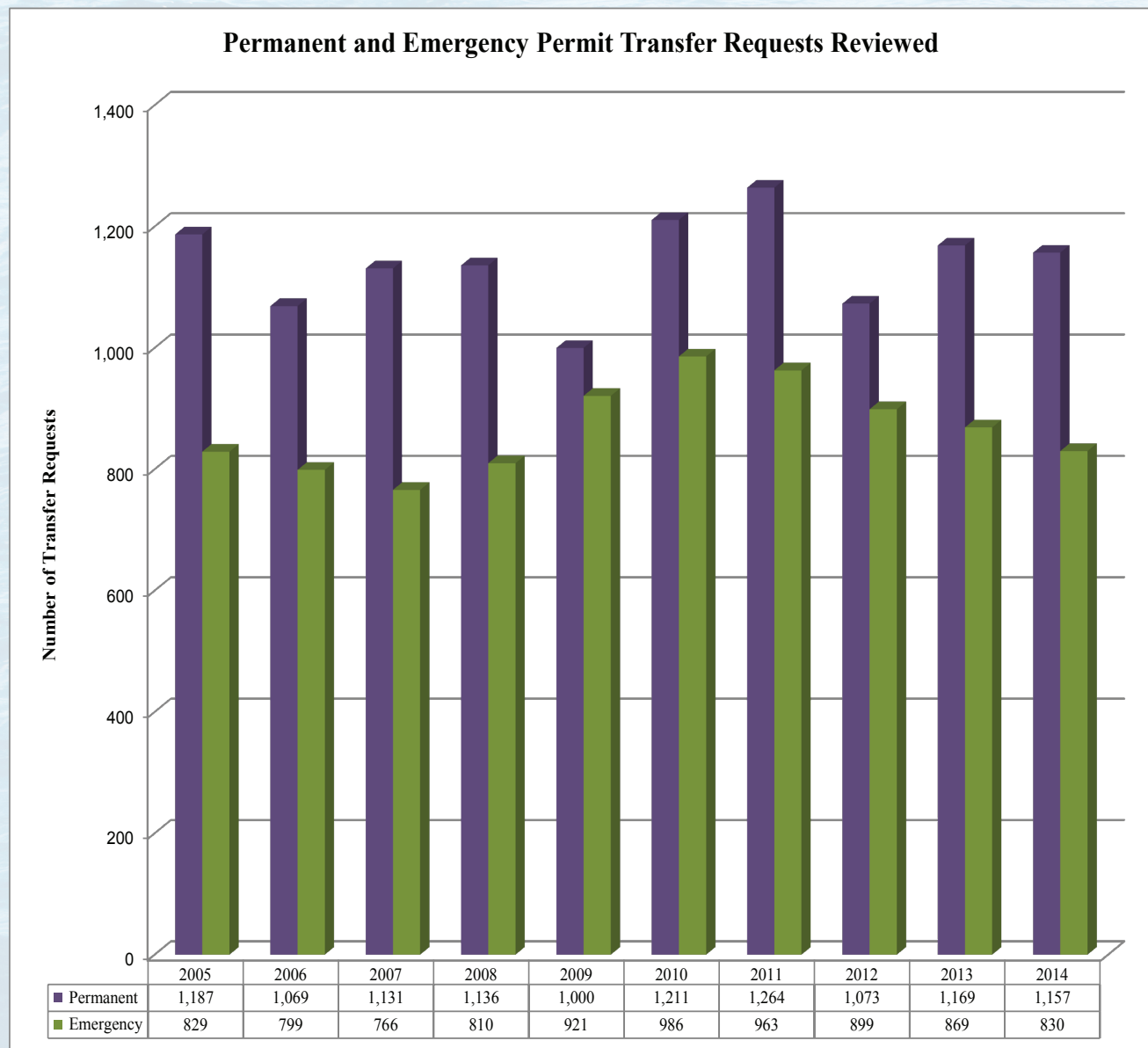
Fishery Area	Number of Permit Holders assessed points in 2013	Number of Permit Holders assessed points in 2014	Suspensions 1998 through 2014
Alaska Peninsula, Aleutian Islands	5	0	0
Bristol Bay	158	151	7
Cape Romanzof	2	0	0
Chignik	2	4	0
Cook Inlet	26	29	0
Prince William Sound	53	31	5
Kodiak	2	6	0
Kotzebue	0	5	0
Kuskokwim	7	5	2
Norton Sound	0	2	0
Southeast	31	10	5
Statewide	24	8	0
Yakutat	0	4	0
TOTALS	310	255	19



Photo Courtesy of the Alaska Department of Fish and Game

Permit Transfer Requests for 2013 & 2014

During 2013, Licensing staff reviewed 2,038 requests for permanent and emergency transfers of permits. These included 869 emergency transfer requests and 1,169 permanent transfer requests. During 2014, Licensing staff reviewed 1,987 requests for permanent and emergency transfers of permits. These included 830 emergency transfer requests and 1,157 permanent transfer requests. A breakdown of transfer requests over the last ten years by type of transfer is shown in the following graph.



