

II. TRANSFER INCIDENCE

II. TRANSFER INCIDENCE

Statewide Turnover Rates

During the period 1975-2003, 16,041 permanent limited entry permits were issued in 64 limited entry 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.

A total of 13,844 transferable permits and 2,197 nontransferable permits have been issued. By the end of 2003, 13,660 transferable permits and 997 nontransferable permits remain. The net loss of 184 transferable permits is due to the cancellation of 311 permits and the addition of 127 permits from transferable and nontransferable permits changing status through the CFEC adjudication process.

During this same time span there were 28,854 permanent permit transfers. Original permit holders transferred 10,637 permits, indicating approximately 76.8% of all transferable permits had changed hands at least once by the end of 2003.

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 1975-2003 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 1975-2003 time period, and averaged 0.09 for all years combined. As can be seen in Table 1, this transfer ratio dropped below the all-years average in 1989 and has remained relatively low through 2003. The 0.06 ratio in 1999 and again in 2002 is the lowest turnover rate recorded in all years.

Turnover Ratios by Permit Type, 1975-2003

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

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.

Two measures of average annual transfer rates for individual permit types are shown in Table 2. The first transfer rate is calculated by dividing the cumulative total transfers from initial issuees, 1975 to 2003, by the sum of annual transferable permits over the same period. The permit types 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 permit type.

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

The annual transfer rate within a permit type may vary considerably from year to year. This is demonstrated in Appendix B where the number of transferable permits, the number of transfers, and the transfer rates for each year are presented for individual permit types. The yearly number of permanent transfers has been relatively low in many permit types since 1989.

TABLE 1. Statewide Transfer Data on Permanent Permits, by Year, 1975 – 2003

Year	Number of Permanent Permits*	Number of Transferable Permits**	Annual Number of Transfers From Initial Issues	Ratio of Transfers From Initial Issues to Transferable Permits	Total Annual Number of Transfers***	Ratio of Transfers to Transferable Permits
1975	6,762	6,762	568	0.08	590	0.09
1976	9,173	9,160	650	0.07	776	0.08
1977	9,772	9,710	780	0.08	1,108	0.11
1978	9,975	9,895	777	0.08	1,314	0.13
1979	10,104	10,016	557	0.06	1,209	0.12
1980	10,132	10,040	522	0.05	1,060	0.11
1981	10,204	10,112	505	0.05	1,092	0.11
1982	11,030	10,936	553	0.05	1,144	0.10
1983	12,488	10,965	566	0.05	1,211	0.11
1984	12,531	11,009	414	0.04	1,053	0.10
1985	12,509	11,173	387	0.03	1,111	0.10
1986	12,517	11,226	402	0.04	1,191	0.11
1987	12,492	11,253	305	0.03	1,120	0.10
1988	12,584	11,409	345	0.03	1,125	0.10
1989	12,655	11,495	276	0.02	914	0.08
1990	13,027	11,911	270	0.02	950	0.08
1991	13,066	12,000	260	0.02	929	0.08
1992	13,419	12,366	206	0.02	952	0.08
1993	13,423	12,429	216	0.02	854	0.07
1994	13,404	12,460	217	0.02	908	0.07
1995	13,357	12,461	232	0.02	1,010	0.08
1996	13,347	12,492	228	0.02	941	0.08
1997	13,639	12,798	262	0.02	961	0.08
1998	14,075	13,171	186	0.01	860	0.07
1999	14,291	13,321	172	0.01	814	0.06
2000	14,337	13,400	179	0.01	964	0.07
2001	14,802	13,708	256	0.02	958	0.07
2002	14,801	13,730	163	0.01	793	0.06
2003	14,657	13,660	183	0.01	942	0.07

Years	Sum of Annual Transferable Permits	Total Transfers From Initial Issues	Ratio	Total Number of Transfers	Ratio
1975 - 2003	335,068	10,637	0.03	28,854	0.09

* 1,436 permits have been cancelled. Except for 52 that were reinstated, these have been excluded from the year of cancellation forward.

** 311 transferable permits have been cancelled, but 127 transferable permits have been added through the net effects of transferable and nontransferable permits changing status through the CFEC adjudication process.

