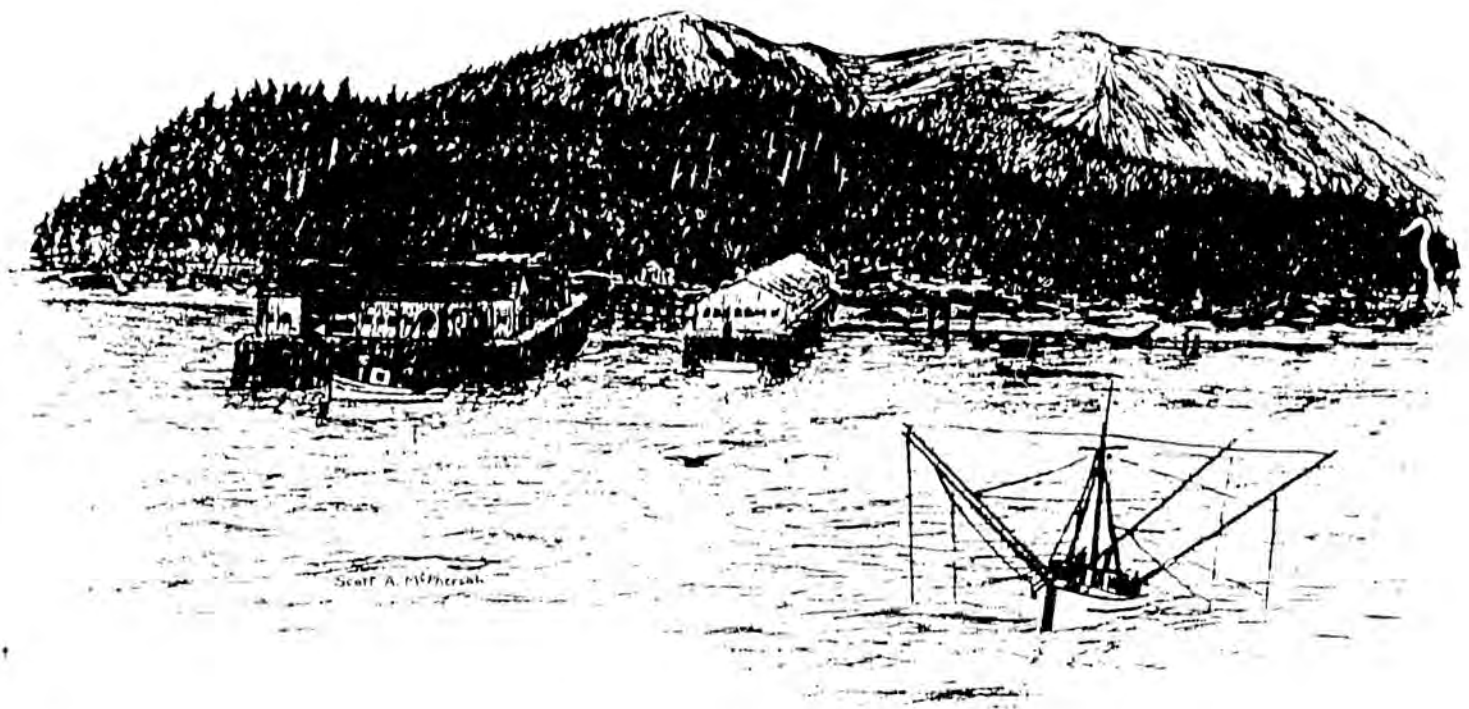


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**1978 Annual Report**

# **Commercial Fisheries Entry Commission**



**State of Alaska**

1978 ANNUAL REPORT  
ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION  
POUCH KB  
JUNEAU, ALASKA  
99811

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APRIL 1979

## ANNUAL REPORT

### Introduction

This annual report submitted by the Commercial Fisheries Entry Commission (CFEC) addresses four categories of Commission activity during the 1978 calendar year. These areas are: (1) the continuing administration of the limited entry law (AS 16.43) in Alaskan fisheries; (2) court decisions handed down and cases pending involving the Commission; (3) CFEC work with the North Pacific Fisheries Management Council (NPFMC); and (4) legislative recommendations.

## LIMITED ENTRY FOR 1978

### 1978 Commercial Fishing Licensing

Nineteen seventy-eight was the first year of combined licensing, enabling commercial fishermen to purchase a single permit from CFEC to operate gear in a commercial fishery. In addition, 1978 was the first year that vessel licenses were issued through the CFEC offices in Juneau. Considering the fundamental nature of these changes, problems encountered during the first year were relatively minor.

During 1978, the Commission issued 23,799 entry permits and interim-use permits, resulting in revenues to the General Fund of \$2,332,200. (Appendix Table 1). Also during 1978, the Commission issued approximately 14,500 vessel licenses, generating revenues of \$290,180 to the General Fund.

### Hearings

Hearings on pending permit applications are progressing as quickly as possible given the time required to research each applicant's file as well as the travel required to hold hearings in rural areas. (Appendix Table 2). In 1978, Commission hearing officers held over 200 hearings in virtually all urban and rural areas of the state to ensure that fishermen received a hearing near their homes. Some 400 hearings are presently pending before the Commission hearing officers, while some 40 additional cases are pending before the Commission for final decisions.

### New Limited Entry Fisheries in 1978

During 1978, the Southeastern herring gill net fishery was brought under limited entry. The decision to limit entry into this fishery was based upon recommendations from fishermen and the Department of Fish and Game, as well as research conducted by CFEC staff in 1977.

The Commission held preliminary hearings in Ketchikan, Petersburg and Juneau in November of 1977. The purpose of these meetings was to get testimony on a proposed ranking system for entry permit applicants. Regulations for the Southeastern herring gill net fishery were proposed in January of 1978, followed by public hearings in Ketchikan, Wrangell, and Petersburg in February.

Applications for entry permits in the Southeastern herring gill net fishery were received from 161 individuals. Processing of these applications will continue into early 1979, and at least a preliminary determination of applicants' qualifications will be made prior to the 1979 season.

A maximum number of 110 entry permits has been adopted for this fishery.

During 1978, levels of participation in currently unlimited fisheries were monitored through the interim-use permit system, the commercial license file, landings data, and economic research where necessary.

#### The Salmon Hand Troll Fishery

The hand troll fishery in Southcentral Alaska, currently the only unlimited commercial salmon fishery, has experienced rapid growth in recent years. The number of permits issued and fished in the last four years is listed in Table 1.

Table 1. Salmon Hand Troll Permits Issued and Permits Fished, 1975-1978.

| <u>Year</u> | <u>Permits Issued</u> | <u>Permits Fished</u> |
|-------------|-----------------------|-----------------------|
| 1975        | 2090                  | 1086                  |
| 1976        | 2084                  | 1237                  |
| 1977        | 2950                  | 1849                  |
| 1978        | 3910                  | 2604                  |

Before the 1978 fishing season, the Commission and the Department of Fish and Game held hearings in Angoon, Hoonah, Juneau, Ketchikan, Petersburg, Sitka, and Wrangell to discuss the possibility of limiting the hand troll fishery. However, most people opposed limiting entry and the fishery remained open in 1978. During 1978, the number of handtrollers as well as the hand troll catch increased substantially, which caused the Board of Fisheries to adopt several new regulations for the 1979 season. Several hand troll organizations, ADF&G, the Alaska Board of Fisheries, and the CFEC have agreed to work towards the development of a hand troll entry limitation program. To facilitate this task, the Commission is conducting further economic research, and will hold public meetings during 1979 to discuss a proposed qualification system.

#### Permit Transfers

Since 1975 the Commission has conducted a voluntary survey of all fishermen transferring or acquiring permits. (Copies of the questionnaires used in 1978 and tabulated results are included in the Appendix). The purpose of the survey is to monitor permit prices and analyze transfer trends. In 1978 the Legislature authorized a permit loan program through the Department of Commerce which enables five-year residents of Alaska to borrow up to 75% of the appraised value toward the purchase of a permit. Appraisals are computed on a quarterly basis from the prices supplied by fishermen acquiring

permits. (A summary of 1978 appraised values is attached in Appendix Table 4). In addition to the price survey, the Commission maintains a computer record of all transfer transactions. Table 6 shows the number of permits involved in permanent transfers as well as the number of permanent transfer transactions. In some cases, the number of transactions is larger than the number of permits transferred because some permits are transferred more than once.

#### Optimum Numbers of Permits

Work to determine the optimum number of entry permits in presently limited fisheries continued in 1978. According to AS 16.43.290, the optimum number of entry permits is the number which will: (1) maintain an economically healthy fishery that will result in a reasonable average rate of return to participants; (2) promote an orderly and efficient commercial harvest consistent with sound fishery management techniques; and (3) avoid serious economic hardship to those currently participating in the fishery, considering alternative economic opportunities reasonably available to them.

Work on the economic optimum numbers in 1978 included completion of operating cost studies for the Prince William Sound, Cook Inlet, and Bristol Bay drift gill net fisheries. The research staff is working with Regional Planning Teams (RPT) in these areas to coordinate CFEC and RPT actions. A buy-back study group in Cordova met three times in 1978 to discuss an economic optimum number framework as well as the potential structure of a buy-back program in Prince William Sound.

The determination of economic optimum numbers is complicated by the extreme uncertainty of the impacts of public and private enhancement programs on the various commercial fisheries of the state. As the D-2 lands issue is settled and more enhancement facilities begin production, reliable predictions as to the increased catches resulting from enhancement projects should become available. Failure to include this information could result in significant underestimation of the optimum number of permits in the Prince William Sound salmon fisheries.

A framework for determining management optimum numbers of permits has been established by CFEC and ADF&G personnel. The management optimum number is to be a range bounded by: (1) the minimum amount of gear necessary to harvest the largest run expected in the next ten years; and (2) the maximum amount of gear allowable to maintain conventional management practices during a low average run. In both cases, the assumption is made that time and area closures will remain constant. During 1978 a draft of management optimum numbers was submitted for some fisheries, and work on this project is continuing in 1979.

#### Data Information Requests

Throughout 1978, the Commission received and responded to 239 data requests. Of this total, 39 (16%) were fulfilled by the research section, 22 relating to permit prices and 17 involving special studies. The data processing section fulfilled the remaining 200 (84%) requests, including

102 alphabetical listings of fishery participants, 35 requests for mailing labels, 20 requests for vessel listings, 17 requests for permit status lists, and 26 miscellaneous computer listings. The above totals do not include information requests which were handled by telephone.

#### LITIGATION

Several major law suits are pending as of the time this report is prepared, many of which could have a substantial impact on the limited entry program.

In Wassillie v. Adasiak, a class of individuals who failed to apply for an entry permit in 1975 are seeking the opportunity to apply late on the grounds that the Commission failed to give the notice that due process would require and that the Commission failed to comply with a consent agreement that required an affirmative action application assistance program in 1975. The consent agreement required that the Commission make "all reasonable efforts" to notify individuals of their right to apply for an entry permit and of the availability of application completion assistance. The Wassillie suit further questions whether the application deadline (May 18, 1975) bore a fair and substantial relationship to the purposes of the limited entry law.

In January, 1979, the Superior Court in Anchorage ruled that the consent agreement had been complied with, that any constitutional due process requirements of notice had been met, and that the application deadline did not violate any constitutional standards. A written decision is yet to be forthcoming, and consequently it is not yet known if the plaintiffs will appeal the ruling.

A second major case is the Commercial Fisheries Entry Commission v. Apokedak, which was decided by the Superior Court in Anchorage in December, 1978. This judgement struck down significant portions of the limited entry law and regulations, and is therefore being appealed by the State to the Alaska Supreme Court.

The Court in Apokedak ruled that the Commission may not use the gear license in either of the following critical ways:

- 1) the holding of a gear license as a prerequisite to making application for an entry permit; and
- 2) the holding of a gear license in determining an applicant's qualifications for an entry permit.

The gear license was used for each of the above processes because the limited entry law limits the number of gear operators by requiring that they hold an entry permit; in the past gear operators had to have a gear license, and thus the individuals excluded from their past occupations if they did not receive a permit were people who had fished as gear license holders. It was therefore the legislative judgement that applications need only be accepted from those who fished as gear license holders, and that the qualifications of applicants should be based upon participation as a gear license holder. (AS 16.43.250-260).

The effect of the gear license requirement was to prevent qualification by crewmen and others who wanted to move up to the status of the gear operator. The Apokedak decision would seem to allow crewmen to apply for and qualify for permits on the same basis as did the gear operators.

Another law suit challenges the decision of the Commission to limit entry into Upper Yukon commercial fisheries. The Superior Court in Bethel decided in the Charlie v. Commercial Fisheries Entry Commission case that the Commission's decision was proper under the law. It is not yet known if the plaintiffs will seek Alaska Supreme Court review of this decision.

A total of some 70 judicial appeals or lawsuits involving the limited entry law are presently in the Alaska courts. A large majority of these involve issues related to either the constitutionality of using the gear license or to the legality of the various application deadlines that have been established. Most should therefore be resolved at the time that the Alaska Supreme Court has ruled on each of these two critical considerations.

#### NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL

The Commission staff cooperated with the North Pacific Fisheries Management Council (NPFMC) in two areas. Catch and earnings data were provided to be included in the fishery management plans developed by the NPFMC. The two management plans to which CFEC contributed the most data were the Bering Sea/Aleutians Groundfish Plan and the High Seas Salmon Plan. The Commission also provided draft limited entry sections for management plans where requested. Limited entry sections were requested for both the High Seas Salmon Plan and the Bering Sea/Aleutians Groundfish Plan.

#### 1979 LEGISLATIVE RECOMMENDATIONS

The Commission supports these bills which are before the legislature:

(1) House Bill 48 amending the limited entry law (AS 16.43) to allow the Commission to issue special harvest area entry permits to holders of private, nonprofit hatchery permits issued by ADF&G. This legislation would allow hatchery operators to harvest returning fish in an efficient manner with gear authorized by the Board of Fisheries in special harvest areas.

(2) Senate Bill 51 repealing and re-enacting the section of the Fish and Game Code pertaining to the confidential nature of certain fishermen's and processor's records. Currently the Departments of Fish and Game, Public Safety, Revenue, and the CFEC are the only agencies authorized to obtain these records. SB 51 enables the North

Pacific Fisheries Management Council, the National Marine Fisheries Service, the University of Alaska, and the Department of Commerce and Economic Development to obtain reports which do not identify individual fishermen, buyers, or processors. This bill would speed research and statistical work by these agencies, and still maintain the confidential nature of individual records. It also allows the release of fish ticket information to the person who made the landings.

(3) Senate Bill 52 amending the definition of vessel in the Fish and Game Code to specifically exclude aircraft from that definition. If passed, float plane operators would not have to obtain vessel licenses from CFEC, which is believed to be an unnecessary and unintended requirement.

(4) House Bills 141 and 142 establish a legislative committee to study the limited entry law with the intention to report back to the legislature in 1980 with any appropriate legislative changes. The Committee will have the opportunity to examine three broad areas that the Commission believes should be reviewed at this time:

- a review of the goals of our limited entry legislation, including an analysis of whether those goals are being achieved under the present statutory structure;

- a review of the transferability provisions of the law including an analysis of the alternatives that might be available for allowing new entry into a fishery under limited entry;

- a consideration of various classes of individuals who have not qualified for entry permits under the existing law and regulations to determine if the law should be amended to allow issuance of permits to them.

Creation of the legislative committee under HB 141 and 142 will ensure an independent appraisal of the issues. The Commission believes that an objective and independent analysis of the limited entry law will only serve to strengthen the law and in turn the fishing industry in Alaska. The Commission is fully committed to assisting the committee in any manner possible.

Appendix Table 1. - Permits issued and licensing fees received for 1978 <sup>1/</sup>. The number of commercial fishing permits (in parentheses) and fees paid are organized by species -- all gear types are combined.

| Type of Fish       | Type of Fee         |                    |                       | Total  |            |
|--------------------|---------------------|--------------------|-----------------------|--------|------------|
|                    | Resident            | Nonresident        | Poverty <sup>2/</sup> | Number | Dollars    |
| Herring            | 115,360<br>(1,911)  | 57,360<br>(323)    | 2,220<br>(148)        | 2,382  | \$ 174,940 |
| Bottomfish         | 43,760<br>(532)     | 18,960<br>(50)     | 900<br>(60)           | 642    | 63,620     |
| Salmon             | 598,000<br>(10,275) | 537,000<br>(2,308) | 21,510<br>(1,434)     | 14,017 | 1,156,510  |
| Halibut            | 175,160<br>(2,724)  | 48,360<br>(169)    | 2,880<br>(192)        | 3,085  | 226,400    |
| Shellfish          | 347,280<br>(2,658)  | 354,120<br>(643)   | 2,475<br>(165)        | 3,466  | 703,875    |
| Freshwater<br>Fish | 1,000<br>(26)       | 0-<br>-0-          | 345<br>(23)           | 49     | 1,345      |
| Miscellaneous      | 3,440<br>(124)      | 1,980<br>(28)      | 90<br>(6)             | 158    | 5,510      |
| TOTAL:             |                     |                    |                       | 23,799 | 2,332,200  |

<sup>1/</sup> These figures include all sales from January 1, 1978-January 4, 1979.

<sup>2/</sup> AS 16.43.160(c) provides for the issuance of permits at reduced fees for those people whose net family income falls within the poverty guidelines established by the Federal Social Security Administration.

Appendix Table 2. - Disposition of permits in limited fisheries from beginning of application process through February 9, 1979.

| Fishery               | Maximum Number | Number Permits Issued* | Number to be Issued | Number of Pending Applications |              |                    | No. Applications Denied Due to: |                  |                                     |
|-----------------------|----------------|------------------------|---------------------|--------------------------------|--------------|--------------------|---------------------------------|------------------|-------------------------------------|
|                       |                |                        |                     | Classifications                | New Evidence | Remaining Hearings | Judicial Appeal                 | Late Application | Ineligibility and Inadequate Points |
| <u>SALMON</u>         |                |                        |                     |                                |              |                    |                                 |                  |                                     |
| Southeastern:         |                |                        |                     |                                |              |                    |                                 |                  |                                     |
| Purse Seine           | 395            | 412                    | 0                   | 0                              | 5            | 20                 | 3                               | 3                | 134                                 |
| Drift Gill Net        | 453            | 463                    | 0                   | 0                              | 7            | 43                 | 1                               | 10               | 238                                 |
| Power Troll           | 950            | 934                    | 16                  | 22 at 18 points                | 13           | 53                 | 2                               | 12               | 425                                 |
| Yakutat:              |                |                        |                     |                                |              |                    |                                 |                  |                                     |
| Set Gill Net          | 150            | 161                    | 0                   | 0                              | 7            | 8                  | 0                               | 3                | 25                                  |
| Prince William Sound: |                |                        |                     |                                |              |                    |                                 |                  |                                     |
| Purse Seine           | 258            | 257                    | 1                   | 5 at 16 points                 | 6            | 15                 | 0                               | 10               | 75                                  |
| Drift Gill Net        | 511            | 528                    | 0                   | 0                              | 1            | 29                 | 5                               | 8                | 113                                 |
| Set Gill Net          | 32             | 27                     | 5                   | 0                              | 1            | 3                  | 0                               | 0                | 6                                   |
| Cook Inlet:           |                |                        |                     |                                |              |                    |                                 |                  |                                     |
| Purse Seine           | 68             | 74                     | 0                   | 0                              | 2            | 11                 | 0                               | 1                | 35                                  |
| Drift Gill Net        | 545            | 550                    | 0                   | 0                              | 13           | 43                 | 7                               | 27               | 175                                 |
| Set Gill Net          | 686            | 743                    | 0                   | 0                              | 3            | 9                  | 0                               | 8                | 82                                  |
| Kodiak:               |                |                        |                     |                                |              |                    |                                 |                  |                                     |
| Purse Seine           | 368            | 371                    | 0                   | 0                              | 5            | 15                 | 1                               | 9                | 131                                 |
| Beach Seine           | 27             | 33                     | 0                   | 0                              | 1            | 1                  | 0                               | 0                | 7                                   |
| Set Gill Net          | 183            | 183                    | 0                   | 0                              | 3            | 0                  | 0                               | 4                | 39                                  |
| Chignik:              |                |                        |                     |                                |              |                    |                                 |                  |                                     |
| Purse Seine           | 80             | 90                     | 0                   | 0                              | 3            | 16                 | 0                               | 1                | 24                                  |

Appendix Table 2. Continued

| Fishery                      | Maximum<br>Number | Number<br>Permits<br>Issued* | Number<br>to be<br>Issued | Number of Pending Applications                                     |                 |                       | No. Applications Denied Due to: |                     |                                        |
|------------------------------|-------------------|------------------------------|---------------------------|--------------------------------------------------------------------|-----------------|-----------------------|---------------------------------|---------------------|----------------------------------------|
|                              |                   |                              |                           | Classifications                                                    | New<br>Evidence | Remaining<br>Hearings | Judicial<br>Appeal              | Late<br>Application | Ineligibility and<br>Inadequate Points |
| Alaska Peninsula:            |                   |                              |                           |                                                                    |                 |                       |                                 |                     |                                        |
| Purse Seine                  | 111               | 116                          | 0                         | 0                                                                  | 0               | 12                    | 0                               | 1                   | 15                                     |
| Drift Gill Net               | 155               | 156                          | 0                         | 0                                                                  | 3               | 12                    | 1                               | 4                   | 25                                     |
| Set Gill Net                 | 110               | 108                          | 2                         | 0                                                                  | 1               | 12                    | 0                               | 5                   | 7                                      |
| Bristol Bay:                 |                   |                              |                           |                                                                    |                 |                       |                                 |                     |                                        |
| Drift Gill Net <sup>1/</sup> | 1669              | 1703                         | 0                         | 0 <sup>2/</sup>                                                    | 68              | 81                    | 13                              | 80                  | 683                                    |
| Set Gill Net                 | 803               | 891                          | 0                         | 0                                                                  | 21              | 18                    | 2                               | 50                  | 132                                    |
| Kuskokwim:                   |                   |                              |                           |                                                                    |                 |                       |                                 |                     |                                        |
| Set Gill Net                 | 810               | 767                          | 43                        | 34 at 7 points<br>37 at 6 points                                   | 31              | 12                    | 4                               | 15                  | 145                                    |
| Lower Yukon:                 |                   |                              |                           |                                                                    |                 |                       |                                 |                     |                                        |
| Set Gill Net                 | 671               | 691                          | 0                         | 0                                                                  | 20              | 5                     | 1                               | 7                   | 125                                    |
| Upper Yukon:                 |                   |                              |                           |                                                                    |                 |                       |                                 |                     |                                        |
| Set Gill Net                 | 63                | 47                           | 16                        | 4 at 8 points<br>2 at 7 points<br>11 at 6 points                   | 4               | 6                     | 3                               | 8                   | 32                                     |
| Fishwheel                    | 126               | 108                          | 18                        | 4 at 8 points<br>2 at 7 points<br>17 at 6 points                   | 9               | 20                    | 7                               | 15                  | 53                                     |
| Norton Sound:                |                   |                              |                           |                                                                    |                 |                       |                                 |                     |                                        |
| Set Gill Net                 | 195               | 175                          | 20                        | 19 at 9 points                                                     | 7               | 3                     | 0                               | 3                   | 67                                     |
| Kotzebue:                    |                   |                              |                           |                                                                    |                 |                       |                                 |                     |                                        |
| Set Gill Net                 | 214               | 176                          | 38                        | 19 at 8 points<br>9 at 7 points<br>6 at 6 points<br>32 at 5 points | 5               | 7                     | 0                               | 6                   | 24                                     |

Appendix Table 2. Continued

| Fishery                              | Maximum<br>Number | Number<br>Permits<br>Issued* | Number<br>to be<br>Issued | Number of Pending Applications |                 |                       | No. Applications Denied Due to: |                     |                                        |
|--------------------------------------|-------------------|------------------------------|---------------------------|--------------------------------|-----------------|-----------------------|---------------------------------|---------------------|----------------------------------------|
|                                      |                   |                              |                           | Classifications                | New<br>Evidence | Remaining<br>Hearings | Judicial<br>Appeal              | Late<br>Application | Ineligibility and<br>Inadequate Points |
| <u>HERRING SAC ROE</u>               |                   |                              |                           |                                |                 |                       |                                 |                     |                                        |
| Southeastern:<br>Purse Seine         | 35                | 42                           | 0                         | 0                              | 0               | 8                     | 0                               | 0                   | 8                                      |
| Prince William Sound:<br>Purse Seine | 55                | 92                           | 0                         | 0                              | 0               | 13                    | 0                               | 1                   | 17                                     |
| Cook Inlet:<br>Purse Seine           | 68                | 67                           | 1                         | 3 at 5 points                  | 1               | 10                    | 0                               | 0                   | 5                                      |
| Southeastern:<br>Set Gill Net        | 110               | 17                           | 93                        | 0                              | 132             | 1                     | 0                               | 1                   | 6                                      |
| TOTALS:                              | 9901              | 9982                         | 231                       | 226                            | 372             | 486                   | 50                              | 292                 | 2853                                   |

1/ Number of permits issued may exceed maximum number because of Isakson Decision applications and hardship determinations.

Bristol Bay drift gill net

2/ SO3T classifications at the sixteen (16) point level have not at this point been formally denied pending an evaluation of the maximum number.

Appendix Table 3. - This table presents the tabulated results of the Entry Commission's permit transfer survey of those people acquiring permits in 1975-1978.

| Type of Gear and Area          | # Permits Bought | # Permits Given Away | # Permits Traded | # Combination Sales | # Other Type Transfers | Total Number of Responses | High Permit Price | Low Permit Price | Average Permit Price | Price Most Frequently Paid for a Permit | # Permits Financed | --By Transferor | --By Processor | --By Bank | --By State Loan | --By Credit Union | --By Other Means | # Permits to Relatives | # Permits to Friends or Partners |
|--------------------------------|------------------|----------------------|------------------|---------------------|------------------------|---------------------------|-------------------|------------------|----------------------|-----------------------------------------|--------------------|-----------------|----------------|-----------|-----------------|-------------------|------------------|------------------------|----------------------------------|
| <u>SALMON PURSE SEINE:</u>     |                  |                      |                  |                     |                        |                           |                   |                  |                      |                                         |                    |                 |                |           |                 |                   |                  |                        |                                  |
| Southeastern--1975             | 15               | 4                    | 0                | 0                   | 4                      | 23                        | 16,000            | 5,000            | 10,633               | 10,000                                  | 12                 | 5               | 6              | 0         | 0               | 0                 | 1                | 2                      | 0                                |
| 1976                           | 9                | 0                    | 1                | 0                   | 0                      | 10                        | 15,000            | 6,000            | 9,222                | 10,000                                  | 5                  | 2               | 2              | 1         | 0               | 0                 | 0                | 0                      | 0                                |
| 1977                           | 21               | 0                    | 0                | 0                   | 6                      | 27                        | 21,000            | 8,000            | 16,667               | 15,000                                  | 14                 | 3               | 5              | 3         | 0               | 1                 | 2                | 0                      | 0                                |
| 1978                           | 14               | 1                    | 0                | 2                   | 4                      | 21                        | 50,000            | 19,000           | 30,929               | 25,000                                  | 13                 | 3               | 8              | 2         | 0               | 0                 | 0                | 2                      | 1                                |
| Prince Wm Sd--1975             | 6                | 0                    | 0                | 1                   | 0                      | 7                         | 10,000            | 5,000            | 8,000                | 10,000                                  | 5                  | 0               | 2              | 1         | 1               | 0                 | 1                | 0                      | 0                                |
| 1976                           | 10               | 0                    | 1                | 1                   | 4                      | 16                        | 20,000            | 2,000            | 10,700               | 10,000                                  | 6                  | 2               | 1              | 3         | 0               | 0                 | 1                | 2                      | 0                                |
| 1977                           | 5                | 1                    | 0                | 1                   | 0                      | 7                         | 47,000            | 19,000           | 29,800               | N/A                                     | 5                  | 2               | 0              | 3         | 0               | 0                 | 0                | 0                      | 1                                |
| 1978                           | 9                | 0                    | 3                | 1                   | 0                      | 13                        | 30,000            | 20,000           | 24,272               | 25,000                                  | 4                  | 1               | 0              | 2         | 0               | 1                 | 0                | 0                      | 0                                |
| Cook Inlet--1975 <sup>1/</sup> | --               | --                   | --               | --                  | --                     | --                        | --                | --               | --                   | --                                      | --                 | --              | --             | --        | --              | --                | --               | --                     | --                               |
| 1976                           | 2                | 1                    | 0                | 0                   | 0                      | 3                         | 10,000            | 5,000            | 7,500                | N/A                                     | 2                  | 0               | 0              | 1         | 0               | 1                 | 0                | 1                      | 0                                |
| 1977                           | 4                | 1                    | 0                | 0                   | 1                      | 6                         | 20,000            | 2,000            | 10,625               | N/A                                     | 2                  | 1               | 0              | 0         | 1               | 0                 | 0                | 1                      | 0                                |
| 1978                           | 5                | 0                    | 0                | 0                   | 2                      | 7                         | 60,000            | 15,000           | 40,000               | 40,000                                  | 4                  | 0               | 1              | 0         | 3               | 0                 | 0                | 2                      | 0                                |
| Kodiak--1975                   | 7                | 2                    | 1                | 0                   | 1                      | 11                        | 7,500             | 1,000            | 4,571                | 5,000                                   | 5                  | 2               | 3              | 0         | 0               | 0                 | 0                | 0                      | 0                                |
| 1976                           | 11               | 4                    | 0                | 2                   | 2                      | 19                        | 18,000            | 6,000            | 9,736                | 8,000                                   | 5                  | 0               | 1              | 2         | 0               | 1                 | 0                | 5                      | 0                                |
| 1977                           | 18               | 6                    | 1                | 1                   | 6                      | 32                        | 36,000            | 1,500            | 17,611               | 20,000                                  | 7                  | 3               | 0              | 2         | 0               | 1                 | 1                | 7                      | 0                                |
| 1978                           | 9                | 8                    | 2                | 0                   | 1                      | 20                        | 60,000            | 20,000           | 47,611               | 60,000                                  | 9                  | 3               | 2              | 1         | 3               | 0                 | 0                | 3                      | 3                                |
| Chignik--1975                  | 1                | 0                    | 0                | 0                   | 1                      | 2                         | N/A               | N/A              | N/A                  | N/A                                     | 1                  | 1               | 0              | 0         | 0               | 0                 | 0                | 0                      | 0                                |
| 1976                           | 0                | 1                    | 0                | 0                   | 1                      | 2                         | N/A               | N/A              | N/A                  | N/A                                     | 0                  | 0               | 0              | 0         | 0               | 0                 | 0                | 1                      | 0                                |
| 1977                           | 1                | 1                    | 0                | 0                   | 1                      | 3                         | N/A               | N/A              | N/A                  | N/A                                     | 1                  | 0               | 0              | 0         | 0               | 1                 | 0                | 1                      | 0                                |
| 1978                           | 0                | 0                    | 0                | 0                   | 1                      | 1                         | N/A               | N/A              | N/A                  | N/A                                     | 0                  | 0               | 0              | 0         | 0               | 0                 | 0                | 1                      | 0                                |
| AK Peninsula--1975             | 1                | 0                    | 0                | 0                   | 0                      | 0                         | N/A               | N/A              | N/A                  | N/A                                     | 0                  | 0               | 0              | 0         | 0               | 0                 | 0                | 0                      | 0                                |
| 1976                           | 0                | 2                    | 0                | 0                   | 1                      | 3                         | --                | --               | --                   | --                                      | 0                  | 0               | 0              | 0         | 0               | 0                 | 0                | 1                      | 1                                |
| 1977                           | 1                | 2                    | 0                | 0                   | 2                      | 5                         | --                | --               | --                   | --                                      | 0                  | 0               | 0              | 0         | 0               | 0                 | 0                | 2                      | 0                                |
| 1978                           | 3                | 0                    | 0                | 0                   | 2                      | 5                         | 30,000            | 7,000            | 15,667               | N/A                                     | 2                  | 1               | 0              | 1         | 0               | 0                 | 0                | 0                      | 0                                |

