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* Pursuant to AS 16.43.980, this report is the Commission's annual report to the Legislature.

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INTRODUCTION

Organization by Agency Function

In May of 1973, the Alaska State Legislature took a bold step forward for the State and the Alaskan fishing industry by adopting the Limited Entry Act. The Act called for the creation of a resource agency "to promote the conservation and the sustained yield management of Alaska's fishery resource and the economic health and stability of commercial fishing in Alaska by regulating and controlling entry into the commercial fisheries . . ." AS 16.43.010(a).

The Commercial Fisheries Entry Commission (Commission) became the exempt, independent, quasi-judicial agency to carry out the mandate. Beyond its function as a regulatory agency, the Commission is a pivotal resource development tool of the Owner State. Today, some 48 of Alaska's fisheries are under limitation and additional requests for limitation are pending. The Commission plays an important role in the development and economic growth of Alaska's fisheries, contributes to the State's general fund, and provides data and analysis on a variety of fishery issues. The Commission is an essential component of fisheries management and Alaska's billion dollar plus industry.

When creating a limited entry system, if the legislature had been committed only to simplicity and economy, it could have conducted a lottery, or it could have authorized auctioning a limited number of property rights to its fisheries. These approaches were rejected by the legislature because they would not have been consistent with the State's most important objectives of protecting the resource and those who rely on the harvest of the resource. The Limited Entry Act protected the interest of only qualified, individual fishermen who could demonstrate tangible dependence on their fishery.

Extensive biological, economic, historic, and cultural data and analyses have been generated to aid the development, enactment, and review of entry limitation in Alaska. Thousands of hours of hearings throughout the State and before the legislature have informed the choices made in shaping Alaska's limited entry system. Alaska's courts have carefully scrutinized the program and developed a body of law governing limited entry in Alaska that is both extensive and unique.

This governing body of law has successfully upheld an intent of the legislation to keep the permits in the hands of those who most depend on their fisheries for their livelihood. The percentage of permits held by Alaska residents has remained relatively stable. Today, approximately 78% (more than 10,000) of all limited entry permits are still held by Alaskans, and more than half of that number are held by rural Alaskans.

Absent limited entry, many of the State's high-valued fisheries would experience large increases in effort by new entrants from several states. Such increases in effort would raise management costs and would likely threaten the resource and the livelihood of many Alaskans in coastal communities where commercial fishing is the cornerstone of the economy. Unchecked growth in commercial fishing would also threaten subsistence and other uses of the resource.

1993 was a year of transition for the Commission. In July, Dale Anderson of Juneau was appointed to the Commission upon the resignation of Richard Listowski who had served as a Commissioner for ten years.

Throughout 1993, given depressed world market conditions (coupled with Alaska user conflicts and some run failures), the Alaska fishing industry found itself in a financial crisis. The condition presents a problem of survival for many fishermen. These crises and many other varied issues from all sectors of the industry generated a very demanding year for the agency. A recap of several significant accomplishments of the Commission illustrates the degree of proficiency and commitment of the Commission staff to the purpose and goals of the agency.

Following the 1992 court decision in *IRS v. Lorentzen*, the Commission developed and successfully worked for passage of Governor Hickel's SB 449 to govern forced transfers of entry permits and to protect the interest of the State. The Commission fully recognizes the importance of limited entry permits to the economic survival of local

communities. Consistent with the original purposes of the Limited Entry Act, the Commission has worked diligently to avoid the loss of entry permits from the hands of local fishermen during the current troublesome times.

The Commission completed an optimum number study for the Southeast Alaska roe herring purse seine fishery and adopted an optimum number regulation pursuant to the study.

The Adjudications Section is responsible for processing applications for entry permits in limited fisheries and conducting hearings for those who contest Commission decisions affecting them. In 1993, the Commissioners adjudicated 154 final decisions (up from 115 in 1992). 163 hearings were conducted by the hearing officers, who issued 142 decisions. Paralegals continued to conduct hearings and appeals of denied emergency transfer requests.

