




C F E C



Commercial Fisheries Entry Commission 2012 Annual Report





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

**Inside photo courtesy of
Andy Mills**

**Publication design and layout
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 2012 Annual Report

Dear Governor, Legislators, and Fellow Alaskans:

We are pleased to submit the Commercial Fisheries Entry Commission's 2012 Annual Report, pursuant to AS 16.43.980.

Alaska's fisheries were exploited to the brink of extinction by Outside interests prior to statehood. Even after we achieved the monumental success of statehood, there were to be many more years of failed efforts to manage access to our fishery resources in a manner that would ensure long-term sustained yield.

Following these calamities, and ensuing failed attempts to limit access to Alaska's salmon fisheries, the people of Alaska amended the State Constitution in 1972 by a three-quarters majority to authorize the limitation of entry to commercial fisheries. In 1973, the Alaska State Legislature enacted the Limited Entry Act and created a system for limiting the number 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 2012, CFEC had limited entry to a total of 68 fisheries, considered nearly 23,000 discrete applications, and issued approximately 1.5 million cumulative annual permits and licenses.

During 2012, the Commission issued 29,574 annual fishing permits and vessel licenses, reviewed 899 emergency transfer requests, 1,073 permanent transfer requests, and issued 48 adjudicatory decisions. As of the end of 2012, there were 32 cases before the Commission at various stages of adjudication.

Working with the State Legislature, the Parnell Administration, and the fishing industry in 2012, 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 fishermen, organizations, communities, State and federal agencies, 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 to 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,

COMMERCIAL FISHERIES ENTRY COMMISSION

Bruce Twomley, Chairman
Benjamin Brown, Commissioner



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.

If you believe you have been discriminated against in any program, activity, or facility please write:

- ADF&G ADA Coordinator, P O Box 115526, Juneau, AK 99811-5526
- U.S. Fish & Wildlife Service, 4401 N. Fairfax Drive, MS 2042, 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 be reached via phone at the following numbers:

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

For information on alternative formats and questions on this publication, please contact the Commercial Fisheries Entry Commission at (907) 789-6160.

Photo Courtesy of the Alaska
Seafood Marketing Institute (ASMI)





**State of Alaska
Governor**

Sean Parnell

Commissioners

Bruce Twomley, Chairman

Benjamin Brown, Commissioner

Peter Froehlich, Commissioner
(Retired on 11/1/2012)

Administration

Shirley Penrose, Operations Manager

Adjudications

Frank Glass, Project Leader

**Information
Technology**

Ty McMichael, Project Leader

Licensing

Yvonne Fink, Project Leader

**Research &
Planning**

Kurt Iverson, Project Leader

Office Location

Commercial Fisheries Entry
Commission (CFEC)
Jordan Creek Center
8800 Glacier Highway, #109
Juneau, Alaska

Mailing Address

CFEC
PO Box 110302
Juneau, AK 99811-0302

Telephone

(907) 789-6150 Licensing Only
(907) 789-6160 Reception

Fax

(907) 789-6170

Web Address

<http://www.cfec.state.ak.us>



Table of Contents

Introduction	1
Organization by Function	3
Decisions and Activities	
Southeast Salmon Seine Fleet Reduction	4
Southeast Alaska Sablefish	4
CFEC Supported Increased “Section B” Loan Limit To Help Rural Alaskans Get And Keep Alaska Limited Entry Permits.....	4
CFEC Critical Of NMFS Appeal Process Restructuring	5
The <i>Carlson</i> Class Action	5
Regulation Changes	5
Adjudications	
Overview	6
Administrative Proceedings and Decisions.....	6
Information Technology	
Overview.....	7
Licensing	
Overview.....	9
Changes in 2012.....	9
Demerit Points	9
Vessel Entry Permits	10
Permit Transfer Requests	10
Permits and Licenses Issued	13
Permits and Vessel Licenses Issued by License Year.....	14
Permits and Vessel Licenses Issued by Month	15
Summary of Permitting Activity	16
2012 Vessel Statistics.....	17
Research & Planning	
Overview	18
Revenue	
Overview.....	20
Revenue Generated by the Commission	20
Appendices	
Employees.....	21
Decisions and Activities in Prior Years.....	22



Photo courtesy of the Alaska
Seafood Marketing Institute

Introduction

The commercial fishing industry is a crucial component of Alaska's economy and serves as the economic backbone of Alaska's coastal communities. The seafood industry is the state's largest private-sector employer. The Alaska Commercial Fisheries Entry Commission (CFEC or Commission) plays an essential management role in developing and sustaining Alaska's billion-dollar fishing industry.

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 Alaskan commercial fisheries. To fulfill these responsibilities, the Commission is organized into five sections: Administration, Adjudications, Research & Planning (sometimes shortened to Research), Licensing, and Information Technology (IT) (see chart on page 8).

The Commission engages in the following activities as mandated by the Limited Entry Act (AS 16.43.010 *et seq.*):

- 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 legally participate in the state's commercial fisheries;
- Processing requests for emergency and permanent transfers of limited entry and interim-use permits and compiling data on all such transfers;
- Enforcing provisions of the Limited Entry Act including regulation of permit transfer activities;
- Participating in the research and development of comprehensive fisheries economic data;
- Working with other State and federal management agencies to develop, analyze, and coordinate fisheries policies;
- 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, continues to receive requests for the limitation of additional fisheries and works with fishermen and the Alaska Department of Fish & Game (ADF&G) to analyze these requests.

The percentage of limited entry permits held by Alaska residents continues to remain relatively stable. After 40 years, Alaskans hold about 77% of all limited entry permits. At the end of 2012, Alaskans held nearly 11,000 permanent limited entry permits, with rural Alaskans holding nearly two-thirds of that number.

For calendar year 2012, the Commission issued a combined total of 29,574 permanent permits, interim-use permits, and vessel licenses, and reviewed 1,972 permit transfer requests. In fiscal year 2012 (July 1, 2011 to June 30, 2012), the Commission collected approximately \$7.5 million in revenues for the State. The economic challenges facing the salmon industry have generated substantial discussion about potential cost efficiencies in the fisheries, including consideration of options for reducing fleet size. The Commission plays 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 4).

