Prince William Sound Drift Gillnet Cost Survey Results

CFEC Report Number 25-05N

November 2025

Commercial Fisheries Entry Commission
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Abstract

This report summarizes the findings of the Prince William Sound Drift Gillnet Cost Survey conducted by the Commercial Fisheries Entry Commission (CFEC) in 2025. The survey aimed to gather preliminary information on the operational costs incurred by permit holders participating in Prince William Sound drift gillnet fishery. Although not intended to provide high-resolution economic data, the survey serves as a starting point for future research and the development of cost structures that are critical for assessing the economic viability of this fishery.

Survey participants, consisting of Prince William Sound (PWS) drift gillnet permit holders, provided data on a variety of expenses, including vessel loan payments, maintenance, insurance, provisions, and fuel usage. The results provide a snapshot of the current cost landscape and will guide CFEC's future data collection efforts on fisheries economics.

Prepared by Sally Kohlhase

Introduction

At the December 2024 Prince William Sound (PWS) Board of Fish (BOF) meeting, several proposals were discussed that would have enabled dual or stacked permit regulations by the PWS drift gillnet fleet. These proposals were intended by the proposers to reduce permit latency and increase the economic viability of the fishery for individual permit holders. After considerable discussion at the BOF meeting, none of these proposals passed. Individuals interested in the details of the meeting should review the publicly available documents[1].

Following the meeting, several permit holders raised the possibility of an optimum numbers study to be conducted by the Commercial Fisheries Entry Commission (CFEC). An official petition requesting such a study was received on January 28, 2025 (Appendix A). CFEC received numerous phone calls and emails from permit holders in support of the petition. An optimum numbers study examines participation and net earnings in a fishery to evaluate its economic viability. The central premise is that by either increasing or decreasing participation, economic viability may be achieved while maintaining appropriate participation levels necessary for resource sustainability.

CFEC has long maintained detailed data on the gross revenues generated in Alaska's fisheries. However, gross revenues alone are insufficient for evaluating economic viability. Net revenues must also be examined, which requires gathering information on the costs permit holders incur in order to participate.

In February 2025, CFEC began collecting participation cost information through an email survey of Prince William Sound drift gillnet permit holders. The survey was the third of its type conducted in recent years and will help guide the design of future surveys.[2] This report provides a summary of survey responses. Discussion and analysis are limited, as a more detailed treatment of costs, revenues, and economic optimum numbers will be included in the forthcoming Prince William Sound Drift Gillnet Optimum Numbers Study being prepared by CFEC research staff.

The survey was intentionally brief to encourage a maximum number of responses, focusing on the key cost categories faced by permit holders. It was not designed to gather high-resolution economic information, which is typically confidential and sensitive. Instead, it aims to establish cost structures that, when combined with gross earnings data, allow CFEC to evaluate whether the fishery is economically viable.

Survey Methodology

The survey was sent by email in April 2025 to individuals holding a PWS drift gillnet permit for whom CFEC had a valid email address (482 individuals). An initial email was distributed on April 9, 2025, containing an introductory letter and a link to the survey hosted on SurveyMonkey. Follow-up reminder emails were periodically sent to individuals who had not responded or had only partially completed the survey until August 12, when the survey was closed.

Out of the 482 individuals contacted, 440 opened the survey, and 181 completed it. Seventeen individuals never opened the email, 14 email addresses were found to be invalid, and 11 individuals

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[1] Alaska Board of Fisheries Meeting Information, 2024

[2] Strong, 2024

opted out of the survey. Individuals who owned more than one permit received a separate survey for each permit. Stacked and dual permit regulations have not been created for this fishery; multiple permit ownership is a rare exception.

As with the previous survey, questions targeted operational costs, vessel payments, maintenance, insurance, storage, provisions, transportation, and other expenses. Additional questions asked about fuel usage, time spent fishing, and participation in other fisheries. The introductory letter and survey instrument are included at the end of this document (Appendixes B and C).

It is important to note that not all costs are included in this survey report, as this would be impossible. Each permit holder that participates in the fishery is unique, and the exact nature of the costs they pay each season are unique. This survey aims to identify the major costs that all permit holders face on average. No survey will ever be able to completely quantify the costs of participation, nor will any economic model ever be able to account for every unique permit holder.

In addition to the information collected in this survey, CFEC will also be using their own records and vendor surveys to supplement the information collected here for use in future research projects.

Survey Results

Survey results are provided question by question. Graphics or summary statistics are also provided when relevant.

Question 1. What is the name of your vessel?

There are no statistics attached to this question.

Question 2. Do you own your vessel outright, have a lease, financing, or some other arrangement?

Over half of the respondents (53%) reported owning their own boats, while 45% stated that their vessels were financed. The remaining 2% of respondents mentioned that they leased their vessels on either a long- or short-term arrangement.