The Data Processing Section has continued to refine the Commission's essential computer support strategy. As a cost-saving effort and to increase productivity, a newly developed licensing system was designed for the Commission's local area network of personal computers. This has allowed data processing to establish an electronic bulletin board system (BBS) for accessing licensing and other fisheries information which is updated on a nightly basis. Access to the BBS can be gained by using a personal computer equipped with a modem and calling 789-6159. The net result of these efforts provides information in the spirit of the public access statute signed into law in 1990 and does so at a reduced cost to the agency.

The Licensing Section annually issues an average of about 32,000 permits and 17,500 vessel licenses and reviews approximately 1,800 transfer requests. Beginning in the fall of 1993, the licensing staff initiated testing for the complex transition to the newly developed licensing system.

The Research Section provided the background research and analyses on issues raised by the public, the Governor's Office, the Department of Fish and Game, the Board of Fish, the Legislature, as well as the Commission. The section produced two reports on the herring fishery in Southeast Alaska and an update on the changes in the distribution of Alaska's limited entry permits by residence of holders. At the request of the Governor, the Commission provided data and analyses to support Alaska's interests before the North Pacific Fishery Management Council.

Over the past year, the Commission staff has become more aware of the gravity of the present struggles facing Alaska's fishing industry. Nonetheless, as a food source important to Alaskans and the world, Alaska's fisheries remain without question one of its most important renewable resources. Alaska's fisheries employ a substantial segment of the State's population, and many remote communities rely upon commercial fishing as their primary economic base. Therefore, the combination of sound management and wise commercial development of its fisheries remains crucial to the people of Alaska. The Commission renews its commitment to apply its resource tools toward the economic health and stability of commercial fishing in Alaska.

Major Decisions/Activities Affecting Agency Operations (Fiscal Years 1994 - 1988)

FY94:

- Adopted optimum number regulation for the Southeastern Alaska roe herring purse seine fishery.
- Conducted research, held public hearings, and adopted regulations limiting the Cook Inlet dungeness crab fishery.
- Conducted research and prepared a report on the Southeastern Alaska dungeness crab fishery to assist in determining if some form of limited entry is warranted for the fishery following the moratorium.
- Participated in the Alaska Federation of Natives Task Force concerning the Internal Revenue Service (IRS) and Alaska commercial fishermen.
- The IRS filed suite against the Commission in the Gatter case objecting to State law which establishes procedures regarding the seizure and forced sale of limited entry permits.
- Advocated legislation (SB 251) to expand the commercial fishing revolving loan fund to offer loans for past due federal tax obligations.

- Developed new licensing system to run on the Commission's local area network (LAN) instead of the State mainframe computer.

FY93:

- Completed optimum number study for the Southeastern Alaska roe herring purse seine fishery.
- Proposed optimum number regulation pursuant to the study.
- Worked with Department of Law to develop regulations to implement SB 449 and establish procedures to govern the forced transfer of limited entry permits by the IRS and child support claimants.
- Conducted workshops related to getting and keeping limited entry permits in local communities.
- Commissioners and hearing officers each completed more than 100 adjudicatory decisions. Among the nearly 1,000 decisions issued since 1983, only one has been reversed by the Alaska Supreme Court.
- Conducted many research projects in response to requests from the Commission and others (for example, limited entry studies, Alaska Board of Fisheries, ADF&G, Governor's Office, fishing associations and Legislators).

FY92:

- Conducted workshops to aid rural Alaskans get and keep limited entry permits in their local communities.
- Completed initial classification of Western Alaska herring and Togiak herring spawn on kelp fisheries applications.
- Developed and successfully worked for passage of Governor's SB 449 to govern forced transfers of entry permits following the court decisions in Lorentzen and Anderson.
- Continued an optimum number study for the Southeastern Alaska roe herring purse seine fishery.
- Conducted research, held public hearings, adopted regulations and implemented a moratorium (in response to HB 137 from the previous year) in the Southeastern Alaska Dungeness crab fishery (more than 300 eligible to apply).
- Aided the Alaska Board of Fisheries in its creation of a new open access salmon set net fishery around Atka Island for the 1992 season, which will commercially harvest local pink salmon stocks.
- Federal District Court ruled in the Lorentzen case that the IRS could place federal tax liens upon limited entry permits.

