

2019 Overview



Photo by Nick Hall



Commercial Fisheries Entry Commission



CFEC Overview

The seafood industry is Alaska's largest private sector employer and adds approximately \$5 billion dollars into the Alaskan economy each year, benefiting communities from Ketchikan to Kotzebue. The Commercial Fisheries Entry Commission (CFEC) plays a vital role in developing and maintaining the sustainable fisheries and small businesses that underpin Alaska's fishing industry. Annually, CFEC generates about \$7.5 million dollars in user fees from commercial fishermen for the state general fund.

In 1972, Alaskans voted to amend the constitution to pave the way for the creation of a limited entry permit system. Subsequently, the Alaska Supreme Court recognized that the limited entry system should impinge on the open fisheries clauses of the constitution as little as possible. The limited entry program requires continuous management: CFEC is required to conduct optimum number studies and to ensure the limited entry system does not create an exclusive privilege in Alaskan fisheries, and may establish voluntary buyback programs when necessary. Over the years Alaskan courts have carefully scrutinized the limited entry program and developed an extensive body of law, comprised of more than eighty Supreme Court decisions, which guide CFEC in the administration of its important mandates.

CFEC is a quasi-judicial agency empowered with the authority to conduct investigations, subpoena evidence, hold administrative hearings and adjudicate claims. The Commission operates with a staff of 21 people, who are organized into four sections headed by two appointed commissioners. CFEC issues annual permits and vessel licenses to qualified individuals; oversees permit transfers; conducts research and develops fisheries economic data; assesses demerit points on permits to hold violators responsible; and coordinates with state and federal managers to develop fisheries policy.

From the beginning of the Limited Entry program over 45 years ago, CFEC has granted 16,720 permits in 68 limited entry fisheries. CFEC issues more than 200 permit types for fisheries that remain open access and are not yet subject to limitation by CFEC. CFEC provides interim use permits to about 4,500 fishermen who fish in open access and federal fisheries. Approximately 77% of all commercial fishing permits issued by CFEC are held by Alaska residents, roughly half of whom live in rural communities.

CFEC looks forward to working with legislators and fishermen to modernize and streamline the limited entry program so that Alaska's commercial fisheries can be optimally managed for the benefit of commercial fishermen and the families who depend upon them for their livelihood.



2019 Overview

CFEC Agency Information

2019 Commission Employees

Commission	Fate Putman	Commissioner, Chair	Adjudications	Nicole Lynch	Leader
	Dale Kelley	Commissioner		Frank Glass	Hearing Officer
	Jason Kampman	Law Specialist		Randy Lippert	Paralegal
Administration	Vacant	Executive Director	Information Technology	Ty McMichael	Leader
	Vacant	Commission Assistant		Don Huntsman	Analyst Programmer
	Fred Harmon	Receptionist		Joe Kollar	Analyst Programmer
				David Pearce	Network Specialist
Licensing	Mele Maake	Leader	Research and Planning	Craig Farrington	Leader
	Suzanne Rumfelt	Transfer Officer		Marcus Gho	Economist
	Kristie Urry	Transfer Clerk		Daniel Strong	Research Analyst
	Kyle Scholl	Transfer Clerk			
	Ranelle Hinchman	Permit Clerk			
	Carmella De Leon	Permit Clerk			



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Licensing

The CFEC Licensing Section is staffed with six employees that are committed to serving the Alaska's commercial fishing industry. Licensing staff are on the front lines at CFEC, assisting commercial fishermen who are confronted by an ever-changing array of complex issues, ranging from biological and economic variables to medical and personal emergencies. Staff members strive to make timely and accurate determinations regarding eligibility, transfers, and renewals, consistent with extensive governing fishery statutes and regulations. Licensing staff works closely with the CFEC Commissioners and Law Specialist to ensure compliance with the Limited Entry Act.

Licensing staff interact on a daily basis via telephone, facsimile, email and through written correspondence, as a source of information for commercial fishermen; answering questions about permitting and regulations affecting the fishing industry.