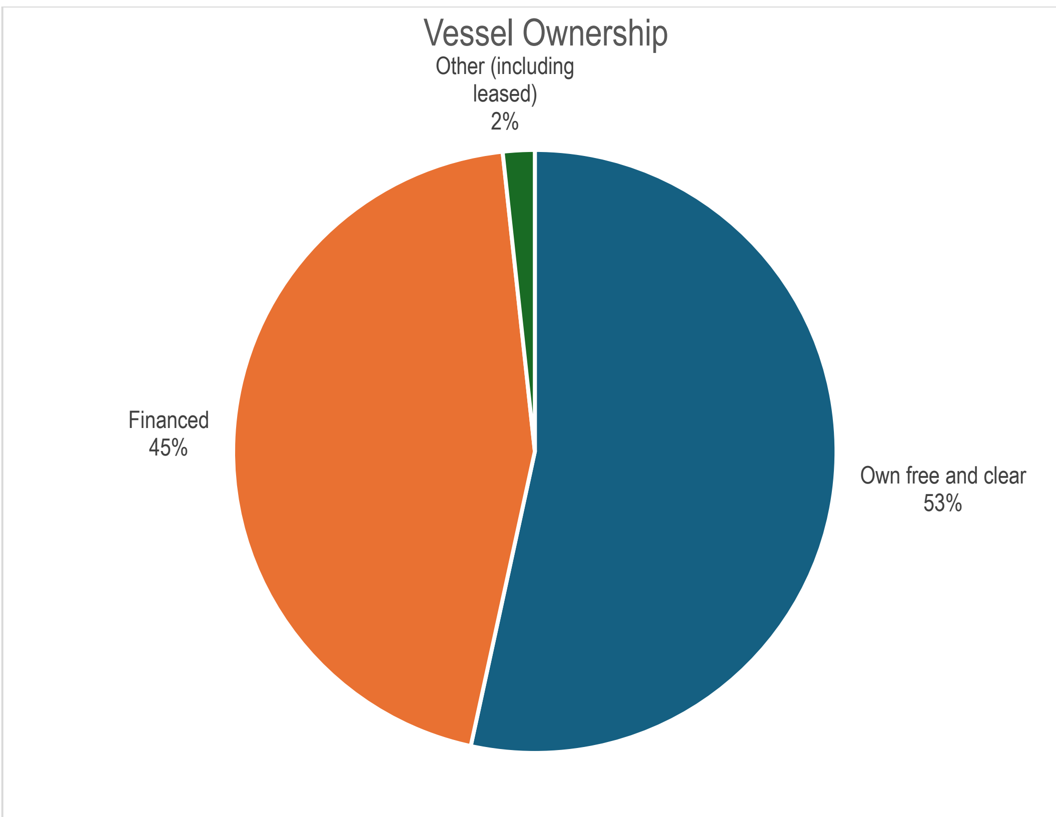

Figure 1. Vessel Ownership and Financing Arrangement

Question 3. If you lease or have financing for your vessel, what is the monthly payment?

Although 79 individuals reported financing their vessel, only 75 provided payment information. The average monthly payment was $1,349. There was significant variability in responses, ranging from $150 to $4,000. The distribution of monthly vessel payments for permit holders is shown in the graph below.

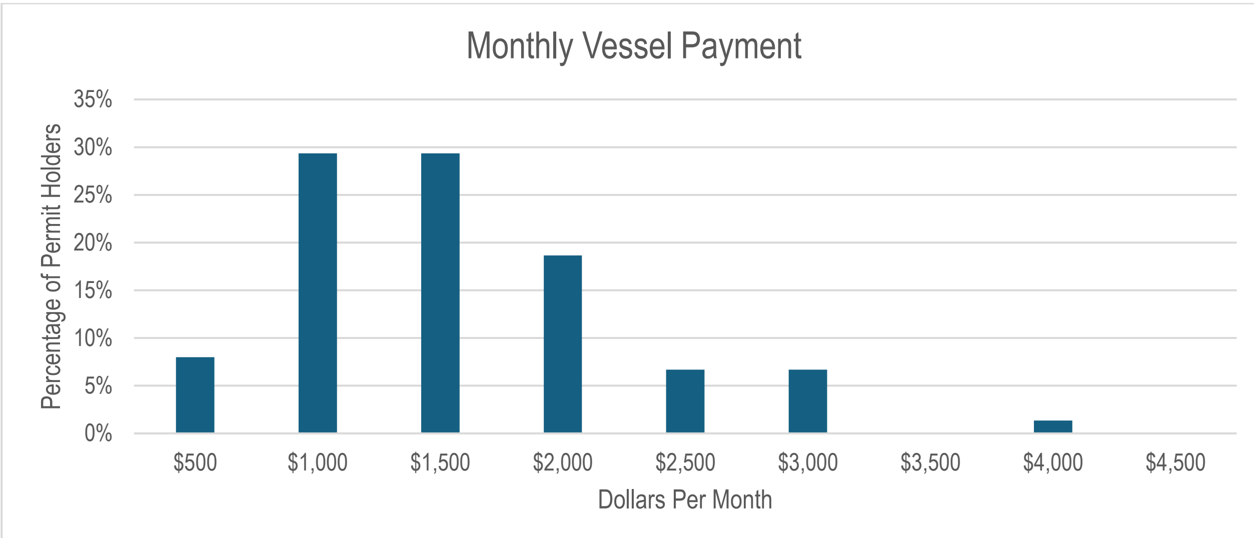

Figure 2. Monthly Finance Payments

Question 4. Can you please estimate your costs due to transportation and other logistics (excluding fuel, which will be accounted for in a following question)?

Transportation and logistics costs average $5,118 a year, with 79% of respondents reporting $5,000 or less for these costs. Eleven percent of respondents had no transportation costs, and only 9% reported costs over $15,000.