(From CFEC reports B1425P- C and E)

Permanent Transfer Requests

	<u>2013</u>	<u>2014</u>
Standard transfers approved.....	1,093	1,054
Survivorship transfers to spouse approved	12	33
Foreclosure transfers by loan agencies approved	1	0
Administrative transfers approved.....	2	0
Total permanent transfers approved.....	1,108	1,087
Transfers denied.....	36	48
Withdrawn transfer requests	25	22
Total permanent transfer requests reviewed	1,169	1,157

Emergency Transfer Requests

Transfer requests approved	791	745
Transfer requests denied	77	82
Transfer requests withdrawn.....	1	3
Total emergency transfer requests reviewed	869	830

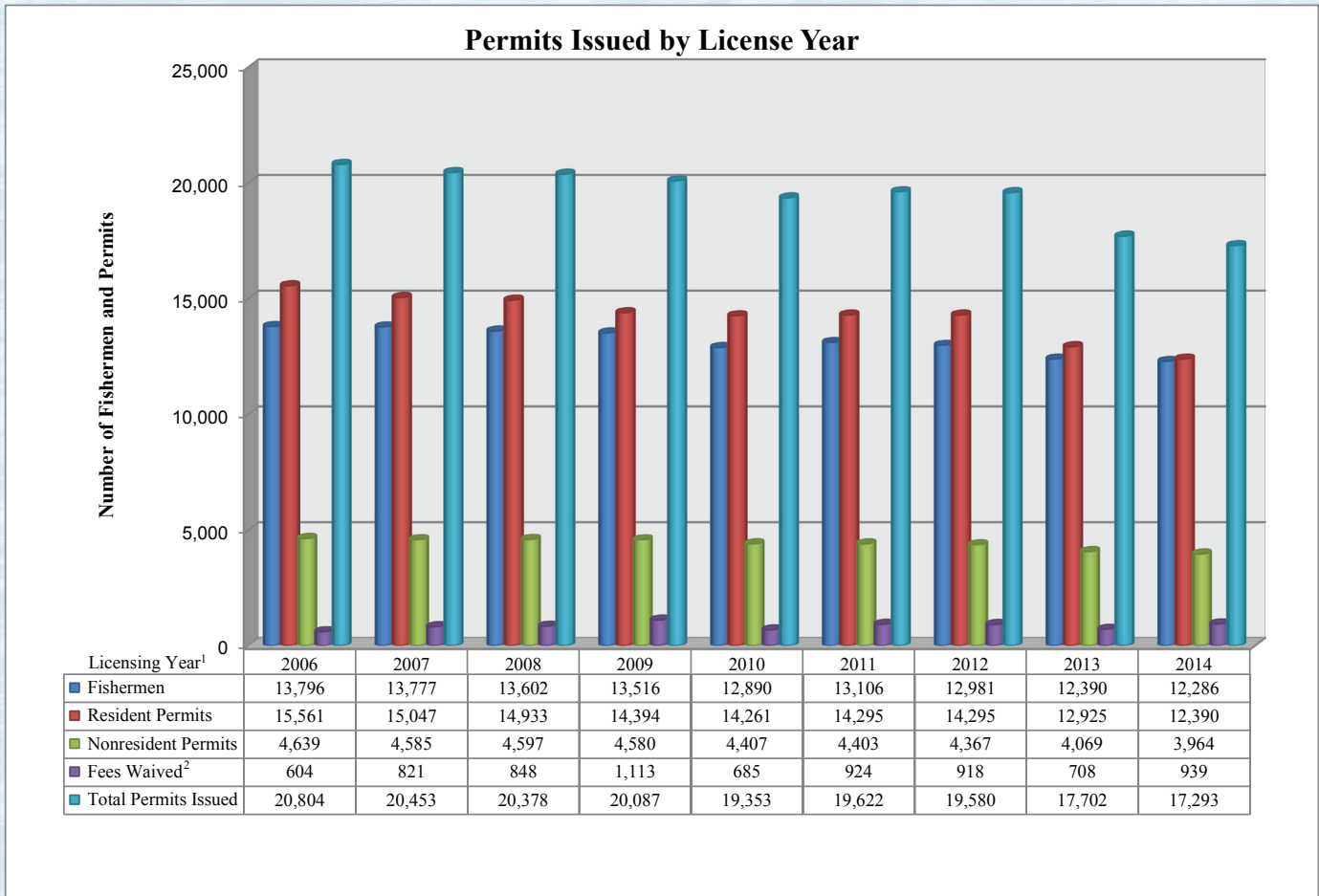
Total Transfer Requests Reviewed2,038 1,987



Photos Courtesy of the Alaska
Department of Fish and Game

Permits and Licenses Issued

The following graphs provide data on the number of fishermen issued permits in a year, and permits and vessel licenses by year and by month:



(From CFEC report B1440P-C. Includes Interim-Use, Interim-Entry³, Entry and Vessel Entry Permits)