Licensing staff maintains a close working relationship with ADF&G, DCCED, United States Coast Guard (USCG), the National Marine Fisheries Service (NMFS), and other agencies, to help track changes with the rules and regulations pertaining to Alaska fisheries that impact the issuance of Limit Entry Permits.

Core Services Provided by Licensing Section:

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|---|---|
| ➔ 68,107 Managed Phone Calls | ➔ 1,811 Transfer Requests Processed |
| ➔ 13,974 Limited Entry Permits | ➔ 25 Special Harvest Area Permits Issued |
| ➔ 18,456 Total Permits | ➔ 2 Educational Entry Permits Issued |
| ➔ 34 Interim-Entry Permits Issued in Limited Fisheries | ➔ 2 Mariculture Permits Issued |
| ➔ 4,448 Interim-Use Permits Issued in Open Access Fisheries | ➔ 8,921 Vessel Licenses Issued (All Categories) |
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Licensing Statistics

Counts of Permits by Fee Range

Fee Range (in dollars)	Permit Year						
	2012	2013	2014	2015	2016	2017	2018
Waived	1,005	711	1,053	1,194	1,964	2,007	777
\$75 to \$375	14,825	14,345	15,047	12,507	11,478	11,342	10,876
Over \$375 to \$750	3,360	3,693	1,859	2,961	3,368	4,112	3,700
Over \$750 to \$1,125	277	77	85	910	1,005	146	441
Over \$1,125 to \$1,500	159	373	673	630	249	236	249
Over \$1,500 to \$2,999	181	17	69	145	168	103	104
\$3,000 Fee Cap	403	507	507	521	518	461	450
Total	20,210	19,723	19,293	18,868	18,750	18,407	16,597

There are 40 separate categories for CFEC permit fees, ranging from \$75 to \$3,000 in increments of \$75 dollars. The table above displays the number of permits issued by category. Renewal fees are calculated using the estimated permit value as of June of a given year. The final fee is calculated by multiplying the permit value by four-tenths of one percent, then rounding to the nearest fee class, with a fee cap of \$3,000. For open access fisheries or fisheries with inadequate data, fees are calculated using the most recent 3 years of gross earnings, then applying the weighted average to the same formula.

Vessel Fee Categories

Fee Category based on overall length of vessel	Licensing Fee	Number of Vessels Licensed
Vessels to 25'	\$24	2,500
Over 25' to 50'	\$60	5,092
Over 50' to 75'	\$120	824
Over 75' to 100'	\$225	209
Over 100' to 125'	\$300	152
Over 125' to 150'	\$375	54
Over 150' to 175'	\$450	33
Over 175' to 200'	\$525	20
Over 200' to 225'	\$600	5
Over 225' to 250'	\$675	5
Over 250' to 275'	\$750	3
Over 275' to 300'	\$825	11
Over 300'	\$900	13
2018 Total		8,921

There are 13 separate categories for CFEC vessel fees determined by vessel length ranging from 25 feet to 300 feet and up in increments of 25 feet. The vessel license fee is based on the United States Coast Guard definition of overall length of the vessel as stated in [46 USC 2101\(20b\)](#).



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Adjudications

The CFEC Adjudications Section is staffed by hearing officers and a paralegal. During 2018, the hearing officer and paralegal issued a total of 15 decisions based on administrative hearings; 13 on permanent and emergency transfers; two on miscellaneous matters, such as permit fee refund requests. Decisions issued by the hearing officer and paralegal are reviewed by the commissioners, who may adopt, modify, or reverse the decisions. There are currently no limited entry permit application cases pending before a hearing officer or paralegal. As of the end of 2018, no CFEC cases were pending before any court.

Also during 2018, the Adjudications Section received and evaluated 24 applications for permit fee refunds from the Chignik salmon fishery disaster declared by Governor Walker, making recommendations on each to the commissioners. This project is ongoing into 2019 with a refund application deadline of February 15, 2019.

