

II. TRANSFER INCIDENCE

Statewide Turnover Rates

During the period 1975-2000, 15,373 permanent limited entry permits were issued in 59 fisheries. However, not all of these permits were available for transfer. AS 16.43.250 requires that CFEC develop hardship ranking systems ("point systems") to allocate permits, and to determine point levels at which a person would experience only minor economic hardship if excluded from an initial permit allocation. Permanent permits issued to persons classified at minor economic hardship levels are to be nontransferable. By the end of 2000 there were 13,400 transferable permits and 937 nontransferable permits.¹

During this same time span there were 26,161 permanent transfers. Original permit holders transferred 10,035 permits, indicating approximately 75.0% of all transferable permits had changed hands at least once (10,035 of 13,400 permits) by the end of 2000. Over the entire time period, the average annual number of transfers per number of transferable permits was 9.0% (26,161 total transfers / 293,971, the sum of annual transferable permit counts).

Two types of annual transfer rates are shown in Table 1. The first type is the ratio of the permits transferred for the first time (i.e. from initial issuees) to the number of transferable permits. This ratio would be expected to decline over time if no new permits were issued because each year there would be fewer permits still held by initial issuees. This transfer ratio has declined from 0.08 to 0.01 over the 1975-2000 time period. The average annual ratio of transfers from initial issuees to the sum of annual transferable permit counts is 0.03 for the entire time period.

The second type of annual transfer rate reported in Table 1 is the ratio of transfers to available transferable permits, which provides a measure of the annual turnover rate for transferable permits. This ratio varied between 0.06 and 0.13 over the 1975-2000 time period, and averaged 0.09 for all years combined.² As

¹ 13,430 transferable permits were initially issued (Table 3); however, the actual number of transferable permits at the end of 2000 was 13,400 (Tables 1 and 4). These totals differ because 159 transferable permits were revoked and 129 nontransferable permits were reclassified as transferable after receiving additional point awards through adjudication.

² Because some permits may be transferred more than once during a year, the ratio of permits transferred to available transferable permits would be slightly less.

can be seen in Table 1, this transfer ratio dropped below the all-years average in 1989 and has remained relatively low through 2000. The 0.06 ratio in 1999 is the lowest turnover rate recorded in any year.

Turnover Ratios by Fishery, 1975-2000

In Table 2, fisheries were divided into groups based upon the year(s) in which they were limited. A summary of transfer rates are provided for each group. The first group consists of the original 19 salmon fisheries for which permanent permits were first issued in 1975, and the second group consists of the six Arctic-Yukon-Kuskokwim (AYK) salmon fisheries for which permanent permits were first issued in 1976. The remaining limited herring, roe herring, shellfish and sablefish fisheries are grouped by year of limitation. These fishery groupings appear on tables throughout the report.

Two measures of average annual transfer rates for individual fisheries are shown in Table 2. The first transfer rate is calculated by dividing the cumulative total transfers from initial issuees, 1975 to 2000, by the sum of annual transferable permit counts over the same period. The fisheries limited in the most recent years have the highest rates of transfers from initial issuees, but this rate is expected to decline over time because each year there will be fewer initial issuees remaining in the fishery.

The second transfer rate is calculated by dividing all permanent transfers over the time period by the sum of annual transferable permit counts over the same period. The sum of annual permit counts represent a summation of the number of transferable permits existing at the end of each year. These rates are comparable to the all-years statewide summary rates presented in Table 1.

For the second type of turnover rate (ratio of transfers to the sum of annual transferable permit counts), the transfer rates vary considerably by fishery. The transfer rates for about one half of the fisheries are 0.10 or greater when averaged across all years. Some of the fisheries with lower annual average rates are all of the AYK salmon fisheries and westward herring fisheries except for Norton Sound herring gill net, the Chignik salmon purse seine and the Southeast roe herring purse seine fisheries.

The annual transfer rate within a fishery may vary considerably from year to year. This is demonstrated in Appendix B where the number of transferable permits, number of transfers, and the transfer rates for each

year are presented for individual fisheries. The yearly number of permanent transfers has been relatively low in many fisheries since 1989.

