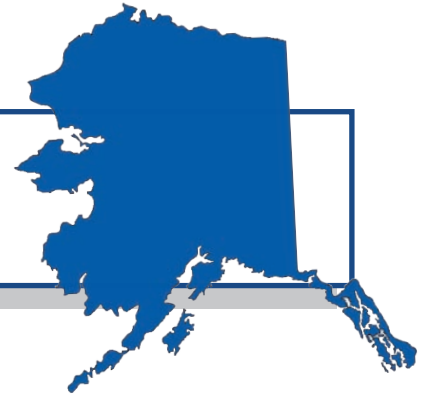


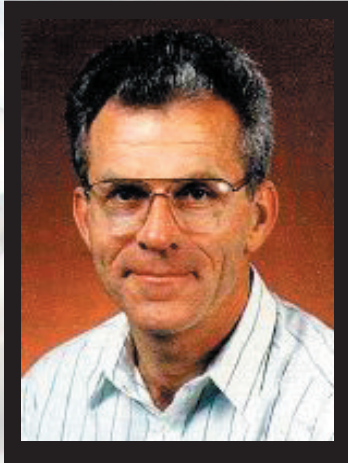
**C F E C**



**Commercial Fisheries  
Entry Commission  
2005 Annual Report**







*This edition of the CFEC annual report is dedicated to the memory of Ed Mills; a gifted and well-known wildlife artist from Juneau. Ed has graciously given CFEC permission to use a rendering of his “King of the Sea” painting on the Annual Report cover since 2003.*

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

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Inside photo courtesy of  
Andy Mills



# STATE OF ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION 2005 ANNUAL REPORT

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Dear Governor, Legislators, and Fellow Alaskans:

We are pleased to submit the Commercial Fisheries Entry Commission's 2005 Annual Report, pursuant to AS 16.43.980.

The Alaska Legislature enacted the Limited Entry Act in 1973, soon after Alaska voters approved a constitutional amendment which authorized entry limitation. The Limited Entry Act created a system for limiting the number of participants in Alaska's commercial fisheries and established the Commercial Fisheries Entry Commission to implement and administer the program.

During 2005, the Commission adopted regulations to revise its fee schedule as authorized by the legislature in the passage of SB 93 which became effective in May 2005; adopted regulations establishing an optimum number range for the Bristol Bay salmon drift net fishery; issued nearly 31,000 annual fishing permits and vessel licenses; reviewed more than 2,000 transfer requests, and issued 152 adjudicatory decisions. At various stages of adjudication, 230 cases were before the Commission as of the end of 2005.

Working with the Legislature, Administration, and the fishing industry in 2005, 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. Additionally, the Commission continues to work closely with fishermen, organizations, communities, the Alaska Department of Fish and Game, the Alaska Department of Commerce, Community and Economic Development, Alaska Board of Fisheries, the Commercial Fishing and Agriculture Bank, Alaska Business Development Center, Child Support Enforcement Division, Division of Emergency Services, Small Business Administration, Internal Revenue Service, as well as the North Pacific Fisheries Management Council and other federal fisheries management agencies on issues of importance to Alaska's commercial fishing industry.

We remain dedicated to our role in promoting conservation and sustained yield management of Alaska's fish resources and economic stability among fishermen and those dependent upon them for a livelihood.

Sincerely,

COMMERCIAL FISHERIES ENTRY COMMISSION

Frank Homan, Chairman

Peter Froehlich, Commissioner

Bruce Twomley, Commissioner











# Commercial Fisheries Entry Commission

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**State of Alaska  
Governor**

Frank H. Murkowski

**Commissioners**

Frank Homan, Chairman

Peter Froehlich, Commissioner

Bruce Twomley, Commissioner

**Adjudications**

Frank Glass, Project Leader

**Information  
Technology**

Ty McMichael, Project Leader

**Licensing**

Karen Wells, Project Leader

**Research**

Kurt Schelle, Project Leader

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2005 Annual Report design and  
layout by Shirley Penrose





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# Introduction

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The commercial fishing industry is a major component of Alaska's statewide economy and the economic backbone of Alaska's coastal communities. Alaska's seafood industry is one of the state's largest sources of private sector jobs. The Alaska Commercial Fisheries Entry Commission (Commission) plays an essential management role in developing and sustaining Alaska's billion dollar fishing industry.

In 1972, Alaskans voted to amend Article 8, Section 15 of the State's constitution to allow limited entry into Alaska's commercial fisheries. With this new authority, the Legislature approved the Limited Entry Act in 1973. The Act created the limited entry program and established the Commission as an independent regulatory and quasi-judicial agency to carry out the mandate of the people and legislature.

The Limited Entry Act directs the Commission to promote the conservation and sustained yield management of Alaska's fishery resources, and the economic health and stability of the fishing industry, by regulating entry into the state's commercial fisheries. To meet these responsibilities, the Commission organizes its staff into four sections: Adjudications, Research, Licensing, and Information Technology (See the chart: Organization by Agency Function, page 4).

The Commission engages in the following activities mandated by law (AS 16.43):

- Establishes maximum numbers of entry permits for fisheries to be limited and administers applications and point systems to rank eligible applicants;
- Processes entry permit applications and adjudicates claims not resolved in initial classification;
- Issues annual permits in limited and unlimited fisheries, and issues annual licenses for all vessels as required to legally participate in the state's commercial fisheries;
- Processes requests for emergency and permanent transfers of entry and interim-use permits and compiles data on all such transfers;
- Enforces provisions of the Limited Entry Act by regulating permit transfer activities;
- Participates in the research and development of comprehensive fisheries economic data;
- Works with other state and federal management agencies to develop, analyze, and coordinate fisheries policies;
- Assesses demerit points against permit holders for convictions of violations of commercial fishing laws in the salmon fisheries; and
- Issues vessel permits in fisheries under vessel-based limitations.

Between 1973 and the end of 2005, the Commission limited entry into 68 of Alaska's fisheries. The Commission regularly receives petitions for the limitation of additional fisheries and works with fishermen and the Department of Fish and Game to analyze these requests.



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The percentage of limited entry permits held by Alaska residents has remained relatively stable. Thirty-two years after enactment of Alaska's Limited Entry Act, Alaskans hold 77% of all limited entry permits. At the end of 2005, Alaskans held 11,167 limited entry permits, with rural Alaskans holding more than half of that number.

The Commission issued nearly 31,000 permanent permits, interim-use permits, and vessel licenses for the 2005 license year and reviewed more than 2,000 permit transfer requests. In fiscal year 2005, the Commission collected approximately 3.5 million dollars in revenues for the state.

The economic challenges facing the salmon industry have generated discussion about potential cost efficiencies in the fisheries, including consideration of options for reducing fleet size. The Commission continues to participate in this ongoing discussion with the public and policy makers, and to provide data to assist and inform the exploration of ideas. (See Decisions and Activities section for more information, page 5.)

*THE LIMITED ENTRY ACT  
DIRECTS THE COMMISSION TO  
PROMOTE THE CONSERVATION  
AND SUSTAINED YIELD MANAGE-  
MENT OF ALASKA'S FISHERY  
RESOURCES, AND THE ECONOMIC  
HEALTH AND STABILITY OF THE  
FISHING INDUSTRY, BY REGULAT-  
ING ENTRY INTO THE STATE'S  
COMMERCIAL FISHERIES.*

By working with other state and federal agencies throughout 2005, the Commission continued to help Alaska fishermen protect their fishing privileges. For example, throughout 2005, Commissioner Twomley continued to serve on the National Taxpayer Advocacy Panel where he chaired the Multi-Lingual Initiative Committee. Commissioner Twomley worked to ensure remedies provided to taxpayers under the 1998 IRS Reform Act continue to be available and known to Alaska commercial fishermen and other taxpayers.

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 the public and agencies.

In April of 2005, Governor Frank H. Murkowski tapped Commissioner Frank Homan to serve as chairman and appointed retired District Court Judge Peter Froehlich to serve as a Commissioner. In August, Commissioner Mary McDowell stepped down after serving ably since 1997. At the same time, new Commissioner Froehlich began serving and long-time Commissioner Bruce Twomley was reappointed by the Governor.





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Major decisions and activities of the Commission in 2005 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 ensure our fisheries are developed wisely and sustained through sound management. We at the Commission continue our commitment to fulfill our statutory role in achieving this goal.