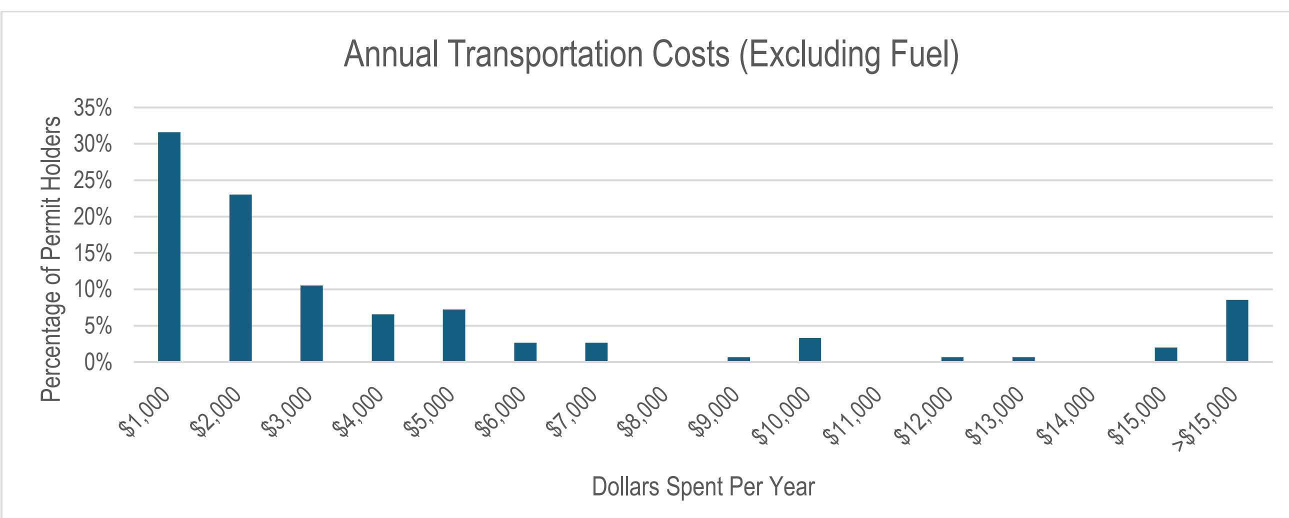

Figure 3. Transportation and Logistics Costs

Question 5. What other commercial fisheries do you participate in as a permit holder?

Just over fifty-eight percent of respondents reported fishing exclusively in the PWS drift gillnet fishery, while the remaining 41.5% indicated that they participated in one or more fisheries besides PWS drift gillnet. Other fisheries included PWS pot shrimp, halibut, black cod, and PWS seine, among others.

Question 6. Out of all the fisheries this vessel participates in, what percentage of time is specific to drift gillnet fisheries in Prince William Sound?

Most respondents (89%) reported spending over half of their time in the PWS drift gillnet fisheries while 11% reporting spending 50% or less of their time in this fishery. The average reported time spent in the PWS drift gillnet fishery is 88%. Additionally, the largest proportion of respondents (74%) stated that they dedicate 90% or more of their time to this fishery.

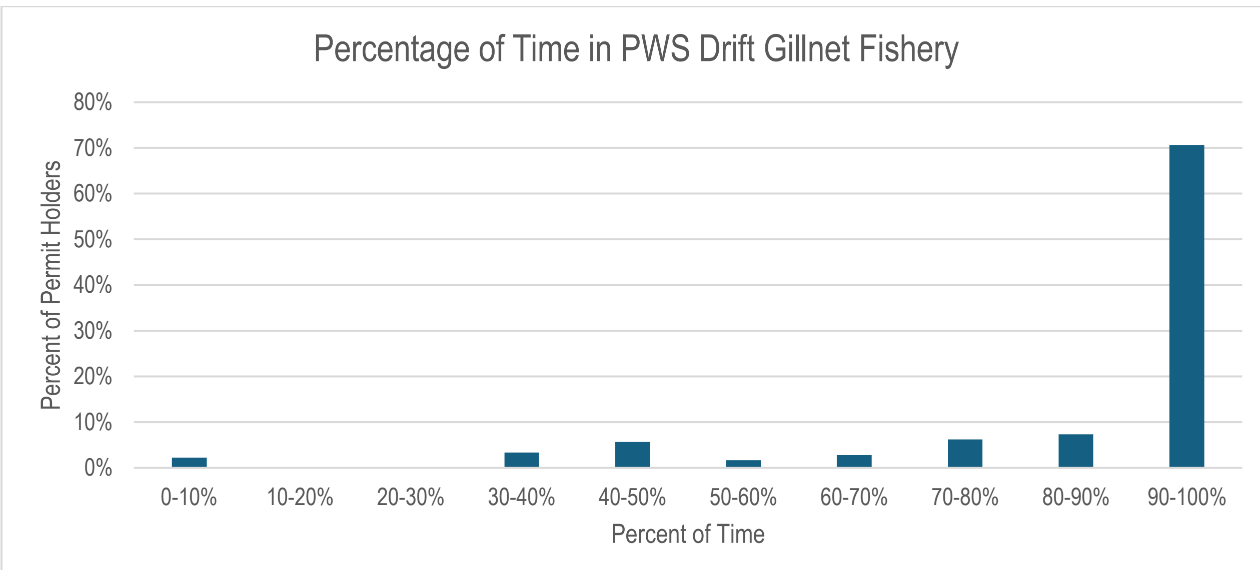

Figure 4. Time Spent in PWS Drift Gillnet Fishery

Question 7. Please estimate your annual expenditure on vessel maintenance and upgrades.

The average spent on vessel maintenance and upgrades is $10,674. Most respondents (95%) spend no more than $25,000 each year, and nearly three-quarters (74%) indicated that they spent no more than $10,000. A small number (5%) indicated that they spend more than $25,000.