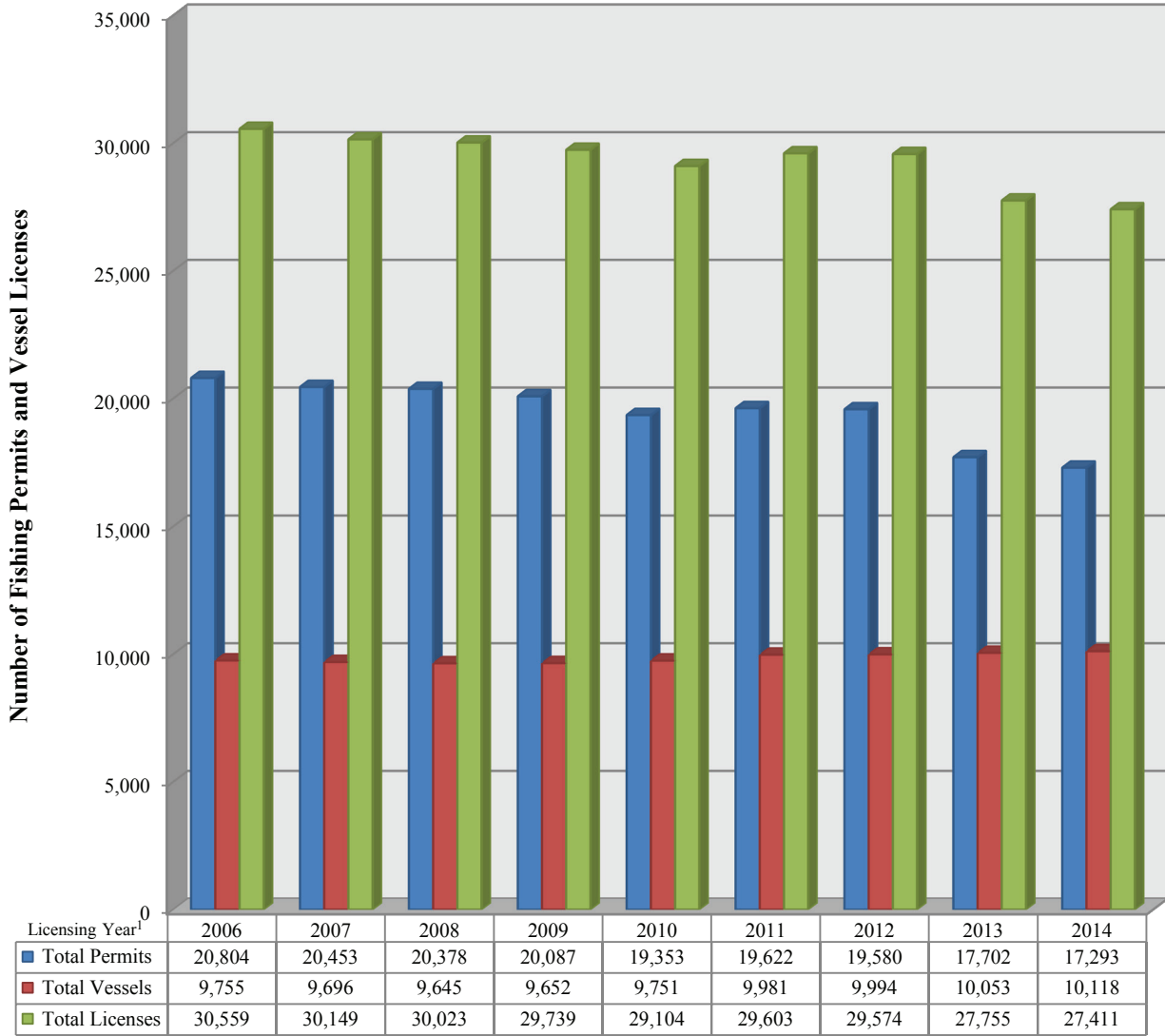
The figures in this table are current as of the publication date and may increase slightly due to late renewals of entry permits. The number of permits is higher than the number of fishermen, as some individuals hold permits in more than one fishery. Annual renewal fees for entry permits must be paid unless waived by the Commission. Failure to renew an entry permit for a period of two consecutive years can result in forfeiture of the entry permit.

¹ License year refers to the fishing year for which the license or permit is issued, regardless of when the fees were paid. Resident/nonresident status is determined by the type of permit fees that were paid by the permit holder.

² Data include permits issued in both open-access fisheries and limited fisheries where fees were paid or waived as of the publication date.

³ “Interim-Entry” permit refers to an interim-use permit issued to an applicant for a permanent limited entry permit in a limited fishery.

Fishing Permits and Vessel Licenses Issued by License Year



(From CFEC report B1440P-C. Includes Interim-Use, Interim-Entry², Entry and Vessel Entry Permits)

The figures in this table are current as of the publication date and may increase slightly due to late renewals of entry permits. The number of permits is higher than the number of fishermen, as some individuals hold permits in more than one fishery. Annual renewal fees for entry permits must be paid unless waived by the Commission. Failure to renew an entry permit for a period of two consecutive years can result in forfeiture of the entry permit.