*** The number of transfers includes 271 loan foreclosures by the Department of Commerce, Community and Economic Development or by the Commercial Fishing and Agriculture Bank, and 196 subsequent transfers from these entities.

TABLE 2. Transfer Ratios by Permit Type, 1975-2003, All Years Combined

Permits First Issued in Permit-Years*:	Sum of Annual Permit Counts* 1975-2003		Cumulative Number of Transfers from Initial Issues	Ratio of Transfers from Initial Issues 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 Salmon Seine	12,020	12,020	365	0.03	975	0.08
SE Salmon Drift Gillnet	13,522	13,522	424	0.03	1,540	0.11
Salmon Power Troll	27,348	27,348	869	0.03	2,384	0.09
Yakutat Salmon Setnet	4,772	4,772	136	0.03	459	0.10
PWS Salmon Seine	7,553	7,553	231	0.03	707	0.09
PWS Salmon Drift Gillnet	15,447	15,447	441	0.03	1,400	0.09
PWS Salmon Setnet	855	833	29	0.03	96	0.12
Cook Inlet Salmon Seine	2,278	2,278	75	0.03	212	0.09
Cook Inlet Salmon Drift	16,104	16,104	516	0.03	1,581	0.10
Cook Inlet Salmon Setnet	21,437	21,437	634	0.03	2,204	0.10
Kodiak Salmon Seine	10,939	10,939	328	0.03	1,018	0.09
Kodiak Salmon Beach Seine	951	902	30	0.03	125	0.14
Kodiak Salmon Setnet	5,364	5,364	165	0.03	697	0.13
Chignik Salmon Seine	2,605	2,605	69	0.03	139	0.05
Pen/Aleutian Salmon Seine	3,422	3,422	98	0.03	249	0.07
Pen/Aleutian Salmon Drift	4,570	4,570	151	0.03	460	0.10
Pen/Aleutian Salmon Setnet	3,198	3,198	104	0.03	383	0.12
Bristol Bay Salmon Drift	51,080	51,080	1,596	0.03	4,194	0.08
Bristol Bay Salmon Setnet	<u>27,601</u>	<u>25,063</u>	<u>776</u>	<u>0.03</u>	<u>2,614</u>	<u>0.10</u>
	231,066	228,457	7,037	0.03	21,437	0.09
1976						
Upper Yukon Salmon Gillnet	1,856	1,856	46	0.02	102	0.05
U Yukon Salmon Fish Wheel	3,892	3,892	121	0.03	250	0.06
Kuskokwim Salmon Gillnet	22,731	22,731	638	0.03	1,167	0.05
Kotzebue Salmon Gillnet	5,678	5,678	169	0.03	339	0.06
Lower Yukon Salmon Gillnet	19,631	19,631	505	0.03	971	0.05
Norton Sound Salmon Gillnet	<u>5,389</u>	<u>5,389</u>	<u>158</u>	<u>0.03</u>	<u>320</u>	<u>0.06</u>
	59,177	59,177	1,637	0.03	3,149	0.05
1977-1978						
SE Roe Herring Seine	1,176	1,176	32	0.03	66	0.06
SE Herring Gillnet	2,276	2,276	83	0.04	233	0.10
PWS Roe Herring Seine	2,702	2,702	73	0.03	181	0.07
Cook Inlet Herring Seine	<u>1,939</u>	<u>1,939</u>	<u>54</u>	<u>0.03</u>	<u>142</u>	<u>0.07</u>
	8,093	8,093	242	0.03	622	0.08
1980-1987						
Salmon Hand Troll	35,192	16,792	642	0.04	1,897	0.11
NSEI Sablefish Longline	537	537	25	0.05	46	0.09
SSEI Sablefish Longline	56	56	4	0.07	10	0.18
SSEI Sablefish Pots	16	16	1	0.06	1	0.06
SE Red,Blue King Crab Pot	17	17	2	0.12	4	0.24
SE Red,Blue,Brn King Crab Pot	18	18	2	0.11	2	0.11
SE Brown King Crab Pot	28	28	3	0.11	4	0.14
SE Red,Blue King/Tanner Pot	122	122	8	0.07	11	0.09
SE Brown King/Tanner Pot	5	5	1	0.20	1	0.20
SE All King/Tanner Pot	218	218	10	0.05	15	0.07
SE Tanner Crab Pot	82	82	9	0.11	12	0.15
PWS Roe Herring Gillnet	528	528	20	0.04	39	0.07
PWS Her Spawn on Kelp Pound	2,046	2,046	81	0.04	130	0.06
Kodiak Roe Herring Seine	1,144	929	38	0.04	97	0.10
Kodiak Roe Herring Gillnet	1,603	1,407	69	0.05	164	0.12
Kodiak Roe Her Seine/Gill	<u>29</u>	<u>17</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
	41,641	22,818	915	0.04	2,433	0.11