Appendix Table 3. - Continued

| Type of Gear and Area         | # Permits Bought | # Permits Given Away | # Permits Traded | # Combination Sales | # Other Type Transfers | Total Number of Responses | High Permit Price | Low Permit Price | Average Permit Price | Price Most Frequently Paid for a Permit | # Permits Financed | —By Transferor | —By Processor | —By Bank | —By State Loan | —By Credit Union | —By Other Means | # Permits to Relatives | # Permits to Friends or Partners |
|-------------------------------|------------------|----------------------|------------------|---------------------|------------------------|---------------------------|-------------------|------------------|----------------------|-----------------------------------------|--------------------|----------------|---------------|----------|----------------|------------------|-----------------|------------------------|----------------------------------|
| <u>SALMON BEACH SEINE:</u>    |                  |                      |                  |                     |                        |                           |                   |                  |                      |                                         |                    |                |               |          |                |                  |                 |                        |                                  |
| Kodiak-- 1977                 | 3                | 0                    | 0                | 0                   | 1                      | 4                         | 30,000            | 5,000            | 15,000               | N/A                                     | 2                  | 2              | 0             | 0        | 0              | 0                | 0               | 0                      | 0                                |
| 1978                          | 3                | 2                    | 0                | 0                   | 2                      | 7                         | N/A               | N/A              | 29,250               | N/A                                     | 1                  | 1              | 0             | 0        | 0              | 0                | 0               | 2                      | 1                                |
| <u>SALMON DRIFT GILL NET:</u> |                  |                      |                  |                     |                        |                           |                   |                  |                      |                                         |                    |                |               |          |                |                  |                 |                        |                                  |
| Southeastern--1975            | 27               | 3                    | 3                | 1                   | 3                      | 37                        | 15,000            | 4,000            | 9,211                | 10,000                                  | 21                 | 10             | 1             | 7        | 2              | 0                | 1               | 1                      | 0                                |
| 1976                          | 12               | 2                    | 0                | 0                   | 4                      | 18                        | 13,000            | 5,500            | 10,213               | 10,000                                  | 7                  | 1              | 0             | 5        | 0              | 0                | 1               | 1                      | 0                                |
| 1977                          | 21               | 4                    | 2                | 4                   | 5                      | 36                        | 25,000            | 8,000            | 16,262               | 15,000                                  | 17                 | 2              | 2             | 6        | 3              | 0                | 4               | 5                      | 0                                |
| 1978                          | 25               | 4                    | 1                | 1                   | 6                      | 37                        | 50,000            | 10,000           | 34,604               | 40,000                                  | 18                 | 3              | 1             | 8        | 2              | 1                | 3               | 6                      | 0                                |
| Prince Wn Sd--1975            | 9                | 3                    | 1                | 0                   | 0                      | 13                        | 5,000             | 500              | 3,089                | 2,500 & 5,000                           | 6                  | 3              | 0             | 2        | 0              | 0                | 1               | 1                      | 0                                |
| 1976                          | 17               | 5                    | 1                | 1                   | 4                      | 28                        | 7,000             | 1,000            | 4,500                | 5,000                                   | 15                 | 3              | 6             | 3        | 0              | 1                | 2               | 4                      | 0                                |
| 1977                          | 28               | 3                    | 0                | 2                   | 5                      | 38                        | 35,000            | 7,000            | 13,750               | 10- 15- & 20,000                        | 20                 | 6              | 7             | 5        | 1              | 0                | 1               | 1                      | 3                                |
| 1978                          | 25               | 6                    | 0                | 0                   | 2                      | 33                        | 47,050            | 10,000           | 27,742               | 25,000                                  | 19                 | 3              | 7             | 4        | 2              | 1                | 2               | 6                      | 0                                |
| Cook Inlet-- 1975             | 9                | 2                    | 1                | 1                   | 0                      | 13                        | 10,000            | 500              | 3,911                | 1- 5- & 10,000                          | 3                  | 2              | 0             | 1        | 0              | 0                | 0               | 0                      | 0                                |
| 1976                          | 29               | 6                    | 1                | 0                   | 2                      | 38                        | 13,000            | 2,500            | 5,552                | 5,000                                   | 12                 | 3              | 0             | 2        | 0              | 4                | 3               | 5                      | 3                                |
| 1977                          | 25               | 6                    | 0                | 3                   | 7                      | 41                        | 25,000            | 1,000            | 9,643                | 10,000                                  | 14                 | 1              | 4             | 3        | 0              | 2                | 4               | 5                      | 1                                |
| 1978                          | 20               | 7                    | 2                | 1                   | 11                     | 41                        | 60,000            | 2,500            | 36,825               | 45,000                                  | 15                 | 6              | 1             | 4        | 0              | 4                | 0               | 13                     | 1                                |
| AK Peninsula--1975            | 0                | 0                    | 0                | 0                   | 1                      | 1                         | N/A               | N/A              | N/A                  | N/A                                     | 0                  | 0              | 0             | 0        | 0              | 0                | 0               | 0                      | 0                                |
| 1976                          | 3                | 1                    | 0                | 0                   | 0                      | 4                         | 10,000            | 4,000            | 6,333                | N/A                                     | 1                  | 0              | 0             | 1        | 0              | 0                | 0               | 0                      | 0                                |
| 1977                          | 7                | 4                    | 0                | 0                   | 3                      | 14                        | 12,000            | 10,000           | 10,286               | 10,000                                  | 5                  | 3              | 0             | 1        | 0              | 0                | 1               | 3                      | 2                                |
| 1978                          | 5                | 1                    | 0                | 0                   | 5                      | 11                        | 30,000            | 5,000            | 15,000               | N/A                                     | 3                  | 2              | 0             | 1        | 0              | 0                | 0               | 1                      | 0                                |
| Bristol Bay-- 1975            | 16               | 13                   | 0                | 3                   | 3                      | 35                        | 2,500             | 500              | 1,166                | 1,000                                   | 9                  | 4              | 0             | 3        | 0              | 0                | 2               | 2                      | 0                                |
| 1976                          | 25               | 21                   | 2                | 5                   | 11                     | 64                        | 10,000            | 500              | 2,536                | 2,000                                   | 10                 | 2              | 1             | 7        | 0              | 0                | 0               | 25                     | 3                                |
| 1977                          | 52               | 19                   | 3                | 11                  | 25                     | 110                       | 12,000            | 250              | 6,180                | 10,000                                  | 40                 | 9              | 7             | 12       | 0              | 6                | 6               | 24                     | 3                                |
| 1978                          | 77               | 21                   | 2                | 1                   | 26                     | 127                       | 60,000            | 1,000            | 21,638               | 25,000                                  | 52                 | 12             | 5             | 18       | 5              | 6                | 6               | 31                     | 9                                |

Appendix Table 3. - Continued

| Type of Gear and Area            | # Permits Bought | # Permits Given Away | # Permits Traded | # Combination Sales | # Other Type Transfers | Total Number of Responses | High Permit Price | Low Permit Price | Average Permit Price | Price Most Frequently Paid for a Permit | # Permits Financed | —By Transferor | —By Processor | —By Bank | —By State Loan | —By Credit Union | —By Other Means | # Permits to Relatives | # Permits to Friends or Partners |
|----------------------------------|------------------|----------------------|------------------|---------------------|------------------------|---------------------------|-------------------|------------------|----------------------|-----------------------------------------|--------------------|----------------|---------------|----------|----------------|------------------|-----------------|------------------------|----------------------------------|
| <u>SALMON SET GILL NET:</u>      |                  |                      |                  |                     |                        |                           |                   |                  |                      |                                         |                    |                |               |          |                |                  |                 |                        |                                  |
| Yakutat-- 1975                   | 2                | 0                    | 0                | 0                   | 1                      | 3                         | 1,000             | 500              | 750                  | N/A                                     | 2                  | 1              | 0             | 0        | 0              | 0                | 1               | 0                      | 0                                |
| 1976                             | 3                | 7                    | 0                | 0                   | 1                      | 11                        | 10,000            | 3,000            | 6,000                | N/A                                     | 2                  | 0              | 0             | 1        | 0              | 0                | 1               | 6                      | 0                                |
| 1977                             | 4                | 2                    | 0                | 0                   | 0                      | 6                         | 10,000            | 3,000            | 7,000                | 10,000                                  | 1                  | 0              | 0             | 1        | 0              | 0                | 0               | 2                      | 0                                |
| 1978                             | 5                | 2                    | 0                | 0                   | 2                      | 9                         | 15,000            | 5,400            | 10,480               | 10,000                                  | 2                  | 1              | 0             | 1        | 0              | 0                | 0               | 3                      | 0                                |
| Prince Wm Id--1975 <sup>1/</sup> | —                | —                    | —                | —                   | —                      | —                         | —                 | —                | —                    | —                                       | —                  | —              | —             | —        | —              | —                | —               | —                      | —                                |
| 1977 <sup>1/</sup>               | —                | —                    | —                | —                   | —                      | —                         | —                 | —                | —                    | —                                       | —                  | —              | —             | —        | —              | —                | —               | —                      | —                                |
| 1978                             | 1                | 0                    | 0                | 0                   | 0                      | 1                         | N/A               | N/A              | N/A                  | N/A                                     | 1                  | 1              | 0             | 0        | 0              | 0                | 0               | 0                      | 0                                |
| Cook Inlet-- 1975                | 6                | 5                    | 0                | 3                   | 2                      | 16                        | 2,500             | 2,000            | 2,250                | 2- & 2,500                              | 6                  | 6              | 0             | 0        | 0              | 0                | 0               | 0                      | 0                                |
| 1976                             | 9                | 8                    | 1                | 5                   | 5                      | 28                        | 3,000             | 1,000            | 1,778                | 2,000                                   | 7                  | 0              | 2             | 4        | 0              | 1                | 0               | 9                      | 1                                |
| 1977                             | 24               | 9                    | 1                | 5                   | 2                      | 41                        | 18,500            | 2,000            | 4,821                | 2,500                                   | 15                 | 4              | 3             | 1        | 0              | 7                | 2               | 9                      | 0                                |
| 1978                             | 38               | 15                   | 1                | 8                   | 7                      | 69                        | 25,000            | 2,000            | 9,824                | 10,000                                  | 15                 | 7              | 0             | 3        | 1              | 4                | 0               | 5                      | 4                                |
| Kodiak-- 1975                    | 5                | 5                    | 0                | 2                   | 2                      | 14                        | 11,000            | 1,000            | 5,380                | 1,000                                   | 5                  | 3              | 0             | 0        | 0              | 0                | 2               | 1                      | 0                                |
| 1976                             | 8                | 1                    | 0                | 2                   | 3                      | 14                        | 6,000             | 500              | 3,900                | 4- & 5,000                              | 2                  | 1              | 0             | 1        | 0              | 0                | 0               | 2                      | 0                                |
| 1977                             | 5                | 4                    | 0                | 2                   | 1                      | 12                        | 15,000            | 2,000            | 6,600                | 5,000                                   | 4                  | 3              | 0             | 0        | 0              | 0                | 1               | 4                      | 0                                |
| 1978                             | 5                | 5                    | 0                | 1                   | 4                      | 15                        | 30,000            | 10,000           | 19,800               | N/A                                     | 4                  | 3              | 0             | 0        | 0              | 1                | 0               | 6                      | 1                                |
| AK Peninsula--1975               | 0                | 1                    | 0                | 0                   | 1                      | 2                         | N/A               | N/A              | N/A                  | N/A                                     | 0                  | 0              | 0             | 0        | 0              | 0                | 0               | 2                      | 0                                |
| 1976                             | 1                | 0                    | 2                | 0                   | 0                      | 3                         | 5,000             | 5,000            | 5,000                | N/A                                     | 1                  | 1              | 0             | 0        | 0              | 0                | 0               | 0                      | 0                                |
| 1977                             | 4                | 0                    | 0                | 0                   | 1                      | 5                         | 10,000            | 600              | 5,150                | N/A                                     | 1                  | 1              | 0             | 0        | 0              | 0                | 0               | 1                      | 0                                |
| 1978                             | 2                | 0                    | 0                | 0                   | 3                      | 5                         | 15,000            | 5,300            | 10,150               | N/A                                     | 0                  | 0              | 0             | 0        | 0              | 0                | 0               | 2                      | 0                                |
| Bristol Bay-- 1975               | 0                | 9                    | 0                | 0                   | 0                      | 9                         | —                 | —                | —                    | —                                       | 0                  | 0              | 0             | 0        | 0              | 0                | 0               | 1                      | 0                                |
| 1976                             | 11               | 14                   | 1                | 0                   | 8                      | 34                        | 5,000             | 300              | 2,755                | 5,000                                   | 6                  | 4              | 0             | 2        | 0              | 0                | 0               | 16                     | 2                                |
| 1977                             | 16               | 12                   | 0                | 3                   | 9                      | 40                        | 5,000             | 100              | 2,694                | 5,000                                   | 4                  | 1              | 0             | 1        | 0              | 0                | 2               | 12                     | 0                                |
| 1978                             | 27               | 23                   | 0                | 0                   | 16                     | 66                        | 30,000            | 1,500            | 8,507                | 5- & 10,000                             | 9                  | 3              | 2             | 2        | 0              | 2                | 0               | 26                     | 3                                |

Appendix Table 3. - Continued

| Type of Gear and Area            | # Permits Bought | # Permits Given Away | # Permits Traded | # Combination Sales | # Other Type Transfers | Total Number of Responses | High Permit Price | Low Permit Price | Average Permit Price | Price Most Frequently Paid for a Permit | # Permits Financed | —By Transferor | —By Processor | —By Bank | —By State Loan | —By Credit Union | —By Other Means | # Permits to Relatives | # Permits to Friends or Partners |
|----------------------------------|------------------|----------------------|------------------|---------------------|------------------------|---------------------------|-------------------|------------------|----------------------|-----------------------------------------|--------------------|----------------|---------------|----------|----------------|------------------|-----------------|------------------------|----------------------------------|
| <b>SALMON POWER TROLL:</b>       |                  |                      |                  |                     |                        |                           |                   |                  |                      |                                         |                    |                |               |          |                |                  |                 |                        |                                  |
| Southeastern--1975               | 46               | 11                   | 0                | 6                   | 2                      | 65                        | 10,000            | 300              | 5,303                | 5,000                                   | 27                 | 10             | 0             | 14       | 1              | 0                | 2               | 2                      | 1                                |
| 1976                             | 23               | 7                    | 1                | 6                   | 6                      | 43                        | 10,000            | 1,000            | 5,065                | 5,000                                   | 18                 | 7              | 1             | 7        | 0              | 1                | 2               | 5                      | 2                                |
| 1977                             | 58               | 3                    | 3                | 6                   | 5                      | 75                        | 15,000            | 1,000            | 8,831                | 10,000                                  | 25                 | 7              | 1             | 11       | 1              | 3                | 2               | 3                      | 0                                |
| 1978                             | 73               | 4                    | 1                | 5                   | 8                      | 91                        | 30,000            | 600              | 15,457               | 20,000                                  | 39                 | 10             | 0             | 15       | 6              | 2                | 6               | 5                      | 3                                |
| <b>A-Y-K GILL NET:</b>           |                  |                      |                  |                     |                        |                           |                   |                  |                      |                                         |                    |                |               |          |                |                  |                 |                        |                                  |
| Upper Yukon--1976 <sup>1/</sup>  | --               | --                   | --               | --                  | --                     | --                        | --                | --               | --                   | --                                      | --                 | --             | --            | --       | --             | --               | --              | --                     | --                               |
| 1977 <sup>1/</sup>               | --               | --                   | --               | --                  | --                     | --                        | --                | --               | --                   | --                                      | --                 | --             | --            | --       | --             | --               | --              | --                     | --                               |
| 1978                             | 0                | 0                    | 0                | 0                   | 0                      | 0                         | 0                 | 0                | 0                    | 0                                       | 0                  | 0              | 0             | 0        | 0              | 0                | 0               | 0                      | 0                                |
| Kuskokwim--1976                  | 0                | 2                    | 0                | 0                   | 1                      | 3                         | --                | --               | --                   | --                                      | 0                  | 0              | 0             | 0        | 0              | 0                | 0               | 3                      | 0                                |
| 1977                             | 0                | 9                    | 0                | 0                   | 2                      | 11                        | --                | --               | --                   | --                                      | 0                  | 0              | 0             | 0        | 0              | 0                | 0               | 10                     | 0                                |
| 1978                             | 5                | 18                   | 2                | 1                   | 6                      | 32                        | 10,000            | 2,500            | 6,100                | 5,000                                   | 2                  | 0              | 0             | 1        | 0              | 1                | 0               | 20                     | 0                                |
| Kotzebue--1976                   | 0                | 1                    | 0                | 0                   | 1                      | 2                         | N/A               | N/A              | N/A                  | N/A                                     | 0                  | 0              | 0             | 0        | 0              | 0                | 0               | 1                      | 0                                |
| 1977 <sup>1/</sup>               | --               | --                   | --               | --                  | --                     | --                        | --                | --               | --                   | --                                      | --                 | --             | --            | --       | --             | --               | --              | --                     | --                               |
| 1978                             | 1                | 2                    | 0                | 0                   | 3                      | 6                         | N/A               | N/A              | N/A                  | N/A                                     | 1                  | 0              | 0             | 1        | 0              | 0                | 0               | 3                      | 0                                |
| Lower Yukon--1976                | 0                | 3                    | 0                | 0                   | 1                      | 4                         | --                | --               | --                   | --                                      | 0                  | 0              | 0             | 0        | 0              | 0                | 0               | 3                      | 0                                |
| 1977                             | 2                | 3                    | 0                | 0                   | 0                      | 5                         | 1,000             | 100              | 550                  | N/A                                     | 0                  | 0              | 0             | 0        | 0              | 0                | 0               | 3                      | 0                                |
| 1978                             | 5                | 10                   | 0                | 0                   | 4                      | 19                        | 10,000            | 3,500            | 6,700                | 5,000                                   | 3                  | 2              | 0             | 1        | 0              | 0                | 0               | 14                     | 0                                |
| Norton Sound--1977 <sup>1/</sup> | --               | --                   | --               | --                  | --                     | --                        | --                | --               | --                   | --                                      | --                 | --             | --            | --       | --             | --               | --              | --                     | --                               |
| 1978                             | 4                | 1                    | 0                | 0                   | 0                      | 5                         | 6,000             | 900              | 4,350                | 6,000                                   | 3                  | 1              | 0             | 2        | 0              | 0                | 0               | 1                      | 0                                |
| <b>FISHMEEL:</b>                 |                  |                      |                  |                     |                        |                           |                   |                  |                      |                                         |                    |                |               |          |                |                  |                 |                        |                                  |
| Upper Yukon--1976 <sup>1/</sup>  | --               | --                   | --               | --                  | --                     | --                        | --                | --               | --                   | --                                      | --                 | --             | --            | --       | --             | --               | --              | --                     | --                               |
| 1977 <sup>1/</sup>               | --               | --                   | --               | --                  | --                     | --                        | --                | --               | --                   | --                                      | --                 | --             | --            | --       | --             | --               | --              | --                     | --                               |
| 1978                             | 5                | 0                    | 0                | 0                   | 0                      | 5                         | 9,000             | 5,000            | 7,500                | 8,000                                   | 2                  | 0              | 0             | 0        | 0              | 0                | 2               | 0                      | 0                                |

<sup>1/</sup> Not enough data to protect individual confidentiality.

# STATE OF ALASKA

JAY S. HAMMICH, GOVERNOR

## A COMMERCIAL FISHERIES ENTRY COMMISSION

POUCH KB  
JUNEAU, ALASKA 99811

Please submit this in connection with the Request for Transfer form you have submitted for your entry permit.

This form does not identify you, and the information on it will not be disclosed in any manner that would allow identification of you. The information will be used to monitor permit prices and transfer trends.

You are acquiring a permit for \_\_\_\_\_

1. How did you locate this permit?

- |                                                                  |                                                |
|------------------------------------------------------------------|------------------------------------------------|
| <input type="checkbox"/> Relative or friend                      | <input type="checkbox"/> Fish processor        |
| <input type="checkbox"/> Advertisement                           | <input type="checkbox"/> Other (explain) _____ |
| <input type="checkbox"/> Commission list of permits for transfer |                                                |

2. Did you acquire the permit by-- (check all that apply)

- |                                                                                                                                         |                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Sale<br>What was the sale price (including the approximate value of any items traded for the permit)? \$ _____ | <input type="checkbox"/> Trade<br>What was traded? _____                                                                                         |
| <input type="checkbox"/> Gift (no money)<br>What is your relationship to the person you are getting the permit from? _____              | <input type="checkbox"/> Along with vessel, gear or set net site (indicate estimated value)<br>Vessel \$ _____<br>Gear \$ _____<br>Site \$ _____ |
| <input type="checkbox"/> Inheritance<br>What is your relationship to the person you are getting the permit from? _____                  | <input type="checkbox"/> Other (explain) _____<br>_____                                                                                          |

3. Was the sale financed ☐ yes ☐ no

If yes, was it through--

- |                                                             |                                                |
|-------------------------------------------------------------|------------------------------------------------|
| <input type="checkbox"/> The person you got the permit from |                                                |
| <input type="checkbox"/> Bank                               |                                                |
| <input type="checkbox"/> Fish Processor                     | <input type="checkbox"/> Credit Association    |
| <input type="checkbox"/> State Loan                         | <input type="checkbox"/> Other (explain) _____ |

4. Do you plan to transfer the permit back to the person you acquired it from?

- ☐ Yes  
☐ No

If you need more space to answer any of the questions, please use the back of this paper.

If you have any questions concerning the completion of the form, do not hesitate to call or write the Commission. The Commission's phone number is (907) 586-3456, and its mailing address is Pouch KB, Juneau, Alaska 99811.

Thank you for your cooperation.

01-AGLH

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## T COMMERCIAL FISHERIES ENTRY COMMISSION

POUCH KB  
JUNEAU, ALASKA 99811

Please submit this in connection with the Request for Transfer form you have submitted for your entry permit.

This form does not identify you, and the information on it will not be disclosed in any manner that would allow identification of you. The information will be used to monitor permit prices and transfer trends.

You have transferred a permit for \_\_\_\_\_

1. Did you transfer the permit by-- (check all that apply)

☐ Sale

What was the sale price (including the approximate value of any items traded for the permit)? \$ \_\_\_\_\_

☐ Trade

What was traded? \_\_\_\_\_

☐ Gift (no money)

What is your relationship to the person you are transferring this permit to? \_\_\_\_\_

☐ Along with vessel, gear or set net site (indicate estimated value)

Vessel \$ \_\_\_\_\_  
Gear \$ \_\_\_\_\_  
Site \$ \_\_\_\_\_

☐ Inheritance

What is your relationship to the person you are transferring this permit to? \_\_\_\_\_

☐ Other (explain)

\_\_\_\_\_  
\_\_\_\_\_

2. Was the sale financed ☐ yes ☐ no

If yes, was it through--

☐ My own financing

☐ Bank

☐ Fish Processor

☐ State Loan

☐ Credit Association

☐ Other (explain) \_\_\_\_\_

3. Do you plan to get the permit back from the person to whom it was transferred?

☐ Yes

☐ No

4. Why did you transfer your permit?

☐ Poor Health

☐ Retirement

☐ Plan to seek nonfishing employment

☐ Plan to enter other fisheries

☐ Permit was part of the estate of a deceased fisherman

☐ Financial reasons

☐ Other (explain) \_\_\_\_\_

If you need more space to answer any of the questions, please use the back of this paper.

If you have any questions concerning the completion of the form, do not hesitate to call or write the Commission. The Commission's phone number is (907) 586-3456, and its mailing address is Pouch KB, Juneau, Alaska 99811.

Thank you for your cooperation.

01-ACLIH

01-822 Rev. 4/24/78

# Appendix Table 4.

## 1978 QUARTERLY PERMIT PRICE INFORMATION

1st Quarter (JAN FEB MAR)  
2nd Quarter (APR MAY JUN)

3rd Quarter (JUL AUG SEP)  
4th Quarter (OCT NOV DEC)

The Commercial Fisheries Entry Commission provides the Department of Commerce Commercial Fishing Loan program with appraised values for entry permits. The appraised value of entry permits is calculated on quarterly basis. The sale prices for each quarter are obtained from the commission's transfer survey. These prices are averaged. No source other than the Commission's confidential survey can be accepted for permit prices. In cases where sufficient data are not available for any quarter, any new data will be averaged with data from the previous quarter. Quarterly updates will be available one (1) month after the end of the subject quarter.

| Fishery              | Quarter No. | High Price                                | Low Price | Average Price/<br>Appraised Value |
|----------------------|-------------|-------------------------------------------|-----------|-----------------------------------|
| <u>SEINE</u>         |             |                                           |           |                                   |
| Southeastern         | 1           | 35,000                                    | 20,000    | 25,833                            |
|                      | 2           | 50,000                                    | 19,000    | 33,000                            |
|                      | 3           | insufficient data                         |           | 34,000                            |
|                      | 4           | insufficient data                         |           | 40,000                            |
| Prince William Sound | 1           | 23,500                                    | 20,000    | 20,875                            |
|                      | 2           | 30,000                                    | 25,000    | 27,488                            |
|                      | 3           | insufficient data                         |           | 26,658                            |
|                      | 4           | 35,000                                    | 27,000    | 31,000                            |
| Cook Inlet           | 1           | insufficient data                         |           |                                   |
|                      | 2           | 40,000                                    | 15,000    | 31,667                            |
|                      | 3           | insufficient data                         |           | 35,000                            |
|                      | 4           | insufficient data                         |           | 52,500                            |
| Kodiak               | 1           | 40,000                                    | 20,000    | 35,000                            |
|                      | 2           | insufficient data                         |           | 40,000                            |
|                      | 3           | insufficient data                         |           | 60,000                            |
|                      | 4           | insufficient data                         |           | 57,125                            |
| Chignik              |             | No applicable information--call 586-3456* |           |                                   |
| Alaska Peninsula     |             | No applicable information--call 586-3456  |           |                                   |
| Kodiak Beach Seine   | 1-3         | No applicable information                 |           |                                   |
|                      | 4           | insufficient data                         |           | 29,250                            |

Call or write: Beth Stewart, Commercial Fisheries Entry Commission, Pouch KB,  
Juneau, AK 99811.

| Fishery                                                                           | Quarter No. | High Price                               | Low Price | Average Price/<br>Appraised Value |
|-----------------------------------------------------------------------------------|-------------|------------------------------------------|-----------|-----------------------------------|
| <u>DRIFT GILL NET</u>                                                             |             |                                          |           |                                   |
| Southeastern                                                                      | 1           | 42,500                                   | 10,000    | 32,375                            |
|                                                                                   | 2           | 40,000                                   | 22,000    | 33,929                            |
|                                                                                   | 3           | insufficient data                        |           | 35,313                            |
|                                                                                   | 4           | 50,000                                   | 27,000    | 39,875                            |
| Prince William Sound                                                              | 1           | 40,000                                   | 10,000    | 24,346                            |
|                                                                                   | 2           | 30,000                                   | 18,000    | 23,833                            |
|                                                                                   | 3           | 42,000                                   | 40,000    | 41,000                            |
|                                                                                   | 4           | 45,000                                   | 20,000    | 36,250                            |
| Cook Inlet                                                                        | 1           | 42,500                                   | 25,000    | 30,000                            |
|                                                                                   | 2           | 47,000                                   | 15,000    | 35,300                            |
|                                                                                   | 3           | insufficient data                        |           | 37,545                            |
|                                                                                   | 4           | 75,000                                   | 35,000    | 57,500                            |
| Alaska Peninsula                                                                  |             | No applicable information--call 586-3456 |           |                                   |
| Bristol Bay                                                                       | 1           | 30,000                                   | 5,000     | 13,941                            |
|                                                                                   | 2           | 50,000                                   | 12,000    | 22,000                            |
|                                                                                   | 3           | 30,000                                   | 20,000    | 30,000                            |
|                                                                                   | 4           | 70,000                                   | 20,000    | 41,867                            |
| <u>SET GILL NET</u>                                                               |             |                                          |           |                                   |
| Yakutat: All 4 quarters                                                           |             | 15,000                                   | 5,400     | 10,480                            |
| Prince William Sound                                                              |             | No applicable information--call 586-3456 |           |                                   |
| Cook Inlet                                                                        | 1           | 15,000                                   | 2,000     | 7,636                             |
|                                                                                   | 2           | 12,000                                   | 2,500     | 8,625                             |
|                                                                                   | 3           | 15,000                                   | 2,000     | 8,730                             |
|                                                                                   | 4           | 25,000                                   | 10,000    | 14,571                            |
| Kodiak: All 4 quarters                                                            |             | 25,000                                   | 10,000    | 24,667                            |
| Bristol Bay                                                                       | 1           | 5,000                                    | 2,000     | 3,925                             |
|                                                                                   | 2           | 13,000                                   | 1,500     | 5,893                             |
|                                                                                   | 3           | 10,000                                   | 6,500     | 7,833                             |
|                                                                                   | 4           | 30,000                                   | 10,000    | 16,000                            |
| FOR ALL A-Y-K FISHERIES--CALL 586-3456 [Yukon; Kuskokwim; Kotzebue; Norton Sound] |             |                                          |           |                                   |
| <u>POWER TROLL</u>                                                                |             |                                          |           |                                   |
| Southeastern                                                                      | 1           | 16,000                                   | 8,500     | 12,341                            |
|                                                                                   | 2           | 25,000                                   | 5,000     | 15,652                            |
|                                                                                   | 3           | 25,000                                   | 18,000    | 20,250                            |
|                                                                                   | 4           | 30,000                                   | 15,500    | 23,045                            |