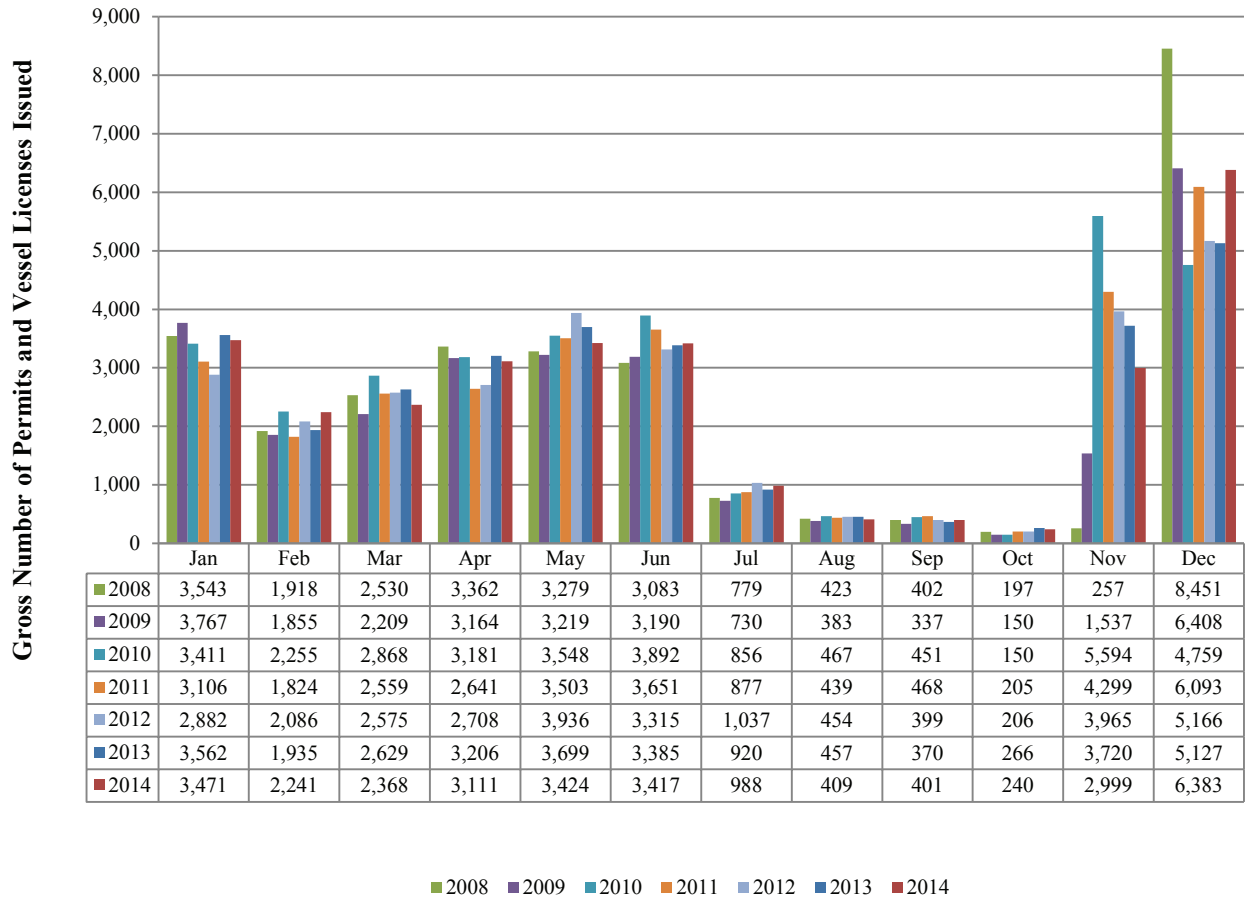
¹ License year refers to the fishing year for which the license or permit is issued, regardless of when the fees were paid. Resident/nonresident status is determined by the type of permit fees that were paid by the permit holder.

Data include permits issued in both open-access fisheries and limited fisheries where fees were paid or waived as of the publication date.

² “Interim-Entry” permit refers to an interim-use permit issued to an applicant for a permanent limited entry permit in a limited fishery.



Permit and Vessel Licenses Issued by Month



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



Photo Courtesy of the Alaska Department of Fish and Game

Summary of Permitting Activity

	<u>2013</u>	<u>2014</u>
Limited Entry Permits Renewed.....	12,659	12,454
Limited Entry Permits Not Renewed.....	851	801
Limited Entry Permits with Fees Waived ¹	695	926
Limited Entry Permits Forfeited or Lapsed	78	114
Interim-Use Permits Issued in Limited Fisheries ²	44	35
Interim-Use Permits Issued in Open-access Fisheries	4,262	3,865
Special Harvest Area (Hatchery) Permits Issued	22	22
Educational Entry Permits Issued	1	1
Mariculture Permits Issued	3	2
Vessel Entry Permits Renewed	3	0
Vessel Entry Permits Not Renewed	4	0
Vessel Entry Permits with Fees Waived ³	13	13

(From CFEC reports B1440P-A and B)

¹ Fees for limited entry permits may be waived in the event of season-long closures.

² Sometimes referred to as Interim-Entry Permits; these permits are available to applicants awaiting final point classification and to applicants who have been finally classified but who may or may not receive a permanent permit when the Commission ultimately determines a final issuance level for their fisheries.

³ Fees for vessel entry permits may be waived in the event of season-long closures.