Photo courtesy of the Alaska Seafood Marketing Institute





# Organization by Function

## COMMERCIAL FISHERIES ENTRY COMMISSION

### COMMISSIONERS

Frank Homan, Chairman  
Peter Froehlich, Commissioner  
Bruce Twomley, Commissioner

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

ADJUDICATIONS	LICENSING	RESEARCH	INFORMATION TECHNOLOGY
Frank Glass Project Leader	Karen Wells Project Leader	Kurt Schelle Project Leader	Ty McMichael Project Leader
<ul style="list-style-type: none"> <li>• Application Processing and Classification</li> <li>• Administrative Hearings</li> <li>• Case Management</li> <li>• Decisions on Claims</li> <li>• Preparation of Official Record in Judicial Appeals</li> <li>• Residency and Fraud Investigations</li> </ul>	<ul style="list-style-type: none"> <li>• Entry and Interim-use Permit Renewal</li> <li>• Vessel Licensing</li> <li>• Permanent and Emergency Transfers</li> <li>• Permanent File Management</li> <li>• Revenue Accounting</li> </ul>	<ul style="list-style-type: none"> <li>• Fisheries Data Collection</li> <li>• Economic Profiles</li> <li>• New Limitations Research</li> <li>• Priority Hardship (“Point” System) Development and Testing</li> <li>• Optimum Number Research</li> </ul>	<ul style="list-style-type: none"> <li>• Licensing Systems</li> <li>• Fisheries Database</li> <li>• Technology Development for Adjudications and Research</li> <li>• Agency Technical Support</li> <li>• Website Design and Maintenance</li> </ul>







# Decisions and Activities

## BRISTOL BAY OPTIMUM NUMBER

On October 5, 2005, the Commission adopted a regulation establishing an optimum number for the Bristol Bay salmon drift gillnet fishery. The regulation provides for an optimum number range of 900 to 1,400 permits.

The Commission's research staff completed work on an optimum number study for the Bristol Bay salmon drift gillnet fishery in 2004. The final report from the study recommended an optimum number range of 800 to 1,200 permits. That recommendation from the study became the basis of the Commission's original proposed optimum number regulation on October 22, 2004.

The original public comment period on the proposed optimum number ended on February 15, 2005, and public hearings were held in Anchorage, Dillingham, and Juneau. Many comments were received on the proposed regulation and some persons requested that the public comment period be extended. On February 12, 2005, the Commission extended the public comment period until June 22, 2005, and scheduled three additional teleconferenced hearings for communities in the local Bristol Bay area.

The Commission adopted the regulation for an optimum number range of 900 to 1,400 entry permits for the fishery. The optimum number adopted was slightly higher than the original proposal. The Commission made an upward adjustment after considering the comments received during the lengthy public comment period. The range is considerably below the 1,855 entry permits currently outstanding in the fishery. The optimum number regulation became effective on November 25, 2005.

*THE COMMISSION  
ADOPTED THE REGULATION  
FOR AN OPTIMUM NUMBER  
RANGE OF 900 TO 1,400  
ENTRY PERMITS FOR THE  
BRISTOL BAY SALMON DRIFT  
GILLNET FISHERY. THE  
OPTIMUM NUMBER REGULA-  
TION BECAME EFFECTIVE  
ON NOVEMBER 25, 2005.*

The Commissioners emphasized the adoption of an optimum number does not automatically initiate a buyback or other fleet reduction programs. The optimum number range adopted represents potential fleet reduction targets CFEC believes it can defend against claims the fishery would be too exclusive. The optimum number does provide a basis for discussing remedies that might be used in the fishery. CFEC is available as a resource and to be part of any discussions regarding fleet reduction for the Bristol Bay drift gillnet fishery.

## PERMIT FEES

In 2005, the Alaska legislature passed SB 93 (Chapter 16 SLA 2005) which revised the statute for annual renewal fees for limited entry and interim-use permits (AS 16.43.160) and also revised the statute for vessel license fees (AS 16.05.530).



---

SB 93 raised the maximum allowable base fee (“fee cap”) for an annual permit renewal from \$300 to \$3,000 and made other changes in the law including making the nonresident fee differential a “per person” fee surcharge rather than a “per permit” fee differential. The change to a nonresident “per person” surcharge was needed to comply with a stipulated court order resulting from an Alaska Supreme Court decision.

As soon as possible after the effective date of the legislation, the Commission proposed new fee regulations in accordance with the revised law and held a public comment period on the proposal that included two teleconferenced public hearings. The public comment period started on May 21, 2005 and ended on September 1, 2005. During the public comment period, the Commission received extensive comment on the proposal including written comment and oral comment at the two hearings.

The final regulations adopted by the Commission on September 8, 2005, incorporated several of the suggested changes made during the public comment period. For example, the Commission decided to phase-in the new fee structure and cap permit fees at fee class 14 or \$1,050 for 2006; at fee class 27 or \$2,025 for 2007, and fee class 40 or \$3,000 for 2008 and after. The new regulations were used to establish permit renewal fees beginning with the 2006 licensing year.

*PERMIT RENEWAL  
FEES ARE BASED ON A  
FORMULA OF 4/10<sup>THS</sup> OF  
1% OF THE ESTIMATED  
MARKET VALUE OF  
THE PERMIT FOR  
LIMITED FISHERIES AND  
4/10<sup>THS</sup> OF 1% OF THE  
ESTIMATED AVERAGE  
GROSS EARNINGS FOR  
UNLIMITED FISHERIES.*

## **GULF OF ALASKA GROUND FISH FISHERIES**

During 2004, the Commission continued to participate in the Gulf of Alaska (GOA) groundfish rationalization committee formed by the Board of Fisheries (Board) in 2003. The purpose of the committee was to explore options for managing groundfish fisheries in state waters contiguous to the Gulf of Alaska’s Exclusive Economic Zone (EEZ). The North Pacific Fishery Management Council (NPFMC) has been working to develop a fishery rationalization plan for GOA groundfish in the EEZ. A major concern is that a rationalized fishery in the EEZ could lead to large spillover effects into state waters, further pressure on state waters fisheries, and deleterious changes in the nature of the state waters fisheries if the State fails to act. Many Alaska fishermen fish in both state waters and the EEZ and some groundfish fisheries occur in both state and federal waters during “parallel” openings.

In the fall of 2004, following additional input through the GOA groundfish committee, the Board decided to request new legislation that would enable the Board and the Commission to develop an alternate type of restricted access program that might better fit the needs of the GOA groundfish fisheries. The current limited entry law does not appear to be well-





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sued for most of these fisheries, managed by quota, and did not meet many of the objectives of the Board's committee.

In 2005, legislation (SB 113) was introduced at the request of the Board, the Alaska Department of Fish and Game, and the Commission, to provide the Commission and the Board with general authority to develop dedicated access privilege programs for Gulf of Alaska groundfish fisheries as needed. The details of any specific program would need to be developed through a regulatory process that would require extensive public input. In concept, a dedicated access privilege would authorize the holder to harvest a portion of the overall harvest. The potential benefits of such a program include reducing the waste associated with a "derby fishery," allowing fishermen to harvest their share at times opportune to them, increasing safety, spreading out the harvest, improving ex-vessel prices, and improving profitability.

SB 113 passed the Senate in 2005, and, in September, the CFEC Commissioners participated in a meeting in Kodiak hosted by Representative Gabrielle LeDoux, discussing issues raised by SB113 and the GOA groundfish fisheries.

Opposition to the bill developed for a variety of reasons. Many persons believe that the bill was tied to the NPFMC process and would result in a program that would be detrimental to Alaskans. Some expressed concerns about corporate ownership and processor control of the fisheries.

The recently implemented federal Bering Sea-Aleutian Island (BSAI) crab rationalization program drew criticism from some fishermen because the bulk of the harvest quota shares were allocated to vessel owners and because the NPFMC program created processor quotas. Many fishermen are also concerned about the NPFMC's outline of alternatives for rationalizing the GOA groundfish fisheries for similar reasons. Opposition to these federal programs has also developed because of the potential negative economic impacts on some communities due to fleet consolidation. Such impacts have already been seen in some communities under the federal BSAI crab program.

For all of these reasons, passage of SB 113 during the 2006 session is unlikely. As of this writing, the bill will likely expire during the second session of the 24th Alaska Legislature.

The Commission remains committed to working with the fishing industry, the Alaska Board of Fisheries, the Department of Fish and Game, and other agencies to develop programs that will benefit Alaskan fishermen and those dependent upon them.



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## OTHER ISSUES

On November 18, 2005, Commissioner Twomley participated in a panel discussion, “Salmon Consolidation: Are Co-ops Dead or is Buy-Back Ahead?” at Fish Expo in Seattle. This topic surfaced in the wake of the Alaska Supreme Court’s ruling in *Grunert v. State*, 109 P.3d 924 (Alaska 2005) [discussed on page 10 of this report], and the Commission’s proposal of an optimum number for the Bristol Bay salmon drift gill net fishery (discussed on page 5 of this report).





# Adjudications

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## OVERVIEW

The primary purpose of the Commission's Adjudications Section is to evaluate, classify and adjudicate applications for limited entry permits. Entry permit applicants are classified in a system that measures each applicant's past participation and economic dependence on the fishery. Applicants are then ranked in relation to the classifications of all other applicants. Entry permits are then issued at successively lower classification levels until the established maximum number of permits has been issued for that fishery.

Adjudication functions are performed by two paralegals, three hearing officers and the Commissioners. The paralegals evaluate entry permit applications and make the initial determination on accepting, denying and classifying them. 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 held and decided by paralegals. Permanent transfer hearings are held and decided by hearing officers.