Appendix Table 5. - No. of permits in limited fisheries (renewed and  
unrenewed) both permanent and interim-use for 1978  
(as of 12/31/78)

| FISHERY                               | No. of Permits--Renewed & Unrenewed |             |        |
|---------------------------------------|-------------------------------------|-------------|--------|
|                                       | Permanent                           | Interim-use | Total  |
| <b>HERRING</b>                        |                                     |             |        |
| Purse Seine, Southeastern Sac Roe     | 41                                  | 7           | 48     |
| Purse Seine, Prince Wm. Sound Sac Roe | 91                                  | 12          | 103    |
| Purse Seine, Cook Inlet               | 67                                  | 12          | 79     |
| Gill Net, Southeastern                | 10                                  | 159         | 169    |
| <b>SALMON</b>                         |                                     |             |        |
| Purse Seine, Southeastern             | 413                                 | 7           | 420    |
| Purse Seine, Prince Wm. Sound         | 257                                 | 15          | 272    |
| Purse Seine, Cook Inlet               | 74                                  | 9           | 83     |
| Purse Seine, Kodiak                   | 371                                 | 18          | 389    |
| Purse Seine, Chignik                  | 90                                  | 5           | 95     |
| Purse Seine, Peninsula-Aleutians      | 115                                 | 8           | 123    |
| Beach Seine, Kodiak                   | 33                                  | 1           | 34     |
| Drift Gill Net, Southeastern          | 463                                 | 28          | 491    |
| Drift Gill Net, Prince Wm. Sound      | 528                                 | 16          | 544    |
| Drift Gill Net, Cook Inlet            | 549                                 | 42          | 591    |
| Drift Gill Net, Peninsula-Aleutians   | 156                                 | 2           | 158    |
| Drift Gill Net, Bristol Bay           | 1,700                               | 78          | 1,778  |
| Set Gill Net, Yakutat                 | 161                                 | 3           | 164    |
| Set Gill Net, Prince Wm. Sound        | 28                                  | 0           | 28     |
| Set Gill Net, Cook Inlet              | 742                                 | 5           | 747    |
| Set Gill Net, Kodiak                  | 184                                 | 4           | 188    |
| Set Gill Net, Peninsula-Aleutians     | 108                                 | 5           | 113    |
| Set Gill Net, Upper Yukon             | 47                                  | 24          | 71     |
| Set Gill Net, Bristol Bay             | 889                                 | 19          | 908    |
| Set Gill Net, Kuskokwim               | 767                                 | 74          | 841    |
| Set Gill Net, Kotzebue                | 177                                 | 56          | 233    |
| Set Gill Net, Lower Yukon             | 694                                 | 4           | 698    |
| Set Gill Net, Norton Sound            | 176                                 | 23          | 199    |
| Fishwheel, Upper Yukon                | 108                                 | 50          | 158    |
| Power Troll, Southeastern             | 934                                 | 42          | 976    |
| <hr/>                                 |                                     |             |        |
| TOTAL - Herring Permits               | 209                                 | 187         | 396    |
| TOTAL - Salmon Permits                | 9,764                               | 538         | 10,302 |

Appendix Table 6. - Actual number of permits involved in permanent transfer transactions and the total number of permanent permit transfer transactions by residence for 1978. These figures are preliminary. Some changes may occur as corrections are made on the computer file.

| Fishery                | Resident to<br>Resident | Resident to<br>Nonresident | Nonresident to<br>Nonresident | Nonresident to<br>Resident | Total No. of<br>Transactions | No. Permits<br>Involved |
|------------------------|-------------------------|----------------------------|-------------------------------|----------------------------|------------------------------|-------------------------|
| <u>HERRING</u>         |                         |                            |                               |                            |                              |                         |
| <u>Purse Seine:</u>    |                         |                            |                               |                            |                              |                         |
| Southeastern           | 1                       | 1                          | 0                             | 0                          | 2                            | 2                       |
| Prince William Sound   | 7                       | 0                          | 0                             | 0                          | 7                            | 6                       |
| Cook Inlet             | 7                       | 1                          | 1                             | 0                          | 9                            | 7                       |
| <u>Set Gill Net:</u>   |                         |                            |                               |                            |                              |                         |
| Southeastern           | 1                       | 0                          | 0                             | 0                          | 1                            | 1                       |
| <u>SALMON</u>          |                         |                            |                               |                            |                              |                         |
| <u>Purse Seine:</u>    |                         |                            |                               |                            |                              |                         |
| Southeastern           | 17                      | 11                         | 23                            | 3                          | 54                           | 50                      |
| Prince William Sound   | 11                      | 7                          | 15                            | 1                          | 34                           | 31                      |
| Cook Inlet             | 10                      | 0                          | 0                             | 0                          | 10                           | 9                       |
| Kodiak                 | 34                      | 7                          | 10                            | 9                          | 60                           | 52                      |
| Chignik                | 1                       | 1                          | 0                             | 1                          | 3                            | 3                       |
| Peninsula/Aleutians    | 10                      | 0                          | 1                             | 1                          | 12                           | 12                      |
| <u>Beach Seine:</u>    |                         |                            |                               |                            |                              |                         |
| Kodiak                 | 16                      | 0                          | 0                             | 0                          | 16                           | 14                      |
| <u>Drift Gill Net:</u> |                         |                            |                               |                            |                              |                         |
| Southeastern           | 55                      | 2                          | 15                            | 5                          | 77                           | 67                      |
| Prince William Sound   | 55                      | 7                          | 13                            | 6                          | 81                           | 68                      |
| Cook Inlet             | 62                      | 5                          | 15                            | 3                          | 85                           | 81                      |
| Peninsula/Aleutians    | 14                      | 5                          | 8                             | 0                          | 27                           | 25                      |
| Bristol Bay            | 117                     | 26                         | 71                            | 14                         | 228                          | 210                     |
| <u>Set Gill Net:</u>   |                         |                            |                               |                            |                              |                         |
| Yakutat                | 14                      | 1                          | 5                             | 0                          | 20                           | 19                      |
| Prince William Sound   | 3                       | 0                          | 1                             | 1                          | 5                            | 4                       |
| Cook Inlet             | 113                     | 6                          | 4                             | 6                          | 129                          | 120                     |

Appendix Table 6. - Continued

| Fishery                      | Resident to<br>Resident | Resident to<br>Nonresident | Nonresident to<br>Nonresident | Nonresident to<br>Resident | Total No. of<br>Transactions | No. Permits<br>Involved |
|------------------------------|-------------------------|----------------------------|-------------------------------|----------------------------|------------------------------|-------------------------|
| <u>Set Gill Net (cont.):</u> |                         |                            |                               |                            |                              |                         |
| Kodiak                       | 14                      | 3                          | 3                             | 6                          | 26                           | 24                      |
| Peninsula/Aleutians          | 9                       | 1                          | 2                             | 2                          | 14                           | 13                      |
| Bristol Bay                  | 83                      | 10                         | 24                            | 14                         | 131                          | 124                     |
| <u>A-Y-K Gill Net:</u>       |                         |                            |                               |                            |                              |                         |
| Upper Yukon                  | 2                       | 0                          | 0                             | 0                          | 2                            | 2                       |
| Kuskokwim                    | 50                      | 0                          | 0                             | 0                          | 50                           | 47                      |
| Kotzebue                     | 17                      | 0                          | 0                             | 0                          | 17                           | 17                      |
| Lower Yukon                  | 24                      | 1                          | 0                             | 0                          | 25                           | 24                      |
| Norton Sound                 | 7                       | 0                          | 0                             | 0                          | 7                            | 7                       |
| <u>A-Y-K Fishwheel:</u>      |                         |                            |                               |                            |                              |                         |
| Upper Yukon                  | 11                      | 0                          | 0                             | 0                          | 11                           | 10                      |
| <u>Power Troll:</u>          |                         |                            |                               |                            |                              |                         |
| Southeastern                 | 85                      | 11                         | 21                            | 23                         | 140                          | 126                     |

proposed regulations

# Limited Entry

Report to the Fishermen of Alaska

Commercial Fisheries Entry  
Commission  
July 15, 1974

PROPOSED REGULATIONS

LIMITED ENTRY

REPORT TO THE FISHERMEN OF ALASKA

COMMERCIAL FISHERIES ENTRY COMMISSION

COMMISSION

DAVID S. JACKMAN  
CHAIRMAN

ROY A. RICKEY  
COMMISSIONER

CHARLES J. STOVALL  
COMMISSIONER



JULY 15, 1974

# STATE OF ALASKA

## COMMERCIAL FISHERIES ENTRY COMMISSION

WILLIAM A. EGAN, GOVERNOR

POUCH KB - JUNEAU 99801

July 12, 1974

TO THE COMMERCIAL FISHERMEN OF ALASKA:

It is no secret that most of Alaska's commercial fisheries are sliding downhill, and that new measures are required to bring them back to their full economic potential. One root cause of this decline has been unlimited entry into the fisheries.

Unregulated entry has allowed more and more gear to enter fisheries already harvesting maximum yields. This brought shorter seasons and more regulations aimed at cutting down the production and efficiency of each fisherman. More gear brought higher costs and lower returns to individual fishermen, with no increase in overall harvests. Too much gear also increased management risks, and thereby threatened the future of the fisheries.

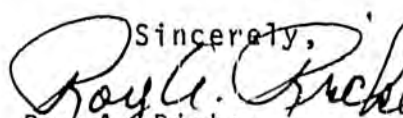
A fishery based on inefficiency, where costs are going up and production is going down, cannot survive and prosper in a competitive economy. This commission was established in 1973 for the purpose of stabilizing the number of units of gear in the commercial fisheries at levels consistent with good fisheries management and fair dollar returns to the fishermen.

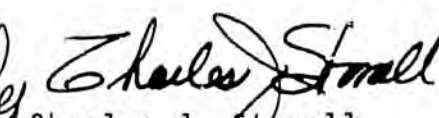
We have held more than thirty public meetings during the past year to discuss limited entry and get your views on how best to apply it to the different fisheries. This year only interim-use permits have been required, but next year we will start issuing permanent entry permits for certain designated fisheries.

Our proposed regulations for issuing permanent entry permits are set forth in this booklet. Between now and October 1, 1974 we will be seeking public comment and review of these initial proposals. After carefully reviewing public testimony, and making the adjustments and revisions that will almost certainly be required, the commission will adopt final regulations sometime after October 1, 1974.

We hope that you will read and review these proposals carefully, and make your views known by writing the commission or attending one of the public hearings which will be scheduled.

  
David S. Jackman  
Chairman

Sincerely,  
  
Roy A. Rickey  
Commissioner

  
Charles J. Stovall  
Commissioner

## FISHERIES PROPOSED FOR LIMITED ENTRY IN 1975

ALL SALMON SEINE AND GILL NET FISHERIES IN ALASKA, EXCEPT THOSE IN THE ARCTIC-YUKON-KUSKOKWIM AREA, ARE BEING PROPOSED FOR LIMITED ENTRY STARTING IN 1975. THE POWER TROLL FISHERY IS ALSO BEING PROPOSED.

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## EXPLANATION OF PROPOSED POINT SYSTEM

The Commercial Fisheries Entry Commission has developed a point system that it proposes to use for deciding which commercial fishermen will receive permanent entry permits for those fisheries subject to limited entry in 1975.

Anyone who fished in these fisheries as a gear license holder after January 1, 1960 and before January 1, 1973 can apply for an entry permit. There will almost certainly be more applicants than the maximum number of entry permits the commission can issue.

Since all applicants cannot receive permits, the limited entry law requires us to rank applicants according to the hardship they would suffer by not getting a permit, as indicated by their past participation and economic dependence on the fishery. In issuing permits, we must start first with those who rank highest on this scale of hardship, and work down this hardship ranking until the maximum number of permits have been issued. Any applicant who would suffer significant hardship, as defined in the ranking system, will get a permit even if this means going over the maximum number.

The purpose of the point system proposed here is to accomplish this ranking of applicants into priority classifications as easily and fairly as possible. In this way the same standards can be applied to all fishermen within a given fishery.

Here is an example of how a fisherman might qualify for points. The example is imaginary. Some of the actual figures will vary from fishery to fishery as shown in the proposed regulations. In this case the example fisherman got a total of 31 points. In the proposed regulations, 20 points or more defines significant economic hardship, so with 31 points, our example fisherman is assured of getting a permit. Many fishermen scoring less than 20 points may also get permits, but that will depend on the number of applicants in relation to the maximum number of permits that we can issue for a particular fishery.

Actual points for various fisheries are in the proposed regulations later in this booklet.

### PAST PARTICIPATION (Total Possible - 20 pts)

| <u>Standard</u>                                                                   | <u>Possible Points</u> | <u>Example Fisherman's Points</u> |
|-----------------------------------------------------------------------------------|------------------------|-----------------------------------|
| Year Fished as Gear License Holder                                                |                        |                                   |
| 1972                                                                              | 3 points               | 3                                 |
| 1971                                                                              | 3                      | 3                                 |
| 1970                                                                              | 2                      | 2                                 |
| 1969                                                                              | 2                      | 0                                 |
| Consistent Participation as Gear License Holder                                   |                        |                                   |
| 1972 (7 wk minimum)                                                               | 2 points               | 2                                 |
| 1971 (8 wk minimum)                                                               | 2                      | 0                                 |
| 1970 (7 wk minimum)                                                               | 1                      | 1                                 |
| 1969 (7 wk minimum)                                                               | 1                      | 0                                 |
| Any additional year fished as a gear license holder in the fishery from 1965-1968 | 1 per year             | 2                                 |
| Any year as a crewman 1965 - 1972                                                 | 1 per year             | 2                                 |

### ECONOMIC DEPENDENCE (Total Possible = 20 pts)

| <u>Standard</u>                                     | <u>Possible Points</u> | <u>Example Fisherman's Points</u> |
|-----------------------------------------------------|------------------------|-----------------------------------|
| Income Dependence Percentage                        |                        |                                   |
| 1972 above 70%                                      | 6 points               | 6                                 |
| 1972 above 40% thru 70%                             | 3                      | 0                                 |
| 1971 above 80%                                      | 4                      | 0                                 |
| 1971 above 50% thru 80%                             | 2                      | 2                                 |
| or special showing of income dependence up to 10 pr |                        |                                   |
| Investment in Vessels and Gear                      |                        |                                   |
| own vessel (or set net site)                        | 6 points               | 6                                 |
| own gear only                                       | 3                      | 0                                 |

## Availability of Alternative Occupations

Domicile in a census district or county:

80% or more rural, or population under 10,000

4

40% to 80% rural, or population under 25,000

2

2

Total Points Possible

40

31\*

\* This would be the fisherman's priority classification, and would include all others who got 31 points.

## WHY A POINT SYSTEM?

More fishermen are expected to apply for permanent entry permits than there are permits to be issued. The limited entry law requires that applicants for any fishery proposed for limited entry be ranked according to the two hardship standards of past participation and economic dependence in that fishery.

In public hearings throughout the state, fishermen have said that they would prefer a point system for ranking. The system proposed here provides points for a number of things that make up either past participation or economic dependence.

## DO SOME NUMBERS VARY FROM FISHERY TO FISHERY?

What you have to do to get points varies somewhat from fishery to fishery because of the differences in Alaska's fisheries. If they were all treated the same it would be unfair to the fishermen.

For example, in one fishery it might be fair to say that a person should get points for consistency of participation if he fishes a minimum of seven weeks. But in a fishery that lasts only six weeks and is over, that would be completely unfair. Three weeks might be a fair minimum requirement.

## WHO CAN APPLY?

A January 1, 1973 cut-off date has been set by law for the 21 fisheries that are being proposed for limited entry in 1975. That means that anyone can apply for a permanent entry permit for one of these fisheries if he has held a gear license and fished that fishery commercially after January 1, 1960 and before January 1, 1973. It also means that in figuring points for a particular fishery a fisherman must consider only what he has done in that fishery before January 1, 1973.

## WHEN TO APPLY?

We cannot get the applications out until the Commission has completed public hearings on the proposed point system in this booklet and made any necessary changes. That will be sometime in late 1974. Then the application period will be announced, and application forms will be distributed.

## HOW DOES THE POINT SYSTEM WORK?

Figuring out your actual points may require you to think back a little and dig up a few records, but that effort is necessary in order to allow the Commission to have the information it needs to treat everybody fairly. In many cases, though, we will have done a lot of the work for you, and when you write us for an application it will come back indicating what your records show many of your points to be. Of course, these records are not perfect, and you may have to add things or make corrections based on your records.

If you are applying for more than one fishery, you will have to figure your points separately for each fishery. You will have to indicate your past participation and economic dependence information separately for each fishery you are applying for. After we have gone through this example, you should have a fairly good idea of how to figure your own points using the actual systems shown in the proposed regulations.

Here is how the point system would work using the example shown earlier.

## PAST PARTICIPATION

A fisherman can score points under Past Participation in terms of two things: 1. The number of years he has fished, and 2. The consistency with which he fished during each of those years. Using the sample point system here is how it would work.

### Years Fished

Our example fisherman met the legal requirements of having held a gear license and harvested the fishery resource commercially before the January 1, 1973 cutoff date set in the law, so he is eligible to apply for a permanent permit.

How did he do under "Years Fished"? He fished in 1973 and 1974, but does not get points for these years because the law says that only experience prior to 1973 can be considered in the fisheries currently proposed for limited entry.

Our fisherman scored a total of 8 points for his fishing as a gear license holder between 1970 and 1972. He was ill in 1969 and did not fish, so he scored no points for that year.

Because he was a gear license holder in the fishery in 1967 and 1968, he scored two additional points. And he got another two because he had worked as a crewman in that fishery in 1965 and 1966.

Notice that it is not possible to score points both as a gear operator and as a crewman in the same year. If the fisherman had worked one boat as a gear license holder in 1968 and another as a crewman, he could only claim points for one or the other.

### Consistent Participation

Under Consistent Participation, our fisherman scored two points for 1972, when he fished more than seven weeks. But in 1971 he didn't score any points because he didn't fish the eight weeks minimum required to show consistency that year. In figuring out how many weeks he fished, the fisherman counted any calendar week he made at least one landing as a week fished.

He fished the seven week minimum in 1970, so he scored one point for that, but his illness in 1969 kept him from scoring a point for that year.

Under consistency of past participation, the example fisherman had to have fished a minimum number of weeks before he could score points for a year. Consistency is another way of measuring how much a person relies on a particular fishery. We know that the number of openfishing periods may vary in different places within the same fishery, and we recognize that there are also other things that make it impossible to measure consistency precisely. The minimum number of weeks attempts to draw a line between fishermen with serious professional reliance on the fishery and those without it, in terms of how many weeks they have fished.

### Point Weighting

In working with the points, you probably noticed that more weight has been given to the four years immediately preceding the 1973 qualification date cutoff than to earlier years. Fishermen's testimony at public hearings generally supported doing this. The Commission believes that a fisherman who stopped fishing some years ago, or is not fishing every year, is indicating a lack of actual reliance on the particular fishery he is applying for. This means that in most cases he would experience less hardship if he didn't get a permanent entry permit than someone who is fishing regularly.

Points are also given for years that a fisherman has worked as a crewman in a fishery, since work as a crewman also indicates a pattern of general reliance on the fishery.

## ECONOMIC DEPENDENCE

A fisherman can score points under Economic Dependence in terms of three things: 1.) his income dependence; 2.) his investment in vessel and gear; and 3.) the availability of alternative occupations. Let's see how the example fisherman scored in these areas.

### Income Dependence Percentage

The "Income Dependence Percentage" is probably the hardest thing in the point system for the example fisherman to figure out. Finding out what his percentage was for 1972 and 1971 required some checking of records and a little pencil and paper work.

Income dependence is very important, though, because it goes right to your pocketbook. The income dependence factor will balance earnings from fishing against earnings from other jobs or occupations. And, as you will see, this way of figuring income dependence incorporates two specific things that fishermen said at public hearings they felt were important:

1. If you are applying for an entry permit for a particular fishery, what you earned in any other fishery as either a crewman or a gear license holder will not count against you in figuring economic dependence.
2. If you have been able to save or invest some of

the money you made, that will not count against you.

To figure out your income dependence factor you have to know two things: your "annual catch value" and your "nonfishing occupational income."

The "annual catch value" is the number of pounds of the fishery resource harvested under your gear license in a year, multiplied by the average price per pound of the fishery resource during that year. In other words, it's the annual gross value of your catch, figured from the average prices for the area and year. Be sure you do not include the value of any catch from other fisheries. For example, a purse seiner would not include his power troll earnings. As a rough estimate of your "annual catch value", figure out how much you were paid each year for the fish that you caught in each fishery you are applying for.

Your "nonfishing occupational income" is your total gross earnings from wages, salaries, professional income, or other compensation for personal services excluding fishing. It does not include income on money you have saved, such as interest income, stock dividends, or returns on capital investments.

To figure your "income dependence percentage", first determine your "annual catch value" and your "nonfishing occupational income." Then add those two figures together and divide the total into your annual catch value.

$$\frac{(\text{annual catch value})}{(\text{annual catch value}) + (\text{non-fish occ. income})}$$

The answer is your "income dependence percentage". When the example fisherman determined his percentage, he found it was above 50 per cent for 1972 and between 25 per cent and 50 per cent for 1971, so he scored the points shown. The actual cutoff percentages will vary from fishery to fishery.

Work patterns in Alaska's fisheries are not the same. In some fisheries the seasons are shorter and more fishermen hold additional jobs than in others. To take such things into account, the "income dependence percentage" necessary to score points changes from fishery to fishery.

Income dependence is considered only for those two years because, as a general rule, a fisherman can't have had much economic dependence on a fishery if he didn't earn any money from it during the two years closest to our January 1, 1973 cutoff date.

There are two exceptions to this general rule. First, if the fishery you are applying for was closed during one of those two years, income dependence for the next closest year, 1970, is considered instead. Second, illness or equipment breakdowns may have kept a fisherman from fishing in 1971 or 1972, or other circumstances may exist which make this formula an unfair measure of a certain fisherman's income dependence. In such a case, if he can satisfactorily demonstrate his income dependence as of the qualification date, the commission can award him an appropriate number of points based on his special showing.

#### Investment in Vessel and Gear

Figuring out points for your investment in vessels and gear used in the fishery is easier than what we have just been through. The question to be answered is simple: What did you own as of December 31, 1972? Our example fisherman owned his vessel and gear that he used in the fishery he was applying for, and he got six points. If he owned more than one vessel in the same fishery, he would still score only six points. If he owned gear only--say he leases the vessel--then he would receive three points.

If the example fisherman had been applying for a set net fishery, he would be able to score points in a somewhat different way. He would not receive any points for vessel ownership, but he could receive points for owning a set net site. He would also receive some points if he owned only his gear.

In some areas of Alaska there are established patterns of set net site ownership. Sometimes the uplands may be owned and the tidelands leased; other times there may be only a transfer of established use rights. The example fisherman could receive points if he was in one of these areas and owned or held the recognized right to transfer a site.

In other areas of the state set net fishing is more mobile and established ownership patterns have not developed. The example fisherman could have received points only for his investment in gear or in related site improvements if he was in one of these areas.

#### Availability of Alternative Occupations

The final set of points that can be scored is under "Availability of Alternative Occupations". The example fisherman lived in a partially rural area as of December 31, 1972 and scored two points for that. However, he did not live in an area so rural that it was completely isolated from city jobs, so he did not score the maximum of 4 points.

How many other job opportunities a fisherman has depends a great deal on where he lives. Compared to fishermen in rural areas, most fishermen who live in urban areas have better access to alternative jobs other than fishing. Thus the fisherman in a rural area scores points toward an entry permit because getting another job would generally be harder for him than for a fisherman in the city.

Two categories of rural areas are defined in terms of the figures from the 1970 U. S. Census. The general rule is that you score four points for rural domicile if you live in a U. S. Census Bureau statistical area that is at least 80 per cent rural or has less than 10,000 people in it. The assumption here is that you are really isolated from any urban center where a variety of jobs might be available. Two points would be scored if you live in an area at least 40 per cent rural and with no more than 25,000 people. This is less rural but rules out those who live in large urban areas like Anchorage or Seattle where different kinds of jobs other than fishing are generally available.

In most cases, you can see how you would score here by checking the information provided later in this booklet. Your domicile is where you make your permanent home the greater part of the year. More information on the census characteristics of the area of your domicile is available in the U. S. Census Bureau publication called "General Social and Economic Characteristics" for your state. Ask any U. S. Department of Commerce field office or your local library about how to see a copy.

#### Who will Get a Permit?

Once you have worked through the point system for a fishery, the key question from a fisherman's view is probably "How many points do I need to get a permit?" Or, put more generally, "Who will get permits?"

Obviously, a high number of points will get you an entry permit. A low number of points may not. Two lines will be drawn on the point scale to determine what applicants receive permits. The first line identifies the "maximum number" of permits that can be issued. The second identifies "significant economic hardship".

The maximum number is the highest number of units of gear that fished in a fishery between 1969 and 1972. We are still working to be sure that number is as accurate as possible in each of the fisheries proposed for limited entry. The exact place on the point scale where a maximum number line falls will depend on the number of people who score at various point levels.

In our imaginary illustration, the maximum number line might fall between 17 and 18 points, so our example fisherman would have made it easily with 31 points. This means that the number of applicants who scored 18 points or higher equals the maximum number. Or, the line might fall right on 16 points. If the number of people with 16 points pushed the total number of permits over the maximum, then all fishermen who scored exactly 16 points would become part of a lottery. Out of all those scoring 16 points, names would be drawn at random to bring the number of permits up to the maximum.

Only one thing might allow the commission to issue more than the maximum number of permits. That is the "significant economic hardship" line. The "significant economic hardship" line is set in the proposed regulations as 20 points or more. Any applicant who scores 20 points or more is thus assured of receiving a permit. If more than the "maximum number" of fishermen score that number of points or higher, they will all receive permits. In most cases, however, less than the maximum number will score 20 points or more. Then the fishermen scoring 20 points or more will know for sure they're going to get permits, but remember, many fishermen scoring less than 20 points will also get permits until the maximum number is reached.

We do not know in detail who will apply for permits to any fishery, and we do not know how many points will be scored by how many applicants. So, until all of the applications have been acted upon no one can tell precisely how far down the point scale permits may be issued, or who will get a permit beyond those whose points are above the significant economic hardship line.

#### CONCLUSION

We have just taken a look at the type of point system the Commercial Fisheries Entry Commission proposes to use in applying limited entry to 21 salmon fisheries in 1975. While this was just an illustration, the real point systems are shown in the proposed regulations that follow.

The limited entry program was established to stabilize the number of units of gear participating in Alaska's commercial fisheries at levels that will allow good fisheries management and reasonable dollar returns to the fishermen.

Changing over to limited entry is bound to create some hardship. We hope that the point system proposed here is fair and will minimize that hardship so that the people who do not get permanent entry permits are those who will experience the least hardship. Even these people are not totally excluded from the fishery, because once permanent permits are issued they are in almost all cases "freely transferable". This means that a fisherman who wants to get into a fishery can do so by buying a permit from a fisherman who has one and is getting out of a fishery.

We have held more than 30 public hearings, we worked with the State Departments of Fish and Game and Revenue as well as the National Marine Fisheries Service and other state and federal agencies, and we have conducted our own independent research. The proposed point system is the result of our efforts to make sure that limited entry goes into effect with the least possible hardship and economic dislocation.

Your comments on these proposals will help us make whatever final adjustments are necessary to do the fairest possible job.

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS OF  
COMMERCIAL FISHERIES ENTRY COMMISSION

Pursuant to the Administrative Procedure Act (Alaska Statute 44.62) notice is hereby given that the Commercial Fisheries Entry Commission, under authority vested by AS 16.43.110, proposes to adopt, amend or repeal regulations which implement, interpret and make specific the provisions of AS 16.43.

The Commercial Fisheries Entry Commission will adopt, amend or repeal, or take no action on the proposed changes in regulations as listed in the following informative summary:

(1) In provisions concerning interim-use permits, the Commission proposes that:

- (A) 20 AAC 05.010 (administrative areas) be repealed;
- (B) 20 AAC 05.020 (fees) be repealed;
- (C) 20 AAC 05.040 (annual renewal) be repealed;
- (D) 20 AAC 05.050 be amended to change the types of hardship transfers of interim-use permits.

(2) In the provisions concerning the general permit requirement:

- (A) require an interim-use permit or entry permit to operate gear for the commercial taking of fishery resources;
- (B) require an interim-use permit or entry permit to possess fish or shellfish for a commercial purpose aboard a vessel equipped with commercial fishing gear;
- (C) provide for application procedures for interim-use permits;
- (D) establish the conditions for temporary transfers of interim-use permits;
- (E) require notification of loss or theft.

(3) In the general area of a fisheries identification system and permit fees:

- (A) establish a fisheries identification system;
- (B) establish fishery resource codes;
- (C) establish gear codes and permit fee schedules;
- (D) provide for annual renewal of permits;

(E) establish administrative areas.

(4) For the appropriate fisheries, establish the maximum number of entry permits.

(5) Establish a priority classification system for ranking applicants for entry permits according to hardship:

- (A) establish a point system for each fishery, with points awarded for economic dependence on a fishery and past participation in a fishery;
- (B) priority classifications will be established based on the points received;
- (C) past participation will include years fished in the fishery and consistency of that participation;
- (D) past participation will include points for years fished as a crewman and as a gear license holder;
- (E) economic dependence will include percentage of income derived from the fishery, reliance on alternative occupations, availability of alternative occupations and investment in vessels, gear and set net sites;
- (F) designate significant and minor hardship classifications.

(6) Establish a system for issuing entry permits:

- (A) establish rules for the completion of applications, the application forms, and the time for filing;
- (B) the applicant has burden to show qualification for an entry permit;
- (C) the commission shall base its decision to award or deny an entry permit on its own data and the data it requests from the applicant;
- (D) those applicants in the priority classifications designated as including those who would suffer significant economic hardship will receive an entry permit, other permits will be awarded in order of descending priority classifications according to the procedures established by the commission;
- (E) administrative appeals will be allowed within 45 days from notice of classification or denial of a permit;
- (F) establish procedures for issuing interim-use permits

while appeals are pending.

(7) Establish a system for transferring or renewing entry permits:

- (A) permits may be transferred only through the commission according to its regulations;
- (B) the permit holder must file a notice of intent to transfer a permit with the commission at least 60 days before transfer;
- (C) the notice of intent to transfer may be revoked;
- (D) the notice may be given when application is made for the permit;
- (E) an application for transferring a permit will be approved only when there is an effective notice of intent to transfer on file with the commission;
- (F) the holder or the proposed transferee may appeal the commission's denial of transfer;
- (G) temporary transfers will be allowed in cases of unavoidable hardship;
- (H) a permit becomes part of the personal estate upon the death of the holder.

(8) Establish a system of administrative adjudication covering:

- (A) when an administrative appeal will be granted;
- (B) notice of the hearing will be given to the applicant or party;
- (C) relevant evidence may be introduced at the hearing;
- (D) applicants have the burden of showing the commission's initial determination is erroneous;
- (E) the common law rules of evidence;
- (F) continuances or reconsiderations may be granted on a showing of good cause;
- (G) decision will be based on the evidence presented at the hearing and will be in writing.

(9) Miscellaneous provisions covering:

- (A) procedures for communicating with the commission

and the authority for responding on behalf of the commission;

- (B) procedures for payment of fees to the commission;
- (C) charge for furnishing materials in the commission's possession, upon request, except no charge for materials needed to prosecute an appeal;
- (D) no access by the public for records designated as confidential;
- (E) individual file for each applicant;
- (F) a party may be represented at proceedings before the commission by an attorney, or some other person at the commission's discretion.