TABLE 2. Transfer Ratios by Permit Type, 1975-2003, All Years Combined

Permits First Issued in Permit-Years*:	Sum of Annual Permit Counts* 1975-2003		Cumulative Number 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				
1988-1991						
BBay Herring Spawn on Kelp	3,342	3,342	83	0.02	98	0.03
Norton Sd Her Beach Seine	44	44	1	0.02	1	0.02
Nelson Island Her Gillnet	1,809	1,809	43	0.02	52	0.03
Nunivak Island Her Gillnet	651	631	10	0.02	14	0.02
Lower Yukon Herring Gillnet	1,020	1,020	32	0.03	40	0.04
Norton Sd Herring Gillnet	<u>3,352</u>	<u>3,352</u>	<u>144</u>	<u>0.04</u>	<u>288</u>	<u>0.09</u>
	10,218	10,198	313	0.03	493	0.05
1997						
SE Dungeness Ring Net	48	0	0	0.00	0	0.00
SE Dungeness Dive	17	0	0	0.00	0	0.00
SE Dungeness 300 Pot	349	349	31	0.09	48	0.14
SE Dungeness 225 Pot	312	301	28	0.09	43	0.14
SE Dungeness 150 Pot	572	563	56	0.10	107	0.19
SE Dungeness 75 Pot	670	469	56	0.12	113	0.24
Cook Inlet Dunge Ring Net	6	0	0	0.00	0	0.00
Cook Inlet Dungeness Pot	<u>488</u>	<u>413</u>	<u>6</u>	<u>0.01</u>	<u>8</u>	<u>0.02</u>
	2,462	2,095	177	0.08	319	0.15
1998						
NSE Her Spawn on Kelp Pound	550	550	54	0.10	78	0.14
SSE Her Spawn on Kelp Pound	1,162	885	61	0.07	69	0.08
SE Shrimp Otter Trawl	1	0	0	0.00	0	0.00
SE Shrimp Beam Trawl	99	91	7	0.08	8	0.09
SE Shrimp Pot	1,643	896	69	0.08	97	0.11
PWS Sablefish Net Gear	6	6	0	0.00	0	0.00
PWS Sablefish Fixed 90ft	6	6	1	0.17	1	0.17
PWS Sablefish Fixed 60ft	7	7	1	0.14	1	0.14
PWS Sablefish Fixed 50ft	169	169	14	0.08	15	0.09
PWS Sablefish Fixed 35ft	<u>47</u>	<u>47</u>	<u>7</u>	<u>0.15</u>	<u>11</u>	<u>0.23</u>
	3,690	2,657	214	0.08	280	0.11
1999-2003						
SE Urchin Dive	273	273	45	0.16	56	0.21
SE Geoduck Dive	134	134	11	0.08	15	0.11
SE Cucumber Dive	1,109	462	33	0.07	37	0.08
Goodnews Bay Her Gillnet	692	686	13	0.02	13	0.02
Kodiak Fd/Bt Her Seine/Gill	10	10	0	0.00	0	0.00
Kodiak Fd/Bt Her Trawl 75ft	2	2	0	0.00	0	0.00
Kodiak Fd/Bt Her Trawl 70ft	2	2	0	0.00	0	0.00
Kodiak Fd/Bt Her Trawl 60ft	<u>4</u>	<u>4</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
	2,226	1,573	102	0.06	121	0.08

* Total permit years are the total number of permits at the end of each year, summed over the entire period.

** The number of transfers includes 271 permit foreclosures and 196 subsequent transfers of these permits.