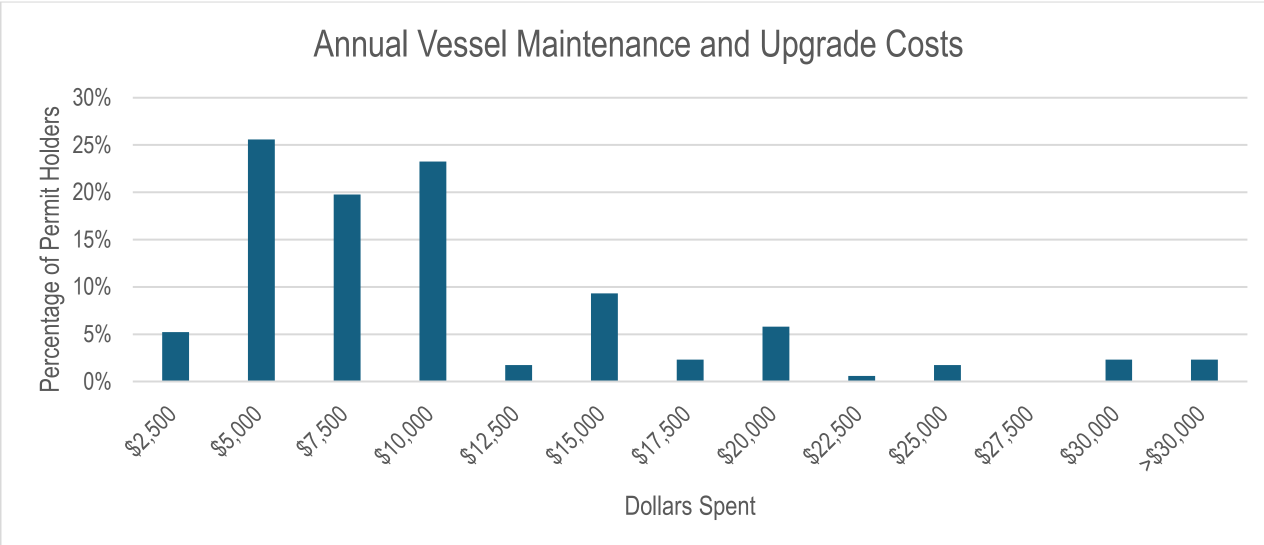

Figure 5. Annual Vessel Maintenance and Upgrade Expenditures

Question 8. For the PWS salmon drift gillnet season, what is your annual insurance cost for your vessel?

The average reported annual cost for vessel insurance is $5,160, and most respondents (77%) had payments falling between $3,000 and $7,000.

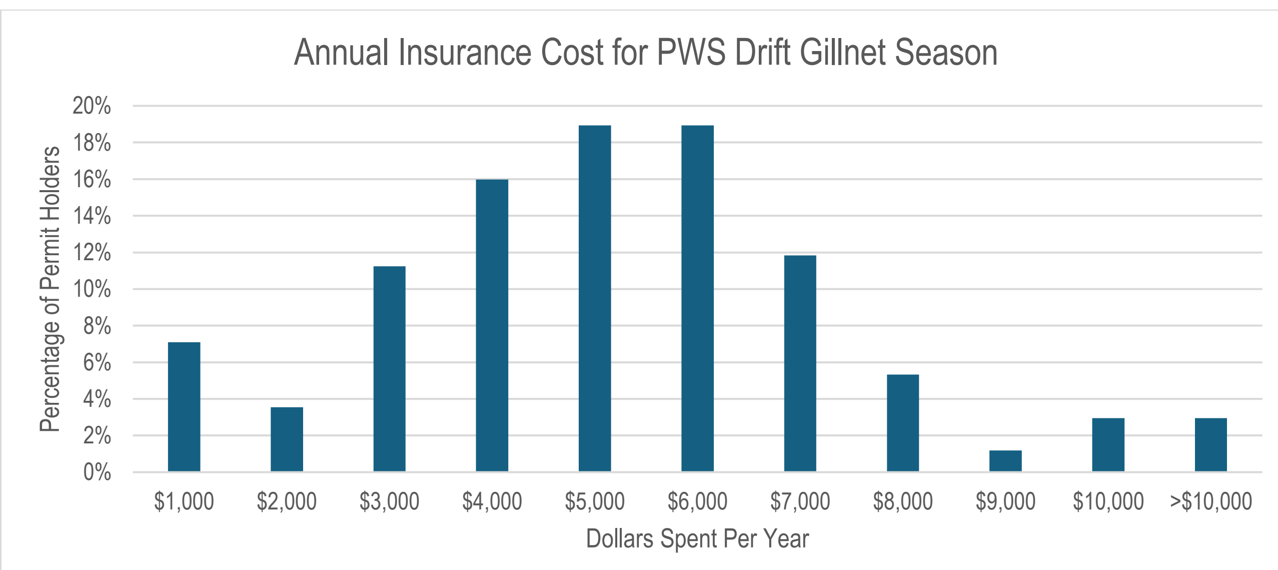

Figure 6. Annual Insurance Expenditures

Question 9. What are your annual docking, mooring, or storage fees?

The average reported costs for dock or storage was $3,033, with most respondents (92%) reporting costs of no more than $5,000.