Core Functions of the Adjudications Section:

- ➔ Schedule, research, and conduct administrative hearings;
- ➔ Write decisions on emergency transfers, permanent transfers, permit fee refund requests, reinstatement of forfeited permit requests, appeals of the assessment of demerit points, and fee arrearages based on residency;
- ➔ Assess demerit points and suspend fishing privileges for convicted violators of salmon fishing laws when necessary;
- ➔ Receive, record, and prepare for archiving all commercial fish tickets filed within the state;
- ➔ Maintain historic Commission records and manage active cases;
- ➔ Classify, adjudicate, and maintain a tracking system for limited entry permit applications;
- ➔ Research legal or historical information for the commissioners or for the commercial fishing public when appropriate.



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Information Technology

The Information Technology (IT) Section is responsible for technology infrastructure at CFEC. IT maintains a small, highly skilled and responsive staff that must be flexible and proficient in several disciplines. This includes the installation and maintenance of network hardware, such as switches, routers, servers, printers, cabling and storage area networks. The IT Section is also responsible for the installation and maintenance of desktop hardware including personal computers, printers, embossers and other equipment. IT maintains technical support for office staff and customers. IT staff is responsible for data integrity; application development and maintenance of a wide array of software centered on CFEC's core mission; and the reliable and timely distribution of data to other agencies, fishing organizations and the general public. IT maintains local resources such as web services, network operating systems, shared storage, network topology, file services, digital security, database services, IP telephony, and performs all other IT related tasks. IT solutions at the Commission are organic, efficient and are provided internally.

Core Services Provided by Information Technology Section:

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| ➔ Technology Infrastructure & Networking | ➔ Legacy Application Services |
| ➔ Software & Updates | ➔ Server Virtualization |
| ➔ Application Development | ➔ Enhanced Desktop Utilities |
| ➔ Security | ➔ Website Design & Maintenance |
| ➔ Oracle Database Management | ➔ High Availability of Computer Services |
| ➔ Technical Support & Service | ➔ Gross Earnings Data |
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Information Technology

Information Technology Opportunities and Active Projects

Automated Workstations

CFEC IT continues to develop and test a project, called LEON, which allows online license renewal transactions to be automatically entered into the Licensing system and provide necessary materials for Licensing staff. Online transactions now account for more than half of the total renewal traffic. This automation, coupled with a growing awareness of online abilities, will greatly reduce processing time for staff and allow for more interaction on issues of specific concern to permit holders, vessel owners, partner agencies and the general public .

Reduced Mailing Costs

IT's automated LEON system has already helped CFEC reduce costs. For several decades, renewal packets consisting of personalized forms, notices and other industry or fishery-specific information were mailed to permit holders and vessel owners. This was a very expensive process considering that CFEC sent approximately 17,000 mail-outs each year. In 2018, CFEC stopped mailing large packages in lieu of small postcards with personalized data and a link to our online renewal application. The savings were tremendous, and as a result, it drove more traffic online. In 2018, we have seen a 100% increase in the number of individuals who utilized the online renewal system. Currently, 60% of permit renewal is done online. CFEC is working toward an 80% online renewal goal by 2020. However, due to a number of variables, we anticipate that some fishermen will continue to use paper application forms.

Cross Training

CFEC has seen a significant reduction of staff in recent years and is actively pursuing opportunities to cross train personnel for multiple duties, even between divisions. This proved beneficial in 2018, when IT staff stepped in to assist Licensing Section and Administration during the busiest times of the year and when we experienced unexpected vacancies. Cross-training of multiple jobs functions will also help provide a more consistent level of workload throughout the year, as well as provide a backup solution for employee personal and sick leave.



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Research and Planning

The Research & Planning Section provides the Commission with studies on fishery limitations, management of entry permits to optimum levels, fishery economic analyses, permit reports, and any necessary support specific to cases before the Commission. In addition, the Research Section issues many standard and specialized reports that are used by a variety of people and fishing entities to address a range of issues related to commercial fishing. The foundation for much of the work produced by the Research Section resides in several large electronic databases. Research Section and IT collaborate in monitoring and maintaining the integrity of data in the Gross Earnings databases. Much of the data is in turn shared with ADF&G, NMFS and the North Pacific Fishery Management Council through the Alaska Fisheries Information Network. This data allows CFEC and others to provide services to local, State and federal government agencies and policymakers, the Alaska Legislature, researchers, consultants, and other nongovernmental organizations.