The 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, and may take formal action to modify, reverse or affirm the decisions.

Commission hearing officers also preside over hearings arising from enforcement (notice to show cause) proceedings, where the Commission may impose fines, or revoke or suspend the permits of those who attempt to mislead the Commission with false information. These hearings are held in the presence of the Commissioners.

*FROM 1990 THROUGH 2004, THE COMMISSION ISSUED OVER 1,700 FINAL DECISIONS THEREBY DECIDING CASES AT A RATE FASTER THAN APPLICANTS FILED NEW APPEALS AND REDUCING ITS CASELOAD TO 230.*

## ADMINISTRATIVE PROCEEDINGS AND DECISIONS

The Adjudications staff issued 66 decisions in 2005. Forty-eight decisions were issued on permit applications, 15 on permit transfers and 3 on notices to show cause, fines and miscellaneous matters. At the end of the year, 95 entry permit application cases were pending before hearing officers.

The Commissioners adjudicated a total of 86 cases during 2005. Seventy-two cases were adjudicated on permit applications, 11 on permit transfers and 3 on notices to show cause,





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finer and miscellaneous matters. At the end of the year, 135 entry permit application cases were pending before the Commissioners.

By the end of 2005, Commissioners and Hearing Officers made substantial progress through the Commission's adjudication caseload. 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 1980's, the Commission's caseload had risen to nearly 900 cases. 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 2004, the Commission issued over 1,700 final decisions thereby deciding cases at a rate faster than applicants filed new appeals and reducing its caseload to 230.

## JUDICIAL RULINGS AND APPEALS

In *Grunert v. State*, 109 P.3d 924 (Alaska 2005), the Alaska Supreme Court held that a Board of Fisheries regulation designed to reduce the number of participants in the Chignik salmon purse seine fishery by allowing permit holders to form a cooperative was invalid because it conflicted with provisions in the Limited Entry Act that require active participation by permit holders.

In *State v. Dupier*, 118 P.3d 1039 (Alaska 2005), the Alaska Supreme Court upheld the state's requirement that those who catch halibut and sablefish in the Exclusive Economic Zone (EEZ) off of Alaska must hold CFEC-issued interim-use permits before landing their catch in Alaska.

In *Johnson v. State*, CFEC, M.O.J. No. 1199 (Alaska 2005), the Alaska Supreme Court affirmed the CFEC's decision to deny Johnson's extraordinary circumstances claim and, by applying the court's 2004 decision in *Simpson v. State*, CFEC, 101 P.3d 604 (Alaska 2004), denied Johnson's challenge to the maximum and optimum numbers established for the Northern Southeast Inside sablefish longline fishery.



Photo courtesy of the Alaska Seafood Marketing Institute





# Licensing

## OVERVIEW

The Commission's Licensing Section is responsible for issuance of annual permit and vessel licenses required for participation in Alaska's commercial fisheries. The Section strives to provide commercial fishermen with renewal forms, permits, and vessel licenses in a timely manner to avoid lost fishing time. Additionally, the Licensing Section handles replacement of lost licenses, tracking of vessel ownership changes, salmon net area registrations, and issuance of emergency and permanent transfers.

The Licensing Section serves as a source of information and a reference for commercial fishermen about laws and regulations affecting the fishing industry. Besides keeping up to date with licensing requirements and actions of the Commission itself, licensing staff maintain contact with ADF&G, Division of Investments, National Marine Fisheries Service and other agencies in order to keep track of changes in relevant laws and regulations. Some of these changes include actions by the Commission and the legislature to bring fisheries under entry limitation or moratoria; implementation of new types of licensing mechanisms; and accommodate regulatory changes by the Board of Fisheries and actions by federal agencies to create or revise moratoria or restricted access programs such as License Limitation (LLP), Individual Fishing Quota (IFQ) and Community Development Quota (CDQ) programs.

*THE COMMISSION  
ISSUED NEARLY 31,000  
PERMANENT PERMITS,  
INTERIM-USE PERMITS,  
AND VESSEL LICENSES  
FOR THE 2005 LICENSE  
YEAR AND REVIEWED  
MORE THAN 2,000  
PERMIT TRANSFER  
REQUESTS.*

While keeping up with additional licensing responsibilities associated with new regulatory developments, licensing staff must also respond to thousands of information requests annually with current information. In coordination with the Commission's Information Technology Section, the Licensing Section is continually streamlining procedures, automating processing wherever possible and looking for innovative ways to efficiently meet the ever-increasing informational demands.

At the end of 2005, the total number of issued permits and vessel licenses decreased slightly from the 2004 license year. The decrease may be partially attributed to fisheries in which the annual licensing requirements have been waived due to season-long closures and non-transferable permits lapsing due to nonpayment of renewal fees for a two year period. The number of permits issued is also impacted each time a new fishery is limited and applications for permanent permits are adjudicated and denied and by fleet consolidations occurring under federal rationalization programs.



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## FEE STRUCTURE

During the 2001 legislative session, the Alaska Legislature passed a bill revising the fee structure for annual renewal of commercial fishing limited entry and interim-use permits, effective for the 2002 season. The new fee structure was necessitated by court requirements in the *Carlson v. State* lawsuit, a class action by nonresident fishermen challenging Alaska's law that set annual nonresident commercial fishing fees at three times the resident fees.

From 2002 to 2004, each permit in a given fee class was assessed an annual base fee. Nonresident permits were assessed an additional amount calculated according to the *Carlson* ruling. In 2005, that amount was \$115, calculated on a "per person" basis instead of "per permit".

During the 2005 legislative session, the Alaska Legislature passed Senate Bill 93 making changes to permit and vessel license fees. The changes raised the cap on commercial fishing permits from \$300 to \$3,000 and the vessel fees from 5 fee categories to 13 with a \$900 cap.

*AFTER SEVEN YEARS,  
THE COMMISSION  
HAS ISSUED DEMERIT  
POINTS TO 492  
FISHERMEN*

## PERMIT TRANSFERS FOR FLEET CONSOLIDATION

In 2003, the legislature passed HB286 allowing holders of salmon permits to hold up to two permits in a given fishery for the purpose of fleet consolidation. The Commission adopted regulations and procedures for this new ability to hold two permits in a salmon fishery. At the end of 2005, 44 fishermen held two permits in 8 salmon fisheries: Southeastern Alaska purse seine and drift gillnet, Prince William Sound purse seine, Kodiak purse seine and set gillnet, Peninsula Aleutian purse seine and drift gillnet, and Bristol Bay drift gillnet.

## DEMERIT POINTS

In 1998, the Alaska Legislature enacted a law, AS 16.43.850-16.43.895, 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.

After seven years, the Commission has issued demerit points to 492 fishermen and suspended two salmon permits in Bristol Bay. More than 70% of the demerit points assessed have been for violations occurring in the Bristol Bay salmon drift gillnet fishery.