Copies of the proposed regulations may be obtained by writing:

Commercial Fisheries Entry Commission  
Pouch KB  
Juneau, Alaska 99801

Written comments must be received by the Commission prior to October 1, 1974. Hearings will be held at which oral testimony will be taken prior to October 1, 1974, as the Commission deems necessary. An initial schedule of hearings will be announced in the near future, and may be obtained by writing the Commission at the above address.

THE PROPOSED REGULATIONS ARE SUBJECT TO CHANGE PRIOR TO ADOPTION.

The Commercial Fisheries Entry Commission upon its own motion or at the instance of an interested party, may thereafter adopt the proposed regulations substantially as set out in the informative summary without further notice.

DATED: July 16, 1974.

Commercial Fisheries Entry Commission

/s/ Roy A. Rickey  
Acting Chairman

/s/ Charles J. Stovall  
Commissioner

TITLE 20. MISCELLANEOUS BOARDS AND COMMISSIONS.

CHAPTER 05. COMMERCIAL FISHERIES ENTRY COMMISSION

Article

1. Permit Requirement; Interim-Use Permits
2. Fishery Identification System, Administrative Areas and Annual Fees
3. Designated Fisheries
4. Priority Classification of Applicants
5. Issuance of Entry Permits
6. Transfer of Entry Permits
7. Administrative Hearing and Adjudication
8. Practice Before the Commission

ARTICLE 1. PERMIT REQUIREMENTS; INTERIM-USE PERMITS.

Section

10. Permit Required to Operate Gear (adopted as emergency regulation)
20. Permit Required to Possess Fish or Shellfish (adopted as emergency regulation)
30. Application Procedures
40. Temporary Transfer (change proposed)
50. Notification of Loss or Theft

20 AAC 05.010. PERMIT REQUIRED TO OPERATE GEAR. (a) It is unlawful for any person to operate gear within all waters subject to the jurisdiction of the state for the commercial taking of fishery resources without a valid interim-use permit or entry permit issued by the commission authorizing him to operate that type of gear in that fishery.

(b) An interim-use permit or entry permit is not required for a person assisting in the operation of gear so long as the holder of the interim-use permit or entry permit for that gear is present and actively engaged in the operation of the gear.

Authority: AS 16.43.110(a)  
AS 16.43.140(a)

20 AAC 05.020. PERMIT REQUIRED TO POSSESS FISH OR SHELLFISH. (a) It is unlawful for any person to possess within all waters subject to the jurisdiction of the state, aboard a vessel equipped with commercial fishing gear, any fish or shellfish taken for a commercial purpose unless such person has in his possession a valid interim-use permit or entry permit authorizing him to take the fish or shellfish in his possession with the type of gear with which the vessel is equipped.

(b) As used in this section, a "commercial purpose" includes any sale, purchase, trade, or gift, or any transportation which forms part of a commercial transaction.

Authority: AS 16.43.110(a)  
AS 16.43.140(a)

20 AAC 05.030. APPLICATION PROCEDURES FOR INTERIM-USE PERMITS. (a) Application for the issuance of an interim-use permit may be made to the commission, on a form provided by the commission, either by mail or in person during regular office hours.

(b) Each application must be signed by the applicant and accompanied by a check or money order for the total fee for the permit or permits being applied for.

(c) The commission may require an applicant to submit an affidavit or other evidence supporting his application.

(d) Applications for 1974 interim-use permits for the drift gill net fisheries in administrative areas T, H and E must be accompanied by an affidavit or other evidence establishing to the satisfaction of the commission that before January 1, 1973 the applicant harvested the fishery resource commercially from the administrative area being applied for while holding a drift gill net license issued under AS 16.05.570. (Effective 12/21/73, Register 48)

Authority: AS 16.43.100(a) (13)  
AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.210(a)  
AS 16.43.210(e)  
AS 16.43.220(a)

20 AAC 05.040. TEMPORARY TRANSFER. Application for the temporary transfer of an interim-use permit to alleviate hardship may be made at any time on a form provided by the commission, and must be accompanied by an affidavit and any other evidence the commission finds necessary to establish the facts justifying the temporary transfer. (Effective 12/21/73, Register 48)

Authority: AS 16.43.100  
AS 16.43.110(a)  
AS 16.43.180  
AS 16.43.220(b)

20 AAC 05.050. NOTIFICATION OF LOSS OR THEFT. The holder of an interim-use permit must promptly notify the commission of the loss or theft of his interim-use permit,

and a request for a duplicate permit must be accompanied by an affidavit of the facts surrounding the loss or theft. (Effective 12/21/73, Register 48)

Authority: AS 16.43.110(a)  
AS 16.43.220(a)

ARTICLE 2. FISHERY IDENTIFICATION SYSTEM, ADMINISTRATIVE AREAS, ANNUAL FEES AND ANNUAL RENEWAL OF PERMITS

Section

100. Fishery Identification System
110. Fishery Resource Codes
120. Gear Codes and Schedule of Annual Fees
130. Renewal
140. Administrative Areas

20 AAC 05.100. FISHERY IDENTIFICATION SYSTEM. (a) For the purposes of issuing interim-use permits and entry permits, administering the collection of annual fees, and other purposes required for the administration of AS 16.43, the commission will maintain a fishery identification system which will be used to designate the specific fishery for which an interim-use permit or entry permit is issued. Each fishery will be identified as the commercial taking of a specific fishery resource with a specific type of gear in a specific administrative area.

(b) A system of letter and number codes will be used to designate, for each interim-use permit or entry permit:

- (1) the specific fishery resource (e.g. salmon) for which the permit is issued,
- (2) the specific type of gear (e.g. drift gill net) for which the permit is issued, and
- (3) the specific administrative area (e.g. Cook Inlet) for which the permit is issued.

(c) Each fishery will be identified using a four place letter and number code with the first place being a single letter designating the fishery resource, the second and third place being a two-digit number code designating the type of gear, and the fourth place being a single letter code designating the administrative area.

Authority: AS 16.43.100(a) (3)  
AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.140(c)  
AS 16.43.150(a)  
AS 16.43.200(a)  
AS 16.43.380(3)

20 AAC 05.110. FISHERY RESOURCE CODES. The following letter codes will be used to designate the specific fishery resource for which an interim-use permit or entry permit is issued:

| Code                    | Code          |
|-------------------------|---------------|
| C Black Cod             | K King Crab   |
| M Bottomfish            | R Razor Clam  |
| D Dungeness Crab        | S Salmon      |
| F Freshwater Fish       | P Shrimp      |
| B Halibut               | T Tanner Crab |
| H Herring               | X Other       |
| L Herring Spawn on Kelp |               |

Authority: AS 16.43.100(a) (1)  
AS 16.43.110(a)  
AS 16.43.140(c)

20 AAC 05.120. GEAR CODES AND SCHEDULE OF ANNUAL FEES. The number codes on the schedule below will be used to designate the specific type of gear for which an interim-use permit or entry permit is issued. The annual fee for the issuance or annual renewal of an interim-use permit or entry permit for a particular type of gear is established as shown on the following schedule:

Gear Codes and Annual Fees

| Code                | Annual Fee | Code                  | Annual Fee |
|---------------------|------------|-----------------------|------------|
| 01 purse seine*     | \$ 60      | 07 otter trawl        | \$100      |
| 02 beach seine      | \$ 20      | 17 beam trawl         | \$ 50      |
| 03 drift gill net   | \$ 50      | 09 pot gear** (vessel |            |
| 04 set gill net     | \$ 20      | keel length 50'       |            |
| 05 hand troll       | \$ 20      | or less)              | \$ 50***   |
| 15 power troll      | \$ 50      | 19 pot gear (vessel   |            |
| 06 longline gear    |            | keel length over 50') | \$100      |
| (vessel keel length |            | 21 dredge             | \$100      |
| 26' or less)        | \$ 20      | 18 shovel             | \$ 10      |
| 16 longline gear    |            | 08 fishwheel          | \$ 10      |
| (vessel keel length |            | 44 other              | \$ 10      |
| over 26')           | \$ 60      |                       |            |

\* Purse seine includes hand purse seine

\*\* Includes: king crab, tanner crab, dungeness crab, bottomfish, black cod and shrimp

\*\*\* Shrimp pot gear fee is \$20 for any length vessel.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.140(c)  
AS 16.43.160(a)

20 AAC 05.130. ANNUAL RENEWAL. Application for the annual renewal of an interim-use permit or entry permit may be made to the commission either by mail or in person, during regular office hours, on a form provided by the commission. The commission will establish the opening dates for the receipt of annual renewal applications for each fishery.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.150(c)

20 AAC 05.140. ADMINISTRATIVE AREAS. (a) For the purpose of issuing interim-use permits and entry permits, the administrative areas described in the schedule below are established. The letter codes shown on this schedule will be used to designate the specific administrative area for which an interim-use permit or entry permit is issued.

(1) Administrative Areas

| Code Letter | Name and Description                                                                                                                                                                                                                                                          |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A           | Southeastern Alaska Area - all waters subject to the jurisdiction of the state between the longitude of Cape Fairweather and Dixon Entrance                                                                                                                                   |
| D           | Yakutat Area - all waters subject to the jurisdiction of the state between the longitude of Cape Suckling and the longitude of Cape Fairweather                                                                                                                               |
| E           | Prince William Sound Area - all waters subject to the jurisdiction of the state between the longitude of Cape Fairfield and the longitude of Cape Suckling                                                                                                                    |
| H           | Cook Inlet Area - all waters subject to the jurisdiction of the state north of a line extending east from Cape Douglas and west of the longitude of Cape Fairfield                                                                                                            |
| K           | Kodiak Area - all waters subject to the jurisdiction of the state east of the longitude of Kilokak Rocks at 57° 11' 22" North latitude, 156° 20' 13" West longitude and south of a line extending east from Cape Douglas                                                      |
| L           | Chignik Area - all waters subject to the jurisdiction of the state on the south side of the Alaska Peninsula between the longitude of Kilokak Rocks at 57° 11' 22" North latitude, 156° 20' 13" West longitude and a line extending southwest from Kupreanof Point            |
| M           | Alaska Peninsula-Aleutian Island Area - all waters subject to the jurisdiction of the state 1) in the Bering Sea between Cape Menashikof and 172° East longitude, and 2) in the Pacific Ocean between 172° East longitude and a line extending southwest from Kupreanof Point |
| T           | Bristol Bay Area - all waters subject to the jurisdiction of the state in Bristol Bay east of a line from Cape Newenham to Cape Menashikof                                                                                                                                    |
| U           | Northern Alaska Area - all waters subject to the jurisdiction of the state between the longitude of Demarcation Point and the latitude of Point Hope                                                                                                                          |
| V           | Port Clarence Area - all waters subject to the jurisdiction of the state in the Bering Sea between the latitude of Cape Prince of Wales and a line extending southwest from Cape Douglas                                                                                      |
| W           | Kuskokwim Area - all waters subject to the jurisdiction of the state in the Bering Sea between 62° North latitude and a line extending southwest from Cape Newenham including the waters of Nunivak Island and St. Matthew Island                                             |
| X           | Kotzebue Area - all waters subject to the jurisdiction of the state between the latitude of Point Hope and the latitude of Cape Prince of Wales                                                                                                                               |

Yukon Area - all waters subject to the jurisdiction of the state in the Bering Sea and Norton Sound between the longitude of Cape Stephens and 62° North latitude including the waters of Stuart Island

Norton Sound Area - all waters subject to the jurisdiction of the state in Norton Sound between a line extending southwest from Cape Douglas and the longitude of Cape Stephens

I) Statewide Area - all waters subject to the jurisdiction of the state

(2) Special King Crab Administrative Areas

| Code Letter | Name and Description                                                                                                                                                                                                                                                                                       |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| J           | Southeastern Alaska - Yakutat Area - all waters subject to the jurisdiction of the state between the longitude of Cape Suckling and Dixon Entrance                                                                                                                                                         |
| E           | Prince William Sound Area - all waters subject to the jurisdiction of the state between the longitude of Cape Fairfield and the longitude of Cape Suckling                                                                                                                                                 |
| K           | Kodiak Area - all waters subject to the jurisdiction of the state south of a line extending east from Cape Douglas and east of the longitude of Cape Kumlik                                                                                                                                                |
| M           | Alaska Peninsula Area - all waters subject to the jurisdiction of the state in the Pacific Ocean east of the longitude of Scotch Cap Light to the longitude of Cape Kumlik. All waters of Isanotski Strait and Bechevin Bay, south of a line from Chunak Point to Cape Krenitzen are included in this area |
| O           | Dutch Harbor Area - all waters subject to the jurisdiction of the state east of 172° West longitude to the longitude of Scotch Cap Light and south of 54° 36' North latitude                                                                                                                               |
| Q           | Bering Sea Area - all waters subject to the jurisdiction of the state in the Bering Sea and Chukchi Sea north of 54° 36' North latitude, including all tributary bays except Isanotski Strait and Bechevin Bay north of a line from Chunak Point to Cape Krenitzen                                         |
| R           | Adak Area - all waters subject to the jurisdiction of the state between 172° West longitude and 179° 15' West longitude                                                                                                                                                                                    |
| S           | Western Aleutians Area - all waters subject to the jurisdiction of the state between 179° 15' West longitude and 172° East longitude                                                                                                                                                                       |

(b) Each administrative area listed in (1)(a) of this section shall include all fresh waters of Alaska draining into the ocean between the points on the coastline which designate the boundaries of the administrative area.

Authority: AS 16.43.100(a)(3)  
AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.200(a)  
AS 16.43.200(b)

ARTICLE 3. DESIGNATED FISHERIES

Section  
200. Distressed Fisheries  
210. Other Designated Fisheries  
220. Maximum Number of Entry Permits

20 AAC 05.200. DISTRESSED FISHERIES. The commission designates the following fisheries as distressed fisheries based upon its estimate that the optimum number of entry permits for these fisheries will be less than the highest number of units of gear fished in these fisheries during any one of the four years immediately preceding January 1, 1973:

- (1) salmon-drift gill net fishery - Southeastern Alaska (A);
- (2) salmon-drift gill net fishery - Prince William Sound (E);
- (3) salmon-drift gill net fishery - Cook Inlet (H);
- (4) salmon-set gill net fishery - Cook Inlet (H);

- (5) salmon-purse seine fishery - Kodiak (K);
- (6) salmon-drift gill net fishery - Alaska Peninsula-Aleutians (M);
- (7) salmon-drift gill net fishery - Bristol Bay (T);
- (8) salmon-set gill net fishery - Bristol Bay (T);

Authority: AS 16.43.110(a)  
AS 16.43.230

20 AAC 05.210. OTHER DESIGNATED FISHERIES. The commission finds that the following fisheries have reached levels of participation which require the limitation of entry:

- (1) salmon-purse seine fishery - Southeastern Alaska (A);
- (2) salmon-power troll fishery - Statewide;
- (3) salmon-set gill net fishery - Yakutat (D);
- (4) salmon-purse seine fishery - Prince William Sound (E);
- (5) salmon-set gill net fishery - Prince William Sound (E);
- (6) salmon-purse seine fishery - Cook Inlet (H);
- (7) salmon-beach seine fishery - Cook Inlet (H);
- (8) salmon-set gill net fishery - Kodiak (K);
- (9) salmon-beach seine fishery - Kodiak (K);
- (10) salmon-purse seine fishery - Chignik (L);
- (11) salmon-purse seine fishery - Alaska Peninsula-Aleutians (M);
- (12) salmon-set gill net fishery - Alaska Peninsula-Aleutians (M);
- (13) salmon-beach seine fishery - Alaska Peninsula-Aleutians (M).

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.240(b)

20 AAC 05.220. MAXIMUM NUMBER OF ENTRY PERMITS. The maximum number of entry permits for each of the fisheries designated under sec. 200 or sec. 210 of this chapter is established as follows:

| <u>Fishery</u>                                                             | <u>Maximum Number of Entry Permits</u> |
|----------------------------------------------------------------------------|----------------------------------------|
| (1) salmon-drift gill net fishery<br>Southeastern Alaska (A) . . .         | 474                                    |
| (2) salmon-purse seine fishery<br>Southeastern Alaska (A) . . .            | 400                                    |
| (3) salmon-power troll fishery . . . .                                     | 795                                    |
| (4) salmon-set gill net fishery<br>Yakutat (D) . . .                       | 142                                    |
| (5) salmon-drift gill net fishery<br>Prince William Sound (E) . . .        | 520                                    |
| (6) salmon-purse seine fishery<br>Prince William Sound (E) . . .           | 243                                    |
| (7) salmon-set gill net fishery<br>Prince William Sound (E) . . .          | 23                                     |
| (8) salmon-drift gill net fishery<br>Cook Inlet (H) . . .                  | 625                                    |
| (9) salmon-set gill net fishery<br>Cook Inlet (H) . . .                    | 525                                    |
| (10) salmon-purse seine fishery<br>Cook Inlet (H) . . .                    | 69                                     |
| (11) salmon-beach seine fishery<br>Cook Inlet (H) . . .                    |                                        |
| (12) salmon-purse seine fishery<br>Kodiak (K) . . .                        | 358                                    |
| (13) salmon-set gill net fishery<br>Kodiak (K) . . .                       | 147                                    |
| (14) salmon-beach seine fishery<br>Kodiak (K) . . .                        | 31                                     |
| (15) salmon-purse seine fishery<br>Chignik (L) . . .                       | 80                                     |
| (16) salmon-drift gill net fishery<br>Alaska Peninsula-Aleutians (M) . . . | 161                                    |

- (17) salmon-purse seine fishery  
Alaska Peninsula-Aleutians (M) . . . 122
- (18) salmon-set gill net fishery  
Alaska Peninsula-Aleutians (M) . . . 81
- (19) salmon-beach seine fishery  
Alaska Peninsula-Aleutians (M) . . .
- (20) salmon-drift gill net fishery  
Bristol Bay (T) . . . 1710
- (21) salmon-set gill net fishery  
Bristol Bay (T) . . . 623

Authority: AS 16.43.110(a)  
AS 16.43.240(a)  
AS 16.43.240(b)

#### ARTICLE 4. PRIORITY CLASSIFICATIONS

##### Section

300. Priority Classification System
310. Past Participation
320. Economic Dependence
330. Definitions
340. Point System for Designated Fisheries
350. Designation of Significant and Minor Hardship Classifications
360. Special Rules for Use of the Point System

20 AAC 05.300. PRIORITY CLASSIFICATION SYSTEM. (a) For each fishery for which a maximum number of entry permits has been established under sec. 200 et seq. of this chapter the commission will adopt regulations defining priority classifications in terms of a point system for ranking applicants for entry permits. These priority classifications will be based upon a reasonable balance of the hardship standards of degree of economic dependence upon the fishery and extent of past participation in the fishery. The commission will use the following classification system except for those fisheries where special circumstances are found to require modification of the classification system, considering the number of applicants, the variance in their qualifications, the history of the fishery, and the purposes of AS 16.43.

(b) A point scale from 0-20 will be established for each of the two hardship standards: (1) economic dependence and (2) past participation. A greater number of points will represent a greater degree of economic dependence or a greater degree of past participation.

(c) Each applicant will be ranked on these two point scales according to the number of points that his qualifications as of the qualification date entitle him under the regulations adopted pursuant to sec. 340 of this chapter establishing a point system for the particular fishery.

(d) The commission will assign an applicant to one of 40 priority classifications designated by the numbers 0-40 based on the total points derived from the applicant's ranking on the point scales for the two hardship standards. The higher the number of the priority classification, the greater the degree of hardship the applicant would suffer by exclusion from the fishery.

(e) The commission will designate:

(1) an upper range of priority classifications including those applicants who would suffer significant economic hardship by exclusion from the fishery, and therefore will receive entry permits as required by AS 16.43.270(a), and

(2) a lower range of priority classifications including those applicants who would suffer only minor economic hardship by exclusion from the fishery, and therefore may have certain restrictions placed upon the transfer of any entry permit they may receive as required by AS 16.43.170(c).

(f) The designations made in (e) of this section may leave a middle range of priority classifications subject to neither AS 16.43.270(a) or AS 16.43.170(c).

Authority: AS 16.43.100(a)(1)  
AS 16.43.100(a)(2)  
AS 16.43.100(a)(6)  
AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.250(a)  
AS 16.43.250(b)

20 AAC 05.310. PAST PARTICIPATION. The standard of past participation in the fishery includes the number of years participation in the fishery and the consistency of participation during each year. The commission must determine an applicant's extent of past participation as of the qualification date established under AS 16.43.260(d) and (e), and will apply the above two factors as follows:

(1) The commission will rank an applicant as to the number of years participation by considering the number of years the applicant has harvested the fishery resource as a gear license holder and his number of years participation as a crewman with greater weight being given to participation in recent years and to participation as a gear license holder.

(2) The commission will rank an applicant as to consistency of participation by considering the number of weeks of the season in which the applicant harvested the fishery resource. This factor will be given less weight than the number of years of participation.

Authority: AS 16.43.100(a)(6)  
AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.250(a)(2)

20 AAC 05.320. DEGREE OF ECONOMIC DEPENDENCE. The standard of economic dependence upon the fishery includes a consideration of percentage of income derived from the fishery, reliance on alternative occupations, availability of alternative occupations, and investment in vessels, gear and set net sites. The commission must determine an applicant's economic dependence as of the qualification date established under AS 16.43.250(d) and (e) and will therefore give primary weight to evidence from the years immediately preceding the qualification date and will consider the above four factors as follows:

(1) The commission will rank an applicant as to the two factors of percentage of income derived from the fishery and reliance on alternative occupations by considering the relation between "annual catch value" and "non-fishing occupational income", expressed as an "income dependence percentage" as these terms are defined in 20 AAC 05.330. A higher income dependence percentage indicates a higher degree of economic dependence upon the fishery since it involves either a higher percentage of total income derived from the fishery or a lower degree of reliance on non-fishing occupations or both.

(2) The commission will rank an applicant as to the factor of investment in vessels, gear and set net sites, if the applicant, on the qualification date, was the owner of a vessel, gear or set net site used in the fishery for which he is applying. In the case of a set net site, the commission will consider the owner to be the person or persons who could rightfully exercise the power to sell or transfer the set net site according to the accepted customs

and usages of the area. Since hardship under this factor is not necessarily related to the total value of specific vessels, gear, or set net sites, the commission will not consider the relative market values of different vessels, gear, or set net sites. In cases where a vessel, gear or set net site was owned jointly or in a corporate capacity, an applicant's points will be determined by multiplying his percentage of ownership interest times the total number of points possible and rounding off the result to the nearest whole point.

(3) The commission will rank an applicant as to the factor of availability of alternative occupations by considering whether his place of domicile is rural or urban.

Authority: AS 16.43.100(a)(6)  
AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.250(a)(1)

20 AAC 05.330. DEFINITIONS. In chapter 05 of this title:

(1) "annual catch value" is the number of pounds of the fishery resource attributable to an applicant in a given year times the average price per pound of the fishery resource during the year;

(2) "income dependence percentage" is the annual catch value divided by the sum of the annual catch value and the non-fishing occupational income;

(3) "non-fishing occupational income" is the total gross earnings of an applicant from wages, salaries, professional income, or other compensation for personal services, including that portion of the gross return from non-fishing self-employment which fairly constitutes a return on labor. It does not include compensation from the commercial harvest of fishery resources, or income on capital such as interest income, dividends, or similar investment income. In the circumstances described in 20 AAC 05.360(a) the income of the applicant's entire household shall be considered as therein described.

(4) "qualification date" is January 1, 1973, except that in the case of fisheries for which the commission establishes a maximum number of permits after January 1, 1975, the qualification date is January 1 of the year during which the commission establishes a maximum number of permits for the fishery.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)

## 20 AAC 05.340. POINT SYSTEM FOR DESIGNATED FISHERIES.

(a) Up to a maximum of 20 points will be awarded an applicant for past participation in a fishery based upon the following schedule:

| Year Fished As a<br>Gear License Holder | Points for Consistent<br>Participation                                            |        |
|-----------------------------------------|-----------------------------------------------------------------------------------|--------|
|                                         | Minimum number of weeks<br>fished as shown in schedule<br>(d) (1) of this section | Points |
| 1972                                    |                                                                                   | 2      |
| 1971                                    |                                                                                   | 2      |
| 1970                                    |                                                                                   | 1      |
| 1969                                    |                                                                                   | 1      |

1 point for each additional year of actual participation as a gear license holder from 1965-1968.

1 point for each year of actual participation as a crewman only in the fishery from 1965-1972.

(b) Up to a maximum of 20 points will be awarded an applicant for economic dependence upon a fishery based upon the following schedule:

(1) Income Dependence Percentage as shown for each fishery in the schedule in (d) of this section. (Maximum of 10 points possible)

| Year | Minimum Percentage                    | Points |
|------|---------------------------------------|--------|
| 1972 | Percentage A from schedule in (d) (2) | 6      |
| 1972 | Percentage B from schedule in (d) (2) | 3      |
| 1971 | Percentage A from schedule in (d) (2) | 4      |
| 1971 | Percentage B from schedule in (d) (2) | 2      |

(2) Special showing of income dependence as provided in (c) of this section. Maximum of 10 points possible.

(3) Investment in vessel, gear or set net site as of qualification date. Maximum of 6 points possible.

own vessel or set net site  
(with or without gear) . . . . . 6 points  
own gear only . . . . . points

(4) Availability of alternative occupations in applicant's place of domicile as of the qualification date. Maximum of 4 points possible.

Domicile in a census district or county with a population that is more than 80% rural or has a total population of under 10,000 . . . . . 4 points

Domicile in a census district or county with a population that is more than 40% rural or has a total population of under 25,000 . . . . . 2 points

(c) If special circumstances exist such that an applicant's income dependence is not realistically or reasonably reflected by the income dependence percentage for the years 1971 and 1972, the commission may award an applicant up to the maximum of 10 points based upon a special showing of income dependence.

(d) The commission will use the following schedule in determining an applicant's points for consistent participation and income dependence:

(1) consistent participation:

| Fisheries                                                     | Minimum number of weeks<br>fished to show consistent<br>participation |      |      |      |
|---------------------------------------------------------------|-----------------------------------------------------------------------|------|------|------|
|                                                               | 1969                                                                  | 1970 | 1971 | 1972 |
| Salmon-drift gill net-<br>Southeastern . . . . .              | 7                                                                     | 7    | 6    | 7    |
| Salmon-drift gill net-<br>Prince William Sound. . . . .       | 4                                                                     | 4    | 4    | 4    |
| Salmon-drift gill net-<br>Cook Inlet. . . . .                 | 3                                                                     | 3    | 2    | 3    |
| Salmon-set gill net-<br>Cook Inlet. . . . .                   | 3                                                                     | 3    | 2    | 3    |
| Salmon purse-seine-<br>Kodiak. . . . .                        | 4                                                                     | 4    | 4    | 4    |
| Salmon-drift gill net-<br>Alaska Peninsula-Aleutians. . . . . | 3                                                                     | 3    | 3    | 3    |
| Salmon-drift gill net-<br>Bristol Bay. . . . .                | 3                                                                     | 3    | 3    | 3    |

| Fisheries                                             | Minimum number of weeks<br>fished to show consistent<br>participation. |      |      |      |
|-------------------------------------------------------|------------------------------------------------------------------------|------|------|------|
|                                                       | 1969                                                                   | 1970 | 1971 | 1972 |
| Salmon-set gill net-<br>Bristol Bay . . . . .         | 3                                                                      | 3    | 3    | 3    |
| Salmon-purse seine-<br>Southeastern. . . . .          | 4                                                                      | 7    | 6    | 8    |
| Salmon-power troll-<br>Statewide . . . . .            | 6                                                                      | 8    | 8    | 8    |
| Salmon-set gill net-<br>Yakutat. . . . .              | 6                                                                      | 7    | 7    | 7    |
| Salmon-purse seine-<br>Prince William Sound . . .     | 3                                                                      | 3    | 5    | -    |
| Salmon-set gill net-<br>Prince William Sound . . .    | 4                                                                      | 4    | -    | 4    |
| Salmon-purse seine-<br>Cook Inlet . . . . .           | 2                                                                      | 2    | 2    | 2    |
| Salmon-beach seine-<br>Cook Inlet. . . . .            | -                                                                      | 2    | 2    | 2    |
| Salmon-set gill net-<br>Kodiak . . . . .              | 3                                                                      | 3    | 3    | 3    |
| Salmon-beach seine-<br>Kodiak . . . . .               | 2                                                                      | 2    | 2    | 2    |
| Salmon-purse seine-<br>Chignik . . . . .              | 4                                                                      | 4    | 4    | 4    |
| Salmon-purse seine-<br>Alaska Peninsula-Aleutians. .  | 3                                                                      | 3    | 3    | 3    |
| Salmon-set gill net-<br>Alaska Peninsula-Aleutians. . | 3                                                                      | 3    | 3    | 3    |
| Salmon-beach seine-<br>Alaska Peninsula-Aleutians. .  | -                                                                      | -    | -    | -    |

(2) income dependence:

| Fisheries                                              | percentage A |      | percentage B |      |
|--------------------------------------------------------|--------------|------|--------------|------|
|                                                        | 1971         | 1972 | 1971         | 1972 |
| Salmon-drift gill net-<br>Southeastern. . . . .        | 90           | 90   | 70           | 50   |
| Salmon-drift gill net-<br>Prince William Sound . . . . | 90           | 90   | 50           | 50   |
| Salmon-drift gill net-<br>Cook Inlet . . . . .         | 80           | 80   | 40           | 50   |
| Salmon-set gill net-<br>Cook Inlet . . . . .           | 90           | 90   | 40           | 40   |
| Salmon-purse seine-<br>Kodiak . . . . .                | 90           | 80   | 50           | 50   |
| Salmon-drift gill net-<br>Alaska Peninsula-Aleutians . | 90           | 90   | 60           | 60   |
| Salmon-drift gill net-<br>Bristol Bay . . . . .        | 80           | 60   | 40           | 20   |
| Salmon-set gill net-<br>Bristol Bay. . . . .           | 90           | 70   | 40           | 20   |
| Salmon-purse seine-<br>Southeastern. . . . .           | 90           | 70   | 90           | 70   |
| Salmon-power troll-<br>Statewide . . . . .             | 90           | 90   | 40           | 30   |
| Salmon-set gill net-<br>Yakutat . . . . .              | 90           | 70   | 60           | 40   |
| Salmon-purse seine-<br>Prince William Sound. . . . .   | 90*          | 90*  | 60*          | 60*  |
| Salmon-set gill net-<br>Prince William Sound . . . .   | 80           | 80   | 40           | 40   |
| Salmon-purse seine-<br>Cook Inlet . . . . .            | 80           | 60   | 40           | 30   |
| Salmon-beach seine-<br>Cook Inlet . . . . .            | 80           | 60   | 40           | 30   |

| Fisheries                                              | percentage A |      | percentage B |      |
|--------------------------------------------------------|--------------|------|--------------|------|
|                                                        | 1971         | 1972 | 1971         | 1972 |
| Salmon-set gill net-<br>Kodiak. . . . .                | 70           | 70   | 30           | 30   |
| Salmon-beach seine-<br>Kodiak . . . . .                | 90           | 80   | 50           | 50   |
| Salmon-purse seine-<br>Chignik . . . . .               | 90           | 90   | 70           | 70   |
| Salmon-purse seine-<br>Alaska Peninsula-Aleutians . .  | 90           | 90   | 50           | 50   |
| Salmon-set gill net-<br>Alaska Peninsula-Aleutians . . | 90           | 90   | 50           | 50   |
| Salmon-beach seine-<br>Alaska Peninsula-Aleutians . .  | 90           | 90   | 30           | 30   |

\* Prince William Sound purse seine fisheries shown the years 1970 and 1971 for income percentages.