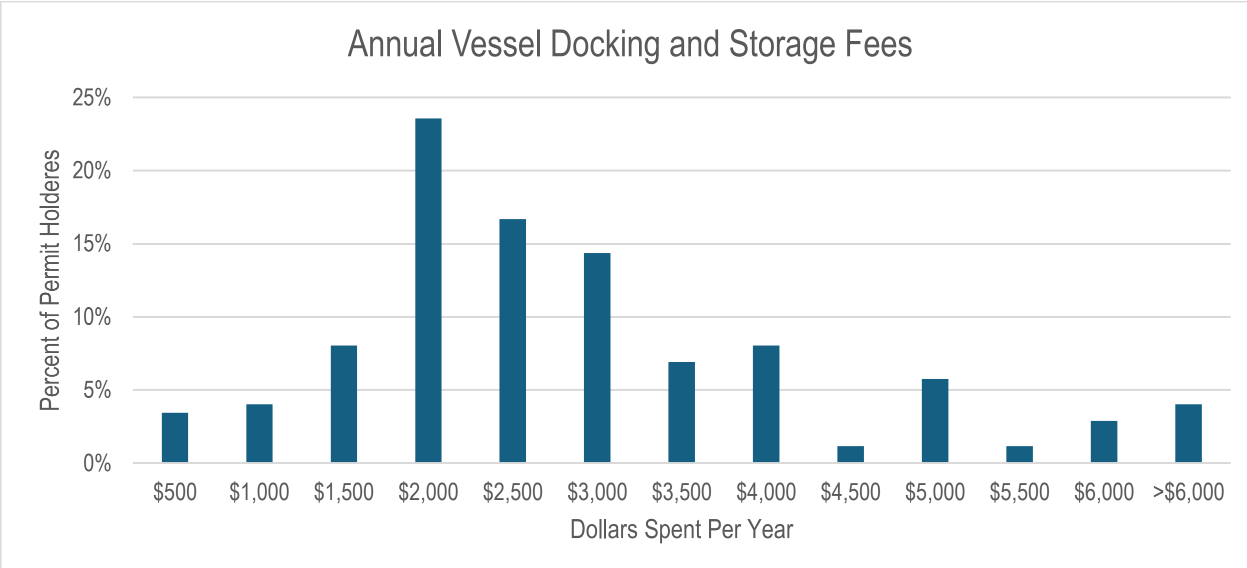

Figure 7. Annual Storage Fees

Question 10. Are there other fixed costs that are not accounted for? If so, what are they?

Many respondents indicated that all fixed costs had already been accounted for, but a significant number identified additional expenses. Commonly mentioned unaccounted-for fixed costs include permit payments (ranging from a few hundred to over $19,000 annually), vessel and trailer maintenance, gear and net replacement or repair, storage fees (lockers, boat storage, freezer units), and licensing and registration fees (including CFEC, USCG, and state permits). Other recurring costs cited were professional services (e.g., tax preparation, bookkeeping), association dues, utilities, insurance, transportation and hauling, and technology subscriptions (e.g., navigation tools, communication services). Several respondents emphasized that these costs are substantial, variable, and sometimes difficult to fully quantify.

Question 11. In what town is your vessel stored for the winter?

Most permit holders reported storing their vessels in towns located in or adjacent to Prince William Sound, with the majority (71%) stating that they store their vessels in Cordova.

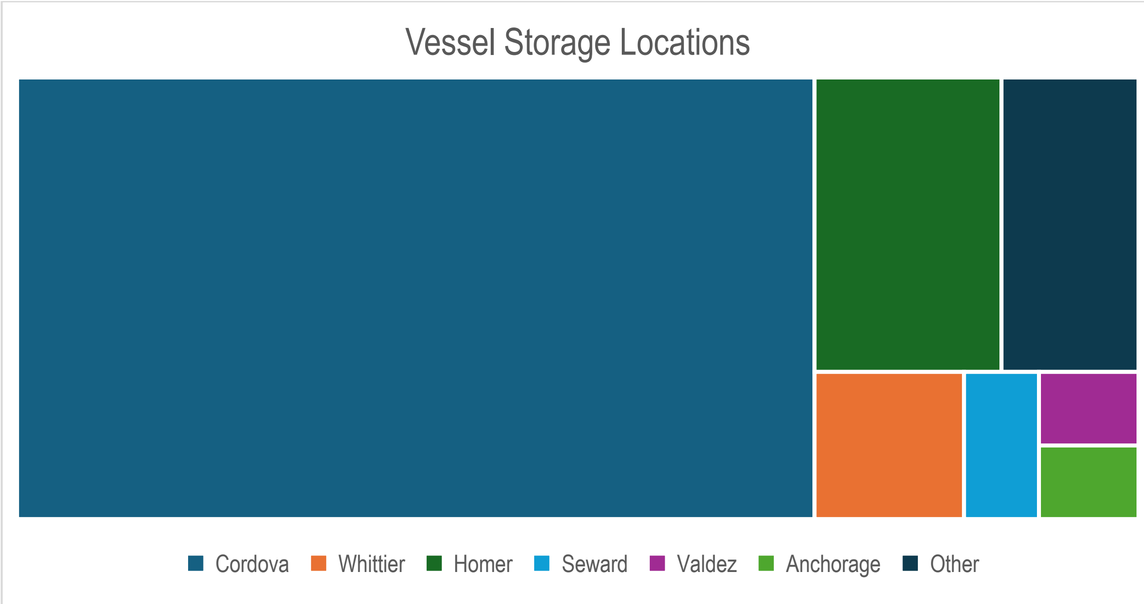

Figure 8. Vessel Storage Location

Question 12. Is your vessel stored at a harbor, a storage yard (dry), on land that you own or a personal dock, or someplace else?

According to survey responses, 45% of vessels are stored in storage yards, 37% on personal land or docks, 10% at harbors, and 8% in other storage arrangements (such as warehouses, etc).