By working with other State and federal agencies, the Commission continues 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 2012 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 in achieving this goal.



Photo courtesy of Susan Brown French From the collection of Dr. Charles Black & family. Photo is circa 1917.

Organization by Function

Commercial Fisheries Entry Commission

Commissioners

Bruce Twomley, Chairman
Benjamin Brown, Commissioner
Peter Froehlich, Commissioner (Retired 11/1/2012)

Administration

Shirley Penrose
Operations Manager

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



Decisions and Activities

Southeast Salmon Seine Fleet Reduction

CFEC supported the fleet reduction program developed by the Southeast Revitalization Association (SRA) for the Southeast salmon purse seine fishery. The initial phase of the program achieved relinquishment of 35 Southeast salmon purse seine permits. In November 2011, the National Marine Fisheries Service (NMFS) published final regulations governing the program and the federal loan funds.

During March 2012, Chairman Twomley joined Michael Sturtevant, the NMFS Fishing Capacity Reduction Program Leader, for a series of hearings held by NMFS in Petersburg, Ketchikan, Sitka, and Seattle, to present information about the proposed buyback and to answer questions from permit holders.

Following the hearings, NMFS conducted a referendum in which a majority of the permit holders voted to obligate themselves to repay a federal \$13.5 million loan (at 3% interest over 40 years) to purchase and retire 64 entry permits, thereby reducing the fleet to 315 permit holders. Ten million dollars of the federal appropriation remains unspent and would allow for another round of buyback.

Southeast seiners worked for more than 10 years to achieve a buyback program. Their efforts included establishing the SRA (a nonprofit entity authorized by State law to conduct the buyback program) and passage of federal legislation to provide NMFS with up to \$26 million to lend the buyback program. (See further discussion of Southeast salmon seine fleet reduction in the Licensing section of this report.)

Credit is due to NMFS and the SRA.

Southeast Alaska Sablefish

In March, Chairman Twomley provided a report on the status of Southeast Alaska inside waters sablefish adjudications to a sablefish industry meeting conducted by ADF&G in Sitka. The meeting included reports on the status of the stocks from ADF&G managers as well as NOAA Fisheries service staff on the status of sablefish stocks in federal waters of the Gulf of Alaska.

At the time of the meeting, the Alaska Supreme Court had recently upheld CFEC's denial of a fisherman's application for both a Northern Southeast inside and a Southern Southeast inside sablefish longline permit. The denied applicant responded by seeking a court order authorizing his continued fishing or, in the alternative, to recover damages from the state for his lost fishing. The State successfully resisted the applicant's claims.

CFEC Supported Increased "Section B" Loan Limit To Help Rural Alaskans Get And Keep Alaska Limited Entry Permits

Chairman Twomley testified in support of HB 261, the bill sponsored by Representative Bryce Edgmon (Dillingham) to increase the limit on "Section B" loans from the Commercial Fishing Revolving Loan Fund to \$200,000.

Doubling the borrowing limit allowed the Section B program to finance purchases at the market-driven price of entry permits. Commercial harvesters must have lived in the state for two years before they can apply to the Fund, and they can only apply for Section B loans if they cannot qualify for commercial loans and depend upon commercial fishing.

Following successful passage without opposition in the House, the bill passed the Senate, and Governor Parnell signed the bill into law.



CFEC Critical Of NMFS Appeal Process Restructuring

In July, CFEC offered public comments very critical of NMFS's proposal to strip the Alaska region, and all other Magnuson-Stevens Act regions, of their administrative appeal functions over limited entry decisions, and to transfer them to a single office in Silver Spring, Maryland. Among other things, CFEC argued that withdrawal of hearings from the regions would undermine the Magnuson-Stevens Act's commitment to local information and expertise, would poorly serve appellants subject to limited entry decisions developed by the 8 regional councils, and would be costly and inefficient.

NMFS failed to acknowledge CFEC's comments.

The *Carlson* Class Action

In the *Carlson v. State* class action, the court awarded an \$82 million judgment (including \$12 million for overpayment of nonresident fees and \$62 million in pre-judgment interest) to the class of nonresident fishermen. The Alaska Attorney General successfully appealed the pre-judgment interest issue, and the Alaska Supreme Court in *Carlson V* (January 2012) reduced the interest award and ordered the return of almost \$49 million to the State of Alaska.

While the *Carlson* class includes some 95,000 members, CFEC calculations adopted by the court show only some 4,700 individual class members entitled to refunds. The remaining 90,000 class members are entitled to request hearings from CFEC to challenge CFEC's calculations, and the Alaska Superior Court recently extended the period for submission of refund claims until December 31, 2013.

Regulation Changes

In a public meeting on November 2, 2012, the Commission adopted a revision of the regulation used to determine whether a permit holder is a nonresident and therefore required to pay the fee differential approved by the court in the *Carlson* case.

Under the old regulation, a person could be considered an Alaska resident if, among other things, their absences from the state during the prior year were "for good cause". Two permit holders petitioned the Commission to change the regulation, arguing that the undefined "good cause" language was too vague and made it difficult for some applicants to know whether their absences from the state would be excused.

After consulting with the Department of Law, the Commission determined that the existing language could cause some applicants to be uncertain about their status as Alaska residents, and revised the regulation (20 AAC 05.290) to read:

"For the purpose of assessing fees for the application for, annual issuance of, or renewal of entry and interim-use permits, an individual is a resident of this state if, on the date of permit application, issuance, or renewal, and throughout the 12-month period before that date, that individual maintained their domicile in this state, did not claim residency in another state, territory, or country, and did not obtain benefits under a claim of residency in another state, territory, or country."

The revised regulation became effective on December 27, 2012.

Adjudications

Overview

The Adjudications Section evaluates, classifies, and adjudicates applications for limited entry permits. Permit applicants 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 a maximum number of permits for the fishery has 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 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, 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 and Decisions

The Adjudications staff issued 29 decisions in 2012: 2 entry permit applications, 22 permit transfer requests, and 5 miscellaneous matters (fees and residency status). At the end of the year, 7 entry permit application cases were pending before hearing officers.

Commissioners adjudicated a total of 19 cases during 2012: 3 entry permit applications, 9 permit transfers and 7 miscellaneous cases. At the end of 2012, 25 entry permit applications were pending before the commissioners.