Photo Courtesy of the Alaska
Seafood Marketing Institute (ASMI)

Vessel Statistics

Fee Category Based on Overall Length of Vessel	Licensing Fee	Number of Vessels Licensed for 2013	Number of Vessels Licensed for 2014
Vessels to 25'	\$24.00	3,243	3,187
Over 25' to 50'	\$60.00	5,475	5,575
Over 50' to 75'	\$120.00	822	824
Over 75' to 100'	\$225.00	206	220
Over 100' to 125'	\$300.00	157	157
Over 125' to 150'	\$375.00	55	62
Over 150' to 175'	\$450.00	34	34
Over 175' to 200'	\$525.00	22	21
Over 200' to 225'	\$600.00	6	6
Over 225' to 250'	\$675.00	4	4
Over 250' to 275'	\$750.00	11	11
Over 275' to 300'	\$825.00	4	4
Over 300'	\$900.00	14	13
Totals		10,053	10,118

Data is current as of publication date



Photos Courtesy of the Alaska
Seafood Marketing Institute (ASMI)

Research

Overview

The Research & Planning Section provides the fishery limitation studies, fishery economic analyses, CFEC permit reports, and much of the program support needed by the Commission. In addition to serving the Commission's needs, the Research Section issues many standard and specialized reports and analyses and helps maintain the integrity of data bases that are used by outside users to address a wide range of issues related to commercial fishing.

Among the tasks routinely accomplished by Research staff to support the day-to-day functions of CFEC are monthly reports of estimated permit values, ex-vessel prices and gross earnings estimates of statewide fish and shellfish harvests, permit transfer reports, and analyses used to determine fees levied for the annual renewal of limited entry permits. Working with the IT Section, CFEC researchers also issue many standard reports, nearly all of which are available on the CFEC web site. The information typically includes basic economic data on Alaska's fisheries, patterns of permit holdings, permit transfer statistics, and basic characteristics of Alaska's fishing fleets and permit holders, including data on residency.

The foundation for much of the work produced by CFEC analysts resides in several large electronic databases built and maintained cooperatively by the CFEC Research and IT sections. 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. These data allow CFEC staff and others to service requests from local, State and federal government agencies, the Alaska Legislature, researchers, consultants, user groups, and other entities.

In 2013 and 2014, the Alaska Board of Fisheries (Board) took up several statutory and regulatory issues that had implications for Alaska's limited entry program. Analysts from the Research Section prepared reports, slide presentations, memos, and other fisheries information for the Board at the 2013 March (Anchorage) and October (Girdwood) meetings, and the 2014 January (Kodiak) and February (Anchorage) meetings.

Many of the Board proposals involved considerations for fleet consolidation and/or restructuring, and grew out of changes made to state law (2002) where individuals were granted the option to hold two limited entry permits in a salmon fishery, and where the Board was subsequently granted the authority to allow additional fishing privileges for the use of the second permit (2006).

In several instances over 2013 and 2014, the Alaska Legislature made special requests for information which CFEC's Research Section provided. In addition to the large number of standard reports available on CFEC's web site, CFEC analysts provided legislators and their staff with specific *ad hoc* information on a wide range of topics, such as patterns of permit holdings, the number of vessels home-ported in various communities, permit fees and revenues from permit renewals, and estimates of ex-vessel earnings.

In 2013, the CFEC Research Section worked with ADF&G and DCCED to process federal grant payments to Alaska salmon troll fishermen in a program that was designed to help mitigate the effects of reduced quotas of Chinook salmon under the Pacific Salmon Treaty. In calendar year 2013, there were two separate programs: the first program began in February with payments to CFEC permit-holders based upon their participation in the 2010 and 2011 summer troll seasons. The second program began in September 2013, with payments based upon fishing that occurred in 2012. For each program, CFEC analysts helped review pertinent regulations, build databases, and design application forms. Staff supervised the mail-out of some 2,600 applications and had direct contact with dozens of applicants in follow-up telephone calls. The response rate by fishermen was exceptionally high, and CFEC received many expressions of thanks from fishermen for their efforts.

Also in 2013 and 2014, CFEC Research staff assisted analysts at NMFS with the federal government's efforts to restructure the Gulf of Alaska and Bering Sea/Aleutian Islands fisheries observer programs.



As currently proposed, fees levied to pay for the new program will be based upon CFEC ex-vessel price estimates for groundfish. CFEC reviewed the program output generated by their colleagues at NMFS and provided input on maintaining the integrity of the estimates.

In 2014, the Alaska Salmon Disaster Federal Relief Program relied upon the data and expertise of CFEC analysts to help distribute grants to affected fishermen from the Yukon and Kuskokwim Rivers and Cook Inlet. Research staff constructed the underlying databases and consulted with decision-makers to help determine program rules, and the Research Project Leader served on the review panel for individuals who asked that their grant applications be scrutinized for special circumstances and/or potential errors.

Along with the normal tasks of supporting the statutory and daily activities of the Commission, and combined with the special projects mentioned above, Research staff also issued many published reports in 2013 and 2014, most of which are listed below. In addition to the enumerated reports, CFEC analysts also generated some 44 other, specialized ad hoc reports requested by fishermen's groups, legislators, municipalities, non-governmental agencies, private research firms, and scholars in 2013-2014. Some of the reports issued contain confidential earnings and fishing participation data, and are therefore not available to the public.

CFEC Permit Holdings and Estimates of Gross Earnings in the Prince William Sound Salmon Fisheries, 1975-2013. Rpt 14-7N by Marcus Gho.

Dual-permit Fishing Operations in the Cook Inlet Salmon Drift Gillnet Fishery. Rpt 14-6N by Craig Farrington, K. Iverson, and M. Gho.

Emergency Transfers of Alaska's Commercial Fisheries Limited Entry Permits, 1975 – 2013. Rpt 14-5N by Kurt Iverson, M. Gho, and Y. Fink.