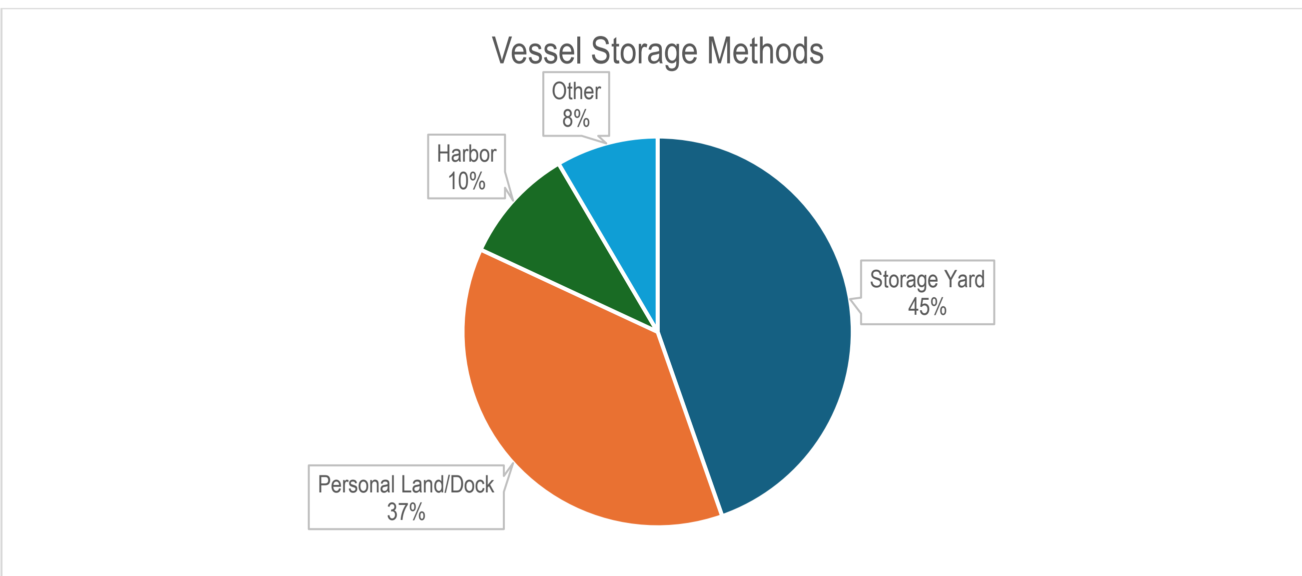

Figure 9. Vessel Storage Methods

Question 13. How many gallons of fuel does your vessel use over the course of participating in Prince William Sound drift gillnet fisheries?

Respondents reported an average fuel usage for this fishery of 2,602 gallons. Despite a high degree of variability, with responses ranging from 150 to 6,500 gallons, the majority (79%) of respondents reported using 3,500 or fewer gallons.

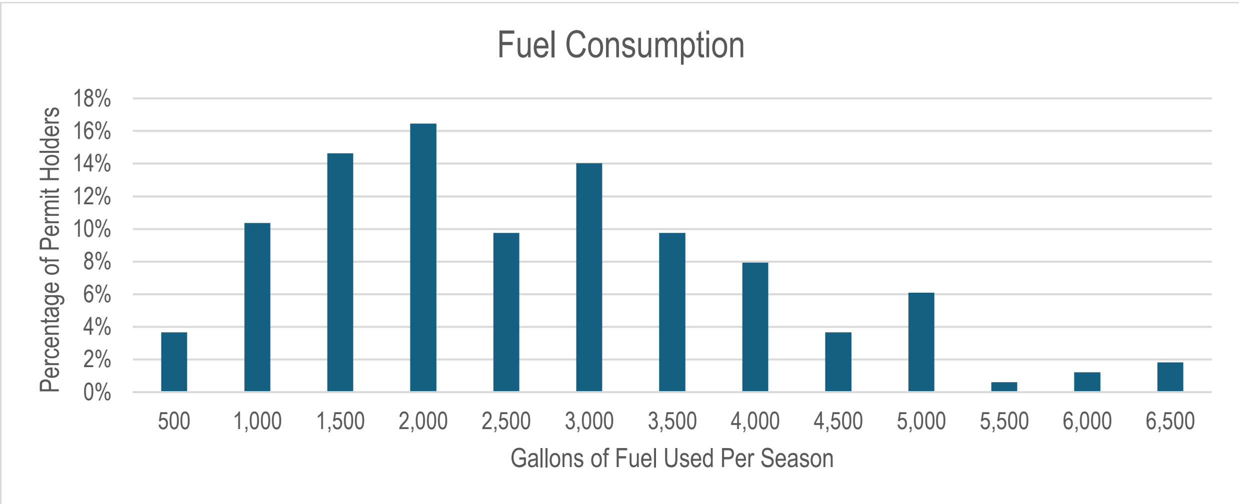

Figure 10. Gallons of Fuel Used During Fishing Season

Question 14. What is the cost of food and other provisions for yourself and the crew during the typical salmon season?

The average reported cost for food and provisions is $3,156, and most (63%) respondents reported costs between $1,000 and $3,000. These costs showed a high degree of variability, with a low of $250 and a high of $15,000.

Figure 11. Food Cost for Fishing Season

Question 15. Do you have deckhands? If so, how many?

Just over half of respondents (52%) reported having no deckhands. About 39% indicated they employ one deckhand. Very few respondents indicated employing two or more deckhands.