FY91:

- Togiak herring spawn on kelp fishery point system adopted, application period began, approximately 500 applications were received. Initial classification of approximately half of the 1,813 Western Alaska herring permit applications completed.
- In the Lorentzen case, a permit holder, joined by the State as a friend of the court, obtained a preliminary injunction from the Federal District Court against the IRS which blocked the IRS' scheduled sale of the holder's entry permit.

FY90:

- Exxon Valdez oil spill continued to make demands on Data Processing; and Research sections for services required to respond to legal activity.
- Western Alaska herring fisheries point systems finalized, and almost 1,100 applications received. LI>Togiak herring spawn on kelp fishery researched, hearings held, and fishery limited.

FY89:

- Research and hearings on Western Alaska herring fisheries point systems.
- Wassillie settlement finalized, processing of 273 applications began.
- Alaska Supreme Court decision in Johns case; extensive research and data analysis for optimum number determinations began.
- Exxon Valdez oil spill in Prince William Sound created significant demand for Data Processing services to assist affected fishermen.

FY88:

- Research and hearings on Prince William Sound herring spawn on kelp pound fishery point system and processing of 140 applications began.
- Processing of 213 applications for the Southeastern black cod fisheries began.
- Western Alaska herring fisheries researched, extensive hearings in Western Alaska villages held, and five fisheries limited.

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ADJUDICATIONS

Overview

The Adjudications Section at the Commission is responsible for processing applications for entry permits in limited fisheries and conducting hearings for those who contest Commission decisions affecting them. The section also conducts investigations into potential violations of the Commission's statutes and regulations, and provides assistance to other enforcement agencies.

Entry permit applications are first evaluated by Commission paralegals who classify applicants in a ranking system that measures each applicant's past participation and economic dependence on the fishery. Applicants who disagree with their initial classifications may request hearings. Hearings are also available to contest initial decisions about permit transfer requests or about qualifications for reduced permit renewal fees.

Commission hearing officers conduct administrative hearings throughout the State and decide appeals of initial determinations about entry permit applications, permit transfer requests, and fee arrearages charged to those who wrongly claimed to be Alaska residents. The Commissioners review and affirm or modify hearing officers' decisions on their own motion, or upon the request of an affected party. If no review is ordered by the Commissioners, hearing officer decisions become final in 60 days.

Commission hearing officers also preside in "show cause" hearings. These hearings are held in the presence of the Commissioners. In these proceedings, the Commission may impose fines, or revoke or suspend the permits of those who attempt to mislead the Commission with false information.

Administrative Proceedings and Decisions

During 1993, Commission paralegals continued to conduct hearings and decide appeals of denied emergency transfer requests.

The hearing officers conducted 163 hearings in 1993: 117 on permit applications, 45 on permit transfers, and 1 miscellaneous action. The hearing officers issued 142 decisions: 92 on permit applications, 48 on permit transfers, and 2 miscellaneous actions. At the end of the year, 606 cases were in various stages leading up to the issuance of a decision by a hearing officer.

The Commissioners adjudicated a total of 154 cases during 1993: 100 permit applications, 47 permit transfers, 3 show cause actions, and 4 on miscellaneous matters. At the end of the year, 191 cases were in various stages of the adjudication process leading to the issuance of final decisions by the Commissioners.

Investigations

During 1993, the Commission received fines and arrearages of \$31,400 due to the successful settlement of prior actions. The Commission continues to cooperate with State and federal law enforcement agencies.

Judicial Rulings and Appeals

The Alaska Supreme Court did not publish any decisions on the Commission's cases in 1993. The Court issued two memorandum opinions and judgments (M. O. J.'s) upholding the Commission's decisions in 1993.