Core Functions of the Research and Planning Section:

- ➔ Fishery Limitations and Reduction of Entry Permits to Optimum Levels
 - ➔ Statutory Responsibilities
 - ➔ Economic Reporting
 - ➔ Buyback Reviews and Assessments
 - ➔ Permit Value Report
 - ➔ Analytical Reports
 - ➔ Data Collaboration and Integrity
 - ➔ Regulatory Proposals
 - ➔ Data Sharing with State, Feds and Private Sector
 - ➔ Permit Holder Surveys Ex-Vessel Price Estimates
 - ➔ Fisheries Review
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Legislative Report Requirements

A progress report on the review of entry permits to optimum levels [\[AS 16.43.980\(a\)\(1\)\]](#).

- ➔ Limited Entry and Optimum Levels of Permits
- ➔ Southeast Alaska Salmon Purse Seine Buyback
- ➔ Cook Inlet Eastside Setnet Buyback

Recommendations for additional legislation relating to the regulation of entry of participants and vessels into Alaska commercial fisheries [\[AS 16.43.980\(a\)\(2\)\]](#).

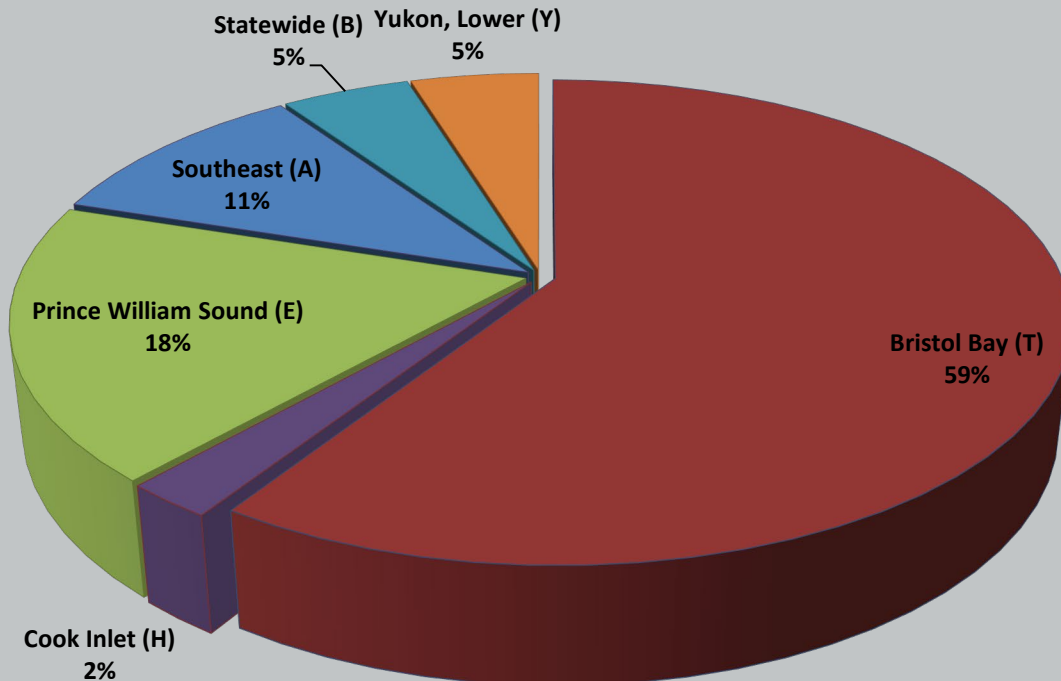
- ➔ Demerit Point System
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Adjudications Statistics

Permit Holders Assessed Demerit Points in 2018



Salmon Fishery Area	Permit Holders
Bristol Bay (T)	74
Cook Inlet (H)	3
Prince William Sound (E)	23
Southeast (A)	13
Statewide (B)	6
Yukon, Lower (Y)	6
Total	125

In 1998, the Alaska Legislature established a demerit point system for suspending commercial salmon 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.