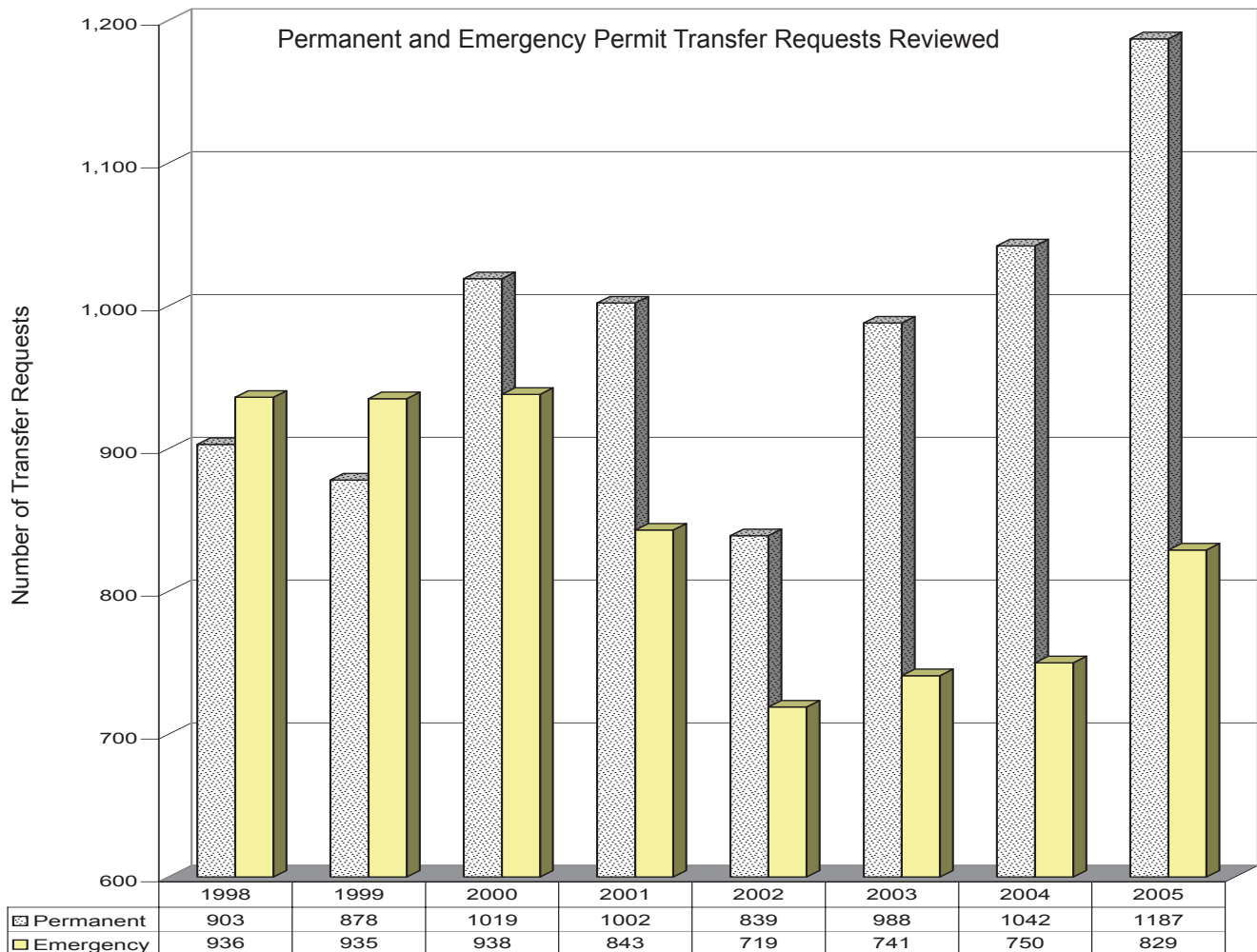


## VESSEL ENTRY PERMITS

In 2005, licensing staff issued the first vessel entry permits in the Bering Sea hair crab and weathervane scallop fisheries. As a result of this new system for issuing and tracking vessel entry permits, new forms were created for transfer of these permits and substitution vessels.

## PERMIT TRANSFER REQUESTS

During 2005, the Commission reviewed 2,016 requests for permanent and emergency transfers of permits. These included 829 emergency transfer requests and 1,187 permanent transfer requests. A breakdown of transfer requests by type of transfer is shown below:



(From CFEC reports B1420P-A and B1425P-C, E, J)



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## PERMANENT TRANSFER REQUESTS IN 2005

Standard transfers approved.....	1,102
Survivorship transfers to spouse approved .....	25
Foreclosure transfers by loan agencies approved .....	15
Total Approved.....	1,142
<b>Denied Transfers</b> .....	29
Withdrawn transfer requests .....	16
<b>Total Reviewed</b> .....	1,187

## EMERGENCY TRANSFER REQUESTS IN 2005

Emergency transfer requests reviewed in 2005 .....	829
Emergency transfer requests approved in 2005 .....	789

**TOTAL TRANSFER REQUESTS REVIEWED IN 2005.....2,016**

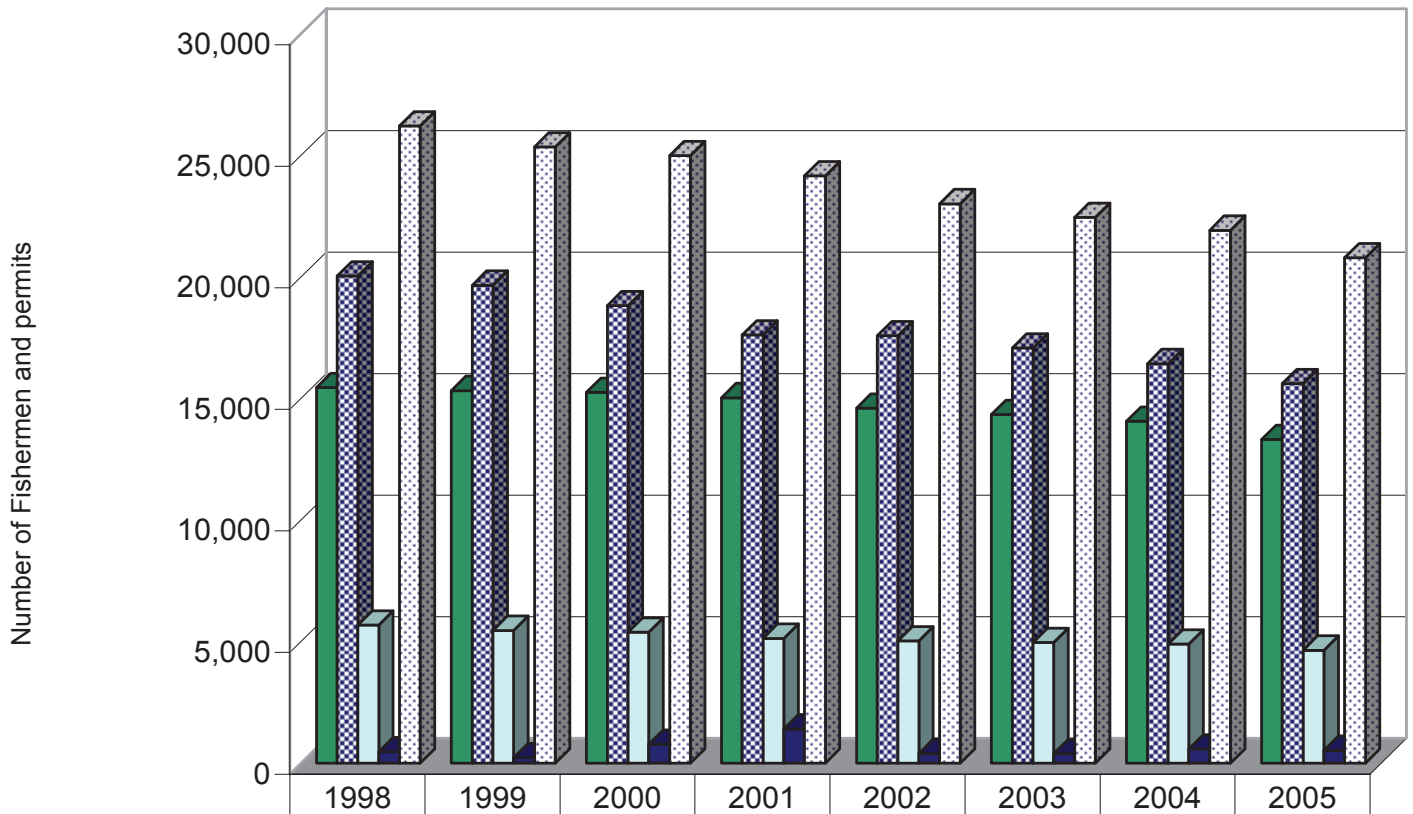


## PERMITS AND LICENSES ISSUED

The following graphs provide data on permits and vessel licenses by year:



Permits Issued by License Year



	1998	1999	2000	2001	2002	2003	2004	2005
■ Fishermen	15,460	15,332	15,257	15,041	14,611	14,349	14,075	13,324
▣ Resident Permits	20,052	19,666	18,822	17,620	17,587	17,085	16,440	15,616
▤ NonResident Permits	5,689	5,464	5,393	5,139	5,032	4,974	4,905	4,650
■ Fees Waived*	478	231	783	1,412	400	395	584	532
▣ Total Permits Issued	26,219	25,361	24,998	24,171	23,019	22,454	21,929	20,798

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

The numbers of permits in this table are preliminary and may increase further due to late renewals of entry permits. 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 years from the year of last renewal can result in forfeiture of the entry permit.

Licensing year refers to the fishing year for which the license or permit is issued, regardless of when fees were paid. Number of permits is higher than number of fishermen as some individuals hold permits in more than one fishery.

Breakdown between resident/nonresident determined by resident category of fees paid.

Data include permits issued in both open access fisheries and limited fisheries.

Includes only permits with fees paid by 12/31/2005 or fees waived.