CFEC Salmon Set Gillnet Permits and DNR Shore Fishery Leases in Prince William Sound, Cook Inlet, Kodiak, Alaska Peninsula, and Bristol Bay, 1975-2013. Rpt 14-4N by Marcus Gho.

Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975 – 2013. Rpt 14-2N and Executive Summary 14-2N-EXEC by Jennifer Shriver, M. Gho, K. Iverson, and C. Farrington.

Overview of Permit Holdings, Harvests, and Estimates of Gross Earnings in the Cook Inlet Salmon Drift Gillnet Fishery, 1975-2012. Rpt 14-1N by Marcus Gho, K. Iverson, and C. Farrington

Kodiak Salmon Set Gillnet Permit Stacking. Rpt 13-4N by Marcus Gho and K. Iverson

CFEC Salmon Set Gillnet Permits and DNR Shore Fishery Leases in Prince William Sound, Cook Inlet, Kodiak, Alaska Peninsula, and Bristol Bay 1975-2012. Rpt 13-3N by Marcus Gho

Overview of Permit Holdings, Harvests, and Estimates of Gross Earnings in the Cook Inlet Salmon Set Gillnet Fishery, 1975-2012. Rpt 13-2N by Marcus Gho

Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975 – 2012. Rpt 13-1N and Executive Summary 13-1N-EXEC by Jennifer Shriver, M. Gho, K. Iverson, and C. Farrington.

Non-confidential reports are available on CFEC's web site (<http://www.cfec.state.ak.us>) or upon request from the Commercial Fisheries Entry Commission, Research Section, P O Box 110302, Juneau, AK 99811-0302.

Revenue

Overview

Revenue collected by the Commission comes primarily from annual renewal fees paid for commercial fishing permits and vessel licenses. Additional revenues come from research and data processing services and reports requested by the public, fishing organizations, fisheries research groups, and other agencies.

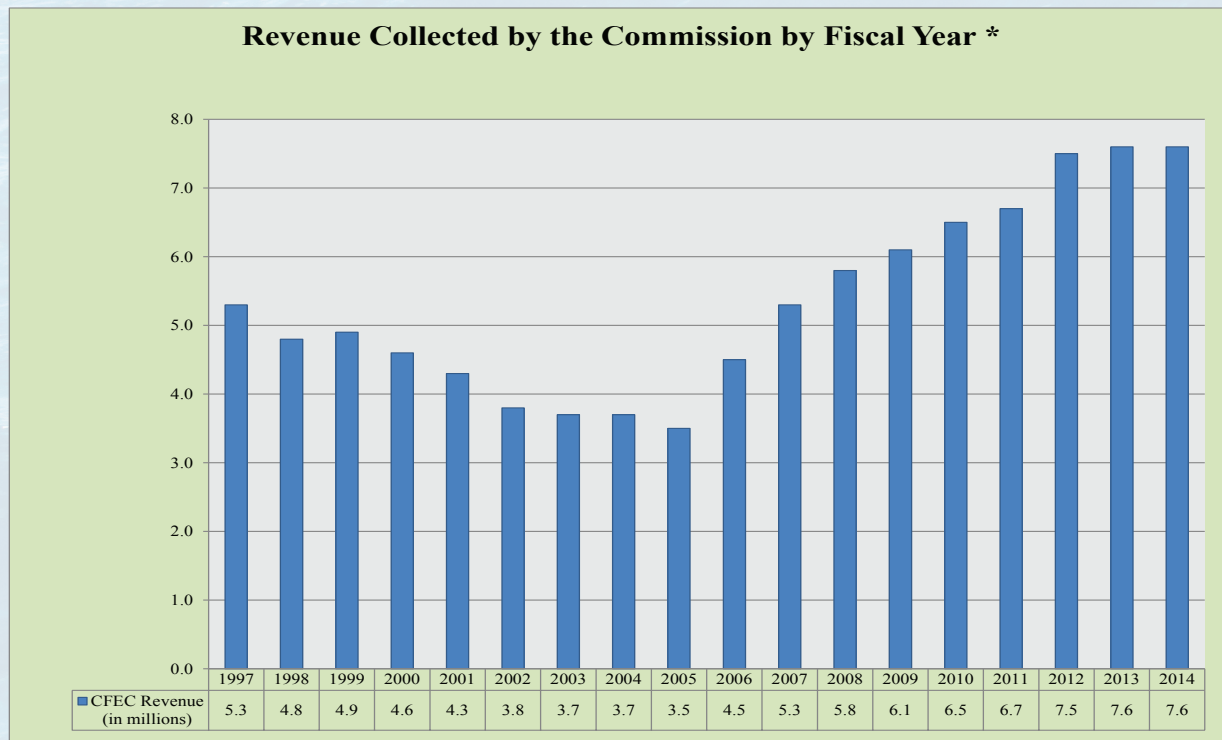
Legislation passed in 2005 made two significant changes that increased CFEC revenues collected for the State, beginning with the 2006 licensing year (calendar year). The first was to raise the cap on annual fishing permit fees from \$300 to \$3,000, thereby partially conforming permit rates with the statute that require fees to reflect the economic returns in a fishery. Raising the permit fee cap mainly affected higher-value fisheries that had benefitted in the past from the lower cap. The second legislative change was a modification to annual commercial fishing vessel license fees. The fee structure was expanded from five to thirteen fee classes, based upon 25-foot vessel length increments.