By the end of 2012, commissioners and hearing officers had made substantial progress reducing 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 1980s, 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 2012, the Commission issued more than 2,100 final decisions, thereby deciding cases at a rate faster than applicants filed new appeals and reducing its overall caseload to 32.

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".



Information Technology

The Information Technology Section (IT) is responsible for all technology infrastructure at CFEC. This includes networking and desktop hardware for all internal and external technical support, technology maintenance, reporting of data, and application development. IT maintains a small but responsive staff that must be flexible and capable in several disciplines. Working closely with the Commission, IT's primary duty is to manage the incoming and outgoing data integrity, and to ensure reliable and timely access for the private sector, government agencies and the general public.

In 2012, IT staff continued efforts to modernize infrastructure and provide new and reliable services to local staff, partner agencies and the general public. Server virtualization¹ continues to be a priority, along with digital security, as CFEC strives to maximize resource utilization while protecting confidential data. CFEC's off-site data storage and backup expanded to include more capacity and enhanced security. IT began phasing out tape-based media in favor of faster and more reliable alternatives as well.

IT continues to work closely with outside agencies and offices. Web services and other secure means are utilized with State and federal agencies to allow data sharing for several ongoing projects including ADF&G's eLandings program and CFEC's Gross Earnings database.

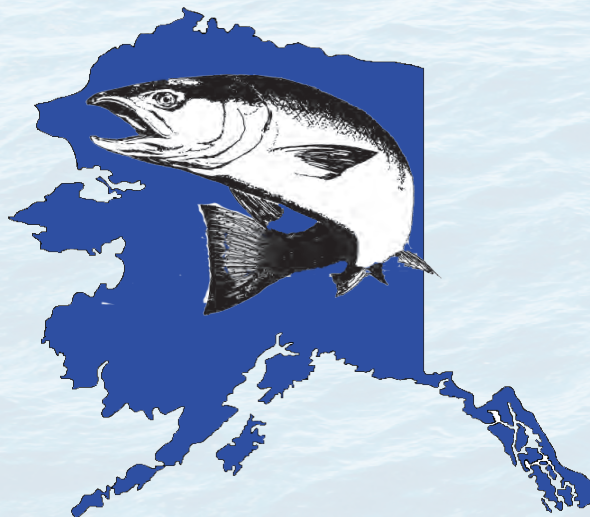
CFEC's web-based permit and vessel renewal system continues to evolve with additional updates and modifications. Security was, again, central in these efforts. IT also continues to play an active role in the Bristol Bay District Management and Registration web application. Regulatory updates and application enhancements provided CFEC an opportunity to continue to partner with ADF&G in maintaining and deploying this application, which is unique to Bristol Bay. The application provides real-time information processing between fishery managers, processors, agents, and participating permit holders.

CFEC's online permit and vessel database continues to be a very popular application for public, state and federal use. Security enhancements, additional report functionality and performance were central in site modifications. Providing reliable and easy access to CFEC data has always been an important goal and will continue to be so.

Permit		Permit Holder					
Year	Permit	Record #	Dates Valid	Status	Name and Address	Residency	ADFG
Fishery	Permit Type	YR/Seq/Alpha				CFECID	Number
2010	10676 H	01	2010-05-27 2010-12-31	Permit holder	ADFG ANCHORAGE 333 RASPBERRY RD ANCHORAGE, AK 99518	U	914932
2007	10676 H	01	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 to Transfer: No		Intent Filed Date: N/A		Intent Effective Date: N/A		Intent End Date: N/A	
Date	Actions	ID	Name	Residency			
2007-02-20	003 - Embossed Juneau	01 - 01P	ADFG ANCHORAGE	U			
2007-02-16	002 - Fees Not Required	01	ADFG ANCHORAGE	U			
2007-02-16	001 - New Issue	01	ADFG ANCHORAGE	U			
1992	10676 X	01	1992-01-21 1992-12-31	Permit holder	ADFG JUNEAU BOX 20 DOUGLAS, AK 99824	R	800962
1988	10676 B	01	1988-01-28 1988-12-31	Permit holder	FISH & WILDLIFE PROT... BOX 6188 ANNEX ANCHORAGE, AK 99507	U	99999

¹ Running applications in separate, isolated partitions (separate "virtual machines") within a single server. Each virtual machine (VM) runs its own OS and application(s) and can be moved or copied from one server to another for load balancing or to expand processing/bandwidth capability. Along with greater utilization of hardware, this "live migration" feature is one of the major benefits of using virtual servers. In a nutshell, hardware virtualization permits multiple servers to occupy a single physical machine, drastically reduces power consumption, rack space, total cost of ownership, administrative overhead and provides an important fail safe and fault tolerance.

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, reviewed for accuracy, and reflects the Commission's dedication and commitment to being available and responsive to the public.



Courtesy of the Alaska Department of Fish & 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. Often the staff expedites the issuance of licenses to ensure that fishermen do not lose fishing time during the season by employing forms specifically to achieve immediate fishing, obtain duplicate licenses, change vessel information, and process emergency transfers. Licensing is also responsible for processing permanent transfers of permits, tracking salmon net area vessel registrations, and assessing demerit points.

The Licensing staff is efficient, professional, and committed to assisting Alaska's commercial fishing industry. Licensing staff spends countless hours on the phone 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), 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.



Photo courtesy of the Alaska Department of Fish & Game

Changes in 2012

In 2012, the Southeast Revitalization Association (SRA) worked closely with NMFS and CFEC to administer a buyback program that relinquished 64 permanent transferable Southeast salmon purse seine (S01A) permits. This was the second round of a buyback program that began in 2008, when 35 S01A permits were retired. In 2012, financing for the buyback came through a federal loan that will be repaid by the remaining permit holders.

Demerit Points

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 2012, the Commission issued demerit points to 1,806 fishermen and suspended 11 fishermen. In 2012, a total of 274 permit holders were assessed demerit points, as illustrated on the following page.