A new claim was briefed in the Kelley case pending in State Superior Court. For more information, see the discussion on page 18.

Internal Revenue Service Seizure and Forced Sale of Alaska Limited Entry Permits.

By way of background, during 1992, the Lorentzen case held that Alaska limited entry permits are subject to federal tax liens. In that same year, the Alaska legislature unanimously adopted Governor Walter J. Hickel's SB 449 (Chapter 55, SLA 1992) to govern involuntary transfers by the only two authorized creditors: the IRS and child support claimants. The legislation for the first time authorized such transfers, required them to conform to applicable State law, and, protected the State's interest in limited entry permits.

Late in 1992, the IRS auctioned five limited entry permits. Originally, the IRS had seized and planned to sell more than 20 Alaska limited entry permits. However, some of the permit holders avoided the auction by settling their claims with the IRS. Others avoided the auction by entering bankruptcy. Still others were spared the ordeal by assistance from the IRS' Problem Resolutions Office.

Throughout 1993, the Commission and the Department of Law continued to develop regulations to implement Chapter 55, SLA 1992. However, the successful buyers at the IRS auction withdrew their bids before regulations could be made effective to provide the Commission with authority to process the buyers' transfer requests.

Also during 1993, the IRS filed suit against the Commission in the Gatter case and announced its intention to strike down those elements of State law which it believed might present obstacles to IRS' efforts to seize and force the sale of Alaska limited entry permits. The Gatter case remains pending.

Despite the Gatter case, the Commission and Alaska Commercial Fishing and Agriculture Bank (CFAB) continued their dialogue with the IRS. In response to persistent urging by the Commission and CFAB, the IRS provided statistical information about the nature and extent of the problem. IRS statistics showed that 26% of all Alaska limited entry permit holders are in trouble with the IRS, and the highest incidence of trouble is in rural areas of Alaska where the loss of an entry permit could cause the most severe harm. However, among the Alaska permit holders in trouble, fully 1,111 have filed their returns but have been unable to pay the taxes owed. This is not surprising given depressed world salmon market conditions (coupled with user conflicts and some run failures) which have left the Alaska salmon industry in a severe financial crisis. The situation presents a problem of survival for Alaska salmon fishermen.

At the same time, the IRS statistics helped put the problem in perspective. Among the 1,111 individuals, 827 permit holders owe balances to the IRS of no more than \$10,000. Add in the additional 130 individuals who owe the IRS up to \$20,000, and fully 86% of this group of permit holders is covered. This information led the Commission to advocate for a change of law to allow existing revolving loan funds of the State Commercial Fishing Loan Program to be applied to help individual permit holders avoid seizure and forced sale of their entry permits by the IRS.

Throughout 1993, the Commission worked with members of the "Bad Times Group." This group of professionals includes accountants, lawyers, and business advisors, who have volunteered their time to conduct seminars throughout Alaska to help Alaska commercial fishermen avoid financial trouble. The group produced a valuable pamphlet, Alaska Commercial Fishermen and the IRS, which the Commission distributes for free. Additionally, the Commission continues to work with the Alaska Business Development Center, which provides direct help to individual permit holders in trouble with the IRS.

Also in response to the current financial crisis in the salmon industry, the Alaska Federation of Natives (AFN) established a task force concerning the IRS and Alaska commercial fishermen, and invited the Commission and CFAB to participate. The Task Force is looking favorably on a development in the Bristol Bay area, where the Bristol Bay Economic Development Corporation and the Bristol Bay Native Association have hired an individual to help entry permit holders resolve their tax problems. This laudable effort by local individuals in Bristol Bay may serve as a model for other areas of the State to help address financial problems faced by Alaska fishermen.

The Alaska Supreme Court did not publish any decisions on the Commission's cases in 1993. The Court issued two memorandum opinions and judgments (M. O. J.'s) upholding the Commission's decisions in 1993.