TABLE 1. Statewide Transfer Data on Permanent Permits by Year, 1975-2000

Year	Number of Permanent Permits *	Number of Transferable Permits *	Yearly # of Transfers From Initial Issuees	Ratio of Transfers From Initial Issuees to Transferable Permits	Yearly Number of Transfers **	Ratio of Transfers to Transferable Permits
1975	6762	6762	568	0.08	590	0.09
1976	9173	9160	650	0.07	776	0.08
1977	9772	9710	780	0.08	1108	0.11
1978	9975	9895	777	0.08	1314	0.13
1979	10104	10016	557	0.06	1209	0.12
1980	10132	10040	522	0.05	1060	0.11
1981	10204	10112	505	0.05	1092	0.11
1982	11030	10936	553	0.05	1144	0.10
1983	12488	10965	566	0.05	1211	0.11
1984	12531	11009	414	0.04	1053	0.10
1985	12509	11173	387	0.03	1111	0.10
1986	12517	11226	402	0.04	1191	0.11
1987	12492	11253	305	0.03	1120	0.10
1988	12584	11409	345	0.03	1125	0.10
1989	12655	11495	276	0.02	914	0.08
1990	13027	11911	270	0.02	950	0.08
1991	13066	12000	260	0.02	929	0.08
1992	13419	12366	206	0.02	952	0.08
1993	13423	12429	216	0.02	854	0.07
1994	13404	12460	217	0.02	908	0.07
1995	13357	12461	232	0.02	1010	0.08
1996	13347	12492	228	0.02	941	0.08
1997	13639	12799	262	0.02	961	0.08
1998	14075	13171	186	0.01	860	0.07
1999	14291	13321	172	0.01	814	0.06
2000	14337	13400	179	0.01	964	0.07

Years	Sum of Annual Number of Transferable Permits	Total Transfers From Initial Issuees	Ratio	Total Number of Transfers	Ratio
1975 - 2000	293971	10035	0.03	26161	0.09

* 1,079 permits have been revoked. Except for 43 that were reinstated, these have been excluded from the year of revoke forward.

** The number of transfers includes 169 loan foreclosures by the Department of Community and Economic Development or by the Commercial Fishing and Agriculture Bank, and 153 subsequent transfers from these entities.

TABLE 2. Transfer Ratios by Fishery, 1975-2000, All Years Combined

Permits First Issued in:	Sum of Annual Permit Counts* 1975-2000		Cumulative # of Transfers from Initial Issuees	Ratio of Transfers from Initial Issuees to Sum of Annual Transferable Permit Counts	Cumulative Number of Transfers**	Ratio of Transfers to Sum of Annual Transferable Permit Counts
	Total Permanent	Total Transferable				
1975						
SE Seine	10777	10777	353	0.03	899	0.08
SE Drift	12103	12103	415	0.03	1431	0.12
Power Troll	24455	24455	846	0.03	2187	0.09
Yakutat Setnet	4275	4275	130	0.03	427	0.10
PWS Seine	6754	6754	225	0.03	666	0.10
PWS Drift	13836	13836	434	0.03	1313	0.09
PWS Setnet	765	746	28	0.04	83	0.11
Cook Inlet Seine	2033	2033	74	0.04	200	0.10
Cook Inlet Drift	14394	14394	505	0.04	1471	0.10
Cook Inlet Setnet	19208	19208	620	0.03	2071	0.11
Kodiak Seine	9797	9797	325	0.03	980	0.10
Kodiak Beach Seine	850	804	30	0.04	125	0.16
Kodiak Setnet	4800	4800	161	0.03	631	0.13
Chignik Seine	2335	2335	67	0.03	124	0.05
Pen/Aleutian Seine	3065	3065	94	0.03	228	0.07
Pen/Aleutian Drift	4090	4090	149	0.04	415	0.10
Pen/Aleutian Setnet	2859	2859	102	0.04	348	0.12
Bristol Bay Drift	45495	45495	1517	0.03	3698	0.08
Bristol Bay Setnet	<u>24589</u>	<u>22295</u>	<u>750</u>	<u>0.03</u>	<u>2372</u>	<u>0.11</u>
	206480	204121	6825	0.03	19669	0.10
1976						
U Yukon Gillnet	1640	1640	46	0.03	101	0.06
U Yukon Fish Wheel	3423	3423	119	0.03	242	0.07
Kuskokwim Gillnet	20306	20306	609	0.03	1087	0.05
Kotzebue Gillnet	5119	5119	162	0.03	324	0.06
L Yukon Gillnet	17534	17534	484	0.03	912	0.05
Norton Sd Gillnet	<u>4840</u>	<u>4840</u>	<u>156</u>	<u>0.03</u>	<u>314</u>	<u>0.06</u>
	52862	52862	1576	0.03	2980	0.06
1977-78						
SE Her Seine	1041	1041	30	0.03	58	0.06
SE Her Gillnet	1954	1954	78	0.04	202	0.10
PWS Her Seine	2390	2390	73	0.03	175	0.07
Cook Inlet Her Seine	<u>1717</u>	<u>1717</u>	<u>54</u>	<u>0.03</u>	<u>142</u>	<u>0.08</u>
	7102	7102	235	0.03	577	0.08
1980-87						
Hand Troll	31465	14519	617	0.04	1688	0.12
NSEI Sable Longline	419	419	23	0.05	41	0.10
SSEI Sable Longline	44	44	4	0.09	9	0.20
SSEI Sable Pots	13	13	1	0.08	1	0.08
SE R/B King Crab Pot	12	12	1	0.08	1	0.08
SE R/B/Brn King Crab Pot	10	10	0	0	0	0
SE Brn King Crab Pot	19	19	2	0.11	2	0.11
SE R/B King/Tanner Pot	89	89	6	0.07	8	0.09
SE Brn King/Tanner Pot	1	1	1	1.00	1	1.00
SE All King/Tanner Pot	161	161	7	0.04	11	0.07
SE Tanner Crab Pot	42	42	4	0.10	6	0.14
PWS Her Gillnet	456	456	20	0.04	38	0.08
PWS Her Pound	1662	1662	81	0.05	130	0.08
Kodiak Her Seine	938	767	38	0.05	93	0.12
Kodiak Her Gillnet	1324	1162	69	0.06	159	0.14
Kodiak Her Seine/Gill	<u>23</u>	<u>14</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	36678	19390	874	0.05	2188	0.11