Demerit Points & Suspensions

Fishery Area	Number of Permit Holders assessed points in 2012	Suspensions 1998 through 2012
Alaska Peninsula, Aleutian Islands	6	0
Bristol Bay	120	5
Cape Romanzof	3	0
Chignik	0	0
Cook Inlet	33	0
Prince William Sound	58	3
Kodiak	4	0
Kotzebue	1	0
Kuskokwim	4	2
Southeast	25	2
Statewide	19	0
Yakutat	1	0
TOTALS	274	12

Vessel Entry Permits

In 2002, the Alaska Legislature authorized vessel limited entry programs for the Bering Sea hair crab and weathervane scallop fisheries. Staff issued the first vessel entry permits in 2005. To date, 21 vessel entry permits have been granted. Unless extended by the Legislature, the vessel entry permit programs will expire at the end of 2013, and the fisheries will revert to open access.

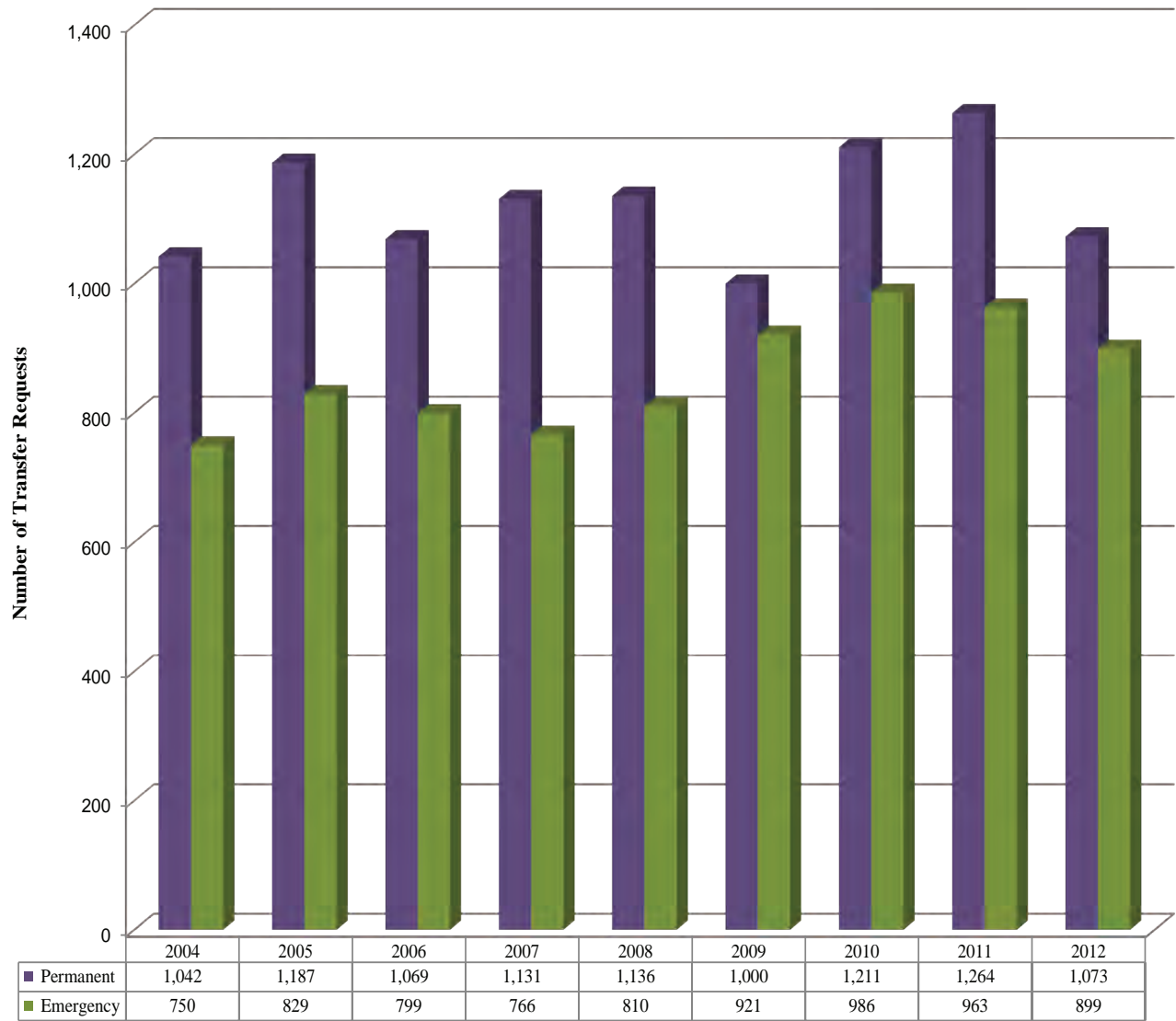
Permit Transfer Requests

During 2012, the Commission reviewed 1,972 requests for permanent and emergency transfers of permits. These included 899 emergency transfer requests and 1,073 permanent transfer requests. A breakdown of transfer requests over the last ten years by type of transfer is shown in the graph on the following page.



Photo courtesy of the Alaska Department of Fish & Game

Permanent and Emergency Permit Transfer Requests Reviewed



(From CFEC reports B1425P- C and E)



Photo courtesy of the Alaska Department of Fish & Game



Permanent Transfer Requests in 2012

Standard transfers approved.....	990
Survivorship transfers to spouse approved	29
Foreclosure transfers by loan agencies approved	0
Total approved.....	1,019

Transfers denied.....	42
Withdrawn transfer requests	12
Total reviewed.....	1,073

Emergency Transfer Requests in 2012

Emergency transfer requests approved	837
Emergency transfer requests denied	56
Emergency transfer requests withdrawn	6
Emergency transfer request granted for field office! ¹	7
Total Reviewed	899