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LICENSING

Overview

The Commission's Licensing Section, numbering five full-time and three seasonal employees, issues fishing permits and vessel licenses required for commercial fishing in waters of Alaska. The section also reviews all requests for permanent and emergency transfer of entry permits. In recent years, about 32,000 permits and 17,500 vessel licenses have been issued annually, and about 1,800 transfer requests reviewed. However, 1993 was a year of changes for the Licensing Section. Early in the year, certain positions within the section were reclassified to shift more staff resources into the increasingly demanding area of permit transfers. Throughout the year, the Commission saw declines in the numbers of permits and vessel licenses being issued as compared to the previous year. And finally, in late summer the licensing staff began testing the new licensing system developed by the Data Processing Section, which runs on the Commission's local area network (LAN) instead of the State mainframe computer. The mailout of 1994 renewal forms was delayed from late October to late November, until the staff was confident that the new system was functioning well enough to handle the anticipated volume of renewals. All of these changes will be discussed in greater detail below.

Transfer Activity

During the past few years the number of permit transfers coming in during the peak season has increased dramatically. There has been a decrease in the number of permanent transfer requests received annually, offset by an increase in the number of emergency (temporary) transfer requests, which are generally submitted immediately before, or during, the fishing season. In fact, 1993 was the first year in which requests for emergency transfers outnumbered permanent transfer requests. In addition, the transfer review process has become more complex and time-consuming due to several factors; for instance, a greater number of permits held by estates or by permit holders who are no longer able to fish, more problems relating to IRS and child support liens, stricter requirements for transfers involving minors, etc. . It became clear that the Licensing Section's one Transfer Officer could not possibly manage the transfer workload in a timely manner. The majority of transfer activity occurs during the months from April through July, and it is essential that processing time be minimized to prevent loss of fishing time.

During 1993, permanent transfer requests received decreased slightly, falling from the 1992 level of 1,005 to 947, of which 856 were approved and 47 were denied during the calendar year. (Some of the requests received were still pending completion at the end of the year.) Requests for emergency transfer on the other hand, increased from 855 in 1992 to 944 during 1993, of which 859 were eventually approved and 67 were initially denied. The total number of transfer requests received during 1993 was 1,891, compared to 1,860 in 1992.

Licensing Personnel Changes

In February 1993, the following personnel changes were made to increase the staff responsible for transfer activities:

- the Transfer Officer became a Transfer Technician II
- one CFPC II became the Assistant Licensing Project Leader
- one CFPC II became a Transfer Technician I (seasonal)
- one CFPC II became a Transfer Trainee (seasonal)

All of the reclassified positions have some responsibility for various transfer-related functions. The remaining two CFPC II positions (one of which is seasonal) and the CFPC I are responsible for permit and vessel license issuance and renewal, but do not deal with permit transfers.

During the remainder of 1993, the change worked out very well, in spite of the fact that it takes considerable time and training to master and become competent at administering transfer requirements and procedures.

Declining Numbers of Licenses for 1993

For 1993, the total number of paid permits decreased to 29,511, from 32,219 in 1992. The number of permanent limited entry permits renewed was fairly stable as these permits must be renewed each year. However, there were about 23% fewer interim-use permits issued for fisheries under limited entry, 869 in 1993 compared to 1,132 in 1992. In fisheries NOT under entry limitation, the drop in permit numbers was also significant, falling about 13.6%, from 18,137 in 1992 to 15,672 in 1993.

Nearly all fisheries evidenced declines in participation from the 1992 levels, ranging from a 12% drop in halibut permits, 20% in miscellaneous finfish, and 33.6% in herring, for example. A few of the smaller fisheries showed increased participation, for instance, sea cucumbers were up about 40%, scallops increased 60% and snails were up 71%.

Along with the drop in the number of permits issued, the number of fishermen obtaining permits was down by 1,074 or about 6%, from 17,635 in 1992 to 16,561 in 1993. The decline in numbers of fishermen was greater among Alaska residents, down 6.7%, compared to a 4.2% decrease in nonresidents. Revenues collected from licensing activities were also down from the 1992 level.