TABLE 2. Transfer Ratios by Fishery, 1975-2000, All Years Combined

Permits First Issued in:	Sum of Annual Permit Counts* 1975-2000		Cumulative # of Transfers from Initial Issuees	Ratio of Transfers from Initial Issuees to Sum of Annual Transferable Permit Counts	Cumulative Number of Transfers**	Ratio of Transfers to Sum of Annual Transferable Permit Counts
	Total Permanent	Total Transferable				
1988-91						
BBay Her Spawn on Kelp	2498	2498	73	0.03	84	0.03
Norton Sd Her B Seine	32	32	1	0.03	1	0.03
Nelson Is Her Gillnet	1388	1388	37	0.03	43	0.03
Nunivak Her Gillnet	506	494	8	0.02	12	0.02
L Yukon Her Gillnet	803	803	29	0.04	36	0.04
Norton Sd Her Gillnet	<u>2615</u>	<u>2615</u>	<u>137</u>	<u>0.05</u>	<u>265</u>	<u>0.10</u>
	7842	7830	285	0.04	441	0.06
1997						
SE Dunge Ring Net	30	0	0	0	0	0
SE Dunge Dive	11	0	0	0	0	0
SE Dunge 300 Pot	203	203	25	0.12	33	0.16
SE Dunge 225 Pot	181	177	22	0.12	27	0.15
SE Dunge 150 Pot	324	321	48	0.15	63	0.20
SE Dunge 75 Pot	365	265	50	0.19	75	0.28
CI Dunge Ring Net	4	0	0	0	0	0
CI Dunge Pot	<u>278</u>	<u>236</u>	<u>3</u>	<u>0.01</u>	<u>4</u>	<u>0.02</u>
	1396	1202	148	0.12	202	0.17
1998						
N. SE Her Pound	250	250	18	0.07	18	0.07
S. SE Her Pound	597	444	9	0.02	9	0.02
SE Shrimp Beam	25	25	1	0.04	1	0.04
SE Shrimp Pot	770	434	46	0.11	56	0.13
PWS Net Gear	3	3	0	0	0	0
PWS Sable Fixed 90ft	3	3	0	0	0	0
PWS Sable Fixed 60ft	1	1	0	0	0	0
PWS Sable Fixed 50ft	75	75	4	0.05	4	0.05
PWS Sable Fixed 35ft	<u>20</u>	<u>20</u>	<u>2</u>	<u>0.10</u>	<u>4</u>	<u>0.20</u>
	1744	1255	80	0.06	92	0.07
1999-2000						
SE Urchin Dive	28	28	9	0.32	9	0.32
Goodnews Bay Her Gillnet	<u>181</u>	<u>181</u>	<u>3</u>	<u>0.02</u>	<u>3</u>	<u>0.02</u>
	209	209	12	0.06	12	0.06

* Sum of Annual Permit Counts are the total number of permits at the end of each year, summed over the entire period.

** The number of transfers includes 169 permit foreclosures and 153 subsequent transfers of these permits.