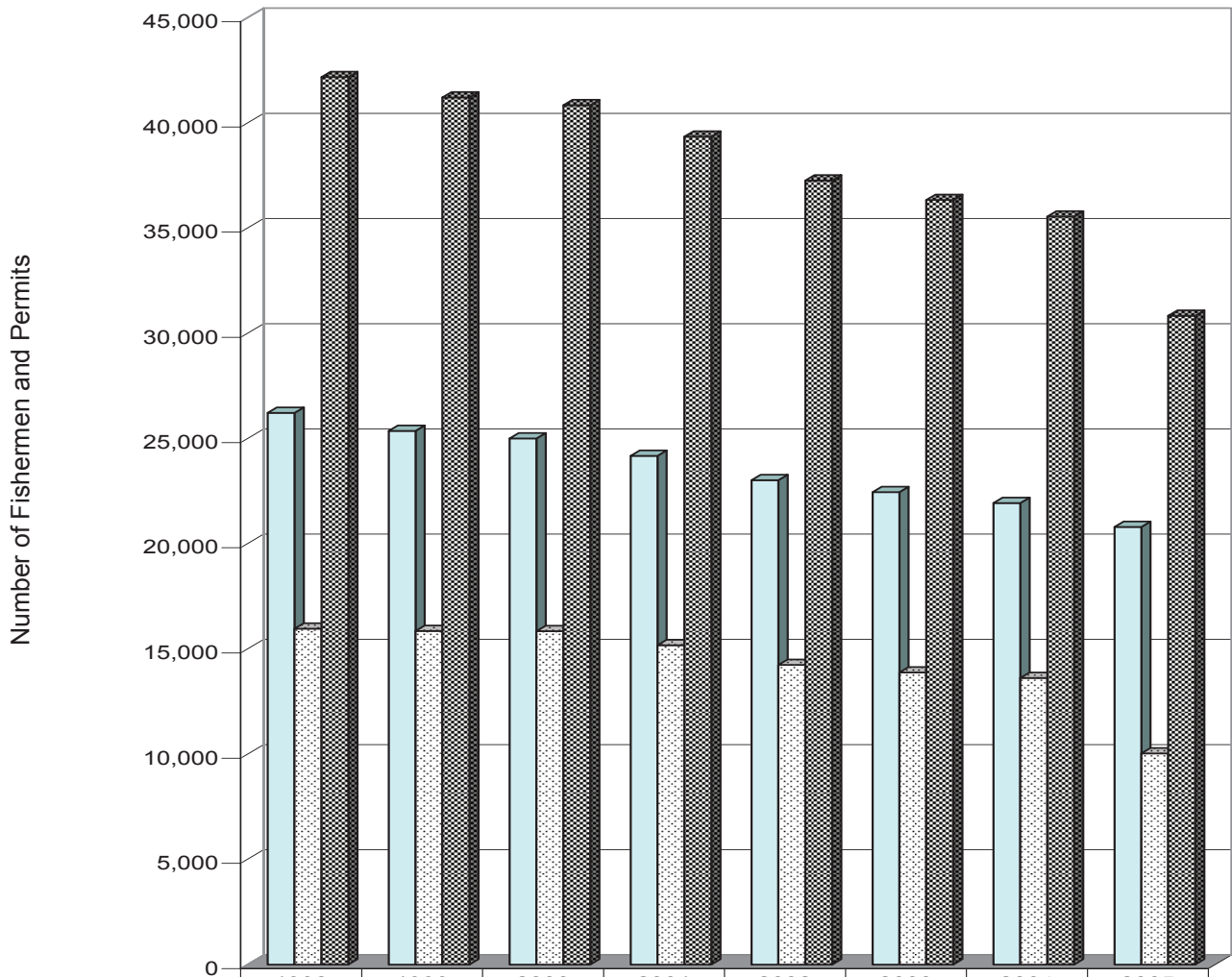
\* Number of permits for which the Commission waived fees due to a fishery not opening.

\*\* "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



■ Total Fishing Permits	26,219	25,361	24,998	24,171	23,019	22,454	21,929	20,798
▨ Total Vessel Licenses	15,959	15,849	15,843	15,177	14,243	13,879	13,616	10,036
▩ Total Permits and Licenses	42,178	41,210	40,841	39,348	37,262	36,333	35,545	30,834

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

The numbers of permits in this table are preliminary and may increase further due to late renewals of entry permits. 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 years from the year of last renewal can result in forfeiture of the entry permit.

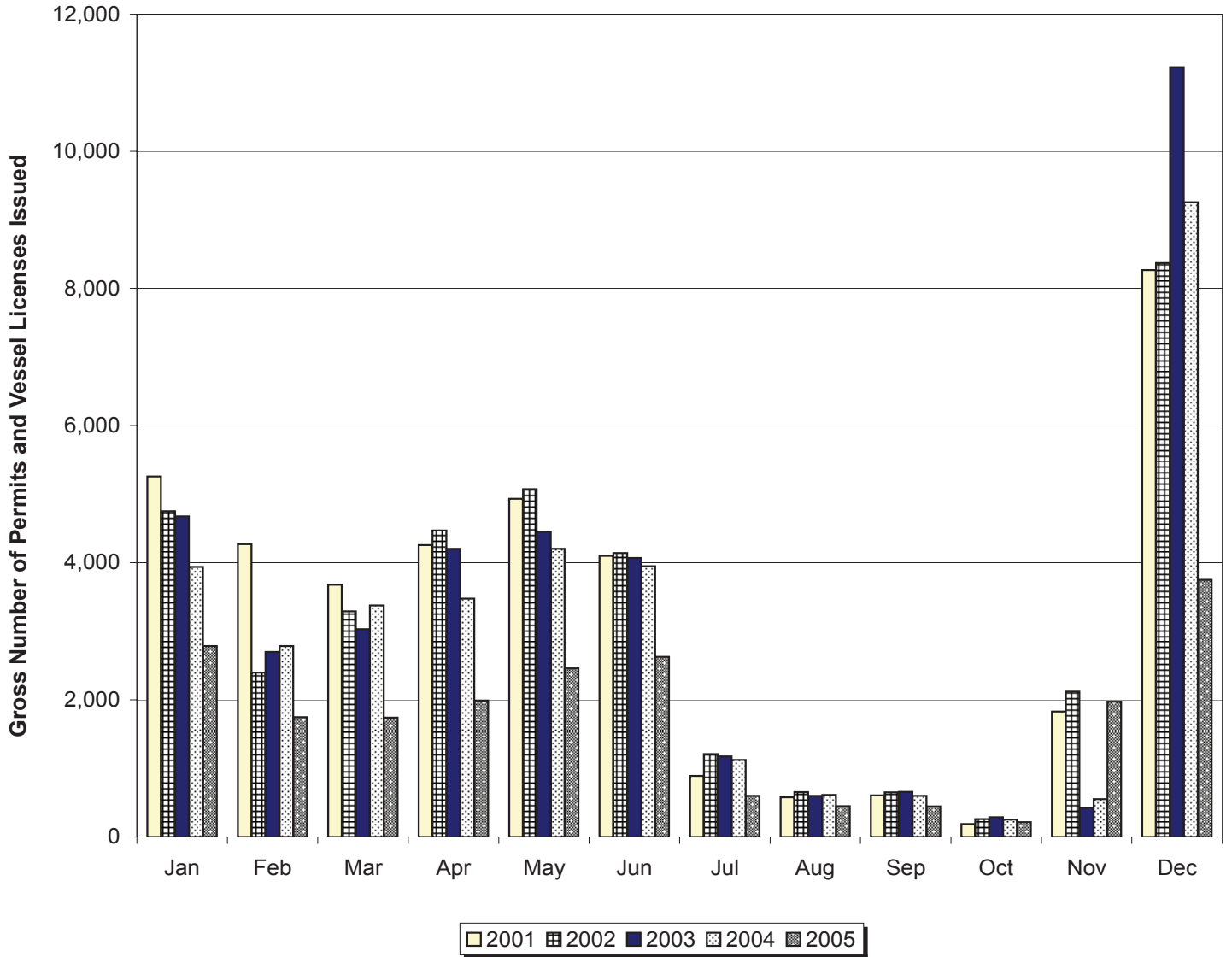
Data include permits issued in both open access fisheries and limited fisheries and vessel licenses issued by license year. License year refers to the fishing year for which the license or permit is issued, regardless of when the fee was paid.

Includes only permits with fees paid by 12/31/2005 or fees waived.

\*\* "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)



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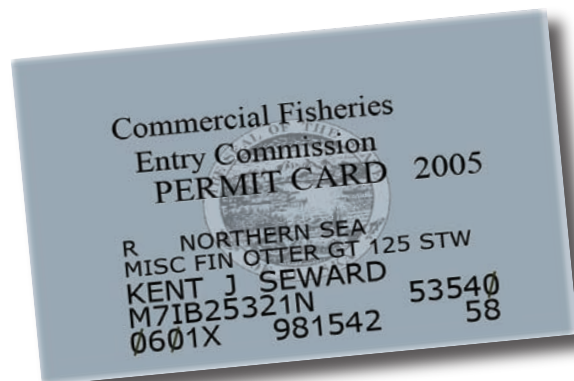
## SUMMARY OF PERMITTING ACTIVITY - 2005 LICENSING YEAR

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Limited Entry Permits Renewed.....	12,953
Limited Entry Permits Not Renewed by end of 2005.....	1,062
Limited Entry Permits with Fees Waived * .....	532
Limited Entry Permits Revoked or Lapsed (since 1975).....	1,728
Interim-Use Permits Issued in Fisheries Under Limitation .....	281
(these are sometimes referred to as Interim-Entry Permits)	
Interim-Use Permits Issued in Open-to-Entry Fisheries.....	7,002
Landing Permits.....	24
Special Harvest Area (Hatchery) Permits Issued.....	20
Educational Entry Permits Issued.....	1
Vessel Permits Issued.....	8

(From CFEC reports B1440P-A and B)

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



## VESSEL LICENSE FEES

The first table below shows the number of 2005 vessel licenses issued during calendar year 2005. The second table shows the 2006 vessel licenses issued in 2005 under the new fee structure. Both tables show the licenses issued and the revenue generated by fee category.