Under 20 AAC 05.245, permit renewal fees are based on a formula of 0.4% of the estimated market value of the permit for limited fisheries and 0.4% of the estimated average gross earnings for open-access fisheries. Permit renewal fee categories for 2013 & 2014 ranged from \$75 to \$3,000 with the majority being \$375 or less.

Total revenue for fiscal year 2013 (July 1, 2012 – June 30, 2013) was just over \$7.6 million, which more than funded the commission's \$4,176.9 authorized budget as well as CFEC's contribution to the Fishermen's Fund.

Total revenue for fiscal year 2014 (July 1, 2013 – June 30, 2014) was comparable to that in 2013 and was just over \$7.6 million, which fully funded the Commission's \$4,389.2 authorized operating budget as well as paying CFEC's contribution to the Fishermen's Fund.

During both years, the legislature applied the additional CFEC revenues to ADF&G and DCCED programs that support Alaska's commercial fisheries.



Note: These data reflect permit fees, vessel license fees, limited entry application fees, refunds, and miscellaneous revenue.

*Revised from earlier annual reports



Appendices

Commission Employees

COMMISSION	Bruce Twomley	Chairman
	Benjamin Brown	Commissioner
	Frank Homan	Commissioner (retired 1/23/2015)
	Verne Rupright	Commissioner (appointed 1/23/2015)
	Kristen Bomengen	Commission Decision Drafter
	Beccy Charles	Executive Secretary
	Mele Maake	Executive Secretary
	Doug Rickey	Law Specialist
ADJUDICATIONS	Frank Glass	Adjudications Project Leader
	Jill Wood	Managing Paralegal
ADMINISTRATION	Shirley Penrose	Operations Manager
	Randy Lippert	Clerk
	Sheri Paddock	Administrative Clerk
	Bob Reiersen	Clerk
INFORMATION TECHNOLOGY SERVICES	Ty McMichael	Info. Technology Services Leader
	Mykel George	Analyst Programmer
	Fred Harmon	Data Systems Technician
	Don Huntsman	Analyst Programmer
	Joe Kollar	Analyst Programmer
	Brant Oliphant	Analyst Programmer
	David Pearce	Network Specialist
LICENSING	Yvonne Fink	Licensing Project Leader
	Rissa Teske	Assistant Licensing Project Leader
	Kim Andrews	Transfer Officer
	Brandi Billings **	Transfer Officer
	Patricia Boone	Commercial Fish Permit Clerk
	Kayla Loob	Commercial Fish Permit Clerk
	Ronda Stevenson	Commercial Fish Permit Clerk
	Jen Wilson	Commercial Fish Permit Clerk
RESEARCH	Kurt Iverson	Research & Planning Project Leader
	Craig Farrington	Fisheries Analyst
	Marcus Gho	Economist
	Jennifer Shriver **	Research Analyst

** These people are no longer employed at the Commission as of 12/31/2014



Decisions and Activities in Prior Years

Calendar Year 2012

- Supported and assisted the fleet reduction program for the Southeast Alaska salmon purse seine fishery.
- Met with Southeast longliners and reported on the status of the limitation program for the Southeast sablefish fisheries.
- Supported and testified in favor of House Bill 261 to raise the limit on “Section B” loans from the Commercial Fishing and Agriculture bank to \$200,000.
- Offered public comment critical of the proposal by the National Marine Fisheries Service to strip the regional offices (including Alaska) of their administrative appeal functions and to centralize them in Silver Springs, Maryland.

Calendar Year 2011

- Continued to assist the fleet consolidation program for the Southeast Alaska salmon purse seine fleet.
- Participated in meetings of the Alaska Board of Fisheries dealing with statewide finfish issues.
- Assisted the Department of Law in its briefing of issues in the Carlson class action lawsuit before the Alaska Supreme Court.
- Assisted Department of Law in the successful conclusion of three permit application appeals in the Juneau and Ketchikan Superior Court.
- Attended and participated in meeting of the North Pacific Fishery Management Council and the University of Alaska’s Sea Grant Symposium.
- Assisted Alaska’s congressional delegation in drafting legislation that would make clear federal maritime liens may not be enforced against fishing permits, including entry permits and individual fishing quotas (IFQs).



Calendar Year 2010

- Supported legislation to allow sharing of CFEC information with National Marine Fisheries Service in order to facilitate fleet consolidation in Southeast Alaska salmon purse seine fishery.
- Participated in meetings of the Board of Fisheries dealing with statewide finfish issues.
- Assisted Department of Law in successful conclusion of two permit application appeals in the Alaska Supreme Court and six appeals in various superior courts.
- Participated in meetings with Bristol Bay Development Corporation to work on strategies for keeping more Bristol Bay entry permits in local hands.
- Assisted Department of Law in furthering interests of the state in the *Carlson* class action decision



Calendar Year 2009

- Supported legislation allowing CFEC to freely share non-confidential information with Alaska Regional Development Organizations (ARDORS).
- Renewed 3,485 permits and 1,696 vessel licenses through the Commission's new online licensing system.
- Online licensing renewal kiosk service expanded to ADF&G offices at Cordova, Craig, Ketchikan, and Homer.
- Participated in the Board of Fisheries meeting at Sitka, concentrating on restructuring proposals for Southeast Alaska finfish management.
- Participated in the ComFish Expo in Kodiak and the "Fish Expo" in Seattle, meeting and conferring with permit holders at space shared with DCC&ED.
- Participated in the Board of Fisheries meeting at Anchorage, concentrating on several restructuring proposals for finfish management in Bristol Bay.