Total Transfer Requests Reviewed in 2012..... 1,972

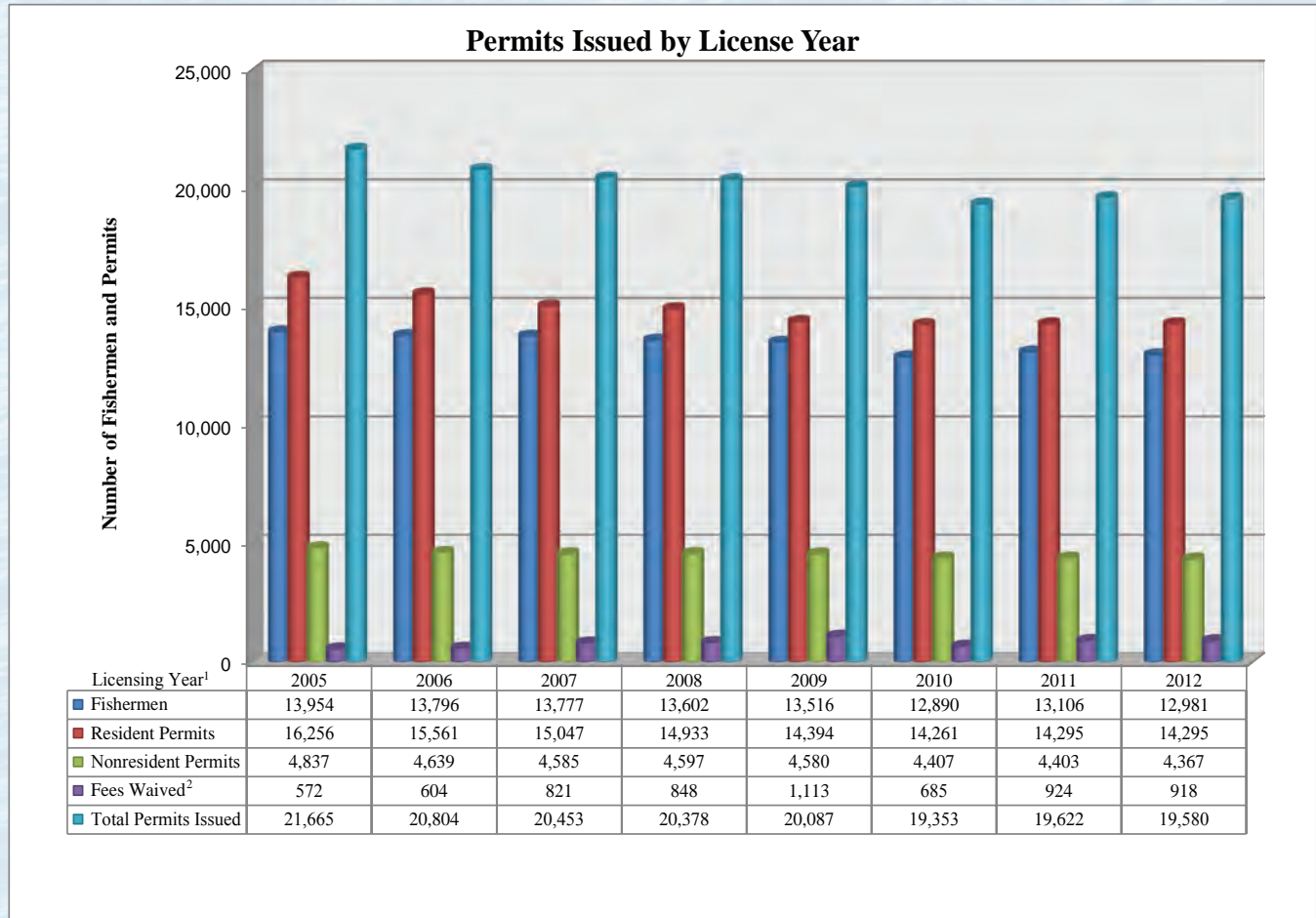
¹ This number is also counted in transfers approved

Photo courtesy of the Alaska
Department of Fish & Game



Permits and Licenses Issued

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



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

The figures in this table are current as of 2/25/2013 and may increase slightly due to late renewals of entry permits. 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.

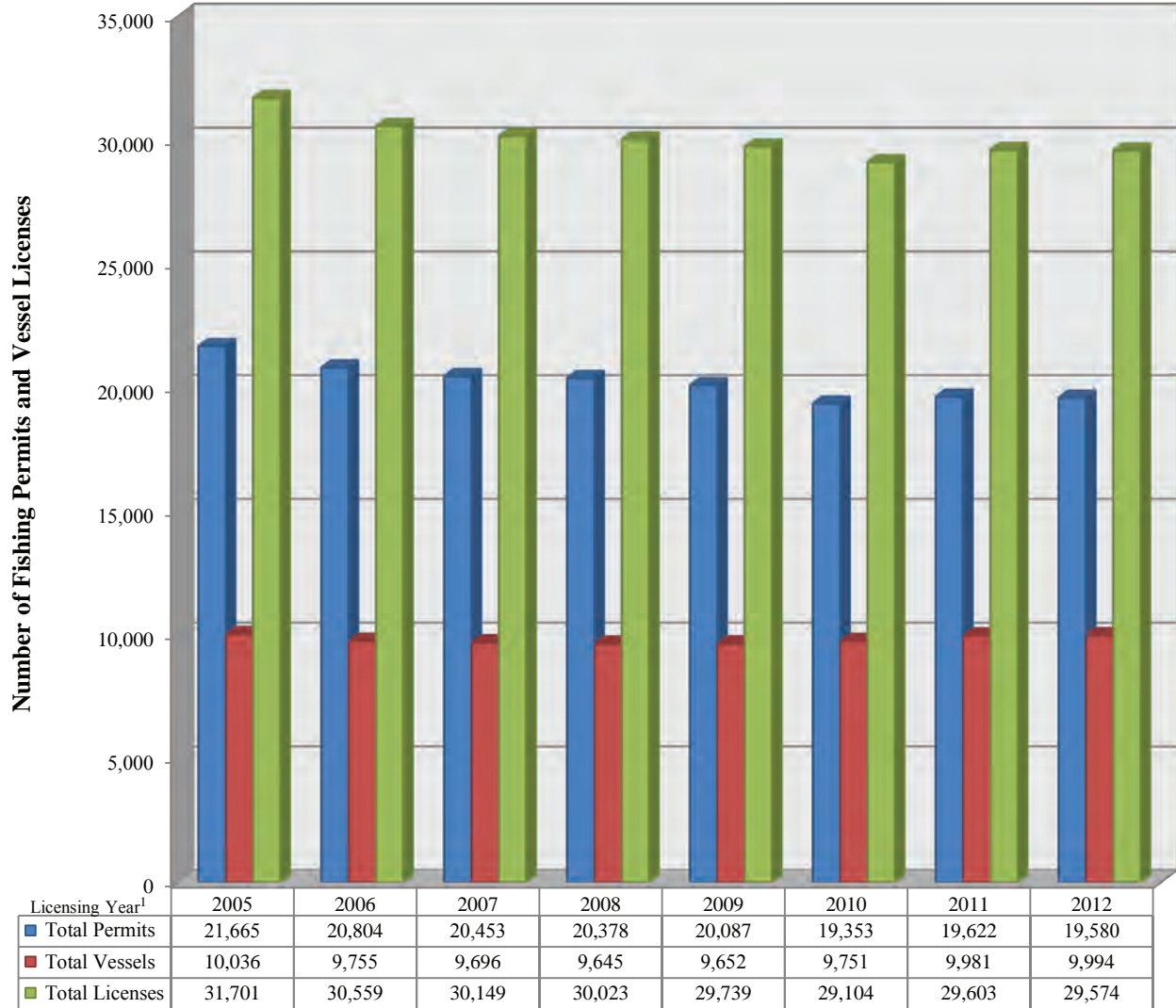
¹ License year refers to the fishing year for which the license or permit is issued, regardless of when the fees were paid. Resident/nonresident status is determined by the type of permit fees that were paid by the permit holder.