1993 Licensing Revenue

REVENUE SOURCE*	FISCAL YEAR 93	CALENDAR YEAR 93
Permit Fees	\$5,082,120	\$4,841,790
Vessel License Fees	337,374	307,254
Limited Entry Application Fees	260	260
Field Office User Fees	8,350	7,840
Fines/Arrearages	29,693	54,065
NSF Check Penalties	775	650
Miscellaneous Revenue	97,265	85,694
Refunds Paid	(115,011)	(113,233)
TOTAL LICENSING REVENUE	\$5,440,826	\$5,184,320

* This report indicates total revenue received during the specified time period from each source, regardless of the license year; it may include fees for permits and vessel licenses for 1992, 1993 and 1994.

Licenses Issued For 1993

Limited Entry Permits Not Renewed.....	419
Limited Entry Permits Revoked or Lapsed (since 1975).....	644
Limited Entry Permits Renewed.....	12,944
Interim Permits in Fisheries Under Limitation or Moratoria.....	869
Interim Permits in Open-to-Entry Fisheries...	15,672
Special Harvest Area (Hatchery) permits.....	21

Educational Entry Permits.....	5
TOTAL PERMITS PAID FOR 1993.....	29,511
VESSELS LICENSED FOR 1993.....	16,276
TOTAL PERMITS AND VESSEL LICENSES..	45,787
Alaska Resident Permit Holders.....	12,579
Nonresident Permit Holders.....	3,982
TOTAL PERMIT HOLDERS.....	16,561

\$441,450 was transferred to the Fishermen's Fund from permit fees for license year 1993.

Licensing Field Office Activity

During 1993, the Licensing Section provided licensing services in Dillingham for a brief period prior to the herring season and then for one week early in the Bristol Bay salmon season. In King Salmon, licensing activity was limited to about five weeks from early June to mid-July.

Field Office	Permits Issued	Vessels Licensed	TOTAL LICENSES
Dillingham	239	111	350
King Salmon	428	158	586
TOTAL	667	269	936

A \$10 surcharge is levied for each license renewed at a field office instead of through the Juneau office. In order to encourage compliance with regulatory requirements, certain transactions are exempt from the surcharge (for instance, changing the vessel number on a permit card). "User fees" collected in field offices during 1993 totalled \$7,840.

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RESEARCH

Overview

The research section provides the background research and analyses needed by the Commission. The section, coupled with the Commission's data processing section, also produces basic economic data on Alaska's fisheries which can be used to address many policy questions and to develop standard or specialized reports to serve the data needs of users outside the agency.

In 1993, the Commission's research staff was involved in many projects. These projects included efforts to monitor trends in Alaska's fisheries, to evaluate the need for access controls in particular fisheries, and to provide other agencies and users with needed data and analyses.

The staff produced analyses on issues for the Legislature, the Office of the Governor, the Alaska Department of Fish and Game, and the Alaska Board of Fisheries. In addition, the staff answered numerous information and data requests from the general public. The following paragraphs provide brief highlights of 1993 activities.

Limitation Studies and New Limitation

Each year, as Alaska's unlimited fisheries face increasing fishing pressure, the Commission receives requests to limit entry into additional fisheries. When a petition is received, the Commission conducts research to determine if access restrictions are needed and to evaluate whether or not a license-type limited entry program would produce significant management, conservation, and economic benefits.

The nature of the fleet and the applicable regulations are evaluated to determine the extent to which limiting the number of participants will serve to contain the growth in fishing capacity. Historical fishing patterns are analyzed to determine the best way to define the fisheries for limitation purposes to help prevent post-limitation effort increases. Turnover rates in the fishery, and the participation histories of fishermen and vessels are evaluated also. In 1993, the Commission adopted maximum number regulations for the Cook Inlet Dungeness pot and ring net fisheries. This regulatory action occurred after extensive analyses and public hearings on the proposals. The maximum numbers include all persons who are known to have recorded landings in the five years prior to the qualifications date.