Question 16. What total percentage of your gross income do deckhands or members of the crew get altogether for the PWS drift gillnet fisheries? Please answer this question for all crew members combined. For example, if you have two deckhands that each get 10% of the gross income, the answer would be 20%.

The PWS drift gillnet is generally a one- to two-man operation, as indicated in the question above. The average reported crew share was 8.79% of gross income, and most (70%) reported a crew share between 5% and 20%.

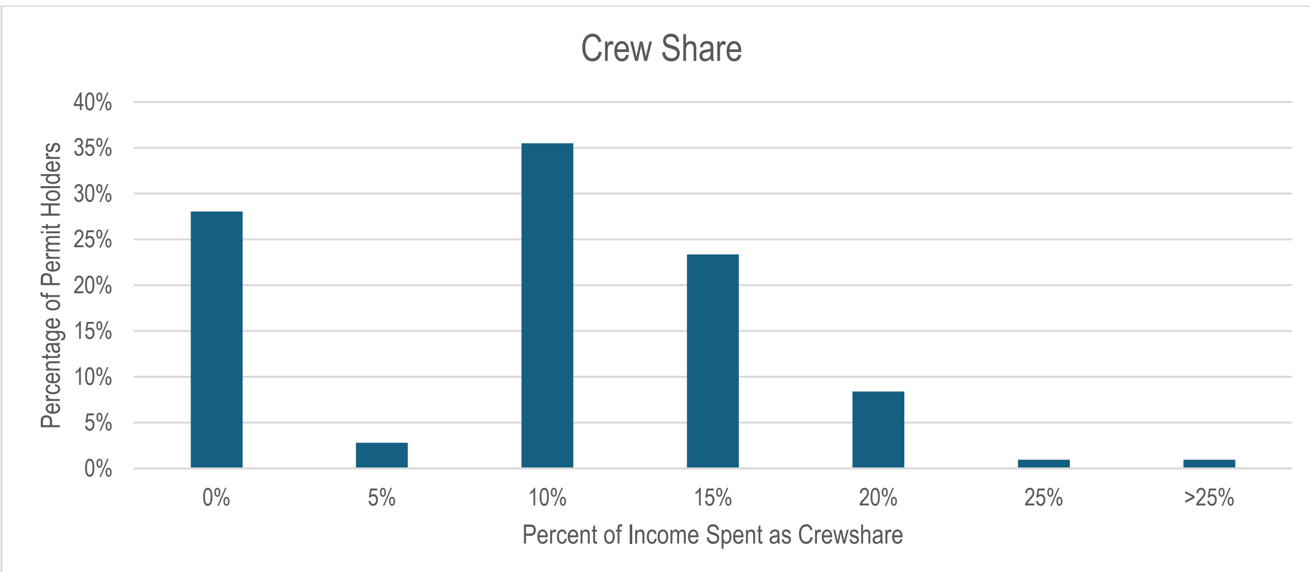

Figure 12. Percentage of Gross Earnings Paid to Crew

Question 17. Are there other variable costs that should be included? If so, what are they, and how do they vary? For example, salt per ton of fish harvested.

While many respondents reported no additional variable costs, others identified a wide range of recurring and situational expenses. The most frequently mentioned variable costs include net repair, replacement, and mending—often ranging from $2,000 to over $10,000 annually depending on fishing intensity and conditions. Other common costs include expendable gear and supplies, oil and fluids, mechanical repairs, and haul-out services. Several respondents noted the rising cost of nets, with some requiring new nets each season. Additional variable expenses include crew gear and licensing, fish taxes and marketing assessments, direct marketing costs (e.g., boxes, gel packs, shipping), and professional services. Some highlighted the unpredictable nature of these costs, such as engine or transmission replacements, theft, or breakdowns, which can significantly impact annual expenses. A few also mentioned the indirect costs of time and area restrictions, which affect efficiency and profitability.

Question 18. Is there anything else you would like to share with us that might help us paint a complete picture of the costs of participation in this fishery?

Participants in this fishery noted that they face exponentially rising operational costs, including fuel, maintenance, supplies, and labor, making it increasingly difficult to operate profitably. These escalating expenses are compounded by high capital investments for boats, permits, and equipment like engines and nets, with many financed permits now being "underwater" due to depreciation. Simultaneously, fish prices have remained stagnant or even lowered, failing to keep pace with inflation, leading to an unprofitable venture often subsidized by personal savings or other employment. Additionally, the fishery is over-utilized by too many permits, and participants endure significant lost fishing time and area due to political pressures and environmental factors, further squeezing profit margins. This combination of factors has made the fishery "marginal" or an "expensive hobby" (in their own words) for many, with significant financial strain on participants.

Conclusion

The survey data gives us very good data about some of the operation costs permitholders sustain to fish, but we still have an incomplete picture of their total costs. Survey respondents provided a great deal of qualitative data on other fixed and variable costs not mentioned in the survey, but not enough cost data to create estimates for these costs. By aggregating survey data and augmenting it with estimates of fuel costs and crew share, we can arrive at a reasonable minimum average cost to participate. The minimum average cost is not a forecast of future costs, but rather a snapshot of operation costs for a single year.