Data include permits issued in both open-access fisheries and limited fisheries where fees were paid or waived as of 2/25/2013.

² Number of permits for which the Commission waived fees due to administrative closure of a fishery for the entire season.

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 2/25/2013 and may increase slightly due to late renewals of entry permits. 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.

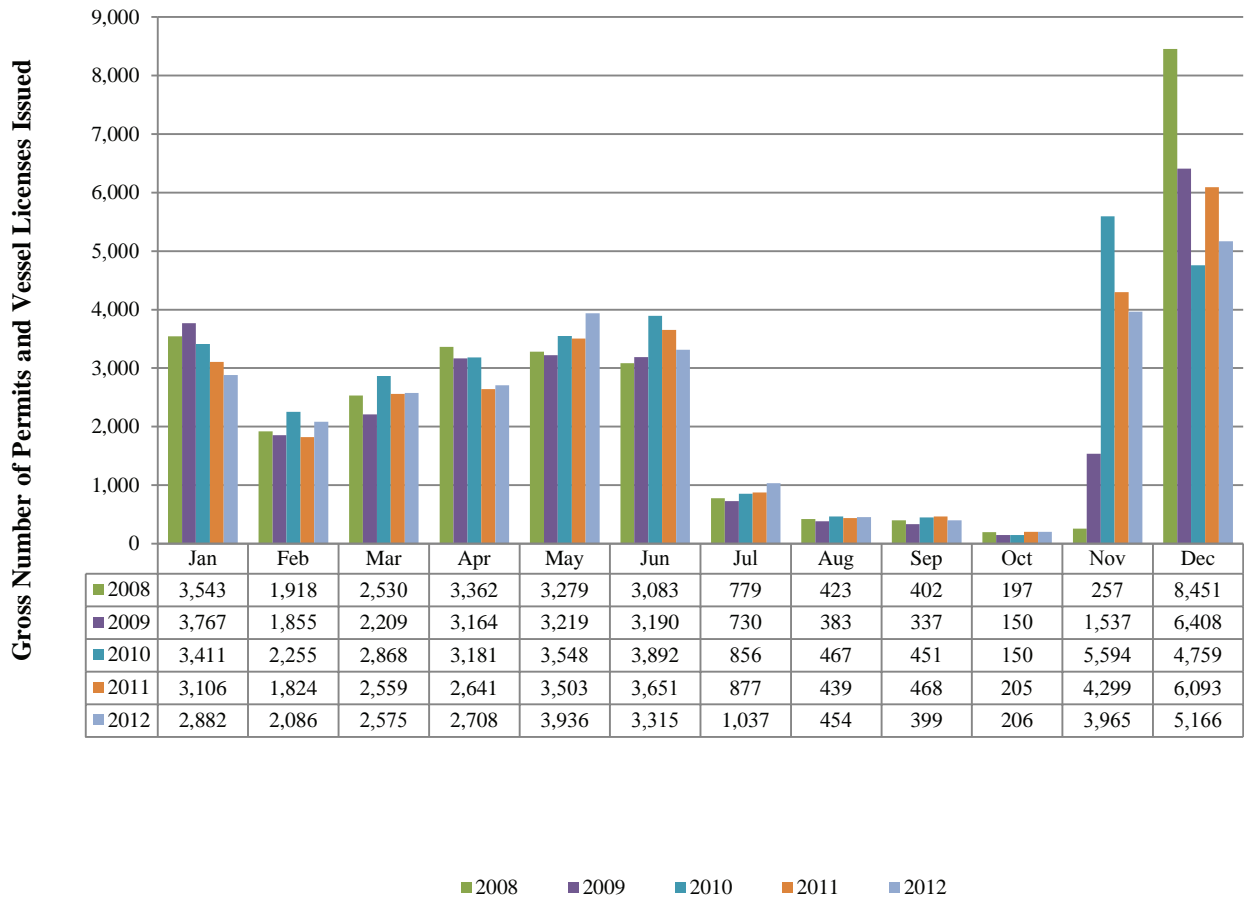
¹ License year refers to the fishing year for which the license or permit is issued, regardless of when the fees were paid. Resident/nonresident status is determined by the type of permit fees that were paid by the permit holder.

Data include permits issued in both open-access fisheries and limited fisheries where fees were paid or waived as of 2/25/2013.

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 & Game

Summary of Permitting Activity - 2012 Licensing Year

Limited Entry Permits Renewed.....	12,620
Limited Entry Permits Not Renewed by end of 2012.....	740
Limited Entry Permits with Fees Waived ¹	905
Limited Entry Permits Forfeited or Lapsed	101
Interim-Use Permits Issued in Limited Fisheries ²	47
Interim-Use Permits Issued in Open-access Fisheries	5,967
Special Harvest Area (Hatchery) Permits Issued	21
Educational Entry Permits Issued	1
Mariculture Permits Issued	3
Vessel Entry Permits Renewed	3
Vessel Permits Not Renewed by end of 2012	4
Vessel Permits with Fees Waived ³	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 a 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 permits may be waived in the event of season-long closures.