Another regulation was adopted which allows persons who participated in the five years prior to the qualification date to apply for a limited entry permit. Point systems for these fisheries will be developed in 1994 or 1995. It is currently anticipated that most persons who are eligible to apply will qualify for a limited entry permit.

In 1993, the Commission produced two reports in response to limitation petitions which had been previously received. These reports were The Southeast Alaska Bait Herring Fishery (93-1N) by A. Tingley and K. Iverson and Southeast Alaska Herring Spawn On Kelp Pound Fisheries: Hoonah Sound and Craig/Klawock (93-4N) by A. Tingley. The Commission has taken no regulatory action in these fisheries but is continuing to monitor them.

Analyses of other petitions occurred in 1993 but reports are not yet completed. The Commission's non-confidential briefing reports are available upon request.

Optimum Numbers

In 1993, the Commission adopted an optimum number of 46 for the Southeastern Alaska roe herring purse seine fishery. This number is greater than the original maximum number (35) and greater than the number of permanent

entry permits which have been issued thus far in the fishery (45). Since six applications for permits are pending in this fishery, the total number of permits that will be issued initially in the fishery is still unknown.

The Commission was mandated to make an optimum number decision in the Southeastern Alaska roe herring purse seine fishery by the decision of the Alaska Supreme Court in *Johns v. State*, CFEC, 758 P.2d 1256 (Alaska 1988).

A denied applicant appealed a related legal issue in the Kelley case now pending in the Alaska Superior Court. The applicant in Kelley argued the Bristol Bay Drift Gill Net fishery is too exclusive under Johns, and, therefore, limited entry for that fishery should be eliminated. The State has briefed a number of arguments in response, including the argument that a royalty paid by permit holders into the general fund is a defense to such a claim. The State has further argued that entry permit fees, based as they are on the rates of economic return for different fisheries, constitute such a royalty. The Commission hopes for a ruling by the Superior Court in Kelley during 1994.

Distribution of Limited Entry Permits

In 1993, the Commission evaluated changes in the distribution of Alaska's limited entry permits by residence of holders. This is a topic which continues to be of interest to Alaskans and their legislators. The report *Changes In The Distribution Of Alaska's Limited Entry Permits, 1975-1992* (CFEC Report 93-7N), prepared by A. Tingley and E. Dinneford, provides extensive data and information on the topic.

The report updates previous studies by the Commission. For analysis purposes, the report defines five resident-types relative to each limited fishery. These include non-residents and four Alaskan resident-types. The four Alaskan resident-types are based upon whether a permit holder lives in a rural or urban community, and whether that community is considered local or non-local to the limited fishery.

The report provides data on the 46 limited fisheries (50 permit types) for which permanent permits had been issued through year-end 1992. It covers the 1975 through 1992 time period and includes detailed information on the changes in the number and type of entry permits held by each Alaskan resident-type and non-residents.

The report indicates that there has been a net movement of permits from rural Alaska communities to urban Alaska communities over the time period. However, the Alaska resident and non-resident composition of permit holders has remained relatively stable since the beginning of the program. At the end of 1992, approximately 78% of all limited entry permits were held by Alaskans and over 50% of the permits held by Alaskans were held by residents of rural communities. The report provides fishery specific and statewide data on permit transfers, the initial geographic distribution of permit holders, changes due to permit transfers, changes due to permit holder migrations, and the year-end 1992 geographic distribution of permit holders. Data are also provided on the age distribution of permit holders and age differences between transferors and transfer recipients.

Detailed data summaries are also reported from the Commission's transfer survey. These summaries provide information on the incidence of transfers between family members and business partners, transfer acquisition methods, and transfer financing methods. Copies of the report are available upon request.

Halibut and Groundfish Data

The North Pacific Fishery Management Council (NPFMC) has passed individual fishing quota (IFQ) programs for the halibut and sablefish fixed gear fisheries in the waters off Alaska. These programs have been approved by the Secretary of Commerce and will be administered by the Restricted Access Management Division (RAM) of the National Marine Fisheries Service (NMFS) in Juneau, Alaska. An application process is scheduled for 1994 and the program is expected to begin in 1995.