Authority: AS 16.43.100(a)(1)  
AS 16.43.100(a)(2)  
AS 16.43.100(a)(6)  
AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.250(a)(1)  
AS 16.43.250(a)(2)

20 AAC 05.350. DESIGNATION OF SIGNIFICANT AND MINOR HARDSHIP CLASSIFICATIONS. (a) The commission designates the priority classifications 20 through 40 as classifications of applicants who would suffer significant economic hardship by exclusion from the fishery, and therefore will receive entry permits as required by AS 16.43.270(a).

(b) The commission designates the priority classifications 0-5 as classifications of applicants who would suffer only minor economic hardship by exclusion from the fishery, and therefore may have certain restrictions placed upon the transfer of any entry permit they may receive as required by AS 16.43.170(c).

Authority: AS 16.43.100(a)(2)  
AS 16.43.110(a)  
AS 16.43.250(b)  
AS 16.43.250(c)

20 AAC 05.360. SPECIAL RULES FOR USE OF THE POINT SYSTEM. (a) If the applicant was a dependent family member as of the qualification date then his points for income dependence will be determined based on either the income dependence percentage for the family unit as a whole, the income dependence percentage of the head of the household, or a special showing of income dependence under sec. 340(c).

(b) Due to the administrative closure of the salmon purse seine fishery for Prince William Sound (area F) during the entire 1972 season, those applicants who participated in that fishery prior to 1972 will be awarded the same number of points for past participation in 1972 as for the last year they actually fished. Those applicants who can show that they had purchased or contracted to purchase a vessel and would have fished as purse seine gear license holders for the first time in 1972 except for the closure, are deemed eligible to apply for an entry permit, and will be awarded the maximum number of points for participation in 1972.

(c) An applicant who is eligible to apply for an entry permit under the terms of AS 16.43.260(a) and whose participation in a fishery was interrupted by military service will be awarded the maximum number of points for past participation for the fishing seasons missed due to military service.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.250(a)(1)  
AS 16.43.250(a)(2)

ARTICLE 5. ISSUANCE OF ENTRY PERMITS

|                                   |
|-----------------------------------|
| Section                           |
| 400. Form of Application          |
| 410. Time of Application          |
| 420. Evidence of Qualification    |
| 430. Classification of Applicants |
| 440. Administrative Appeals       |
| 450. Issuance of Entry Permits    |

20 AAC 05.400. FORM OF APPLICATION. Application for the issuance of an entry permit must be made to the commission on a form provided by the commission. The application must be signed and verified by the applicant and accompanied by the total annual fee for the permit or permits being applied for.

Authority: AS 16.43.100(a)(13)  
AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.260

20 AAC 05.410. TIME OF APPLICATION. (a) The commission will establish for each fishery for which entry permits are to be issued an opening date and a closing date for receipt of applications. The closing date will be not less than 90 days after the opening date.

(b) The commission will accept applications for entry permits for a designated fishery on or after the opening date for application for that fishery and will only accept applications for entry permits for a designated fishery that are received by the commission in substantially completed form on or before the closing date for application for that fishery.

(c) The commission for good cause shown, may extend the time for receipt of an application for a period not to exceed 60 days.

(d) The commission will send each applicant a notice of receipt of his application indicating whether it has been received before the closing date in substantially completed form. If the commission determines that an application has not been received before the closing date in substantially completed form it will notify the applicant giving its findings of fact and conclusions. The applicant may request an administrative hearing and adjudication by filing notice of appeal. The notice must be received by the commission on or before the 45th day following the date the commission's notice was mailed to the applicant. The hearing and adjudication shall be in accordance with the provisions of 20 AAC 05.600 et seq.

(e) If an application is received in substantially completed form, but there are errors, omissions, or insufficient supporting evidence, the commission will indicate this to the applicant in the notice of receipt, and will give the applicant a reasonable amount of time to correct any defects or insufficiencies in his application.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(b)  
AS 16.43.260(b)

20 AAC 05.420. EVIDENCE OF QUALIFICATION. (a) Every applicant shall have the burden of establishing his qualifications for an entry permit. Specific evidence will be requested on the application form in order to establish an applicant's qualifications. The commission may at any time require an applicant to submit additional evidence in affidavit or other form relating to his qualifications.

(b) To the extent practicable, the commission will provide each applicant with a summary compiled from state records and other reliable sources which will indicate, for the years from 1969 to the qualification date, those years that the applicant participated in each fishery as a gear license holder, the number of weeks fished in each year, the annual catch value of the fishery resource, and vessel ownership, if any. If the applicant verifies the information on this summary as substantially correct, the commission will accept the information on this summary as sufficient evidence of the facts stated. An applicant may contest the accuracy of any information included in this summary and may supplement this information by establishing additional facts regarding his qualifications with other evidence.

(c) An applicant may be required to submit copies of, or authorize access to, his State of Alaska and federal income tax returns for the appropriate years, or evidence establishing that he was not required to file, or his Fisherman's Annual Information Report, as a primary source of evidence regarding economic dependence, and as corroborating evidence of past participation. Tax returns and related information submitted by an applicant are confidential and will not be disclosed in any manner without the express consent of the applicant.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.260(c)

20 AAC 05.430. PRIORITY CLASSIFICATION OF APPLICANTS. (a) The commission will assign each applicant to a priority classification according to the priority classification point system adopted for the fishery pursuant to 20 AAC 05.300.

(b) If the applicant is assigned to a priority classification designated as involving significant economic hardship under AS 16.43.250(b), the commission will either issue the entry permit or send to the applicant a notice of classification indicating that he will receive an entry permit.

(c) If the applicant is assigned to a priority classification not designated as involving significant economic hardship under AS 16.43.250(b), the commission will send to the applicant a notice of classification setting forth the commission's findings of fact and conclusions with respect to the applicant and the date on or before which notice of

administrative appeal must be received if the applicant disagrees with the commission's determination of his priority classification.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.260(d)  
AS 16.43.270(a)

20 AAC 05.440. ADMINISTRATIVE APPEALS. (a) An applicant may request an administrative hearing by filing a notice of administrative appeal with the commission. The notice of administrative appeal must contain a short statement of why the applicant should be placed in a higher priority classification and indicate which findings of fact, if any, the applicant believes to be in error. The notice of administrative appeal must be received by the commission on or before the 45th day following the date that the notice of classification was mailed to the applicant. The hearing and adjudication will be in accordance with the provisions of 20 AAC 05.600 et seq.

(b) Failure to appeal a notice of classification precludes further administrative appeal except as to clerical or other administrative errors in the issuance of permits.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(b)  
AS 16.43.260(c)

20 AAC 05.450. ISSUANCE OF ENTRY PERMITS. (a) The commission will issue entry permits to all applicants assigned to a priority classification designated as involving significant economic hardship under AS 16.43.250(b).

(b) If the number of permits issued to applicants assigned to priority classifications designated as involving significant economic hardship equals or exceeds the maximum number of permits established for the fishery, the commission will immediately notify all remaining applicants that their applications are denied and will refund all fees submitted with these applications.

(c) If the number of permits issued to applicants assigned to priority classifications designated as involving significant economic hardship is less than the maximum number of permits established for the fishery, the commission will, after passage of the period provided for filing notice of appeal seeking judicial review under AS 44.62.560, issue additional permits to applicants in the order of descending priority classifications up to the maximum number less the number required to be reserved to protect the rights of applicants who are still appealing the

findings of an administrative adjudication. If the number of permits remaining to be issued is less than the number of applicants in the highest priority classification to which permits have not been issued, the commission will allocate the permits to the applicants within the classification by lottery. No lottery shall be held until all judicial appeals are resolved.

(d) The commission will issue interim-use permits to applicants appealing the findings of an administrative adjudication if it finds that the delay caused by the appeal would otherwise preclude participation in the fishery.

(e) As judicial appeals are finally resolved, the commission will issue permits no longer required to be reserved to the applicants next most qualified under (d).

(f) If permits are reserved to protect the rights of applicants who are still appealing the findings of an administrative adjudication, the commission will determine which applicants are next most qualified and would be eligible for entry permit but for the reservation of permits. The commission will issue interim-use permits to such tentatively eligible applicants if it finds that the delay caused by such appeals would otherwise preclude participation in the fishery. If the determination of the applicants next most qualified would require the holding of a lottery within a priority classification, the commission will issue interim-use permits to all applicants within the classification.

(g) The commission may issue an interim-use permit to an applicant for an entry permit when it is necessary to avoid hardship or uncertainty due to administrative delays.

(h) Interim-use permits issued under (d), (f) or (g) of this section shall expire upon the final determination of the holder's eligibility for an entry permit.

(i) When the maximum number of entry permits has been issued for a fishery, the commission will immediately notify all remaining applicants that the applications are denied and will refund all fees submitted with those applications.

Authority: AS 16.43.100(a)(7)  
AS 16.43.110(a)  
AS 16.43.270

## ARTICLE 6. TRANSFER OF ENTRY PERMIT

### Section

- 500. Requirements for Transfer
- 510. Definitions
- 520. Notice of Intent to Transfer
- 530. Application for Transfer
- 540. Transfer and Reissuance of Entry Permits
- 550. Emergency Transfers
- 560. Transfers on Death of the Holder

20 AAC 05.500. REQUIREMENTS FOR TRANSFER. A holder may transfer an entry permit only through the commission and in accordance with these regulations.

Authority: AS 16.43.100(a)(11)  
AS 16.43.110(a)  
AS 16.43.170(a)

20 AAC 05.510. DEFINITIONS. In secs. 500-570 of this chapter

(1) "authorized representative" is the personal representative duly appointed pursuant to the provisions of AS 13.16.245 et seq. or pursuant to comparable provisions of the laws of the jurisdiction of the deceased holder's domicile to administer the estate of a deceased entry permit holder.

(2) "effective date" is the date 60 days after the filing date.

(3) "expiration date" is the date 12 months after the filing date.

(4) "filing date" is the date upon which the commission receives from the holder a notice of intent to transfer.

(5) "transfer" is any conveyance or attempted conveyance of the permit by the holder and any attempt by the holder to authorize another to use the entry permit for the operation of gear in the fishery. "Transfer" does not include a contract or agreement to convey a permit in the future.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.170

20 AAC 05.520. NOTICE OF INTENT TO TRANSFER.

(a) A holder may establish a filing date, effective date, and expiration date for transfer of an entry permit by filing a notice of intent to transfer with the commission on a form supplied by the commission. A holder need not name a proposed transferee when filing notice of intent to transfer. The commission will return a copy of the notice of intent to transfer together with a statement of the filing date, effective date, and expiration date for transfer of an entry permit.

(b) A holder may revoke a notice of intent to transfer any time prior to the filing of an application to transfer by filing a notice of revocation of intent to transfer with the commission.

(c) A holder may file a renewed notice of intent to transfer at any time after the effective date of a notice of intent to transfer. A renewed notice shall simply extend the expiration date if filed over 60 days prior to the expiration date.

(d) Any person who has applied for an entry permit under 20 AAC 05.400 may file with his application a notice of intent to transfer an entry permit on a "when-issued" basis. If an entry permit is issued to an applicant that has filed such a notice, the effective date for purposes of transfer shall be the date 60 days after the filing of the notice or the date of the original issuance of the entry permit, whichever is later.

Authority: AS 16.43.100(a)(11)  
AS 16.43.110(a)  
AS 16.43.170(b)

20 AAC 05.530. APPLICATION FOR TRANSFER. (a) An application for the transfer of an entry permit may be filed with the commission on or after the effective date and must be filed with the commission on or before the expiration date.

(b) Application for the transfer of an entry permit must be made to the commission on a form provided by the commission. The application must be signed and verified by the applicant and the proposed transferee. The application shall set forth the consideration to be received for transfer of the entry permit, the existence of any contract or agreement to transfer the permit, facts establishing the present ability of the proposed transferee to participate actively in the fishery, and such other information as the commission shall require.

(c) An application for the transfer of an entry permit may be withdrawn upon the written request of both the applicant and the proposed transferee.

Authority: AS 16.43.100(a)(11)  
AS 16.43.110(a)  
AS 16.43.170(b)

20 AAC 05.540. TRANSFER AND REISSUANCE OF ENTRY PERMITS.

(a) The commission shall approve the application to transfer an entry permit and reissue an entry permit to the proposed transferee if the proposed transferee (other than the commission) establishes present ability to participate actively in the fishery.

(b) If the commission determines that the proposed transferee has not established present ability to participate actively in the fishery, it will so notify the holder and the proposed transferee, giving its findings of fact and conclusions. Either the holder or the proposed transferee may request an administrative hearing and adjudication by filing a notice of appeal. The notice of appeal must be received by the commission on or before the 30th day following the date the commission's notice was mailed to the applicant. The hearing and adjudication shall be in accordance with the provisions of 20 AAC 05.600 et seq.

Authority: AS 16.43.100(a)(11)  
AS 16.43.110(a)  
AS 16.43.110(b)  
AS 16.43.170(b)  
AS 16.43.170(c)

20 AAC 05.550. EMERGENCY TRANSFERS. (a) A holder may temporarily transfer an entry permit to another person who is able to participate actively in the fishery by making application to the commission on a form provided by the commission.

(b) The commission will grant a temporary transfer if the holder establishes that sickness, injury or other unavoidable hardship prevents the holder from participating in the fishery. Unless further restricted by the holder, the temporary transfer will be effective for the remainder of the year.

(c) Where sickness or injury precludes communication by the holder, the commission may authorize temporary transfer of an entry permit upon application by a person other than

the holder to avoid hardship during the fishing season. Such a transfer is subject to revocation at any time upon application by the holder.

Authority: AS 16.43.110(a)  
AS 16.43.180(a)

20 AAC 05.560. TRANSFER ON DEATH OF THE HOLDER. (a) An entry permit shall survive the death of the holder and pass into the holder's estate as personal property.

(b) The authorized representative of the deceased holder's estate may temporarily transfer an entry permit pending final disposition of the permit as a part of the holder's estate by making application to the commission on a form provided by the commission. The temporary transfer may be to any person who is able to participate actively in the fishery. The commission will approve an application for a temporary transfer, if the representative establishes that the holder is deceased and that the representative is authorized to request the transfer. A temporary transfer after death of the holder is effective for the remainder of the year. The authorized representative may annually renew an entry permit and make subsequent temporary transfers if he can establish at the time the permit is annually renewed that the permit has not been finally disposed of as part of the deceased holder's estate.

(c) The authorized representative of a deceased holder's estate may transfer an entry permit by making application to the commission in accordance with 20 AAC 05.530 and 05.540.

Authority: AS 16.43.100(a)(11)  
AS 16.43.110(a)  
AS 16.43.160(f)  
AS 16.43.170(b)  
AS 16.43.180(b)

## ARTICLE 7. ADMINISTRATIVE HEARING AND ADJUDICATION

### Section

- 600. Matters Covered
- 610. Notice of Hearing
- 620. Scope of Hearing
- 630. Rules of Evidence
- 640. Subpoena and Depositions
- 650. Continuances
- 660. Decision
- 670. Reconsideration

20 AAC 05.600. MATTERS COVERED. The provisions of this Article apply to all matters presented to the commission for administrative hearing and adjudication, including but not limited to appeals from (1) priority classification of an applicant for an entry permit, (2) determination that an application for an entry permit has not been received in substantially completed form on or before the closing date for the fishery, (3) determination of ineligibility for a \$5 maximum annual fee under AS 16.43.160(c), and (4) determination as to any matter relating to the transfer of an entry permit or interim-use permit.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(b)  
AS 16.43.120(a)

20 AAC 05.610. NOTICE OF HEARING. In all cases where an administrative hearing and adjudication is requested, the commission will determine the time and place of hearing and deliver or mail a notice of hearing to the applicant or party at least 30 days before the hearing, unless this period for notice is waived by the applicant.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(b)  
AS 16.43.120(a)

20 AAC 05.620. SCOPE OF HEARING. (a) The applicant or other party requesting a hearing may present at the hearing such relevant evidence as he has, including testimony, affidavits, and documents, in support of his contention that the findings or conclusions of the commission's initial determination are erroneous. The applicant may also cross-examine any witnesses for the commission.

(b) The commission may present relevant evidence or witnesses and may also cross-examine witnesses for the applicant or other party.

(c) The applicant or other party shall bear the burden of proving by a preponderance of the evidence that the findings or conclusions of the commission's initial determination are erroneous.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(b)  
AS 16.43.120(a)

20 AAC 05.630. RULES OF EVIDENCE. (a) Oral evidence may be taken only on oath or affirmation.

(b) Common law rules of evidence apply except when the hearing examiner or the commission determines that their application is not required in order to assure fair treatment of the applicant or other party and that the evidence offered is relevant and of the sort on which responsible persons are accustomed to rely in the conduct of serious matters.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(c)  
AS 16.43.110(d)  
AS 16.43.120(a)

20 AAC 05.640. SUBPOENA AND DEPOSITIONS. (a) At the request of an applicant or other party for good cause shown or upon its own motion, the commission may issue subpoena and subpoena duces tecum to compel production of testimony or other evidence at a hearing. The issuance of subpoenas by the commission shall be governed by the provisions of AS 44.62.430.

(b) In accordance with the provisions of AS 44.62.440, the commission may order that the testimony of a material witness be taken by deposition.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(b)  
AS 16.43.110(d)  
AS 16.43.120(a)

20 AAC 05.650. CONTINUANCES. For good cause shown and in its discretion, the commission may order a continuance of a hearing to enable an applicant or other party to obtain additional evidence in support of his contentions.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(b)  
AS 16.43.120(a)

20 AAC 05.660. DECISION. (a) The commission will adjudicate the matter before it on the basis of the material previously filed with it by the applicant and evidence presented at the hearing.

(b) The decision will be written and contain findings of fact and a determination of the issues presented.

(c) A decision is effective and final 30 days after it is delivered or mailed to the applicant or other party unless a reconsideration is ordered within that time.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(b)  
AS 16.43.120(a)

20 AAC 05.670. RECONSIDERATION. (a) The commission may order a reconsideration of its decision on its own motion or on petition of the applicant or other party. A petition for reconsideration shall set forth specifically the grounds upon which the petitioner believes the decision to be erroneous.

(b) The power to order a reconsideration expires 30 days after the delivery or mailing of a decision to the applicant or other party. If no action is taken on a petition within the time allowed for ordering reconsideration, the petition is considered denied.

(c) The commission may reconsider a matter in the original record or order a supplementary hearing.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(b)  
AS 16.43.120(a)

#### ARTICLE 8. PRACTICE BEFORE THE COMMISSION

##### Section

- 700. Communications
- 710. Fees, Remittances and Charges
- 720. Files
- 730. Appearances
- 740. Confidential Records and Information.

20 AAC 05.700. COMMUNICATIONS. (a) All correspondence with the commission should be addressed to the commission at its principal office and not to an individual staff member or commissioner unless otherwise specifically authorized or directed by the commission. If a written communication to the commission is in response to correspondence or an order of the commission, the response should make reference to the file reference number used by the commission.

(b) Every written communication shall be deemed to be officially received and filed when delivered to the commission's office, but a commissioner or any of its employees who may be designated by the commission may also receive written communications under conditions prescribed by the commission.

(c) No correspondence signed by an individual staff member or commissioner shall be deemed to state an official determination by the commission unless the signature is preceded by the recital "By Direction of the Commission." The presence of this recital constitutes presumptive evidence that the signatory has been delegated authority to state the commission's action in the particular matter.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)

20 AAC 05.710. FEES, REMITTANCES AND CHARGES. (a) Every charge payable to the commission shall be transmitted indicating the amount and purpose thereof.

(b) Every remittance shall be by money order, bank draft or check payable to the Alaska Commercial Fisheries Entry Commission. Remittances in coin or currency will be tendered at the risk of the loss of money sent in that manner.

(c) Postage stamps shall not be sent as a remittance unless the remitter is so directed.

(d) The commission may, by general order, prescribe appropriate charges to recover, in whole or in part, the costs it incurs in furnishing copies of notices, reports, orders or any printed or typed material in its possession, except privileged information or records. There shall be no such charge for such notices, reports or orders needed solely to prosecute an appeal as provided for in AS 16.43.120.

Authority: AS 09.25.110  
AS 16.43.100(b)  
AS 16.43.110(a)  
AS 16.43.110(b)

20 AAC 05.720. PERMIT FILES. The commission will maintain a Record File of Interim-Use Permits and Entry Permits for each fishery for which permits have been issued.

The commission will promptly enter upon the Record File in chronological order information on each permit including the following:

- (1) issuance of the permit to the named applicant;
- (2) annual renewal of the permit;
- (3) any assessment of the permit;
- (4) payment of any assessment on the permit;
- (5) proceedings to forfeit the permit for any cause;
- (6) application for temporary transfer of the permit;
- (7) temporary transfer of permit to named person;
- (8) notice of intent to transfer the permit;
- (9) revocation of notice of intent to transfer the permit;
- (10) application for transfer of permit;
- (11) withdrawal of application for transfer of permit;
- (12) reissuance of permit to named person.

Authority: AS 16.43.100(b)  
AS 16.43.110(a)

20 AAC 05.730. APPEARANCES. (a) In any matter or proceeding before the commission or its delegate, an applicant may appear in his own behalf or may be represented by

- (1) attorneys at law admitted to practice in Alaska;
- (2) attorneys at law qualified and entitled to practice before the highest court of record of any other state;
- (3) any person who can satisfy the commission that he possesses the qualifications necessary to enable him to render valuable service before the commission and that he is otherwise competent to advise and assist in the presentation of matters before the commission.

(b) An attorney may be permitted to withdraw from a proceeding before the commission under the conditions and in the manner prescribed in Alaska Rule of Civil Procedure 81 for the withdrawal of an attorney from a superior court proceeding.

(c) The commission may disqualify, and deny, temporarily or permanently, the privilege of appearing or practicing before it in any way, to any individual who is found by the commission, after hearing, to be lacking in the requisite qualifications to represent others or to have engaged in any conduct disruptive of the orderly and lawful process of the commission.

Authority: AS 16.43.110(a)  
AS 16.43.110(b)

#### 20 AAC 75.740. CONFIDENTIAL RECORDS AND INFORMATION.

(a) Except as provided in (b), the books, records, papers, files, accounts, writings, and transactions of the commission are public records and are open to inspection by the public during regular office hours.

(b) The following information is confidential and shall not be open to inspection by the public:

(1) communications relating to personnel matters received upon a confidential basis, and medical and other personal information, which under governing personnel practices of the State of Alaska, are not public information;

(2) information and data relating to the commission's budget and legislative proposals prior to the time they are acted upon by the governor and the legislature;

(3) communications between legal counsel for the commission, or its staff, regarding matters requiring confidential legal advice or assistance;

(4) reports concerning the landings of fish, shellfish or fishery products and annual statistical reports of buyers and processors required by regulation of the Department of Fish and Game, and information derived from such reports except statistical information presented in a manner that prevents the identification of particular reports or persons.

(5) copies of state and federal income tax returns provided by an applicant for an interim-use permit or entry permit, other statements relating to personal income by such an applicant, and information derived from such reports and statements except statistical information presented in a manner that prevents the identification of particular reports or persons.

Authority: AS 09.25.100  
AS 16.43.110(a)  
AS 44.17.030(4)

FINDINGS OF THE COMMISSION REGARDING  
THE PROPOSED PRIORITY CLASSIFICATION SYSTEM

Ranking Applicants According to Hardship

1. Because the number of applicants for entry permits may exceed the maximum number of entry permits available for issuance, the commission has developed a system for ranking applicants into priority classifications according to the relative hardship they would experience by exclusion from the fishery. In this way entry permits can be issued in the order of this hardship ranking, with permits going first to those classifications of applicants who would experience the most hardship by not receiving a permit.
2. A uniform point system for ranking applicants has been developed for each fishery so that the hardship standards of past participation and economic dependence can be applied equally and without discrimination to all applicants within a fishery.
3. The proposed point system will reasonably group applicants with various combinations of past participation and economic dependence into priority classifications of applicants similarly situated with respect to overall hardship.
4. The commission has received public comment on the development of the priority classification system at numerous public hearings. While views varied, an analysis of testimony from these hearings and of the responses to questionnaires distributed at the hearings has given the commission certain general indications of criteria that would be considered fair and reasonable indications of past participation and economic dependence.

Significant and Minor Economic Hardship Classifications

5. The proposed regulations establish, for each fishery, a uniform definition of significant and minor economic hardship in terms of the point system standards of past participation and economic dependence.
6. Significant and minor hardship designations will apply to individual applicants only if those applicants are within priority classifications so designated in terms of the point system. This is done in order to treat all applicants fairly and equally, and to comply with the express provisions of AS 16.43.250 (b) and (c).

Past Participation

7. Under past participation the point system will measure two factors: 1.) the number of years fished, and 2.) the consistency of participation during each year. The fact that a fisherman is a regular and consistent participant in a fishery indicates reliance on that fishery for a regular part of his livelihood.
8. The commission thinks that fairness requires primary weight be given the four years immediately preceding the qualification date. A fisherman who has stopped fishing, or is not fishing every year, is indicating a lack of actual reliance on the fishery. This means that in most cases, he would experience less hardship by exclusion than someone who is fishing regularly.
9. Although fishing as a gear license holder from 1960-1964 will entitle a person to apply, no points will be given for past participation prior to 1965 because the commission thinks such participation is too remote to indicate possible hardship. Such an applicant may, however, be able to qualify for points under other standards such as investments in vessels and gear.
10. The commission proposes to give some points for those years an applicant participated as a crewman, since this usually indicates a pattern of continuing reliance upon the fishery.
11. The fairest measure of consistency of participation is the number of weeks of a given fishing season that an applicant made landings of fish. However, the number of open fishing periods may have varied in different places within the same registration area, and there are other variables that make this an imperfect measure of consistency. For this reason, the commission intends merely to set a minimum acceptable number of weeks fished, and anything over that would entitle an applicant to the full number of points for consistency.

Economic Dependence

12. Under economic dependence the point system measures four factors:
  - (1) The percentage of an applicant's income derived from the fishery;

- (2) The extent of an applicant's reliance on occupations other than fishing;
- (3) An applicant's investment in vessels, gear or set-net sites; and
- (4) The general availability of nonfishing occupations in the applicant's place of domicile.

13. The commission proposes to consider together the first two factors of percentage of income and reliance on nonfishing occupations. This will be done by considering the relation between the value of a fisherman's annual catch and the amount of his income from occupations other than fishing. In the proposed regulations this relationship has been termed the "income dependence percentage". Nonfishing occupational income will not include income on money a fisherman has saved, such as interest income, stock dividends or returns on capital investments.

14. Since the commission must look at economic dependence as of the January 1, 1973 qualification date, the "income dependence percentage" will be considered for the two years 1971 and 1972. Where special circumstances make this an unreasonable indication of an applicant's income dependence, the commission may award an appropriate number of points based upon an applicant's special showing of income dependence.

15. The value of a fisherman's annual catch (gross earnings) will be determined by multiplying the number of pounds of the fishery resource which an applicant landed times the average price per pound for that area and year. The commission will establish average prices for each fishery for the purpose of determining annual catch value. Requiring applicants to use average price figures will avoid substantial evidence problems since good evidence is generally available on the pounds of fish a fisherman landed, but not on the actual prices or bonuses paid.

16. The commission recognizes that annual catch value is no direct indication of net income. However, it assumes that for a given fisherman in a given year, as gross earnings increase, so does net income. The relation between gross earnings and income also varies from fishery to fishery. Gross earnings of \$20,000 might represent a loss in a purse seine fishery, where the same total gross for a drift gill net boat might represent a good net income. However, within a given fishery, costs are roughly comparable, so annual catch value should provide a fair point of comparison.

17. Considering an applicant's "income dependence percentage" has the following advantages:

- (a) It does not penalize the longtime successful fisherman who has saved money or made wise investments which contribute to his total income.
- (b) It does not penalize the more professional fishermen who fish several different fisheries, but rely solely on fishing for their livelihoods.
- (c) By using average prices for each fishery in determining annual catch value, it avoids the problem of trying to account fairly for differential bonuses paid by processors.
- (d) By using gross earnings in determining annual catch value it avoids the confusion and unfairness which would result from the different ways individuals treat fishing income in their tax returns in arriving at net income.
- (e) Using annual catch value is the only ready way to separate what a fisherman made from a specific fishery within Alaska from the rest of his fishing income.
- (f) In most cases good evidence is obtainable, even if the fisherman cannot provide his own records. Annual catch value can be determined in most cases from existing state records. A fisherman can establish his nonfishing occupational income from his federal income tax returns. Duplicates of these are obtainable from the IRS if necessary.

18. It is true that using the income dependence percentage may give some advantage to a person who could have worked another job during the offseason but chose not to, because of either lack of initiative or lower income needs. However, there is no fair and practical way to separate these individuals from those whose high income dependence percentage represents real need and necessary reliance on fishing for a livelihood. The requirement of protecting those who are truly income dependent on fishing outweighs the shortcomings of this measure.

19. The commission recognizes that the average percentage of income dependence will vary greatly from fishery to fishery. Many fisheries are naturally part-time, and most fishermen may work other jobs in the off-season. In such fisheries the income dependence percentage required will tend to be lower, because the average dependence of all fishermen is less.

20. The income dependence percentage will be used to group the participants in the fishery. A cut-off percentage (for example, 60%) is established in the regulations so that the top group in terms of income dependence get the maximum points possible under this factor. The middle group get a lesser number of points, and below a lower cut-off percentage (for example, 25%), the bottom group would get no points at all under this factor. Because of the difference in average fisherman's dependence from fishery to fishery, these cut-off percentages will vary from fishery to fishery.

21. Income dependence is a very important consideration in defining hardship. Someone who makes a major part of his livelihood from some other occupation is not likely to experience as much hardship by not getting a permit as someone who relies primarily on fishing. In many cases, an individual may fish part of the year by preference, but would have his nonfishing occupation available to him the year round if necessary. A person with a low income dependence percentage has demonstrated that he has other ways to turn.

#### Investment in Vessels, Gear and Set Net Sites

22. Significant investment in a vessel, gear, or set net site is usually good evidence of a fisherman's serious involvement in a fishery. His fishing income must produce an adequate return on that investment as well as on his own labor unless he can afford to fish at a loss. Therefore, investment indicates possible hardship by providing an additional measure of a fisherman's reliance on fishing for part or all of his livelihood.

23. Investment also indicates a second kind of possible hardship. If a fisherman who has a significant investment does not get an entry permit, he may suffer a loss if he cannot readily sell his vessel, gear or site at fair market value. The amount of this possible loss may vary greatly depending on special market circumstances, and may not be directly proportional to the amount of investment or the present market value of the vessel, gear, or set net site.