Photos courtesy of the Alaska
Seafood Marketing Institute (ASMI)

2012 Vessel Statistics

Fee Category based on overall length of vessel	Licensing Fee	Number of Vessels Licensed
Vessels to 25'	\$24.00	3,217
Over 25' to 50'	\$60.00	5,451
Over 50' to 75'	\$120.00	815
Over 75' to 100'	\$225.00	202
Over 100' to 125'	\$300.00	158
Over 125' to 150'	\$375.00	54
Over 150' to 175'	\$450.00	35
Over 175' to 200'	\$525.00	22
Over 200' to 225'	\$600.00	9
Over 225' to 250'	\$675.00	4
Over 250' to 275'	\$750.00	9
Over 275' to 300'	\$825.00	4
Over 300'	\$900.00	14
Totals		9,994

Data as of 02/28/2013



Photos courtesy of the Alaska Department of Fish & Game

Research & Planning

Overview

The Research Section provides the fishery limitation studies, the CFEC program audits and reports, economic analyses, and much of the program support needed by the Commission. The reports, analyses, and databases compiled by the Research Section are used by the Commission, by other government agencies, and by the public to address a wide range of issues related to commercial fishing.

Among the tasks routinely accomplished by the Research staff to support the day-to-day functions of CFEC are monthly reports of estimated permit values, ex-vessel price 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. The Research staff is also very active in building and maintaining several electronic databases used not only by the CFEC, but also shared with NMFS and the North Pacific Fishery Management Council through the Alaska Fisheries Information Network. These data allow CFEC staff and others to produce many unpublished specialized reports and service requests from the Alaska Legislature, researchers, consultants, user groups, and other entities.

Working with the IT Section, CFEC researchers also issue many standard and specialized reports, nearly all of which are available on the CFEC web site. The reports typically include 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.

In 2012, the Alaska Board of Fisheries (Board) took up several regulatory proposals that had implications for Alaska's limited entry program. Analysts from the Research Section prepared reports, memos, and other fisheries information, and accompanied CFEC commissioners to participate at the January (Petersburg), February (Ketchikan), and December (Naknek) 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).

The Commission remains deeply committed to helping fishing groups, the public, the Board of Fisheries, and other policy makers explore salmon restructuring options and issues. The Commission is interested in any proposal that might lead to improvements for Alaska salmon fishermen and their families. The viability of different alternatives for industry restructuring may depend upon a satisfactory resolution of some of the issues raised by the Alaska Supreme Court in *Johns v. State, CFEC*, and *Grunert v. State*, which alerted the Commission to the risk that a fishery can become too exclusive under the Alaska Constitution.

Also in 2012, CFEC Economist Marcus Gho successfully completed a difficult project that has long been sought by program administrators and the public at large: that of successfully merging data from CFEC entry permit and fish ticket files with data from the Department of Natural Resources Shore Fishery Lease Program, which is an important component of Alaska's salmon set gillnet fisheries. The result is a new database that allows an enhanced level of analysis that can be shared and used to help evaluate the interaction of two programs that are vital to commercial fishermen. The Research Section plans to continue to update and maintain this data into the future.

Also in 2012, the CFEC Research Section continued to assist analysts at NMFS in work that began in 2011 with 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. In addition to providing input on the proposed new rules, CFEC implemented several "dry run" price estimate calculations for NMFS, and helped NMFS develop their own computer programs that would generate similar outputs.



The following is a partial list of some of the more lengthy reports published by the CFEC research staff in 2012. Note that some reports contain confidential earnings and fishing participation data, and therefore are not available to the public.

- *Changes in Gross Total Earnings in Selected Alaska Salmon Fisheries.* Rpt 12-7N by Jennifer Shriver and K. Iverson.
- *Vessels Fished in the Bristol Bay Drift Gillnet Fishery.* Special report by Jennifer Shriver.
- *Lake and Peninsula Borough CFEC Permit Holdings, Harvests, and Estimated Gross Earnings by Resident Type in the Bristol Bay Salmon Gillnet Fisheries, 1975-2011.* Rpt 12-5N by Jennifer Shriver and K. Iverson.
- *CFEC Permit Holdings, Harvests, and Estimated Gross Earnings by Resident Type in the Bristol Bay Salmon Gillnet Fisheries, 1975-2011.* Rpt 12-4N by Jennifer Shriver, K. Iverson, and C. Farrington.
- *CFEC Salmon Set Gillnet Permits and DNR Shore Fishery Leases in Prince William Sound, Cook Inlet, Kodiak, Alaska Peninsula, and Bristol Bay 1975-2011.* Rpt 12-3N by Marcus Gho.
- *Bristol Bay Set Gillnet Permit Stacking.* Rpt 12-2N by Marcus Gho.
- *Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975 – 2011.* Rpt 12-1N and *Executive Summary* 12-1N-EXEC by Marcus Gho and J. Shriver.

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.

Home | Permits | Forms | Contact | Site Index CFEC

Commercial Fisheries Entry Commission

RENEW OR MANAGE YOUR PERMITS & VESSELS ONLINE!

PLEASE CLICK ON LINK BELOW...

[2014 On-Line Renewal](#)

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

- Alaska Seine Buy-Back Notice
- Permit Holder Database
- Bristol Bay
- Public Notices & News Releases
- Commission Presentations
- Permit Fees
- Crab CDQ and Community Allocation Permit Fees

Carlson Information

*** REVISED 9-20-2013 ***

- Notice Of Proposed Class Refund
- Carlson Class Lists
- Carlson Address Form (REV.)
- Carlson Background Information
- Carlson Appeal Form
- REFUND CLAIM DEADLINE EXTENDED**

Permits

- Forms
- Permit Database (Public)
- Permit Database (Secure)
- Permit Value
- Demerit Points
- Kiosk Locations
- Permit Card Description

Transfers

- Forms
- Estate Information
- Intent to Transfer List
- Vessel Entry Permit Forms

Vessels

- Forms
- Commercial Vessel Database

Fishery Statistics

- Fishery Participation & Earnings
- Permits & Permit Holders
- Commercial Vessels
- Fishery Codes

Publications

- Annual Reports
- Publications by Year
- 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

Adjudications

- Limited Entry Fishery Status Reports
- Judicial Appeals

Commercial Fisheries Entry Commission
8800 Glacier Hwy. #109
P.O. Box 110302 Juneau, AK 99811-0302
Telephone: (907) 789-8150 Fax: (907) 789-8170
Banner images courtesy of the Alaska Seafood Marketing Institute and Andrews' Family.