During 1993, the Commission and other agencies worked to edit computerized fish ticket records for accuracy. The Commission's research and data processing staff worked with the International Pacific Halibut Commission to prepare

an updated halibut data base. This data base will be used by NMFS for halibut IFQ purposes.

The Commission's research staff also helped the Department of Fish and Game edit the groundfish computerized fish ticket data base. Sablefish records from this data base will be used by NMFS for sablefish IFQ purposes. The groundfish data base will also be used in analyses of the NPFMC's Comprehensive Rationalization Plan (CRP). Work on the groundfish fish ticket data base has continued into 1994.

Analyses Of IFQ Plan Proposed Amendments

At the request of the Office of the Governor and the Department of Fish and Game, the staff produced several analyses of proposals to modify the Council's IFQ programs for halibut and sablefish. These analyses were prepared and presented to the NPFMC.

Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis For The "1,000 Pound Minimum IFQ" Amendment To The Individual Fishing Quota Management Alternative For Alaska's Fixed Gear Halibut Fishery was presented as a Draft For Council Review at the June 1993 meeting. This analysis was prepared by K. Schelle, K. Iverson, and B. Muse.

Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis For "The Sitka Block" Proposed Amendment And "The Full/Partial Block" Proposed Amendment To The Individual Fishing Quota Management Alternative For Fixed Gear Sablefish and Halibut Fisheries - Gulf Of Alaska And Bering Sea/Aleutian Islands was presented as a Draft For Council Review at the June 1993 meeting. This analysis was also prepared by K. Schelle, B. Muse, and K. Iverson.

After reviewing the analysis of these "block proposals", the Council voted to send the report out for public review with minor modifications. A Draft For Public Review was sent out in July of 1993. At the September 1993 meeting, the Council again reviewed the analysis and adopted a "Modified Block" amendment to the sablefish and halibut IFQ program. The amendment represents a hybrid of the Council's current IFQ program and a Full/Partial Block alternative.

Following the September 1993 meeting, NPFMC and NMFS staff concluded that an analysis of the Modified Block amendment needed to be included in the EA/RIR/IRFA analysis which is sent to the U.S. Secretary of Commerce with the proposed rule. The Commission's research staff has begun work on a Draft For Secretarial Review which will include an analysis of the Modified Block proposed amendment. This analysis should be completed and sent to the Secretary in early 1994.

Other Projects and Reports

The research staff produced monthly permit value estimates for the Department of Commerce and Economic Development and other users. The staff also updated basic information data reports on many of Alaska's commercial fisheries. Reports were also prepared on wholesale production and prices by E. Dinneford.

During the year the Commission's research staff produced many ad hoc reports for the Commission and other analyses requested by the Office of the Governor, the Department of Fish and Game, the Board of Fisheries and Alaska's Legislature. Among these reports, the following are available upon request:

- Summary Report On Limited Entry Permit Holdings, 1975-1991 (93-3N) by E. Dinneford
- Harvest Composition and Distribution and Vessel Participation In Alaska's Commercial Scallop Fishery, 1980 through 1992 (93-8N) by S. Shirley
- Characterization of the 1990 Dungeness Crab Fleet in Southeast Alaska: Vessel Attributes, Fishery Participation, and Fishery Performance (93-9N) by S. Shirley
- The 1993 Chignik Purse Seine Salmon Fishery: A Comparison of the Fishery Inside and Outside of Chignik

Lagoon (93-10N) by S. Shirley.

Susan Shirley of the Commission's research staff also helped prepare scallop reports with Gordon Kruse of the Department of Fish and Game. "The Alaska Scallop Fishery and Its Management" by G. Kruse and S. Shirley will be published in Proceedings of the 9th International Pectinid Workshop. The workshop was held in Nanaimo, British Columbia in April of 1993.

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