24. The treatment of set net sites will vary from fishery to fishery depending upon the customs of the local region. In some areas, there are established patterns of ownership, with sites being bought and sold for considerable sums of money. In some cases the uplands may be owned and the tidelands leased, in others there may be nothing more than the transfer of established use rights. Under the proposed point system, points for site ownership would be given in these areas to those fishermen who owned or held the recognized right on the qualification date to transfer a particular site for valuable consideration.

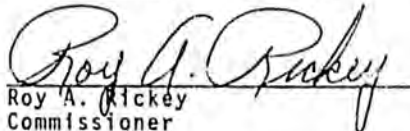
#### Availability of Alternative Occupations

25. To the extent that the availability of alternative occupations is a function of an applicant's individual aptitudes and training, it may be reflected under the income dependence measure as actual reliance on alternative occupations. In addition, there is no fair and ready way to determine the availability of alternative occupations in terms of each individual's abilities. Therefore, the commission will consider the availability of alternative occupations solely as an attribute of an applicant's domicile, that is, where he makes his permanent home for the greater part of the year.

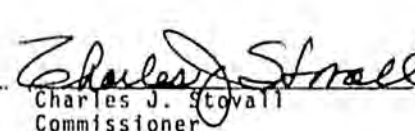
26. The availability of alternative occupations where an applicant lives reflects hardship in one very important way. A fisherman living in a rural area where other jobs are scarce or not available, will probably experience more hardship if denied an entry permit than a fisherman who lives in an urban area where other work is generally available. This is particularly true in very remote areas where there is poor transportation and little business activity.

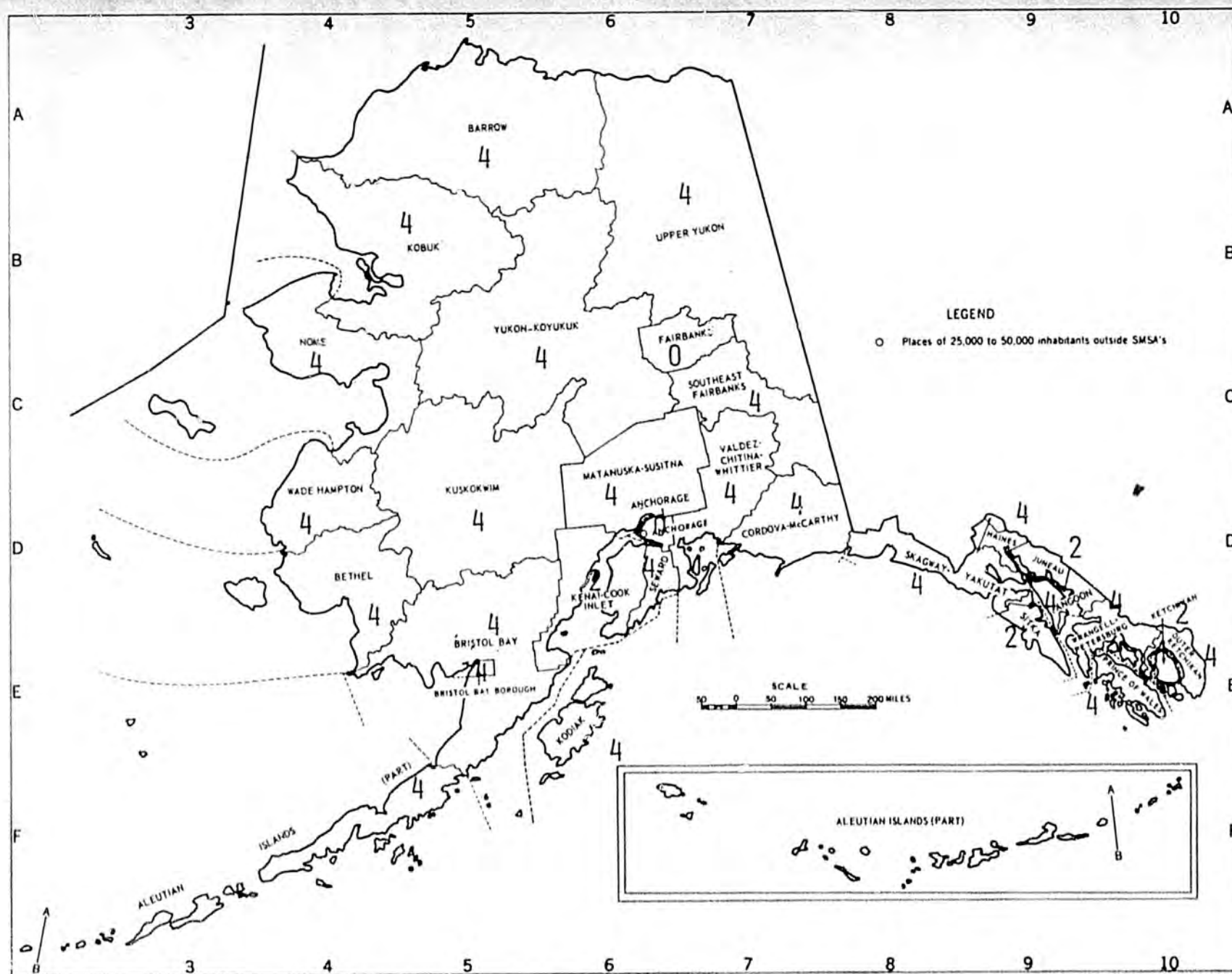
27. All urban residents are considered to have reasonable access to alternative jobs, and for this reason would suffer no special hardship on this account. The commission recognizes that there are some seasonal and regional variances in the availability of employment within urban areas, but it would be extremely difficult to allow fairly for these differences, and in general the job markets are much broader in the diversified economies of urban areas.

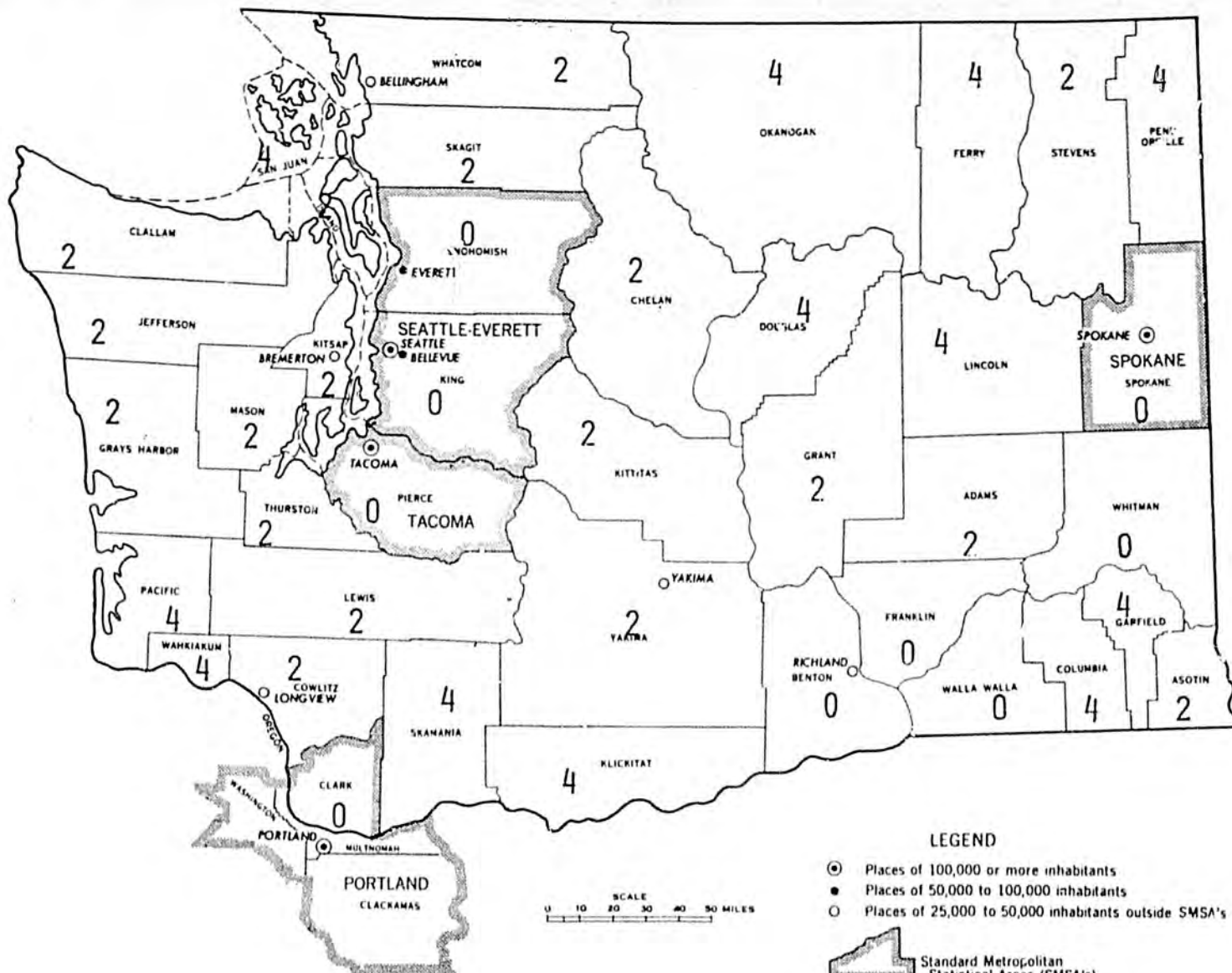
Adopted by the Commercial Fisheries Entry Commission at its regular meeting on the 12 day of July, 1974.

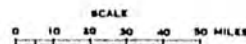
  
Roy A. Rickey  
Commissioner

  
David S. Jackman  
Chairman

  
Charles J. Stovall  
Commissioner







- Ⓐ Places of 100,000 or more inhabitants
- Places of 50,000 to 100,000 inhabitants
- Places of 25,000 to 50,000 inhabitants outside SMSA's



Standard Metropolitan Statistical Areas (SMSA's)

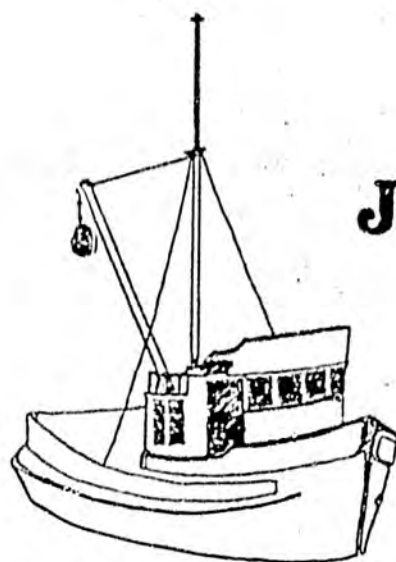
## Counties, Standard Metropolitan Statistical Areas, and Selected Places





# **Report to the Legislature on Entry Permit Transfers**

## **Commercial Fisheries Entry Commission**



**January 15, 1975**

*Jack Kreinheder  
Research Economist  
Limited Entry Commission*

REPORT TO THE LEGISLATURE ON ENTRY PERMIT TRANSFERS

COMMERCIAL FISHERIES ENTRY COMMISSION

ROY A. RICKEY  
ACTING CHAIRMAN

CHARLES J. STOVALL  
COMMISSIONER

HAROLD Z. HANSEN  
COMMISSIONER



JANUARY 15, 1975

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# SUMMARY OF TRANSFERABILITY ALTERNATIVES

|                          |   |   |   |   |   |                                                            |
|--------------------------|---|---|---|---|---|------------------------------------------------------------|
|                          |   |   |   |   |   | Legal Problems                                             |
|                          |   |   |   |   |   | Administratively Cumbersome                                |
|                          |   |   |   | x | x | Not Flexible - Difficult to Switch from Fishery to Fishery |
|                          |   |   |   | x | x | Discourages Transfers                                      |
|                          |   |   |   | x |   | Difficult for Tradition to be Passed in Family             |
| x                        | x |   |   |   |   | Expensive for New Entrants                                 |
| Free Transfer            |   |   |   |   |   |                                                            |
| Auction                  |   |   |   |   |   |                                                            |
| Apprenticeship           | x | x | x | x |   |                                                            |
| Lottery                  |   |   | x | x | x |                                                            |
| Commission Control       | x | x | x |   |   |                                                            |
| Next Most Eligible Class | x | x | x | x | x |                                                            |
| Moratorium               | x |   | x | x | x |                                                            |

## THE PRESENT SYSTEM - FREE TRANSFER

### Initial Issuance and Transfers

The Alaska Limited Entry program limits the number of entry permits that may be issued in a particular fishery. A fishery is defined by fishery resource, gear type and geographical area and closely parallels those area and gear combinations now used by the Alaska Department of Fish and Game for management purposes. For those fisheries having limited entry in 1975, the initial issuance of permits will be to those applicants who, prior to January 1, 1973, would suffer the greatest hardship if they could not continue commercial fishing in a particular fishery. Two standards are used to rank prospective applicants: (1) economic dependence and (2) past participation in the fishery.

Once issued to the original recipient, entry permits are freely transferable like personal property and may be bought, sold, traded or given away. However, an entry permit constitutes a use privilege which may be modified or revoked by the Legislature without compensation at any time. Upon the death of a permit holder a permit becomes part of the estate of the deceased.

During, or as a result of transfers, a permit may not be (1) pledged, mortgaged or encumbered in any way, (2) transferred with any retained right of repossession or foreclosure, or (3) attached, distrained, or sold on execution of judgment or under any other process or order of a court. These safeguards have been placed in the legislation to prevent companies or other individuals from gaining control of permits by indirect financial arrangements.

Temporary transfers of permits are allowed if sickness, injury or other unavoidable hardship prevents a permit holder from fishing, provided the individual to whom he wishes to transfer his permit can demonstrate his present ability to participate in the fishery. If the holder of an entry permit dies, the authorized representative of the deceased may apply for an emergency transfer of the permit pending its final disposition. In either case an emergency transfer will be effective only for the remainder of the year in which the transfer took place unless further restricted by the original holder. In the case of a permit holder's death, the emergency transfer can be renewed annually until the final disposition of the permit.

## Role of the Commission

The commission must approve all transfers. A fisherman is required to give the commission 60 days notice of his intent to transfer a permit during which period he can reconsider the proposed transfer. The commission will, with the fisherman's consent add his name to a list of permits available for transfer. This will insure the greatest opportunity for a person who wants to acquire a permit as well as the broadest market for a person who wants to transfer a permit.

Speculation in permits is discouraged in three ways. One, an individual can hold only one permit for each fishery and therefore will not be able to "corner" the market for a certain fishery. Two, the potential transferee must establish his present ability to participate actively in the fishery, which includes having access to gear of a type used in the fishery. Three, the carrying costs of the permit, i.e., renewal fees, property taxes where applicable and buy-back assessments, if any, must be paid.

Permits may also be transferred to the commission. In certain fisheries where gear reductions are necessary, the Commercial Fisheries Entry Commission may purchase permits, vessels and gear at fair market value under a buy-back fund maintained through annual assessments of fishermen in the fishery. Proceeds from the re-sale of any vessels and gear purchased under the program will be paid into the fund.

Other transfers to the commission include forfeitures of permits. This may occur if a permit holder fails to pay the annual renewal fee, including buy-back assessments where appropriate, for two years and cannot demonstrate good cause for not doing so.

An applicant who applies for an entry permit when initially issued or a person to whom a permit is being transferred who makes a false statement of material fact will also, upon conviction, forfeit all entry permits held by him and lose eligibility for entry permits for five years.

The holder of an entry permit will be subject to permanent forfeiture of all entry permits or interim-use permits plus loss of eligibility to apply for other entry or interim-use permits upon the third conviction of a violation of the limited entry law.

### Other Restrictions or Regulations Pertaining to the Transfer of Entry Permits.

Applicants who are initially issued an entry permit may request that their permit not be transferred for a five year period following its initial issuance. This provision is intended to allow a fisherman to protect himself if he feels he might sell his permit in a moment of weakness or in a short-sighted effort to extricate himself from debt.

In certain circumstances an individual may transfer his permit only to the Commission. This occurs when an individual receives a permit under the "minor economic hardship" provision of the statute and there is a buy-back program in the fishery. The legislation states that the Commission shall purchase such permits (including vessels and gear) at fair market value. Once a buy-back program is terminated, permits issued under the minor economic hardship classification become freely transferable. Few, if any, permits are expected to be issued under this provision, however.

If there is a long term improvement in the market conditions or the available stocks in a fishery, the commission is empowered to issue additional permits. The means of issuance would depend on such considerations as the over-all condition of the fishery and the number of permits to be issued.

### Advantages of Free Transferability

Free transferability has a number of important benefits:

1. Legally it guarantees that a closed class of individuals is not created. Any program which controls access is likely to run into serious legal problems if for any reason, either in law or actual practice, the program creates a closed class of individuals that has no reasonable relation to the legitimate objectives of the program. Since permits can be bought and sold, or otherwise transferred, new fishermen can get into a fishery through free transfer and the creation of a closed class of individuals is avoided.

2. The immediate benefits of an entry permit program with free transferability pass onto the fishermen. Since the fisherman gains from the transfer of permits, fishermen are more likely to transfer permits. A fisherman who purchases a permit may also recover his principal at the time he sells his permit.

3. Free transferability insures that there will be a minimum of government interference. Supply and demand will determine when permits are transferred and to whom they are issued.

4. It insures that the fishermen can operate in a businesslike manner. Decisions can be made to invest or divest in certain fisheries rapidly, based on sound economic considerations rather than on criteria set forth by government.

#### Disadvantages.

##### 1. Permit Price

In some fisheries the permit price may reach levels that are undesirably high. It is likely that the permit price will be closely related to the earnings in the fishery, and can be expected to fluctuate from year to year depending on earnings. In British Columbia for example, as earnings rose, the license price closely followed through 1973 and sharply declined in 1974. Policies that act to depress average earnings in a fishery such as decisions to either increase the number of permits in a particular fishery or to levy a tax or fee on permits are likely to lower average earnings and therefore permit price.

A buy-back program in a particular fishery may act to drive up the price of permits to the extent that it increases the demand for permits in a particular fishery, and to the extent that average earnings will be increased when gear levels are reduced. If permit prices become excessive the commission may buy very few permits at that time.

One difficulty that may be encountered as a result of high permit prices is that funds cannot be raised by fishermen to purchase permits because the permit itself cannot be used for collateral. A more ready capital market would exist if the permit could be mortgaged, but balanced against this is the concern that the permit could be indirectly controlled through such financial arrangements. Also it should be observed that many institutions are presently unwilling to extend credit to fishermen because of poor financial performance. A high permit price would be indicative of financial success, which could result in better credit opportunities.

Another arrangement that may prove successful to improve credit facilities is the full implementation of a state loan program that will give resident Alaskans the opportunity to borrow money to purchase permits, vessels and gear. As the legislation is now written, the Commercial

Fisheries Loan Act authorizes a revolving fund not to exceed one million dollars for the "... purchase of entry permits and gear and the construction and purchase of vessels." A loan may run for a period of 15 years at interest rates not to exceed 7%.

## 2. Effect on Resident and Native Fishermen.

General licensing trends show a strong tendency towards an increasingly resident fishery. For example, between 1960 and 1970 the sale of commercial licenses increased by 7,243. Over two-thirds of this increase was by resident fishermen. There is no reason why this trend should not continue, and in fact it is likely to accelerate as new residents come to Alaska. Southeastern Alaska may possibly show some increase from Washington fishermen as a result of a recent court decision to place severe restrictions on the harvest of salmon by non-Indian fishermen in the State of Washington, however, it is also possible that many of these individuals may become Alaska residents.

In the British Columbia limited entry program some undesirable effects have resulted from native fishermen selling vessel licenses to non-natives. At the beginning of the British Columbia program in 1968, approximately 15% of the vessels were fished by natives. This has been reduced to about 8% at present. To counteract the trend, the Canadian government began a program to assist Indians purchase vessel licenses. Unfortunately as the government assisted in the purchase of vessel licenses to Indian fishermen, other native fishermen continued to sell licenses to non-natives. An additional problem has been caused because the program increased the value of licenses by increasing their demand. The combined effect on license price of the buy-back and Indian Assistance programs was an important consideration in halting the buy-back program.

The British Columbia experience can be prevented in Alaska. First, there are fundamental differences in the way the two programs operate. In the Canadian limited entry program a "license" is issued to the vessel rather than the fisherman and there is no breakdown into specific fisheries. To enter a salmon fishery in Canada one must purchase vessel tonnage rather than a permit for a specific fishery. For example, an individual who desires to build a purse seine vessel can accumulate tonnage by purchasing and retiring any vessel licensed to fish salmon, whether it is a troller, gill netter or seiner. The effect is to make everyone compete in the same license market.

In Alaska a permit (only roughly comparable to the B.C. license) is issued to the individual fisherman, rather than to the vessel. An entry permit can only be issued for one specific fishery.

Second, various Alaskan native regional corporations have indicated an interest in becoming involved with commercial fishing. It is likely that they have already given at least preliminary consideration to the use of corporate funds to assist their members in purchasing permits. One such possible mechanism, for example, is the establishment of a revolving loan fund providing long-term, low interest loans similar to those allowed under the Commercial Fisheries Loan Act.

### 3. Increases in Fishing Effort.

Any system of limited entry may result in each unit of gear becoming a more intensive and efficient operating unit.

It is likely, for example, that inefficient operators who are initially issued permits will be under pressure to sell their permits to operators who believe they can fish with better success. Where an individual may have been using a skiff, the tendency will be to replace it with a larger more efficient vessel with a greater ability to catch fish. When earnings increase fishermen will be tempted to "over-invest" after a particularly good season. This has been the experience in British Columbia where the number of vessels fishing has declined by over a thousand but actual fishing power has increased.

Since the Alaska program requires that entry permits be issued to one specific fishery as defined by area, gear type and fishery resource, any problem of increased fishing effort would remain confined to specific fisheries. If a problem develops, there are two possible solutions:

(1) A buy-back program could continue to reduce the level of gear. The difficulty with this approach is that the permit value may continue to increase, making it more difficult to enter the fishery.

(2) Direct controls could be placed on "inputs of capital" so that individuals could be forced to replace vessels of equal fishing power in some manner. For example, a ton for ton replacement as used in British Columbia. It has been found through commission research that vessel length alone is not a key determinant of fishing power and it is doubtful if tonnage is either, judging from the British Columbia experience. Perhaps some combination of several

factors such as length, tonnage and horsepower may be an effective solution. Any system to control inputs of capital, however, would require extensive revision of the statute, since permits are not presently tied to vessels in any way. The effect of tying permits to fishing power would be to create many sub-categories of permits within a fishery and would have serious implications for the transferability of permits.

Possibly use  
FdBame reg.

Actual techniques and the extent to which they are used must, of course, depend upon the needs and problems of particular fisheries. Other ideas regulating fishing effort may suggest themselves from the facts of a situation, if effort increase trends arise.

It is important to remember that potential problems of an increase in effort must be recognized not only in connection with Alaska's present system of limited entry but with any other system that allows a fisherman to upgrade his gear.

The commission has examined alternative systems that could possibly be employed to transfer entry permits and their benefits and drawbacks are discussed. In all these systems it is assumed that the starting point for the initial issuance of permits would take place under the present system, that is the entry permit would be issued to those applicants who would suffer the most hardship if they were denied a permit. It is recognized that not all possible systems have been discussed, or all options or variations that could be employed by each. Nevertheless, the broad areas where problems could be anticipated are significant enough that the final details do not necessarily need to be known.

#### AUCTION OF PERMITS

There are various options that could be employed in this type of system, but the fundamental characteristic would be that as permits were no longer used by individual fishermen to whom initially issued, they would revert back to the Commission. Permits would not be transferable from one individual to another. As the Commission accumulated permits they would periodically be auctioned and re-issued with revenues derived from the sale of permits accruing to the State treasury.

#### Advantages

The largest single benefit would be that revenues derived from the sale of permits would accrue to the state rather than individual fishermen. Revenues could be used to rehabilitate salmon runs, provide increased enforcement capability and better fisheries management information.

In the future permits would simply be issued to fishermen with the highest bid and thus a closed class of individuals would not be created.

The system also has the additional advantage that permits would not have to be re-issued by the Commission if there were a need to reduce gear levels in certain fisheries, thus saving the cost and administrative complexity of a buy-back program.

### Disadvantages

The fact that fishermen would not receive the benefit from the sale of permits is also the system's most serious drawback. An individual would not receive his invested principal back at the time of final sale which would undoubtedly discourage transfers to the commission. Once an individual received a permit, either through initial issuance or auction he would be likely to hold the permit as long as possible. This means that the system would not have the flexibility or speed of free transferability and would tend to restrict the number of transfers. If permits were issued with no express time limit on their use, as the present entry permit is, it is very likely that the commission would be forced to adopt stringent regulations requiring that permits only marginally used or else not used would have to revert back to the commission after a certain period had elapsed. In contrast, free transferability makes it in the fisherman's own self interest to sell a permit if he is not actually using it.

There is very likely to be resistance from fishermen to a program that makes it impossible for them to recover their investment in permits. This would also make it more difficult to find sources of funds, although it is also possible that the permit price itself would be less.

Auctioned permits would always go to the high bidder whatever his source of capital. For a large number of fishermen fishing is a tradition that is passed from father to son. An auction system would disrupt this pattern since a parent could not give his permit to his children. It is likely, for example, that with a system of free transferability many permits will be kept in a fishing family even after the original permit holder dies or retires.

### APPRENTICESHIP SYSTEM

In this type of system unused permits would revert back to the commission in the same manner as in the auction system. The commission would then re-issue permits to those applicants who had successfully completed a period of apprenticeship.

### Advantages

This type of system would be the ultimate form of preventing speculation in permits and would also insure that a professionalized or trained group of people were in the fisheries. This system would provide the opportunity for individuals who did not have the money necessary to purchase a permit to still be able to enter the fisheries. It appears

that this system would institutionalize the natural progression from crewman to skipper since an entry permit would be the final reward for the successful completion of a course of professional training.

#### Disadvantages

APPRENTICESHIP  
This approach has very serious legal problems since it is doubtful that an approach could be devised whereby fishermen already in the fisheries could be prevented from selecting the individuals who would be apprentices. This would in essence create a closed group of fishermen that would bear no legitimate relationship to the goals of limited entry. In February 1969 a three judge Federal panel ruled that an apprenticeship scheme to control entry to Alaska's fisheries that was enacted by the State legislature in 1968 violated the Fourteenth Amendment of the U.S. Constitution. The court accepted an earlier argument written by Circuit Judge Walter Ely that stated:

"Under the scheme, entry into the salmon fishing industry is controlled not by the state but by local fishermen in each area. . . whose own benefit would ordinarily not be served by assisting potential competition to qualify."

There are other difficulties with such a system. There is no guarantee that the number of licenses being retired will equal the qualified number of new participants attempting to acquire permits. The Commission would be under strong pressure to increase the number of available permits should there not be enough, despite the fact that it might not be biologically or economically wise to do so.

\* Such a system is almost totally inflexible. How, for example, could an individual switch from one fishery to another? If he were required to serve another apprenticeship it would be clear that the system's only purpose was to exclude applicants. If fishermen from one fishery were allowed to trade with fishermen from another area this would prevent permits from ever returning to the commission except in unproductive fisheries. Many prospective entrants would have to first serve an apprenticeship in a non-productive fishery before they could trade-up to a more productive fishery. The trade would invariably involve money since it would not be in an individual's interest to trade down to a less productive fishery. One would still have to "purchase" a permit.

Finally, the program would be administratively cumbersome since the commission would have to continually verify and inspect the records of prospective entrants who claimed to have completed an apprenticeship. \*

### LOTTERY

In this system unused permits would again revert back to the Commission in the same manner as described in the auction system. Periodically, as the commission accumulated permits, a lottery would be held and permits would be re-issued to those applicants who were drawn in the lottery.

### Advantages

Permits could be issued for a minimal charge so it would not be necessary for a fisherman to save the amount of money necessary to purchase a permit.

The system would appear to be legal since in the future every individual who desired a permit would have an equal chance of receiving one. This system has also been used in allocating the harvest of certain big game species in a number of western states including Alaska.

### Disadvantages

While it would cost little money to acquire a permit, the system makes it impossible for a vocational fisherman to guess his chances of receiving a permit and make sound business decisions. This system would be the most disrupting of traditional kinship arrangements in the fisheries since there could be no guarantee that fishing families would draw permits in the lottery. It is also likely that applicants without any serious intent to fish would enter the lottery just to see if they could win, unless the commission adopted complex rules specifying the conditions and criteria one would have to meet in order to be considered in the draw.

The system again provides for no simple way for a fisherman to switch from fishery to fishery unless trades are allowed. As discussed, this would negate the benefits of the system since many fishermen would still be forced, once again, to buy permits in the more productive fisheries and only permits in the less productive fisheries would be turned back to the commission. As a counter measure, if permits were issued for a specified time period - for example five years - it would be impossible for a fisherman to make any rational decision to invest in a vessel or gear during the time he had the permit since he would have no assurance that he would receive another.

### COMMISSION CONTROL OF TRANSFERS

This system could embody many different actions such as controlling resident to non-resident transfers or permit price.

#### Advantages

Such a system could respond quickly and positively when certain remedial actions appeared necessary.

#### Disadvantages

\* Such actions can easily lead to excessive government interference making it difficult and cumbersome for fishermen to make sound business decisions. The commission would have to be very careful not to create a closed class of permit holders. Attempts to manipulate permit prices by fiat would almost certainly be unsuccessful since either transfers would cease, a "black market" would be created, or both.

### TRANSFER TO "NEXT MOST ELIGIBLE" CLASS

In this system, again, unused permits would be returned to the commission. The commission would then re-issue permits to those applicants who were denied permits when they were originally issued. Permits would be issued first to those applicants in the highest priority classification that did not receive permits and so on down descending classifications until all permits were issued. Once all original applicants had received permits the system would be changed to allow some other system of transfer.

#### Advantages

This system would insure that all eligible applicants who originally applied for a permit would eventually receive one at a minimal cost.

#### Disadvantages

This system has serious legal problems since new entrants, unless they were originally eligible to apply, could not gain access to the fisheries. This would create a closed class. Could have  $\frac{1}{2}$  or  $\frac{2}{3}$  of permits allocated to initial applicants, with other  $\frac{1}{2}$  or  $\frac{1}{3}$  going to new applicants <sup>12</sup> or by auction, apprenticeship, etc.

Applicants who are denied permits when initially issued may wait many years before they are eventually issued a permit even though they may be willing and able to purchase a permit immediately under a system of free transferability. The system is disruptive of kinship arrangements since a father cannot pass his permit on to his son.

The system is administratively cumbersome and expensive since it would require the commission to keep track of thousands of applicants for many years after permits were issued.

#### MORATORIUM

Under the present method of issuing permits this system would be used in lieu of a buy-back program. A variation of this system could be used in initial issuance, but the advantages and disadvantages are the same.