Home | Permits | Forms | Contact | Site Index

Revenue

Overview

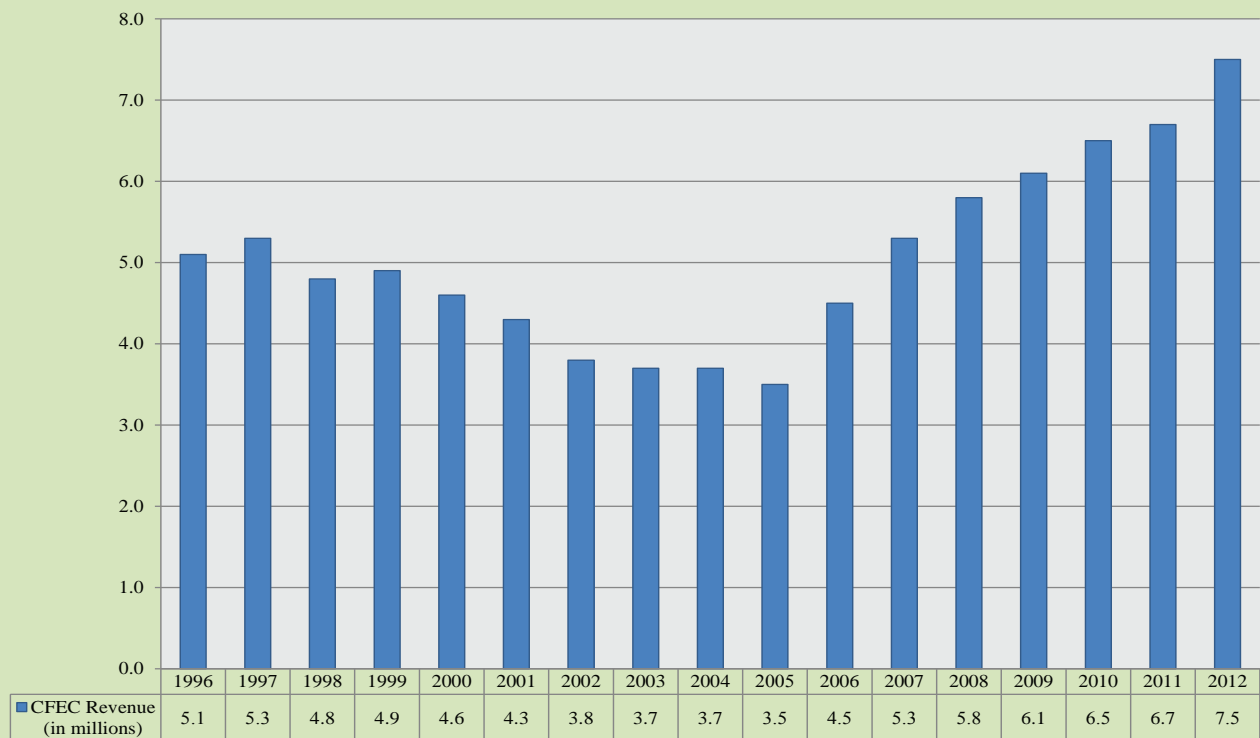
Revenue generated by the Commission comes primarily from issuing commercial fishing permits and vessel licenses. Additional revenues come from research and data processing services and reports requested by the public, fishing organizations, fisheries research groups, and other agencies. Total revenue for fiscal year 2012 (July 1, 2011 – June 30, 2012) was approximately \$7.5 million.

Legislation passed in 2005 made two significant changes that increased CFEC revenue, 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 conforming permit rates with statutes 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 5 to 13 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 2012 ranged from \$75 to \$3,000, with the majority being \$375 or less.

In fiscal year 2012, CFEC's revenue was the only source used to fund the Commission's authorized budget of \$4,084,100. Approximately \$630,984 of CFEC's revenue was used to contribute to Fishermen's Fund and programs within ADF&G that support Alaska's commercial fisheries.

Revenue Generated by the Commission by Fiscal Year *



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

*Revised from earlier annual reports



Appendices

Employees

Commission	Bruce Twomley	Chairman
	Benjamin Brown	Commissioner
	Peter Froehlich **	Commissioner
	Kristen Bomengen	Commission Decision Drafter
	Beccy Charles	Executive Secretary
	Doug Rickey	Law Specialist
Adjudications	Frank Glass	Adjudications Project Leader
	Sherri Wolfe	Managing Paralegal
	Jill Wood	Paralegal
Administration	Shirley Penrose	Operations Manager
	Kyndra Blacks	Clerk
	Sheri Paddock	Administrative Clerk
	Ronda Stevenson	Receptionist
Information Technology Services	Ty McMichael	Info. Technology Services Leader
	Mykel George	Analyst Programmer
	Fred Harmon	Data Systems Technician
	Don Huntsman	Analyst Programmer
	Joe Kollar	Network Specialist
	Brant Oliphant	Analyst Programmer
Licensing	Yvonne Fink	Licensing Project Leader
	Kim Andrews	Commercial Fish Permit Clerk
	Mele Maake	Assistant Licensing Project Leader
	Brandi Billings	Transfer Officer
	Suzanne Rumfelt **	Commercial Fish Permit Clerk
	Rissa Teske	Transfer Officer
	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 were no longer employed at the Commission as of 12/31/2012

Decisions and Activities in Prior Years



Calendar Year 2011

- Continued to assist the fleet consolidation program for the Southeast Alaska 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 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

- 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.

Calendar Year 2008 Continued

- Appeared before the Joint Cook Inlet Salmon Task force to report on buy-back 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.

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 purse seine salmon 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 non-resident fee differential in the *Carlson* case.





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