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Recommended Legislation

The CFEC demerit point system could be expanded from the current model, which applies only to commercial salmon permits, to a system that applies to all types of commercial fishing permits.

Pursuant to AS 16.43.850, the CFEC assesses demerit points against permit holders upon receipt of notice from a court that the permit holder was convicted of an applicable **salmon** fishery violation [AS 16.43.850(b); AS 16.43.880(a)]. The amount of points assessed varies according to the nature of the violation; for example, a conviction for fishing in closed waters generates 6 demerit points [AS 16.43.850(b)(1)]. The CFEC suspends the fishing privilege of a violator who accumulates a sufficient number of points within a 36-month period in a particular salmon fishery [AS 16.43.850 (d)(1)-(3)].

The current demerit point system has significant limitations. Demerit points may only be assessed for convictions arising from unlawful participation in a salmon fishery [AS 16.43.850(b)]. CFEC is not authorized to assess points for convictions arising from unlawful participation in other types of fisheries (i.e. crab, sablefish, halibut). Furthermore, suspensions only prevent frequent violators from participating in the particular salmon fishery in which he or she generated the demerit points [AS 16.43.860(a)]. For example, a fisherman suspended for accumulating too many points in the Bristol Bay drift gillnet fishery, is not prevented from participating in other salmon fisheries (i.e. other administrative areas and/or gear types) or other types of fisheries (crab, sablefish, halibut, etc.).

It should be noted that under AS 16.05.710, a court may suspend a commercial fishing permit upon a misdemeanor or felony conviction arising from unlawful participation in a fishery. Upon receipt of the appropriate court order, the CFEC can and will effectuate such suspensions for the specified period of time. However, this provision is not commonly utilized and requires proactive participation by judges and prosecutors. CFEC recommends a more effective means of holding repeat violators responsible by expanding the current demerit point system so that it applies to all types of commercial fisheries, not just salmon.



2019 Overview

Pending Permit Applications

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|------------|--|
| 1 | Kodiak herring application decision issued on 12/31/18. |
| 2 | Norton Sound setnet salmon decision issued on 3/26/19. |
| <hr/> | |
| 3, 4, 5 | Crab cases: draft decisions in all three cases. |
| 6 | Sablefish case: currently editing a draft decision. |
| <hr/> | |
| 7, 8 | Crab cases: currently under comprehensive review by legal support staff (no draft decision yet). |
| <hr/> | |
| 9, 10 | Crab cases: preliminary review complete. |
| 11, 12, 13 | Sablefish cases: preliminary review complete. |
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* In addition, commissioners have issued 21 final decisions on permit transfers and other time-sensitive matters.



2019 Overview

Annual Reports

Please follow this link to view annual reports:
https://www.cfec.state.ak.us/mnu_Annual_Reports.htm

The screenshot shows the homepage of the Alaska Commercial Fisheries Entry Commission. The top navigation bar includes links for myAlaska, My Government, Resident, Business in Alaska, Visiting Alaska, and State Employees. The main header features the Alaska state logo and the CFEC logo. Below the header is a search bar and a navigation menu with links to HOME, FISHERY STATISTICS, PUBLICATIONS, REGULATIONS, ADJUDICATIONS, and CARLSON INFORMATION. The PUBLICATIONS menu is open, showing a list of links: Annual Reports, Publications by Year, Publications by Subject (Server), and Brochures. A red arrow points to the 'Annual Reports' link. To the left of the menu, there is a section for 'RENEW OR MANAGE YOUR PERMITS & VESSELS ONLINE' with a '2019 On-Line Renewal' button. Below the menu, there are three columns: 'Permits' (with links to Forms, Permit Database (Public), Permit Database (Secure), Permit Value, and Demerit Points), 'Vessels' (with links to Forms and Commercial Vessel Database), and 'Transfers' (with links to Forms, Estate Information, and Intent to Transfer Database). At the bottom of the page, there is a large image of a fishing boat in a harbor and a footer with links to CFEC Contacts, My Government, Resident, Business in Alaska, Visiting Alaska, State Employees, and a copyright notice for 2019.