In those fisheries where gear reductions are necessary, unused permits would revert back to the commission. No permits would be transferable until the optimum number was reached. At that time another system of transferability would be used.

#### Advantages

The commission could reduce the amount of gear to optimum levels at no cost to other fishermen in the fisheries.

#### Disadvantages

This system would create a closed class of individuals for the duration of the moratorium and therefore face legal difficulties.

There is no method for a permit to be transferred within a family so kinship arrangements would be disrupted.

Fishermen would be unwilling to transfer their permits to the commission, hoping to "wait out" the moratorium. The commission would therefore be forced to draft stringent regulations requiring that unused permits be transferred to the commission. The slowness of a moratorium would create difficulties for fisheries managers in those fisheries with excessive amounts of gear.

## SUMMARY AND RECOMMENDATIONS

Table 1 on page iii summarizes the pros and cons of the seven systems discussed: free transferability, auction, apprenticeship, lottery, Commission control, transfers to "next most eligible class", and a moratorium.

Each system is considered under six different criteria: its legality, ease of administration, flexibility, if transfers would be discouraged, if traditional social patterns would be disrupted, and cost of entry. Those systems with legal problems should not be attempted. Other systems besides free transferability pose serious enough problems that their effectiveness is very questionable. The chief disadvantage of free transferability is the high cost of entry, however, there are steps that can be taken to reduce excessive permit prices.

The Commission feels that free transferability is the best and most workable method of handling entry permit transfers. Enough legislative authority and safeguards appear to exist to carry out an effective program of transfers that will be fair to present and future fishermen.

# **Costs and Earnings of Alaskan Fishing Vessels - An Economic Survey**

**Alaska Commercial Fisheries  
Entry Commission**

**Sept. 10, 1974**



COSTS AND EARNINGS OF ALASKAN FISHING VESSELS -  
AN ECONOMIC SURVEY

ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

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## INTRODUCTION

This is the first large scale effort to examine the economic health of one of Alaska's most important industries - commercial fishing. The period concerned is 1973, the last year of unrestricted entry to Alaska's commercial fisheries. The study was undertaken both to set a benchmark for evaluating the limited entry program in the future and to help determine the gear levels that can harvest the fisheries in the state and provide a reasonable economic return to the fishermen participating.

Data was gathered from interviews with 520 active commercial fishermen from all over the West Coast and Alaska. Extensive use was also made of records held on the computerized files of the Alaska Department of Fish and Game. Completed interviews represented approximately 7% of the fishermen in the fisheries studied. While generally valid, the results reflect the randomness of the sample picked for each fishery and the percentage and accuracy of completed responses.

Some of the results may come as a surprise to those familiar with the industry. One reason is that these figures are averages of all fishermen in a particular fishery. Obviously some fishermen are doing better than the average, but many are doing worse. The study also does not attempt to measure the actual cash balance a fisherman might have at the end of the season. Charges have been made for depreciation and costs of investment which are invisible on a ledger, but nevertheless are real costs of doing business.

A "fishery" as used in this report refers to a gear type, fishery resource, and management area as used by the Alaska Department of Fish and Game, such as the Southeast salmon drift gill net fishery. Since many vessels which fish in Alaska engage in several fisheries, vessel costs have been pro-rated to each fishery based on the amount of time fished and percent of total gross earnings received.

The study measures returns to a vessel, not an individual operator or owner. Anyone familiar with Alaska's fisheries is aware of the diversity of ownership patterns that exist in the fishing fleets. In order to standardize the method of measurement only the potential returns to an owner/operator are measured. Whether this must be split among partners or paid as interest or lease payments is not considered.

## CONCLUSIONS:

Results of the survey are presented in a series of fishery profiles, but several general conclusions are of interest.

### Level of Earnings

A nonfarm family of four living in Alaska on an adjusted gross income of less than \$5250 per year falls below Federal Poverty Guidelines. Without supplementing his income from other sources, the average gear operator in 15 of 18 salmon fisheries examined made less than this amount. In 7 fisheries gear operators actually showed a net loss.

### Size of Investment and Level of Earnings

There is a very close relationship between the size of investment and level of gross earnings. There is in turn a close relationship between gross earnings and net earnings. Thus those fisheries which require a large capital investment, such as purse seining, are also the most financially rewarding.

### Growth of Gear Registration and Size of Investment

The most rapid growth of registered gear in the salmon fisheries has occurred where a small initial investment is required, such as the drift gill net fisheries. With the exception of the power troll fishery, the average estimated market value of vessels and gear in those fisheries which showed very rapid growth in the 60's is under \$16,000. Size of investment has not deterred growth in the shellfish fisheries, but these fisheries were essentially undeveloped at the beginning of the decade.

### Growth of Gear Registration and Economic Condition

There is evidence that the rapid growth in gear registration that took place in some fisheries during the 60's contributed to low earnings today. For example, the Southeast drift gill net fishery which showed a modest growth of about 2 new units of registered gear a year between 1960 and 1970 still has relatively good earnings. Bristol Bay, which showed an increase of 78 new units of registered gear a year and Cook Inlet which showed an increase of 41 units of registered gear show poor earnings.

In effect, those salmon fisheries which require a higher level of investment had barriers to entry during the 60's that prevented their earnings from deteriorating as rapidly as those fisheries with low barriers to entry. (Detailed tables showing investment, gross earnings and growth are presented in Appendix A.)

#### "Reasonable" Gross Earnings and Size of Investment

In the survey, fishermen were asked what they felt they needed to gross in a year to pay all their expenses leaving enough to make a living for themselves. This value is closely correlated with the market value of their investment. Those with large investments felt they needed to gross approximately the market value of their investment each year while those with smaller investments felt they needed more than this amount.

#### Large Cost Items.

Besides crew shares the largest expense for most fishing vessels is for repairs and gear losses. Fuel is next.

## MEASURING COSTS AND EARNINGS

Each fishery profile presents the characteristics of the vessels surveyed. The figures represent averages for all the vessels except in the categories of engine type, electronics, and vessels insured. These categories show the percent of the sample that had the equipment indicated or insured their vessels.

Cost categories under the headings Operating and Fixed Costs are self-explanatory. Operating costs are those costs which one would normally expect to vary with the time and effort an individual expended on fishing. Fixed costs are those costs which are normally incurred regardless of the level of fishing effort. Capital costs, which would ordinarily be considered fixed costs, are broken out under a separate heading. Depreciation costs, which vary from vessel to vessel for tax purposes, are standardized in the report to equal a 30 year straight line write-off based on present market value of the vessel with no salvage value. Gear is not depreciated but treated as a yearly expense for replacements. Set net site equipment has been given a 10 year life with no salvage value since site equipment normally consists of outboard motors and small skiffs which have a shorter useful life span. Interest charges are discussed below. Labor costs are given as the percent of gross return paid to labor, and will vary with actual gross earnings. Labor costs are normally treated as variable costs.

## NET RETURNS AND OPPORTUNITY COSTS

Once operating costs, fixed costs, depreciation and labor costs are paid, the remainder is net return. This is not "profit", though, since the skipper or operator must still pay himself. Also included in net return must be included a fair return to investment. It is not possible to separate return to the operator or return to investment without making certain assumptions about alternative uses for the money invested in vessels and gear or about the time the operator spends fishing.

As mentioned, no attempt to derive actual interest charges or lease payments was made since these payments reflect returns to ownership rather than actual fishing costs. Lease or loan holders, such as a bank, regard interest payments as their return for investing in the fishing

business. Even if a fisherman owes nothing on his vessel it must be considered that if he sold his vessel for its market value and invested the money elsewhere some interest payments could be expected. Presently Triple A rated bonds pay over 9% interest. An investment as risky as fishing should probably pay considerably more than 9%. The study assumes that the real cost of an investment in fishing is 10% of the market value of the investment. Once this charge is deducted from gross earnings, it is possible to assume that what remains is return to the operator's own work.

Whether this return is satisfactory or not depends largely on the individual fisherman. One standard that could be used would be to compare returns from fishing with returns that could be earned from another equally risky occupation over an equal time period.

In this survey, fishermen were asked what they needed to gross just to break even. This was meant to be the amount necessary to pay all expenses, leaving the operator just enough so that he would not seek alternative employment. Fishermen were also asked what they felt they needed to gross in order to earn a "reasonable" income from fishing. A comparison with these estimates can be made with their actual gross earnings in 1973.

#### AN EXAMPLE

Using the Southeast purse seine fishery as an example, this is how the various figures should be interpreted. The total number of completed interviews was 25. This appears under "number sampled". The average age of those purse seine vessels in the survey was 35 years, the average length was 47 feet, and the average horsepower was 196. Of those vessels sampled, 96% had diesel propulsion, and one boat, or 4% of the sample, had a gas engine. The data showed that 76% of the boats had radar, 20% had loran, and 36% had an automatic pilot or self-steering mechanism. The average estimated market value of gear including only the value of gear actually used in the purse seine fishery, and including the value of power skiffs, was \$15,432. Ninety-six percent of the boats in the survey were insured. The average number of crewmen, including the skipper, was 6.5.

For those seine vessels which participated in several fisheries, operating costs have been pro-rated in proportion to the amount of time the vessels actually spent fishing in the Southeast purse seine fishery. All figures are in dollars, rounded to the nearest dollar. "Fuel" includes

the cost of oil, grease, and stove fuel. "Food, Clothes", includes expenses for food during the fishing season and oil skins and other special articles of clothing. "Ice" and "Bait" expenses do not apply to seine operations.

Fixed and Capital costs were pro-rated according to the proportion of gross earnings the vessels earned from the Southeast purse seine fishery.

"Vessel Repairs" include supplies used and repair costs. "Gear Repairs and Losses" include the value of any seine gear that may have been lost or replaced during the fishing season. "Insurance" includes hull insurance and personal indemnity for crew members. "Moorage" and "Utilities" are self explanatory. "Administrative" covers such items as bank checking account charges, accountant fees, telephone expenses, and office overhead. "Freight and Transportation" includes air fare to and from Alaska for non-residents, business connected travel, and freight charges for shipping supplies, parts or fishing gear. "Other" is a catch-all including license fees, union dues, storage charges, lease of electronic equipment or any other expenses incurred as a result of commercial fishing.

Depreciation has been standardized for all vessels equal to 3% of the market value of the vessel each year and pro-rated, or \$1,258. Interest charges represent the cost of the capital investment in terms of other investment opportunities and are equal to 10% of the capital investment used in the Southeast purse seine fishery. Under the share system, labor costs vary directly with gross earnings. Crewmen in the Southeast seine fleet get approximately 50% of gross earnings before bonuses are paid, or \$18,966.

"Average Gross Earnings" is the average amount received from the sale of fish caught in the Southeast purse seine fishery. This data was collected from fish landing records of the Department of Fish and Game. The footnote at the bottom of the page tells you that 54% of the gross earnings the fishermen received came from the Southeast purse seine fishery, or in other words, \$38,059 is only 54% of the total earnings these vessels received in 1973.

In addition to sales of fish, fishermen in the sample received a bonus at the end of the year equal to 19.6% of their gross earnings, or \$7,445. Therefore average total earnings from the Southeast purse seine fishery were \$45,504.

Once all costs are deducted from total earnings, the remainder, or \$16,259 is net return. From net return must come a wage for the skipper and a return on investment for the owner (who may in fact also be the skipper). The owner should receive approximately 10% of the market value of the investment used in purse seining. Once this is deducted, the remainder is what the operator received for his labor and management or \$11,304.

1973 OPERATING COST SURVEY  
FISHERY: SOUTHEASTERN PURSE SEINE

NUMBER SAMPLED 25

I VESSEL CHARACTERISTICS

AGE 35.

KEEL LENGTH 47.

ENGINE HP 202.

DIESEL 96.

OUTBOARD 0.

G INBOARD 4.

ELECTRONICS

RADAR 76.

LOPAN 20.

AUTO PILOT 36.

EST. MKT. VALUE OF VESSEL 75780.

EST. MKT. VALUE OF GEAR 15432.

% VESSELS INSURED 96.

NUMBER OF CREW 6.5

II SET NET SITES

MKT VALUE GEAR ON SITE \*\*\*\*\*

MKT VALUE OF SITE \*\*\*\*\*

III OPERATING COSTS

FUEL 1147.

FOOD, CLOTHES 1702.

BAIT 0.

ICE 0.

TOTAL OPERATING COSTS 2149.

IV FIXED COSTS

VESSEL REPAIRS 2408.

GEAR REPAIRS, LOSSES 2313.

INSURANCE 1041.

MOORAGE 74.

UTILITIES 14.

ADMINISTRATIVE 208.

FREIGHT-TRANSP 402.

OTHER 412.

TOTAL FIXED COSTS 6872.

V CAPITAL COSTS

DEPRECIATION 1258.

10% INTEREST CHARGE ON ALL INVESTMENT 4955.

TOTAL CAPITAL COSTS 5874.

VI LABOR COSTS

CREW LABOR: % GROSS 50.

CREW COST 18966.

1973 AVERAGE GROSS EARNINGS 38059.\*

PLUS: BONUS PAYMENTS AT 19.6% 7445.

TOTAL EARNINGS 45504.

LESS: OPERATING COSTS 2149.

FIXED COSTS 6872.

DEPRECIATION 1258.

LABOR COSTS 18966.

TOTAL COSTS 29245.

NET RETURN 16259.

LESS INTEREST CHARGE ON INVESTMENT 4955.

RETURN TO OPERATOR 11304.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN 31952.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN 17073.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 54.2% OF TOTAL GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: SOUTHEASTERN      DRIFT GILLNET

|                              |        |
|------------------------------|--------|
| NUMBER SAMPLED               | 49     |
| <br>I VESSEL CHARACTERISTICS |        |
| AGE                          | 13.    |
| KEEL LENGTH                  | 31.    |
| ENGINE HP                    | 168.   |
| DIESEL                       | 73.    |
| OUTBOARD                     | 4.     |
| INBOARD                      | 22.    |
| ELECTRONICS                  |        |
| RADAR                        | 31.    |
| LORAN                        | 2.     |
| AUTO PILOT                   | 45.    |
| EST. MKT. VALUE OF VESSEL    | 22280. |
| EST. MKT. VALUE OF GEAR      | 4974.  |
| % VESSELS INSURED            | 65.    |
| NUMBER OF CREW               | 1.4    |

II SET NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

III OPERATING COSTS

|               |      |
|---------------|------|
| FUEL          | 460. |
| FOOD, CLOTHES | 619. |
| BAIT          | 1.   |
| ICE           | 0.   |

|                       |       |
|-----------------------|-------|
| TOTAL OPERATING COSTS | 1080. |
|-----------------------|-------|

IV FIXED COSTS

|                      |      |
|----------------------|------|
| VESSEL REPAIRS       | 852. |
| GEAR REPAIRS, LOSSES | 874. |
| INSURANCE            | 305. |
| MOORAGE              | 65.  |
| UTILITIES            | 27.  |
| ADMINISTRATIVE       | 112. |
| FREIGHT-TRANSP       | 410. |
| OTHER                | 99.  |

|                   |       |
|-------------------|-------|
| TOTAL FIXED COSTS | 2744. |
|-------------------|-------|

V CAPITAL COSTS

|                                          |       |
|------------------------------------------|-------|
| DEPRECIATION                             | 557.  |
| 10% INTEREST CHARGE<br>ON ALL INVESTMENT | 2135. |

|                     |       |
|---------------------|-------|
| TOTAL CAPITAL COSTS | 2613. |
|---------------------|-------|

VI LABOR COSTS

|                     |       |
|---------------------|-------|
| CREW LABOR: % GROSS | 18.   |
| CREW COST           | 2680. |

|                                    |         |
|------------------------------------|---------|
| 1973 AVERAGE GROSS EARNINGS        | 15116.* |
| PLUS: BONUS PAYMENTS AT 9.2%       | 1391.   |
| TOTAL EARNINGS                     | 16508.  |
| LESS: OPERATING COSTS              | 1080.   |
| FIXED COSTS                        | 2744.   |
| DEPRECIATION                       | 557.    |
| LABOR COSTS                        | 2680.   |
| TOTAL COSTS                        | 7060.   |
| NET RETURN                         | 9448.   |
| LESS INTEREST CHARGE ON INVESTMENT | 2135.   |
| RETURN TO OPERATOR                 | 7312.   |

|                                            |        |
|--------------------------------------------|--------|
| REASONABLE GROSS AS ESTIMATED BY FISHERMEN | 22637. |
| BREAKEVEN GROSS AS ESTIMATED BY FISHERMEN  | 10101. |

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 78.% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: SOUTHEASTERN POWER TROLL

NUMBER SAMPLED 24

I VESSEL CHARACTERISTICS

AGE 25.

KEEL LENGTH 35.

ENGINE HP 114.

DIESEL 79.

OUTBOARD 0.

G INBOARD 21.

ELECTRONICS

RADAR 42.

LOPAN 13.

AUTO PILOT 46.

EST. MKT. VALUE OF VESSEL 30913.

EST. MKT. VALUE OF GEAR 2089.

% VESSELS INSURED 46.

NUMBER OF CREW 1.8

II SET NET SITES

MKT VALUE GEAR ON SITE \*\*\*\*\*

MKT VALUE OF SITE \*\*\*\*\*

III OPERATING COSTS

FUEL 456.

FOOD, CLOTHES 527.

BAIT 86.

ICE 138.

TOTAL OPERATING COSTS 1208.

IV FIXED COSTS

VESSEL REPAIRS 494.

GEAR REPAIRS, LOSSES 738.

INSURANCE 184.

MOORAGE 78.

UTILITIES 28.

ADMINISTRATIVE 121.

FREIGHT-TRANSP 131.

OTHER 24.

TOTAL FIXED COSTS 1798.

V CAPITAL COSTS

DEPRECIATION 574.

10% INTEREST CHARGE ON ALL INVESTMENT 2124.

TOTAL CAPITAL COSTS 2503.

VI LABOR COSTS

CREW LABOR: % GROSS 34.

CREW COST 2929.

1973 AVERAGE GROSS EARNINGS 8679.\*

PLUS: BONUS PAYMENTS AT 2.0% 227.

TOTAL EARNINGS 8906.

LESS: OPERATING COSTS 1208.

FIXED COSTS 1798.

DEPRECIATION 574.

LABOR COSTS 2929.

TOTAL COSTS 6509.

NET RETURN 2397.

LESS INTEREST CHARGE ON INVESTMENT 2124.

RETURN TO OPERATOR 273.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN 15376.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN 9076.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 64.7% OF TOTAL GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: SOUTHEASTERN HAND TROLL

NUMBER SAMPLED 43

I VESSEL CHARACTERISTICS

AGE 12.  
KEEL LENGTH 23.  
ENGINE HP 104.  
DIESEL % 5.  
OUTBOARD % 63.  
G INBOARD % 33.  
ELECTRONICS  
RADAR % 2.  
LORAN % 0.  
AUTO PILOT % 2.  
EST. MKT. VALUE OF VESSEL 5995.  
EST. MKT. VALUE OF GEAR 530.  
% VESSELS INSURED 30.  
NUMBER OF CREW 1.4

II SET NET SITES

MKT VALUE GEAR ON SITE \*\*\*\*\*  
MKT VALUE OF SITE \*\*\*\*\*

III OPERATING COSTS

FUEL 193.  
FOOD, CLOTHES 140.  
BAIT 56.  
ICF 8.

TOTAL OPERATING COSTS 398.

IV FIXED COSTS

VESSEL REPAIRS 250.  
GEAR REPAIRS, LOSSES 94.  
INSURANCE 76.  
MOORAGE 57.  
UTILITIES 27.  
ADMINISTRATIVE 14.  
FREIGHT-TRANSP 20.  
OTHER 7.

TOTAL FIXED COSTS 546.

V CAPITAL COSTS

DEPRECIATION 173.  
10% INTEREST CHARGE  
ON ALL INVESTMENT 560.

TOTAL CAPITAL COSTS 742.

VI LABOR COSTS

CREW LABOR: % GROSS 44.  
CREW COST 543.

1973 AVERAGE GROSS EARNINGS 1238.\*  
PLUS: BONUS PAYMENTS AT 0.6% 7.

TOTAL EARNINGS 1246.

LESS: OPERATING COSTS 398.  
FIXED COSTS 546.  
DEPRECIATION 173.  
LABOR COSTS 543.

TOTAL COSTS 1660.

NET RETURN -414.  
LESS INTEREST CHARGE ON INVESTMENT 560.

RETURN TO OPERATOR -974.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN 8624.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN 2327.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 86.7% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: YAKUTAT SET GILL NET

NUMBER SAMPLED

8

III OPERATING COSTS

I VESSEL CHARACTERISTICS

AGE \*\*\*  
KEEL LENGTH \*\*\*\*  
ENGINE HP \*\*\*\*\*  
DIESEL % \*\*\*\*\*  
OUTBOARD % \*\*\*\*\*  
INBOARD % \*\*\*\*\*  
ELECTRONICS  
RADAR % \*\*\*\*\*  
LOGAN % \*\*\*\*\*  
AUTO PILOT % \*\*\*\*\*  
EST. MKT. VALUE OF VESSEL \*\*\*\*\*  
EST. MKT. VALUE OF GEAR \*\*\*\*\*  
# VESSELS INSURED \*\*\*\*  
NUMBER OF CREW 1.5

II SET NET SITES

MKT VALUE GEAR ON SITE 10206.  
MKT VALUE OF SITE 20000.

FUEL 438.  
FOOD, CLOTHES 621.  
BAIT 0.  
ICE 0.

TOTAL OPERATING COSTS 1060.

IV FIXED COSTS

VESSEL REPAIRS 381.  
GEAR REPAIRS, LOSSES 2162.  
INSURANCE 0.  
MOORAGE 0.  
UTILITIES 0.  
ADMINISTRATIVE 75.  
FREIGHT-TRANSP 1379.  
OTHER 131.

TOTAL FIXED COSTS 4127.

V CAPITAL COSTS

DEPRECIATION 1021.  
10% INTEREST CHARGE  
ON ALL INVESTMENT 3021.

TOTAL CAPITAL COSTS 2541.

VI LABOR COSTS

CREW LABOR: % GROSS 25.  
CREW COST 2687.

1973 AVERAGE GROSS EARNINGS 10750.\*  
PLUS: BONUS PAYMENTS AT 0.0% 0.

TOTAL EARNINGS

10750.

LESS: OPERATING COSTS 1060.  
FIXED COSTS 4127.  
DEPRECIATION 1021.  
LABOR COSTS 2687.

TOTAL COSTS

3894.

NET RETURN

1855.

LESS INTEREST CHARGE ON INVESTMENT

3021.

RETURN TO OPERATOR

-1165.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN

14875.

BREAKEVEN GROSS AS ESTIMATED BY FISHERMEN

19025.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 100% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: PR WILLIAM SOUND PURSE SEINE

|                           |        |
|---------------------------|--------|
| NUMBER SAMPLED            | 12     |
| I VESSEL CHARACTERISTICS  |        |
| AGE                       | 17.    |
| KEEL LENGTH               | 35.    |
| ENGINE HP                 | 157.   |
| DIESEL %                  | 75.    |
| OUTBOARD %                | 0.     |
| G INBOARD %               | 25.    |
| ELECTRONICS               |        |
| RADAR %                   | 17.    |
| LOGAN %                   | 0.     |
| AUTO PILOT %              | 25.    |
| EST. MKT. VALUE OF VESSEL | 32583. |
| EST. MKT. VALUE OF GEAR   | 7009.  |
| % VESSELS INSURED         | 50.    |
| NUMBER OF CREW            | 3.5    |

II SET NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

III OPERATING COSTS

|               |      |
|---------------|------|
| FUEL          | 313. |
| FOOD, CLOTHES | 530. |
| BAIT          | 0.   |
| ICE           | 0.   |

|                       |      |
|-----------------------|------|
| TOTAL OPERATING COSTS | 843. |
|-----------------------|------|

IV FIXED COSTS

|                      |       |
|----------------------|-------|
| VESSEL REPAIRS       | 2041. |
| GEAR REPAIRS, LOSSES | 1224. |
| INSURANCE            | 238.  |
| MOORAGE              | 171.  |
| UTILITIES            | 15.   |
| ADMINISTRATIVE       | 141.  |
| FREIGHT-TRANSP       | 309.  |
| OTHER                | 161.  |

|                   |       |
|-------------------|-------|
| TOTAL FIXED COSTS | 4300. |
|-------------------|-------|

V CAPITAL COSTS

|                                          |       |
|------------------------------------------|-------|
| DEPRECIATION                             | 661.  |
| 10% INTEREST CHARGE<br>ON ALL INVESTMENT | 2714. |

|                     |       |
|---------------------|-------|
| TOTAL CAPITAL COSTS | 3182. |
|---------------------|-------|

VI LABOR COSTS

|                     |        |
|---------------------|--------|
| CREW LABOR: % GROSS | 45.    |
| CREW COST           | 11180. |

|                              |         |
|------------------------------|---------|
| 1973 AVERAGE GROSS EARNINGS  | 24890.* |
| PLUS: BONUS PAYMENTS AT 0.0% | 0.      |

|                |        |
|----------------|--------|
| TOTAL EARNINGS | 24890. |
|----------------|--------|

|                       |        |
|-----------------------|--------|
| LESS: OPERATING COSTS | 843.   |
| FIXED COSTS           | 4300.  |
| DEPRECIATION          | 661.   |
| LABOR COSTS           | 11180. |

|             |        |
|-------------|--------|
| TOTAL COSTS | 16984. |
|-------------|--------|

|                                    |       |
|------------------------------------|-------|
| NET RETURN                         | 7906. |
| LESS INTEREST CHARGE ON INVESTMENT | 2714. |

|                    |       |
|--------------------|-------|
| RETURN TO OPERATOR | 5192. |
|--------------------|-------|

|                                            |        |
|--------------------------------------------|--------|
| REASONABLE GROSS AS ESTIMATED BY FISHERMEN | 26906. |
|--------------------------------------------|--------|

|                                            |        |
|--------------------------------------------|--------|
| BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN | 16652. |
|--------------------------------------------|--------|

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 69.% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: PR WILLIAM SOUND DRIFT GILLNET

NUMBER SAMPLED 46

I VESSEL CHARACTERISTICS

AGE 10.

KEFL LENGTH 26.

ENGINE HP 146.

DIESEL 24.

OUTBOARD 29.

G INBOARD 47.

ELECTRONICS

RADAR 4.

LORAN 2.

AUTO PILOT 4.

EST. MKT. VALUE OF VESSEL 12626.

EST. MKT. VALUE OF GEAR 3016.

% VESSELS INSURED 46.

NUMBER OF CREW 1.2

II SET NET SITES

MKT VALUE GEAR ON SITE \*\*\*\*\*

MKT VALUE OF SITE \*\*\*\*\*

III OPERATING COSTS

FUEL 393.

FOOD, CLOTHES 615.

BAIT 0.

ICE 0.

TOTAL OPERATING COSTS 1008.

IV FIXED COSTS

VESSEL REPAIRS 762.

GEAR REPAIRS, LOSSES 602.

INSURANCE 109.

MOORAGE 51.

UTILITIES 42.

ADMINISTRATIVE 976.

FREIGHT-TRANSP 421.

OTHER 256.

TOTAL FIXED COSTS 3219.

V CAPITAL COSTS

DEPRECIATION 209.

10% INTEREST CHARGE ON ALL INVESTMENT 1209.

TOTAL CAPITAL COSTS 1045.

VI LABOR COSTS

CREW LABOR: \$ GROSS 29.

CREW COST 2303.

1973 AVERAGE GROSS EARNINGS 7940.\*

PLUS: BONUS PAYMENTS AT 2.4% 191.

TOTAL EARNINGS

8131.

LESS: OPERATING COSTS

1008.

FIXED COSTS

3219.

DEPRECIATION

209.

LABOR COSTS

2303.

TOTAL COSTS

6739.

NET RETURN

1392.

LESS INTEREST CHARGE ON INVESTMENT

1209.

RETURN TO OPERATOR

183.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN

19614.

BREAKEVEN GROSS AS ESTIMATED BY FISHERMEN

10959.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 77.2% OF TOTAL GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: PR WILLIAM SOUND KING/TANNER POTS

NUMBER SAMPLED 6

I VESSEL CHARACTERISTICS

|                           |         |
|---------------------------|---------|
| AGE                       | 15.     |
| KEEL LENGTH               | 51.     |
| ENGINE HP                 | 283.    |
| DIESEL                    | 83.     |
| OUTBOARD                  | 0.      |
| G INBOARD                 | 17.     |
| ELECTRONICS               |         |
| RADAR                     | 67.     |
| LORAN                     | 33.     |
| AUTO PILOT                | 67.     |
| EST. MKT. VALUE OF VESSEL | 129167. |
| EST. MKT. VALUE OF GEAR   | 17792.  |
| % VESSELS INSURED         | 83.     |
| NUMBER OF CREW            | 2.7     |

II SET NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

III OPERATING COSTS

|               |       |
|---------------|-------|
| FUEL          | 2067. |
| FOOD, CLOTHES | 685.  |
| BAIT          | 855.  |
| ICE           | 0.    |

TOTAL OPERATING COSTS 3607.

IV FIXED COSTS

|                      |       |
|----------------------|-------|
| VESSEL REPAIRS       | 3006. |
| GEAR REPAIRS, LOSSES | 8519. |
| INSURANCE            | 1549. |
| MOORAGE              | 76.   |
| UTILITIES            | 98.   |
| ADMINISTRATIVE       | 58.   |
| FREIGHT-TRANSP       | 468.  |
| OTHER                | 285.  |

TOTAL FIXED COSTS 14059.

V CAPITAL COSTS

|                                       |       |
|---------------------------------------|-------|
| DEPRECIATION                          | 1127. |
| 10% INTEREST CHARGE ON ALL INVESTMENT | 5507. |

TOTAL CAPITAL COSTS 6041.