Calendar Year 2008

- Advocated for extension of the sunset date for limitation of the statewide weathervane scallop and Bering Sea hair crab fisheries to 2013.
- Participated as a member of the ADF&G, Sport Fish Division's Sport Fish Guide Task Force.
- Launched the new online permit and vessel license renewal service, and established online renewal kiosks in Anchorage, Sitka, and Kodiak.
- Presented a report on the status of permit applications at the ADF&G's Northern Southeast Inside sablefish longline fishery industry meeting.
- Met with representatives of Alaska congressional delegation and the State of Alaska office in Washington, D.C., to discuss federal legislation affecting Alaska's commercial fisheries.
- Attended a Board of Fisheries meeting in Anchorage addressing ecotourism issues.
- Participated in the Board of Fisheries Restructuring Committee meeting in Anchorage to address restructuring proposals affecting commercial salmon fisheries.
- Appeared before the Joint Cook Inlet Salmon Task force to report on buyback of limited entry permits under the Limited Entry Act.
- Presented "Commercial Fishing: Overview of the Industry" at the 2008 Southeast Alaska Native Summit in Juneau.



Photo Courtesy of the Alaska
Seafood Marketing Institute (ASMI)



Calendar Year 2007

- Participated in meetings with ADF&G Sport Fish Division's Sport Fish Guide Task Force to discuss issues regarding limited entry and the sport fish guide industry.
- Continued to work with the SRA to structure a fleet consolidation plan for the Southeast Alaska salmon purse seine fishery.
- Presented "State of Alaska Limited Entry System" at the *Alaska's Young Fishermen's Summit: Weaving a Network of Future Fishing Leaders*.
- Adopted regulations implementing the Application for Immediate Fishing.
- Met with representatives of the U.S. Congressional delegation to discuss federal legislation affecting Alaska's commercial fisheries.
- Reported to the Southeast Alaska King and Tanner Crab Task Force on the status of commission adjudications for those fisheries.
- Participated on an advisory panel for a study commissioned by the BBEDC to explore ways to increase the number of limited entry permits held by local Bristol Bay residents.
- Continued to maintain a professional relationship with the Internal Revenue Service (IRS) to help Alaska fishermen protect their fishing privileges.
- With the Alaska Attorney General, CFEC continued to defend the State against elimination of the nonresident fee differential in the *Carlson* case.



CFEC staff photo



Calendar Year 2006

- Launched new web site which includes a searchable permit holder database, information on permit renewals and transfers, and links to standard data tables and Commission reports.
- Presented “30 Years of Limited Entry” at the NOAA National Marine Fisheries Service sponsored conference, *Alaska’s Fishing Communities: Harvesting the Future*, in Anchorage, Alaska.
- Participated in a meeting with the Alaska Department of Fish and Game Sport Fish Division and sport charter guides to discuss issues regarding limited entry and the sport fish guide industry.
- HB 484 (Chapter 91 SLA 2006) authorized the legislature to appropriate revenue from the sale (re-issuance) of entry permits by the state in order to reimburse a qualified Salmon Association for its expenses in retiring permits under a buyback program.
- HB 251 (Chapter 11 SLA 2006) authorized the Board of Fisheries to adopt regulations allowing a person who holds two limited entry permits for a single salmon fishery to obtain greater fishing privileges such as additional gear.
- Continued to maintain a professional relationship with the IRS to help Alaska fishermen protect their fishing privileges.
- With the Alaska Attorney General, continued to defend the state nonresident fee differential in the *Carlson* case.



2005 and prior years

Information on 2005 and prior years can be found in previous annual reports or on the internet at the Commission website: <http://www.cfec.state.ak.us>.



CFEC Commissioners - 1973 to Present

<u>Commissioner</u>	<u>Service</u>
Rickey, Roy.....	1973 - 1977
Stovall, Charles.....	1973 - 1977
Jackman, David.....	1973 - 1974
Carter, Harry.....	1974 - 1974
Hansen, Harold.....	???? - 1975
Garner, John.....	1975 - 1976
Adaisiak, Allan.....	1977 - 1979
Simon, Robert.....	1977 - 1982
Garner, John.....	1977 - 1979
Riley, Burke.....	1979 - 1982
Williams, John.....	1979 - 1983
Whitehead, Michael.....	1982 - 1983
Smith, Philip.....	1983 - 1991
Listowski, Richard.....	1983 - 1993
Twomley, Bruce.....	1982 - Present
Homan, Frank.....	1991 - 1996
Anderson, Dale.....	1993 - 1997
Johnson, Marlene.....	1996 - 2003
McDowell, Mary.....	1997 - 2005
Homan, Frank.....	2003 - 2010
Froehlich, Peter.....	2005 - 2012
Brown, Benjamin.....	2011 - Present
Homan, Frank.....	2014 - 2015
Rupright, Verne.....	2015 - Present