References Cited

Alaska Board of Fisheries Meeting Information Webpage. 2024. Prince William Sound and Copper/Upper Susitna Finfish and Shellfish (except shrimp). Alaska Department of Fish and Game. December 2024. https://www.adfg.alaska.gov/index.cfm?adfg=fisheriesboard.meetinginfo&date=12-10-2024&meeting=cordo

Strong, D. Kodiak Seine Vessel Cost Survey Results. 2024. Report No. 6. Commercial Fisheries Entry Commission. https://www.cfec.state.ak.us/RESEARCH/24-6N/24-6N.pdf

January 22nd 2025

RECEIVED

JAN 28 2025

CFEC

Commercial Fisheries Entry Commission
P.O. Box 110302
Juneau, Ak 99811
Att: Reed Johnson,

I would like to request an Optimum number study for boats in the CR/PWS area E drift fishery. Economic circumstances have changed drastically over the past few years in this fishery. Market stability, fish prices, and basic expenses to keep a boat safe and reliable on the water have escalated.

Gross income levels are down, new entrants into the fishery are down, and latent permits are way up.

The question was asked by a board member in the most recent Board of Fish meeting in Cordova, Ak, if such a study has, or was being done.

The information that would be created by an Optimum number study would be valuable to the sustainability to the CR/PWS area E drift fishery moving forward. Thank you,

[redacted]

[redacted]

Cover Letter and Survey

Dear [FirstName],

I am contacting you because our records indicate that you hold an S03E permit (Serial Number: [CustomData1]).

The Commercial Fisheries Entry Commission (CFEC) is conducting an Optimum Numbers Study for the Prince William Sound (PWS) commercial drift gillnet fishery. The purpose of this survey is to assess how many permits the PWS drift gillnet fishery can economically sustain, considering the various expenses permit holders incur throughout the fishing season.

Your participation will help CFEC establish a comprehensive cost structure for participation in this fishery. The survey seeks detailed information regarding your vessel, fuel consumption, crew shares, and other related operational expenses. All responses provided are strictly confidential and will be used solely to estimate net earnings within this fishery. Your insights are extremely valuable to this process.

If you have any questions or require assistance, please do not hesitate to contact me directly:

Email: reid.johnson@alaska.gov

Phone: 907-717-6512

Thank you for your cooperation and valuable contribution.

Best regards,

Reid Johnson

Commercial Fisheries Entry Commission

Prince William Sound Drift Gillnet Vessel Cost Survey

Assessment of Fixed and Variable Costs in the PWS Drift Gillnet Fishery

Please answer the following questions to the best of your ability. Your responses will help in understanding the cost structure for participation in the PWS drift gillnet salmon fleet. For each question, select the answer that best describes your situation.

This survey often refers to fixed costs, variable costs, and gross income.

Fixed costs are those costs that do not change regardless of the amount of fish a permit holder harvests. An example of this would be a registration fee or an insurance bill.

Variable costs are costs that change, usually increasing, with the amount of fish a permit holder harvests. An example of this would be fuel used per day, the cost of ice used to keep fish cool, or the amount of money paid to a deckhand or crew member. All of these costs increase based upon the level of harvest.

Gross income is defined as the total value of all the fish harvested, without any costs accounted for, such as fuel, crew shares, or fees.

If you have any questions, please contact the CFEC research section at:

DFG.CFEC.RESEARCH@alaska.gov or at 907-717-6512.

Fixed Costs

This portion of the survey assesses fixed costs.

Fixed costs are those costs that do not change regardless of how many fish are harvested. Examples would be insurance, finance payments, or permit fees.

1. What is the name of your vessel?
2. Do you own your vessel outright, have a lease, financing, or some other arrangement?
   - o I own my vessel free and clear
   - o My vessel is financed
   - o I lease my vessel (short term)
   - o I lease my vessel (long term)
   - o Other (please specify
3. If you lease of have financing for your vessel, what is the monthly payment?
   - o I own my vessel and do not make payments.
   - o My monthly payment is (please specify)
4. Please estimate your costs due to transportation and logistics, including flights, barging, etc. (**excluding fuel**, which will be accounted for in the following question).
5. What other **commercial** fisheries do you partake in as a permit holder?
6. Out of all the time spent in fisheries this vessel participates in, what percentage of the time is spent gillnetting salmon in PWS?
7. Please estimate your annual expenditure on vessel maintenance and upgrades.
8. For the PWS salmon drift gillnet season, what is insurance cost for your vessel?
9. What are your annual docking, moorage, and storage fees?
10. Are they other fixed costs that are not accounted for? If so, what are they?
    - o No
    - o Yes (please specify)
11. In what town is your vessel stored for the winter?
12. Is your vessel stored at a harbor, a storage yard (dry land), on land that you own or a personal dock, or someplace else?
    - o Harbor
    - o Storage yard
    - o Personal Land/Dock
    - o Other (please specify)

Variable Costs

This portion of the survey assesses variable costs.

Variable costs are costs that change depending upon the amount of fish harvested. Examples would be fuel used per day, crew share paid to deckhands, or food consumed.

Gross income is defined as the total earnings from all fish harvested, without any costs (such as crew share and fuel) accounted for.

13. How many gallons of fuel does your vessel use over the course of participating in the PWS drift gillnet fishery?

14. What is the cost of food and other provisions for yourself and the crew during the typical salmon season?

15. Do you have deckhands? If so, how many?
    - No
    - Yes (please specify)

16. What percentage of your **gross income** do deckhands or members of the crew receive altogether for participation in the PWS drift gillnet fishery? Please answer this question for **all crew members combined**. For example, if you have two deckhands that each get 10% of the gross income, the answer would be %20.

17. Are there other variable costs that should be considered in your operation? If so, what are they and how do they vary? For example, salt per ton of fish harvested, etc.
    - No
    - Yes (please specify)

Final Thoughts

18. Is there anything else you would like to share with us that might help us paint a complete picture of the costs of participation in this fishery?