### 2005 FEE CATEGORIES

Category Based on Overall Length of Vessel	Fee Based on Overall Length of Vessel	Number of Vessels Licensed in Category	Revenue Generated from License Fees for Calendar Year 2005
A - 25' and under	\$20	2,229	\$44,580
B - over 25' - 50'	\$50	3,694	\$184,700
C - over 50' - 75'	\$100	381	\$38,100
D - over 75' - 150'	\$250	68	\$17,000
E - over 150' - 250'	\$500	5	\$2,500
F - over 250'	\$750	1	\$750
<b>Total</b>		<b>6,378</b>	<b>\$287,630</b>

(From CFEC report B0110P-A)

### 2006 FEE CATEGORIES

Category Based on Overall Length of Vessel	Fee Based on Overall Length of Vessel	Number of Vessels Licensed in Category	Revenue Generated from License Fees for Calendar Year 2005
A - 25' and under	\$24	1,042	\$25,008
B - over 25' - 50'	\$60	1,798	\$107,880
C - over 50' - 75'	\$120	384	\$46,080
D - over 75' - 100'	\$225	125	\$28,125
E - over 100' - 125'	\$300	129	\$38,700
F - over 125' - 150'	\$375	47	\$17,625
G - over 150' - 175'	\$450	33	\$14,850
H - over 175' - 200'	\$525	24	\$12,600
I - over 200' - 225'	\$600	10	\$6,000
J - over 225' - 250'	\$675	5	\$3,375
K - over 250 - 275'	\$750	7	\$5,250
L - over 275' - 300'	\$825	4	\$3,300
M - over 300'	\$900	15	\$13,500
<b>Total</b>		<b>3,623</b>	<b>\$322,293</b>
<b>2005 &amp; 2006 Fee Category Combined Total</b>		<b><u>10,001</u></b>	<b><u>\$609,923</u></b>







# Research

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## **OVERVIEW**

The Research Section provides the studies and analyses needed by the Commission. The Research Section, coupled with the Commission's IT Section, also produces basic economic data on Alaska's fisheries. The Section produces both standard and specialized reports. Commission research reports have been used to help inform a wide range of fishery management policy questions.

In 2005, the Commission's Research staff was involved in many projects. These projects included efforts to monitor trends in Alaska's fisheries, to evaluate the need for access controls in particular fisheries, and to provide other agencies and users with needed data and analyses.

The following paragraphs provide some highlights of 2005 Research activities.

## **NEW LIMITATIONS**

There were no new fisheries limited in 2005. The Research staff produced internal confidential briefing reports that thoroughly examined several fisheries and monitored other Alaska fisheries through basic statistical reports. However, the Commission did not propose any new limited entry programs in 2005.

## **OPTIMUM NUMBERS AND SALMON RESTRUCTURING**

On October 5, 2005 the Commission adopted a regulation establishing an optimum number range for the Bristol Bay salmon drift gillnet fishery. The regulation provides for an optimum number range of 900 to 1,400 permits. The optimum number range adopted was slightly higher than the original proposal which was based on a 2004 report prepared by the Commission's Research staff. The optimum number range is well below the 1,855 entry permits currently outstanding in the fishery.

The Commission continues to receive comments from the public on alternatives for reducing the fleet size in the Bristol Bay salmon drift gillnet fishery. Some persons would prefer to let the fleet size be determined by individual permit holder decisions with no further government action. Some persons favor developing a fisherman-funded permit buyback program, particularly if it could be subsidized. Some persons would prefer some form of a "permit-stacking" option.

Permit-stacking is a way to reduce the number of fishing operations in a fishery without reducing the number of permits. The Alaska Board of Fisheries (Board) has experimented



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with a form of permit-stacking in the Bristol Bay salmon drift gillnet fishery beginning in 2004.

The Board's current permit-stacking regulation is 5 AAC 06.333. The regulation allows two CFEC permit holders fishing from the same vessel to use 200 fathoms of gear under certain conditions. The unit-of-gear for a vessel with a single permit holder is 150 fathoms. While there are no definitive data on the usage of this new regulatory option, the available evidence suggests that permit-stacking has increased since the regulation was first implemented.

Some believe that the use of permit-stacking to reduce the size of the Bristol Bay salmon drift gillnet fleet would increase substantially if an individual who holds two CFEC permits could fish an additional 50 fathoms of gear. They argue that this type of arrangement would give persons more of an incentive to buy a second permit for the fishery. Currently, Alaska's limited entry law provides that a person may hold two permits in a salmon fishery for fleet consolidation purposes, but the person may receive no additional fishing privileges for holding the second permit (see AS 16.43.140(c)(5)).

*FISHING GROUPS, THE  
LEGISLATURE, AND THE  
ALASKA BOARD OF  
FISHERIES HAVE ALL BEEN  
LOOKING AT WAYS TO RE-  
STRUCTURE THE  
SALMON INDUSTRY*

In 2005, a bill was introduced in the Alaska Legislature that would give the Board the authority to adopt regulations providing incremental additional use-privileges to a person who holds two CFEC permits for a fishery. The current version of the draft law is SCS CSHB 251(RES). The bill passed the House in 2005 and will be considered by the Senate during the 2006 session. The bill gives the Board the legal authority to adopt regulations that would provide incentives for more fleet consolidation.

The dramatic growth in farmed salmon production in recent years has led to a large decline in the average ex-vessel prices for commercially-harvested wild salmon. Fishing groups, the legislature, and the Alaska Board of Fisheries have all been looking at ways to restructure the salmon industry to help cut costs and make the salmon fisheries more profitable in this new market climate.

During 2005, the head of the Commission's Research Section served as part of the support staff for the Alaska Board of Fisheries' (Board) Salmon Industry Restructuring Panel. During 2005, the panel produced a draft *Report and Recommendations to the Alaska Board of Fisheries and the Alaska State Legislature* which should be available in 2006.

The Commission remains committed to help fishing groups, the public, the Alaska Board of Fisheries, and other policy makers explore salmon restructuring options and issues. The



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Commission is open to any proposal that would lead to improvements for Alaska salmon fishermen and their families. Nevertheless, the viability of different alternatives for industry restructuring may ultimately depend upon a satisfactory resolution of some of the issues raised by the Alaska Supreme Court in *Johns v. State*, CFEC, 758 P.2d 1256 (1988), and *Grunert v. State*, 109 P.3d 924 (Alaska 2005).

## **FEE ESTIMATES AND REVENUE FORECASTS**

In 2005, the Alaska legislature revised the statute for annual renewal fees for limited entry permits and interim-use permits (AS 16.43.160) and also revised the statute for vessel license fees (AS 16.05.530).

During the legislative process, the Research Section was very involved in making estimates of renewal fee and revenue forecasts for several alternative scenarios for changing the law and the regulations governing fees. New scenarios were analyzed as questions arose among legislators.

After the bill passed and became law, the Commission proposed new fee regulations in accordance with the revised law and held an extensive public comment period on the proposal that included teleconferenced public hearings. During the public comment period on the proposed regulations, other suggestions arose including new alternatives for defining permit fisheries. This led to more scenarios which required additional fee estimates and revenue forecasts.

The final regulations adopted by the Commission incorporated several of the suggested changes made during the public comment period. The new regulations were used to establish permit renewal fees beginning with the 2006 license year.

## **GULF OF ALASKA GROUND FISH PROPOSED LEGISLATION – SB113**

During 2005, the Research staff produced some preliminary background data on some Gulf of Alaska (GOA) groundfish fisheries to help inform discussions on SB 113, which is a proposed law that would provide the Commission and the Board with the authority to develop an alternative type of limited entry program(s) for the GOA groundfish fisheries in state waters. The current version of the draft bill is CSSB 113(RES).

The idea for the legislation originally came from the Alaska Board of Fisheries' (Board) GOA groundfish rationalization committee. The head of the Commission's Research Section served as part of the staff support for the committee.



The current limited entry law does not appear to be well-suited for many of these fisheries and did not meet many of the objectives of the Board's committee. SB 113 was introduced in 2005 at the request of the Alaska Board of Fisheries, the Alaska Department of Fish and Game, and the Commission. While the bill passed the Senate during the 2005 session, it soon ran into substantial opposition. It now appears that the bill will expire during the second session of the 24th Alaska legislature.

## OTHER PROJECTS AND REPORTS

The Research staff produced monthly permit value estimates for the Department of Commerce, Community and Economic Development and other users. The following is a listing of some non-confidential reports that CFEC staff members prepared during 2005.

***Bristol Bay Salmon Drift Gillnet and Set Gillnet Fisheries: Permit Holdings and Participation Rates by Age and Resident-Type, 1975-2004*** (05-2N) by Stefanie Carlson.

***Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975-2004*** (05-3N) by Cathy Tide, Nancy Free-Sloan, Stefanie Carlson and Kurt Iverson

***Executive Summary - Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975-2004*** (05-3N-EXEC) by Cathy Tide, Nancy Free-Sloan, Stefanie Carlson and Kurt Iverson

***Changes in Roe Herring Markets: A Review of Available Evidence*** (05-5N) by Stefanie Carlson.

***Resident-Types of CFEC Permit Holders in the 2005 Chignik Salmon Purse Seine Fishery*** (05-6N) by Nancy Free-Sloan.

These reports are available on the CFEC web site (<http://www.cfec.state.ak.us>). Copies of the reports may be obtained from the Commercial Fisheries Entry Commission, Research Section, 8800 Glacier Highway #109, P.O. Box 110302, Juneau, AK 99811-0302.

The screenshot shows the CFEC website homepage with the following sections and links:

- WELCOME:** The Alaska Commercial Fisheries Entry Commission (CFEC) helps to conserve and maintain the economic health of Alaska's commercial fisheries by limiting the number of participating fishers. We issue permits and vessel licenses to qualified individuals in both limited and unlimited fisheries, and we provide due process hearings and appeals. If you wish to contact in-season managers of Alaska commercial fisheries or find rules controlling fishers and their harvest during Alaska's commercial fishing seasons, see the Commercial Fisheries Division of the Alaska Dept. of Fish & Game under Related Sites on this page.
- Highlights:**
  - CFEC Website Redesigned
  - 2006 Permit Fees
  - Permit Holder Database
  - Bristol Bay
  - Public Notices & News Releases
- Permits:**
  - Forms
  - Search Permit Database
  - Permit Value
  - Dement Points
- Fishery Statistics:**
  - Fishery Participation & Earnings
  - Permits & Permit Holders
  - Commercial & Charter Vessels
  - Fishery Codes
- Transfers:**
  - Forms
  - Permanent Transfer
  - Emergency Transfer
  - Estate Information
  - Intent to Transfer List
  - Intent to Transfer Database
- Vessels:**
  - Forms
  - Commercial Vessel Database
  - Sport Vessel Database
- Adjudications:**
  - Limited Entry Fishery Status Reports
  - Commission Decisions & Judicial Appeals
- Publications:**
  - Annual Reports
  - Publications by Year
  - Publications by Subject
  - Brochures
- Related Sites:**
  - Fish & Game
  - Commercial Fisheries Division
  - Commercial Fishing Loan Fund
  - More Fish Links
- Regulations:**
  - Proposed Regulations
  - CFEC Regulations
  - CFEC Statutes
  - Fish & Game Regulations

Commercial Fisheries Entry Commission  
8800 Glacier Hwy, #109  
P.O. Box 110302 Juneau, AK 99811-0302  
Telephone: (907) 789-6160 Fax: (907) 789-6170

Home | Permits | Forms | Contact | Site Index







# Revenue

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## OVERVIEW

The Commission budget is almost entirely funded by revenue generated by the agency. Revenues generated by the Commission come primarily from issuance of commercial fishing permits and vessel licenses. Additional revenues originate from research and data processing services and reports requested by the public, fishing organizations, fisheries research groups, and other agencies. Total revenue for fiscal year 2005 (July 1, 2004 – June 30, 2005) was about \$3.5 million.

Senate Bill 93, which passed the legislature during the 2005 session and was signed by the Governor, makes two significant changes that will increase CFEC revenues beginning with the 2006 commercial fisheries licensing year (calendar year). The first is to raise the cap on annual fishing permit renewals to \$3,000. This mainly affects those higher value fisheries that have benefited in the past from the lower cap. The statute calls for fees to reflect the economic return from different fisheries. The second is a modification to the annual commercial fishing vessel license fee. The fee structure was expanded from 5 fee classes to 13 fee classes at 25 foot increments beginning at 0-25 feet.

*SINCE 1997,  
CFEC REVENUES  
HAVE DECLINED BY  
ABOUT 34%*

Following the effective date of SB 93, the Commission proposed regulations, held a public comment period including several public hearings, and received oral and written testimony. In response to public comments, the Commission adopted an annual permit renewal schedule to accommodate a phased-in approach. The permit renewal fee for the 2006 licensing year will be capped at \$1,050, for 2007 at \$2,025, and for 2008 at \$3,000.

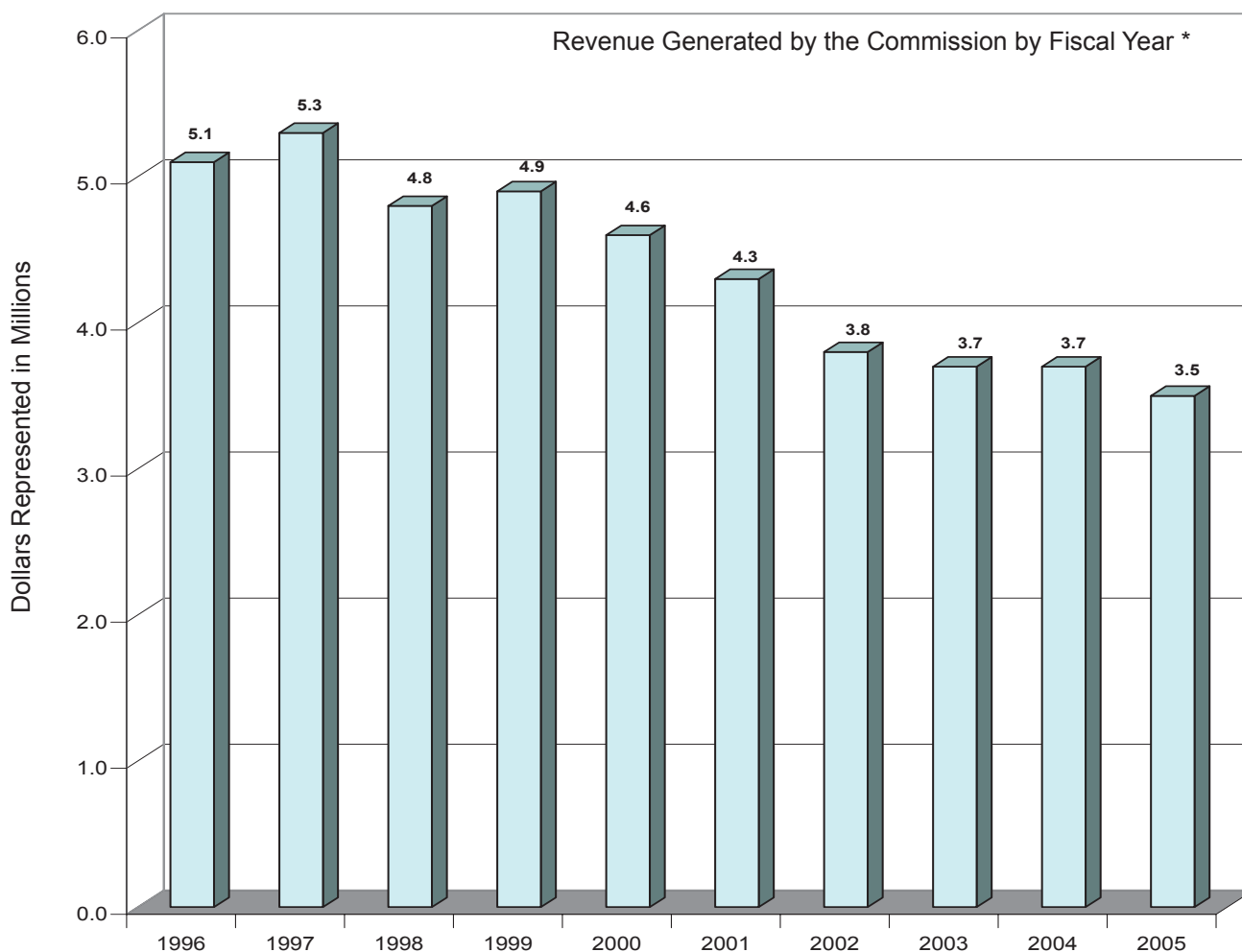
The permit renewal fees are based on a formula of  $\frac{4}{10}$ ths of 1% of the estimated market value of the permit for limited fisheries and  $\frac{4}{10}$ ths of 1% of the estimated average gross earnings for unlimited fisheries. The permit value represents the marketplace value of a limited entry permit. The phased in approach will only affect high value fisheries. Those fisheries that are below the \$1,050 cap for 2006 will not see an increase by raising the cap in future years unless their economic value increases to a point where they are pushed higher under the formula. Permit renewal fee classes range from \$75 to \$1,050 for 2006, with the majority being \$375 or less. The 2006 fee increase impacted those fisheries that would have paid higher fees in the past if not for the previous fee cap. Based on this phased-in approach, we anticipate revenues generated above the CFEC obligations to be approximately \$1.5 million in each of the next three fiscal years.

The legislature has used this additional revenue to fund programs that contribute to the support of Alaska's commercial fisheries.



The long-term decline in permit and vessel license renewals is expected to continue because of federal and state fleet consolidation programs. For example, the Bering Sea crab consolidation starting in 2005 will reduce the number of vessels and skippers applying for renewals in 2006. This will likely impact the FY06 revenues, however, it is too early to calculate with any certainty, and is not reflected in our projections at this time. Other federal fisheries, such as Gulf of Alaska and Bering Sea groundfish, are expected to be affected in the future. In state waters, fleet consolidation programs are being discussed for the Southeast salmon purse seine fishery, the Bristol Bay salmon drift gillnet fishery and the Gulf of Alaska groundfish fishery.

## REVENUE GENERATED BY CFEC



Note: These data reflect permit fees, vessel license fees, limited entry application fees, refunds and miscellaneous revenue.  
\* Revised from earlier Annual Reports





# Appendices

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DECISIONS AND ACTIVITIES, CALENDAR YEARS 2000 - 2004 .....28



Photo courtesy of the Alaska Seafood Marketing Institute



# Employee Names and Electronic Mail Addresses \*

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	Mary McDowell	Commissioner	**
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	Kurt Iverson	Fisheries Analyst	kurt_iverson@cfec.state.ak.us
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\* This list includes calendar year 2005 full-time, seasonal and part-time employees

\*\* These people are no longer employed at the Commission





## DECISIONS AND ACTIVITIES IN PRIOR YEARS

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### CALENDAR YEAR 2004

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- Conducted research, held public hearings, and adopted regulations limiting entry into the statewide weathervane scallop fishery under a vessel-based system. Conducted an application period and received 10 applications. Completed adjudication of 9 applications and issued 8 permanent vessel entry permits.
- Conducted a limited entry application period for the Bering Sea hair crab fishery and received 20 applications. Completed adjudication of 14 applications and issued 12 permanent vessel entry permits.
- Conducted a limited entry application period for the Kodiak bairdi Tanner crab pot crab fishery and received 233 applications. Completed adjudication of 205 applications and issued 136 permanent entry permits.
- Completed The Bristol Bay Salmon Drift Gillnet Optimum Number Report. Proposed an optimum number of entry permits for the Bristol Bay drift gillnet fishery and held public hearings.
- Participated in the meetings of the Joint Legislative Salmon Industry Task Force and the Alaska Board of Fisheries' Salmon Industry Task Force.
- Addressed the Kenai Working Group on limited entry issues.
- Addressed the Southeast Inter-Tribal Fish and Wildlife Conference on Commercial and Subsistence Fisheries on limited entry issues.
- Addressed the Bristol Bay Native Corporation's Leadership Conference on the optimum number proposal for the Bristol Bay drift gillnet fishery.
- Participated in a discussion of the proposed Bristol Bay drift gillnet optimum number hosted by the Alaska Independent Fishermen's Marketing Association at Fish Expo in Seattle.
- Participated in the Gulf of Alaska Groundfish Rationalization Committee formed by the Board of Fisheries.
- Continued to maintain a professional relationship with the IRS to help Alaska fishermen protect their fishing privileges.



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- With the Alaska Attorney General, we continued to defend the state against elimination of non-resident fee differential in the *Carlson* case.

## CALENDAR YEAR 2003

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- Conducted research, held public hearings, and adopted regulations limiting entry into the Bering Sea hair crab fishery under a vessel-based system.
- Conducted research, held public hearings, and adopted regulations establishing a point system for the Kodiak bairdi Tanner crab pot fishery.
- Continued work on optimum number study for the Bristol Bay salmon drift gillnet fishery.
- Continued efforts to examine options for reducing the size of salmon fleets, throughout the year, by participating in discussions of and as a resource to the Joint Legislative Salmon Industry Task Force, and participating on the advisory panel for an Analysis of Options to Restructure the Bristol Bay Salmon Fishery, an independent study funded and published by the Bristol Bay Economic Development Corporation.
- Addressed the International Association for the Study of Common Property on *License Limitation in Alaska's Commercial Fisheries*.
- Participated in a meeting of the Salmon for Success Summit in Juneau on the status of limited entry permits in Southeast communities.
- Participated in discussions of and as a resource to the Gulf of Alaska groundfish rationalization committee formed by the Board of Fisheries to explore options for managing statewaters groundfish fisheries.
- Continued to maintain a professional relationship with the IRS to help Alaska fishermen protect their fishing privileges.
- With the Alaska Attorney General, the Commission continued to defend the state against the *Carlson* case, a class action challenging the fee differential charged to nonresidents for annual renewal of Alaska commercial fishing permits.



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## CALENDAR YEAR 2002

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- Conducted research, held public hearings, and adopted regulations limiting entry into the Kodiak bairdi Tanner crab pot fishery.
- Received seven applications for the Kodiak food and bait herring gillnet and seine combined fishery and four applications for the Kodiak food and bait herring trawl fishery. Completed final adjudication of all of the applications for both fisheries and issued five limited entry permits for the Kodiak food and bait herring gillnet and seine combined fishery and four for the Kodiak food and bait herring trawl fishery.
- Adopted regulations implementing the new law (Chapter 134 SLA 2002) that allowed a person to hold up to two salmon permits for purposes of fleet consolidation.
- Continued work on optimum number study for the Bristol Bay salmon drift gillnet fishery.
- Continued efforts to examine options for reducing the size of salmon fleets, throughout the year, by participating in the Governor's 2002 Salmon Summit in Kodiak, Alaska, by participating in discussions of and as a resource to the Joint Legislative Salmon Industry Task Force, participating in a meeting of the Yukon River Drainage Fishermen's Association to discuss options for improving their salmon fishery, participating in a Workshop on Options for Restructuring Alaska's Salmon Fisheries at the University of Alaska in Anchorage, and participating in workshops at the Seattle Fish Expo dealing with the restructuring of Alaska salmon's fisheries.
- Received petitions to limit additional fisheries and began required analysis.
- Continued to maintain a professional relationship with the IRS to help Alaska fishermen protect their fishing privileges.
- With the Alaska Attorney General, the Commission continued to defend the state against elimination of nonresident fee differential in the *Carlson* case.



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## CALENDAR YEAR 2001

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- Conducted research, held public hearings, and adopted regulations limiting entry into the Kodiak food and bait gillnet and seine combined fishery and the Kodiak food and bait herring trawl fishery.
- Conducted research, held public hearings, and adopted regulations establishing point systems for the Kodiak food and bait herring fisheries.
- Received 116 applications for the Southeast Alaska geoduck clam dive fishery. Completed final adjudication of 107 of the applications and issued 37 limited entry permits.
- Received 391 applications for the Southeast Alaska sea cucumber dive fishery. Completed final adjudication of 387 of the applications and issued 383 limited entry permits.
- Adopted regulations implementing the new fee structure for the annual renewal of limited entry permits and interim-use permits in preparation for the 2002 licensing year.
- Began preliminary work on an optimum number study for the Bristol Bay salmon drift gillnet fishery
- Continued efforts to examine options for reducing the size of salmon fleets, throughout the year, by participating in a meeting of the Bristol Bay Fisheries Committee (sponsored by the Bristol Bay Native Association); on panels at Fish Expo sponsored by individual fishermen and United Fishermen of Alaska (UFA); and in a statewide teleconference to discuss various options identified by the UFA and Representative Drew Scalzi.
- Received petitions to limit additional fisheries and began required analysis.
- Continued to maintain a professional relationship with the IRS to help Alaska fishermen protect their fishing privileges, including the completion of a jointly produced brochure entitled, *Resources for Alaska Commercial Fishers*.
- With the Alaska Attorney General, the Commission continued to defend the state against elimination of nonresident fee differential in the *Carlson* case.





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## CALENDAR YEAR 2000

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- Conducted research, held public hearings, and adopted regulations limiting entry into Southeast Alaska sea urchin and sea cucumber dive fisheries.
- Conducted research, held public hearings, and adopted regulations establishing point systems for the Southeast Alaska sea urchin, sea cucumber and geoduck clam dive fisheries.
- Received 90 applications for the Southeast Alaska sea urchin dive fishery. Completed final adjudication of 82 of the applications and issued 76 limited entry permits.
- Conducted a public comment period and adopted a regulation establishing an optimum number for the Northern Southeast Inside sablefish longline fishery.
- The legislature adopted House Bill 429 which extended the vessel moratoria in the Bering Sea hair crab fishery and the Alaska weathervane scallop fishery until July 1, 2003, and July 1, 2004, respectively.
- Completed and published a report discussing the issue of transferability of limited entry permits.
- Participated in a discussion on Bristol Bay fleet reduction hosted by the Bristol Bay Native Association and the Bristol Bay Native Corporation.
- Received petitions to limit additional fisheries and began required analysis.
- Continued to meet with IRS to explore means to help permit holders achieve voluntary tax compliance and to eliminate attempted forced sales of limited entry permits.
- With the Alaska Attorney General, the Commission continued to defend the state against elimination of nonresident fee differential in the *Carlson* case.

## YEARS PRIOR TO 2000

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





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