VI LABOR COSTS

|                     |       |
|---------------------|-------|
| CREW LABOR: % GROSS | 27.   |
| CREW COST           | 8131. |

|                                    |         |
|------------------------------------|---------|
| 1973 AVERAGE GROSS EARNINGS        | 30339.* |
| PLUS: BONUS PAYMENTS AT 0.0%       | 0.      |
| TOTAL EARNINGS                     | 30339.  |
| LESS: OPERATING COSTS              | 3607.   |
| FIXED COSTS                        | 14059.  |
| DEPRECIATION                       | 1127.   |
| LABOR COSTS                        | 8131.   |
| TOTAL COSTS                        | 26924.  |
| NET RETURN                         | 3415.   |
| LESS INTEREST CHARGE ON INVESTMENT | 5507.   |
| RETURN TO OPERATOR                 | -2092.  |

|                                            |        |
|--------------------------------------------|--------|
| REASONABLE GROSS AS ESTIMATED BY FISHERMEN | 34083. |
| BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN | 19240. |

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 33.% OF TOTAL GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: COCK INLET PURSE SEINE

-16-

|                           |        |
|---------------------------|--------|
| NUMBER SAMPLED            | 14     |
| I VESSEL CHARACTERISTICS  |        |
| AGE                       | 18.    |
| KEEL LENGTH               | 32.    |
| ENGINE HP                 | 184.   |
| DIESEL %                  | 43.    |
| OUTBOARD %                | 14.    |
| G INBOARD %               | 43.    |
| ELECTRONICS               |        |
| RADAR %                   | 7.     |
| LORAN %                   | 0.     |
| AUTO PILOT %              | 21.    |
| EST. MKT. VALUE OF VESSEL | 25821. |
| EST. MKT. VALUE OF GEAR   | 7836.  |
| % VESSELS INSURED         | 43.    |
| NUMBER OF CREW            | 3.6    |

II SET NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

III OPERATING COSTS

|               |      |
|---------------|------|
| FUEL          | 545. |
| FOOD, CLOTHES | 432. |
| BAIT          | 0.   |
| ICE           | 0.   |

|                       |      |
|-----------------------|------|
| TOTAL OPERATING COSTS | 977. |
|-----------------------|------|

IV FIXED COSTS

|                      |       |
|----------------------|-------|
| VESSEL REPAIRS       | 983.  |
| GEAR REPAIRS, LUSSES | 1113. |
| INSURANCE            | 309.  |
| MOORAGE              | 168.  |
| UTILITIES            | 13.   |
| ADMINISTRATIVE       | 139.  |
| FREIGHT-TRANSP       | 251.  |
| OTHER                | 77.   |

|                   |       |
|-------------------|-------|
| TOTAL FIXED COSTS | 3052. |
|-------------------|-------|

V CAPITAL COSTS

|                                       |       |
|---------------------------------------|-------|
| DEPRECIATION                          | 477.  |
| 10% INTEREST CHARGE ON ALL INVESTMENT | 2131. |

|                     |       |
|---------------------|-------|
| TOTAL CAPITAL COSTS | 2395. |
|---------------------|-------|

VI LABOR COSTS

|                     |        |
|---------------------|--------|
| CREW LABOR: % GROSS | 51.    |
| CREW COST           | 10688. |

|                              |         |
|------------------------------|---------|
| 1973 AVERAGE GROSS EARNINGS  | 21129.* |
| PLUS: BONUS PAYMENTS AT 0.4% | 88.     |

TOTAL EARNINGS

21218.

LESS: OPERATING COSTS

977.

FIXED COSTS

3052.

DEPRECIATION

477.

LABOR COSTS

10688.

TOTAL COSTS

15194.

NET RETURN

6023.

LESS INTEREST CHARGE ON INVESTMENT

2131.

RETURN TO OPERATOR

3892.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN

24261.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN

15 01.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 63.% OF TOTAL GROSS EARNINGS FROM ALL FISHERIES

## 1973 OPERATING COST SURVEY

FISHERY: COOK INLET

DRIFT GILLNET

NUMBER SAMPLED

33

## I VESSEL CHARACTERISTICS

AGE 16.  
 KEEL LENGTH 31.  
 ENGINE HP 147.  
   DIESEL 24.  
   OUTBOARD 9.  
   G INBOARD 67.  
 ELECTRONICS  
   RADAR 3.  
   LORAN 0.  
   AUTO PILOT 6.  
 EST. MKT. VALUE OF VESSEL 12843.  
 EST. MKT. VALUE OF GEAR 2411.  
 % VESSELS INSURED 61.  
 NUMBER OF CREW 1.8

## II SET NET SITES

MKT VALUE GEAR ON SITE \*\*\*\*\*  
 MKT VALUE OF SITE \*\*\*\*\*

## III OPERATING COSTS

FUEL 213.  
 FOOD, CLOTHES 434.  
 BAIT 0.  
 ICE 0.

TOTAL OPERATING COSTS 646.

## IV FIXED COSTS

VESSEL REPAIRS 357.  
 GEAR REPAIRS, LOSSES 618.  
 INSURANCE 150.  
 MOORAGE 88.  
 UTILITIES 1.  
 ADMINISTRATIVE 57.  
 FREIGHT-TRANSP 490.  
 OTHER 26.

TOTAL FIXED COSTS 1787.

## V CAPITAL COSTS

DEPRECIATION 311.  
 10% INTEREST CHARGE  
 ON ALL INVESTMENT 1263.

TOTAL CAPITAL COSTS 1477.

## VI LABOR COSTS

CREW LABOR: % GROSS 22.  
 CREW COST 2251.

1973 AVERAGE GROSS EARNINGS 10135.\*  
 PLUS: BONUS PAYMENTS AT 2.9% 292.

TOTAL EARNINGS 10427.

LESS: OPERATING COSTS 646.  
 FIXED COSTS 1787.  
 DEPRECIATION 311.  
 LABOR COSTS 2251.

TOTAL COSTS 4996.

NET RETURN 5432.  
 LESS INTEREST CHARGE ON INVESTMENT 1263.

RETURN TO OPERATOR 4169.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN 14531.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN 7941.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 83.% OF TOTAL  
 GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: COOK INLET SET GILL NET

NUMBER SAMPLED 32

I VESSEL CHARACTERISTICS

AGE \*\*\*

KEEL LENGTH \*\*\*\*

ENGINE HP \*\*\*\*\*

DIESEL 2/2 \*\*\*\*

OUTBOARD 2/2 \*\*\*\*

G INBOARD 2/2 \*\*\*\*

ELECTRONICS

RADAR 2/2 \*\*\*\*

LOGAN 2/2 \*\*\*\*

AUTO PILOT 2/2 \*\*\*\*

EST. MKT. VALUE OF VESSEL \*\*\*\*\*

EST. MKT. VALUE OF GEAR \*\*\*\*\*

4 VESSELS INSURED \*\*\*\*

NUMBER OF CREW 2.8

II SET NET SITES

MKT VALUE GEAR ON SITE 8223.

MKT VALUE OF SITE 21563.

III OPERATING COSTS

FUEL 303.  
FOOD, CLOTHES 666.  
BAIT 0.  
ICE 0.

TOTAL OPERATING COSTS 969.

IV FIXED COSTS

VESSEL REPAIRS 201.  
GEAR REPAIRS, LOSSES 479.  
INSURANCE 2.  
MOORAGE 0.  
UTILITIES 8.  
ADMINISTRATIVE 72.  
FREIGHT-TRANSP 343.  
OTHER 42.

TOTAL FIXED COSTS 1148.

V CAPITAL COSTS

DEPRECIATION 813.  
10% INTEREST CHARGE  
ON ALL INVESTMENT 2925.

TOTAL CAPITAL COSTS 3670.

VI LABOR COSTS

CREW LABOR: % GROSS 43.  
CREW COST 2260.

1973 AVERAGE GROSS EARNINGS 5279.\*  
PLUS: BONUS PAYMENTS AT 0.2% 12.  
TOTAL EARNINGS 5291.

LESS: OPERATING COSTS 969.  
FIXED COSTS 1148.  
DEPRECIATION 813.  
LABOR COSTS 2260.  
TOTAL COSTS 5191.

NET RETURN 100.  
LESS INTEREST CHARGE ON INVESTMENT 2925.  
RETURN TO OPERATOR -2825.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN 14916.  
BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN 12540.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 98.% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

## 1973 OPERATING COST SURVEY

FISHERY: COOK INLET

OTTER TRAWL

NUMBER SAMPLED

2

## III OPERATING COSTS

## I VESSEL CHARACTERISTICS

|                           |        |
|---------------------------|--------|
| AGE                       | 47.    |
| KEEL LENGTH               | 54.    |
| ENGINE HP                 | 298.   |
| DIESEL                    | 100.   |
| OUTBOARD %                | 0.     |
| G INBOARD %               | 0.     |
| ELECTRONICS               |        |
| RADAR %                   | 100.   |
| LORAN %                   | 50.    |
| AUTO PILOT %              | 100.   |
| EST. MKT. VALUE OF VESSEL | 52500. |
| EST. MKT. VALUE OF GEAR   | 9500.  |
| % VESSELS INSURED         | 50.    |
| NUMBER OF CREW            | 2.5    |

## II SET NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

|               |       |
|---------------|-------|
| FUEL          | 1204. |
| FOOD, CLOTHES | 1069. |
| BAIT          | 0.    |
| ICE           | 0.    |

TOTAL OPERATING COSTS 2273.

## IV FIXED COSTS

|                      |       |
|----------------------|-------|
| VESSEL REPAIRS       | 1447. |
| GEAR REPAIRS, LOSSES | 1850. |
| INSURANCE            | 2250. |
| MOORAGE              | 304.  |
| UTILITIES            | 220.  |
| ADMINISTRATIVE       | 129.  |
| FREIGHT-TRANSP       | 971.  |
| OTHER                | 67.   |

TOTAL FIXED COSTS 7238.

## V CAPITAL COSTS

|                                          |       |
|------------------------------------------|-------|
| DEPRECIATION                             | 1374. |
| 10% INTEREST CHARGE<br>ON ALL INVESTMENT | 4762. |

TOTAL CAPITAL COSTS 6223.

## VI LABOR COSTS

|                     |       |
|---------------------|-------|
| CREW LABOR: ? GROSS | 24.   |
| CREW COST           | 9283. |

|                              |         |
|------------------------------|---------|
| 1973 AVERAGE GROSS EARNINGS  | 38680.* |
| PLUS: BONUS PAYMENTS AT 0.0% | 0.      |

TOTAL EARNINGS

38680.

LESS: OPERATING COSTS

2273.

FIXED COSTS

7238.

DEPRECIATION

1374.

LABOR COSTS

9283.

TOTAL COSTS

20168.

NET RETURN

18511.

LESS INTEREST CHARGE ON INVESTMENT

4762.

RETURN TO OPERATOR

13750.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN

53760.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN

38400.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 77.2% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

## 1973 OPERATING COST SURVEY

FISHERY: COOK INLET

KING/TANNER POTS

NUMBER SAMPLED

20

## I VESSEL CHARACTERISTICS

|                           |        |
|---------------------------|--------|
| AGE                       | 23.    |
| KEEL LENGTH               | 45.    |
| ENGINE HP                 | 191.   |
| DIESEL                    | 90.    |
| OUTBOARD                  | 0.     |
| G INBOARD                 | 10.    |
| ELECTRONICS               |        |
| RADAR                     | 50.    |
| LORAN                     | 10.    |
| AUTO PILOT                | 60.    |
| EST. MKT. VALUE OF VESSEL | 50625. |
| EST. MKT. VALUE OF GEAR   | 21908. |
| % VESSELS INSURED         | 70.    |
| NUMBER OF CREW            | 2.9    |

## II SET NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

## III OPERATING COSTS

|               |       |
|---------------|-------|
| FUEL          | 2906. |
| FOOD, CLOTHES | 1505. |
| BAIT          | 2902. |
| ICE           | 18.   |

TOTAL OPERATING COSTS 7332.

## IV FIXED COSTS

|                      |       |
|----------------------|-------|
| VESSEL REPAIRS       | 3457. |
| GEAR REPAIRS, LOSSES | 5945. |
| INSURANCE            | 2366. |
| MOORAGE              | 154.  |
| UTILITIES            | 97.   |
| ADMINISTRATIVE       | 255.  |
| FREIGHT-TRANSP       | 1499. |
| OTHER                | 463.  |

TOTAL FIXED COSTS 14235.

## V CAPITAL COSTS

|                                          |       |
|------------------------------------------|-------|
| DEPRECIATION                             | 1471. |
| 10% INTEREST CHARGE<br>ON ALL INVESTMENT | 5822. |

TOTAL CAPITAL COSTS 7891.

## VI LABOR COSTS

|                     |        |
|---------------------|--------|
| CREW LABOR: % GROSS | 33.    |
| CREW COST           | 35586. |

|                              |          |
|------------------------------|----------|
| 1973 AVERAGE GROSS EARNINGS  | 109397.* |
| PLUS: BONUS PAYMENTS AT 0.3% | 304.     |

TOTAL EARNINGS

109701.

LESS: OPERATING COSTS

7332.

FIXED COSTS

14235.

DEPRECIATION

1471.

LABOR COSTS

35586.

TOTAL COSTS

58624.

NET RETURN

51077.

LESS INTEREST CHARGE ON INVESTMENT

5822.

RETURN TO OPERATOR

45256.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN

77219.

BREAKEVEN GROSS AS ESTIMATED BY FISHERMEN

61561.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 90.% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

## 1973 OPERATING COST SURVEY

FISHERY: KODIAK

PURSE SEINE

NUMBER SAMPLED

43

## I VESSEL CHARACTERISTICS

|                           |        |
|---------------------------|--------|
| AGE                       | 16.    |
| KEEL LENGTH               | 34.    |
| ENGINE HP                 | 149.   |
| DIESEL %                  | 91.    |
| OUTBOARD %                | 0.     |
| G INBOARD %               | 9.     |
| ELECTRONICS               |        |
| RADAR %                   | 19.    |
| LOFAN %                   | 0.     |
| AUTO PILOT %              | 14.    |
| EST. MKT. VALUE OF VESSEL | 31565. |
| EST. MKT. VALUE OF GEAR   | 6337.  |
| % VESSELS INSURED         | 93.    |
| NUMBER OF CREW            | 3.9    |

## II SET NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

## III OPERATING COSTS

|               |      |
|---------------|------|
| FUEL          | 648. |
| FOOD, CLOTHES | 436. |
| BAIT          | 18.  |
| ICE           | 6.   |

TOTAL OPERATING COSTS 1108.

## IV FIXED COSTS

|                      |       |
|----------------------|-------|
| VESSEL REPAIRS       | 1076. |
| GEAR REPAIRS, LOSSES | 601.  |
| INSURANCE            | 690.  |
| MOORAGE              | 132.  |
| UTILITIES            | 14.   |
| ADMINISTRATIVE       | 86.   |
| FREIGHT-TRANSP       | 341.  |
| OTHER                | 109.  |

TOTAL FIXED COSTS 3049.

## V CAPITAL COSTS

|                                       |       |
|---------------------------------------|-------|
| DEPRECIATION                          | 648.  |
| 10% INTEREST CHARGE ON ALL INVESTMENT | 2527. |

TOTAL CAPITAL COSTS 2941.

## VI LABOR COSTS

|                     |       |
|---------------------|-------|
| CREW LABOR: % GROSS | 43.   |
| CREW COST           | 2720. |

|                              |        |
|------------------------------|--------|
| 1973 AVERAGE GROSS EARNINGS  | 6357.* |
| PLUS: BONUS PAYMENTS AT 1.9% | 124.   |

TOTAL EARNINGS

6480.

LESS: OPERATING COSTS

1108.

FIXED COSTS

3049.

DEPRECIATION

648.

LABOR COSTS

2720.

TOTAL COSTS

7526.

NET RETURN

-1046.

LESS INTEREST CHARGE ON INVESTMENT

2527.

RETURN TO OPERATOR

-3574.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN

32602.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN

14154.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 67.2% OF TOTAL GROSS EARNINGS FROM ALL FISHERIES

## 1973 OPERATING COST SURVEY

FISHERY: KODIAK

SET GILL NET

NUMBER SAMPLED

13

## III OPERATING COSTS

## I VESSEL CHARACTERISTICS

AGE \*\*\*  
 KEEL LENGTH \*\*\*\*  
 ENGINE HP \*\*\*\*\*  
 DIESEL % \*\*\*\*\*  
 OUTBOARD % \*\*\*\*\*  
 G INBOARD % \*\*\*\*\*  
 ELECTRONICS  
 RADAR % \*\*\*\*\*  
 LOGAN % \*\*\*\*\*  
 AUTO PILOT % \*\*\*\*\*  
 EST. MKT. VALUE OF VESSEL \*\*\*\*\*  
 EST. MKT. VALUE OF GEAR \*\*\*\*\*  
 % VESSELS INSURED \*\*\*\*\*  
 NUMBER OF CREW 2.0

## II SET NET SITES

MKT VALUE GEAR ON SITE 8139.  
 MKT VALUE OF SITE 17264.

FUEL 107.  
 FOOD, CLOTHES 534.  
 BAIT 0.  
 ICE 0.

TOTAL OPERATING COSTS 641.

## IV FIXED COSTS

VESSEL REPAIRS 212.  
 GEAR REPAIRS, LOSSES 594.  
 INSURANCE 0.  
 MOORAGE 0.  
 UTILITIES 8.  
 ADMINISTRATIVE 78.  
 FREIGHT-TRANSP 390.  
 OTHER 73.

TOTAL FIXED COSTS 1355.

## V CAPITAL COSTS

DEPRECIATION 594.  
 10% INTEREST CHARGE  
 ON ALL INVESTMENT 2058.

TOTAL CAPITAL COSTS 2575.

## VI LABOR COSTS

CREW LABOR: % GROSS 56.  
 CREW COST 1366.

1973 AVERAGE GROSS EARNINGS 2455.\*  
 PLUS: BONUS PAYMENTS AT 5.0% 123.

TOTAL EARNINGS

2577.

LESS: OPERATING COSTS 641.

FIXED COSTS 1355.

DEPRECIATION 594.

LABOR COSTS 1366.

TOTAL COSTS 3957.

NET RETURN -1379.

LESS INTEREST CHARGE ON INVESTMENT 2058.

RETURN TO OPERATOR -3437.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN 11075.

BREAKEVEN GROSS AS ESTIMATED BY FISHERMEN 12777.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 81.2% OF TOTAL  
 GROSS EARNINGS FROM ALL FISHERIES

## 1973 OPERATING COST SURVEY

FISHERY: KODIAK

KING/TANNER POTS

NUMBER SAMPLED

18

## I VESSEL CHARACTERISTICS

|                           |         |
|---------------------------|---------|
| AGE                       | 20.     |
| KEEL LENGTH               | 55.     |
| ENGINE HP                 | 282.    |
| DIESEL %                  | 94.     |
| OUTBOARD %                | 0.      |
| G INBOARD %               | 6.      |
| ELECTRONICS               |         |
| RADAR %                   | 94.     |
| LORAN %                   | 33.     |
| AUTO PILOT %              | 72.     |
| EST. MKT. VALUE OF VESSEL | 126989. |
| EST. MKT. VALUE OF GEAR   | 36815.  |
| % VESSELS INSURED         | 100.    |
| NUMBER OF CREW            | 3.3     |

## II SET NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

## III OPERATING COSTS

|               |       |
|---------------|-------|
| FUEL          | 3483. |
| FOOD, CLOTHES | 1518. |
| BAIT          | 2559. |
| ICE           | 13.   |

TOTAL OPERATING COSTS 7574.

## IV FIXED COSTS

|                      |       |
|----------------------|-------|
| VESSEL REPAIRS       | 6951. |
| GEAR REPAIRS, LOSSES | 9158. |
| INSURANCE            | 3534. |
| MOORAGE              | 160.  |
| UTILITIES            | 114.  |
| ADMINISTRATIVE       | 293.  |
| FREIGHT-TRANSP       | 845.  |
| OTHER                | 187.  |

TOTAL FIXED COSTS 21242.

## V CAPITAL COSTS

|                                       |        |
|---------------------------------------|--------|
| DEPRECIATION                          | 2605.  |
| 10% INTEREST CHARGE ON ALL INVESTMENT | 10349. |

TOTAL CAPITAL COSTS 13162.

## VI LABOR COSTS

|                     |        |
|---------------------|--------|
| CREW LABOR: % GROSS | 26.    |
| CREW COST           | 29603. |

|                              |          |
|------------------------------|----------|
| 1973 AVERAGE GROSS EARNINGS  | 107432.* |
| PLUS: BONUS PAYMENTS AT 0.1% | 63.      |

TOTAL EARNINGS

107495.

LESS: OPERATING COSTS

7574.

FIXED COSTS

21242.

DEPRECIATION

2605.

LABOR COSTS

29603.

TOTAL COSTS

61024.

NET RETURN

46472.

LESS INTEREST CHARGE ON INVESTMENT

10349.

RETURN TO OPERATOR

36123.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN

96475.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN

68397.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 63.2% OF TOTAL GROSS EARNINGS FROM ALL FISHERIES

## 1973 OPERATING COST SURVEY

FISHERY: CHIGNIK

PURSE SEINE

NUMBER SAMPLED

8

## III OPERATING COSTS

## I VESSEL CHARACTERISTICS

|                           |        |
|---------------------------|--------|
| AGE                       | 8.     |
| KEEL LENGTH               | 37.    |
| ENGINE HP                 | 211.   |
| DIESEL                    | 88.    |
| OUTBOARD                  | 0.     |
| G INBOARD                 | 13.    |
| ELECTRONICS               |        |
| RACAR                     | 63.    |
| LORAN                     | 0.     |
| AUTO PILOT                | 38.    |
| EST. MKT. VALUE OF VESSEL | 51563. |
| EST. MKT. VALUE OF GEAR   | 14744. |
| % VESSELS INSURED         | 100.   |
| NUMBER OF CREW            | 3.8    |

## II SET SET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

|               |       |
|---------------|-------|
| FUEL          | 867.  |
| FOOD, CLOTHES | 1061. |
| BAIT          | 0.    |
| ICE           | 0.    |

|                       |       |
|-----------------------|-------|
| TOTAL OPERATING COSTS | 1929. |
|-----------------------|-------|

## IV FIXED COSTS

|                      |       |
|----------------------|-------|
| VESSEL REPAIRS       | 437.  |
| GEAR REPAIRS, LOSSES | 3456. |
| INSURANCE            | 1924. |
| MOORAGE              | 83.   |
| UTILITIES            | 54.   |
| ADMINISTRATIVE       | 219.  |
| FREIGHT-TRANSP       | 543.  |
| OTHER                | 191.  |

|                   |       |
|-------------------|-------|
| TOTAL FIXED COSTS | 6906. |
|-------------------|-------|

## V CAPITAL COSTS

|                                          |       |
|------------------------------------------|-------|
| DEPRECIATION                             | 1378. |
| 10% INTEREST CHARGE<br>ON ALL INVESTMENT | 5469. |

|                     |       |
|---------------------|-------|
| TOTAL CAPITAL COSTS | 6831. |
|---------------------|-------|

## VI LABOR COSTS

|                     |        |
|---------------------|--------|
| CREW LABOR: % GROSS | 42.    |
| CREW COST           | 18014. |

|                              |         |
|------------------------------|---------|
| 1973 AVERAGE GROSS EARNINGS  | 42600.* |
| PLUS: BONUS PAYMENTS AT 4.5% | 1917.   |

TOTAL EARNINGS

44517.

LESS: OPERATING COSTS

1929.

FIXED COSTS

6906.

DEPRECIATION

1378.

LABOR COSTS

18014.

TOTAL COSTS

28226.

NET RETURN

16291.

LESS INTEREST CHARGE ON INVESTMENT

5469.

RETURN TO OPERATOR

10821.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN

39594.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN

20313.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 82.% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: PENINS-ALEUTIANS PURSE SEINE

NUMBER SAMPLED 26

I VESSEL CHARACTERISTICS

AGE 16.  
KEEL LENGTH 36.  
ENGINE HP 178.  
DIESEL % 69.  
OUTBOARD % 8.  
G INBOARD % 23.  
ELECTRONICS  
RADAR % 27.  
LORAN % 12.  
AUTO PILOT % 50.  
EST. MKT. VALUE OF VESSEL 41881.  
EST. MKT. VALUE OF GEAR 9592.  
% VESSELS INSURED 96.  
NUMBER OF CREW 2.9

II SET NET SITES

MKT VALUE GEAR ON SITE \*\*\*\*\*  
MKT VALUE OF SITE \*\*\*\*\*

III OPERATING COSTS

FUEL 336.  
FOOD, CLOTHES 356.  
BAIT 0.  
ICE 0.

TOTAL OPERATING COSTS 692.

IV FIXED COSTS

VESSEL REPAIRS 47.  
GEAR REPAIRS, LOSSES 268.  
INSURANCE 191.  
MOORAGE 41.  
UTILITIES 0.  
ADMINISTRATIVE 18.  
FREIGHT-TRANSP 128.  
OTHER 24.

TOTAL FIXED COSTS 717.

V CAPITAL COSTS

DEPRECIATION 218.  
10% INTEREST CHARGE  
ON ALL INVESTMENT 1335.

TOTAL CAPITAL COSTS 1095.

VI LABOR COSTS

CREW LABOR: % GROSS 34.  
CREW COST 2597.

1973 AVERAGE GROSS EARNINGS 7592.\*  
PLUS: BONUS PAYMENTS AT 0.0% 0.

TOTAL EARNINGS 7592.

LESS: OPERATING COSTS 692.  
FIXED COSTS 717.  
DEPRECIATION 218.  
LABOR COSTS 2597.

TOTAL COSTS 4224.

NET RETURN 3369.  
LESS INTEREST CHARGE ON INVESTMENT 1335.

RETURN TO OPERATOR 2034.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN 12239.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN 7385.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 26.2% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: PENINS-ALEUTIANS DRIFT GILLNET

NUMBER SAMPLED 28

I VESSEL CHARACTERISTICS

|                           |        |
|---------------------------|--------|
| AGE                       | 12.    |
| KEEL LENGTH               | 30.    |
| ENGINE HP                 | 168.   |
| DIESEL %                  | 46.    |
| OUTBOARD %                | 7.     |
| G INBOARD %               | 44.    |
| ELECTRONICS               |        |
| RACAR %                   | 14.    |
| LOGAN %                   | 0.     |
| AUTO PILOT %              | 64.    |
| EST. MKT. VALUE OF VESSEL | 19835. |
| EST. MKT. VALUE OF GEAR   | 3593.  |
| % VESSELS INSURED         | 89.    |
| NUMBER OF CREW            | 1.4    |

II SET NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

III OPERATING COSTS

|               |      |
|---------------|------|
| FUEL          | 517. |
| FOOD, CLOTHES | 347. |
| BAIT          | 0.   |
| ICE           | 0.   |

TOTAL OPERATING COSTS 864.

IV FIXED COSTS

|                      |      |
|----------------------|------|
| VESSEL REPAIRS       | 462. |
| GEAR REPAIRS, LOSSES | 850. |
| INSURANCE            | 513. |
| MOORAGE              | 13.  |
| UTILITIES            | 0.   |
| ADMINISTRATIVE       | 45.  |
| FREIGHT-TRANSP       | 302. |
| OTHER                | 225. |

TOTAL FIXED COSTS 2409.

V CAPITAL COSTS

|                                       |       |
|---------------------------------------|-------|
| DEPRECIATION                          | 507.  |
| 10% INTEREST CHARGE ON ALL INVESTMENT | 1838. |

TOTAL CAPITAL COSTS 2273.

VI LABOR COSTS

|                     |       |
|---------------------|-------|
| CREW LABOR: % GROSS | 23.   |
| CREW COST           | 2495. |

|                              |         |
|------------------------------|---------|
| 1973 AVERAGE GROSS EARNINGS  | 10649.* |
| PLUS: BONUS PAYMENTS AT 0.0% | 0.      |

TOTAL EARNINGS 10649.

|                       |       |
|-----------------------|-------|
| LESS: OPERATING COSTS | 864.  |
| FIXED COSTS           | 2409. |
| DEPRECIATION          | 507.  |
| LABOR COSTS           | 2495. |

TOTAL COSTS 6275.

|                                    |       |
|------------------------------------|-------|
| NET RETURN                         | 4375. |
| LESS INTEREST CHARGE ON INVESTMENT | 1838. |

RETURN TO OPERATOR 2537.

|                                            |        |
|--------------------------------------------|--------|
| REASONABLE GROSS AS ESTIMATED BY FISHERMEN | 17939. |
|--------------------------------------------|--------|

|                                            |        |
|--------------------------------------------|--------|
| BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN | 11662. |
|--------------------------------------------|--------|

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 78.% OF TOTAL GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: PENINS-ALEUTIANS SET GILL NET

NUMBER SAMPLED 10

I VESSEL CHARACTERISTICS

AGE \*\*\*

KEEL LENGTH \*\*\*\*

ENGINE HP \*\*\*\*\*

DIESEL % \*\*\*\*\*

OUTBOARD % \*\*\*\*\*

G INBOARD % \*\*\*\*\*

ELECTRONICS

RADAR % \*\*\*\*\*

LOGAN % \*\*\*\*\*

AUTO PILOT % \*\*\*\*\*

EST. MKT. VALUE OF VESSEL \*\*\*\*\*

EST. MKT. VALUE OF GEAR \*\*\*\*\*

% VESSELS INSURED \*\*\*\*\*

NUMBER OF CREW 1.3

II SET NET SITES

MKT VALUE GEAR ON SITE 4317.

MKT VALUE OF SITE 18700.

III OPERATING COSTS

FUEL 151.

FOOD, CLOTHES 213.

BAIT 0.

ICE 0.

TOTAL OPERATING COSTS 363.

IV FIXED COSTS

VESSEL REPAIRS 142.

GEAR REPAIRS, LOSSES 270.

INSURANCE 194.

MOORAGE 8.

UTILITIES 0.

ADMINISTRATIVE 37.

FREIGHT-TRANSP 101.

OTHER 25.

TOTAL FIXED COSTS 775.

V CAPITAL COSTS

DEPRECIATION 347.

10% INTEREST CHARGE 1838.

ON ALL INVESTMENT

TOTAL CAPITAL COSTS 1209.

VI LABOR COSTS

CREW LABOR: % GROSS 39.

CREW COST 2045.

1973 AVERAGE GROSS EARNINGS 5310.\*

PLUS: BONUS PAYMENTS AT 0.0% 0.

TOTAL EARNINGS 5310.

LESS: OPERATING COSTS 363.

FIXED COSTS 775.

DEPRECIATION 347.

LABOR COSTS 2045.

TOTAL COSTS 3530.

NET RETURN 1780.

LESS INTEREST CHARGE ON INVESTMENT 1838.

RETURN TO OPERATOR -58.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN 7865.

BREAKEVEN GROSS AS ESTIMATED BY FISHERMEN 5406.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 80.2% OF TOTAL GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISH PENINS-ALEUTIANS KING/TANNER POTS

NUMBER SAMPLED

6

I VESSEL CHARACTERISTICS

|                           |         |
|---------------------------|---------|
| AGE                       | 22.     |
| KEEL LENGTH               | 58.     |
| ENGINE HP                 | 306.    |
| DIESEL                    | 100.    |
| OUTBOARD                  | 0.      |
| G INBOARD                 | 0.      |
| ELECTRONICS               |         |
| RADAR                     | 83.     |
| LORAN                     | 33.     |
| AUTO PILOT                | 100.    |
| EST. MKT. VALUE OF VESSEL | 158000. |
| EST. MKT. VALUE OF GEAR   | 30500.  |
| % VESSELS INSURED         | 100.    |
| NUMBER OF CREW            | 3.8     |

II SET NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

III OPERATING COSTS

|               |       |
|---------------|-------|
| FUEL          | 7196. |
| FOOD, CLOTHES | 2415. |
| BAIT          | 2478. |
| ICE           | 0.    |

TOTAL OPERATING COSTS 12089.

IV FIXED COSTS

|                      |       |
|----------------------|-------|
| VESSEL REPAIRS       | 7123. |
| GEAR REPAIRS, LOSSES | 7520. |
| INSURANCE            | 8668. |
| MOORAGE              | 87.   |
| UTILITIES            | 5.    |
| ADMINISTRATIVE       | 394.  |
| FREIGHT-TRANSP       | 1963. |
| OTHER                | 75.   |

TOTAL FIXED COSTS 25835.

V CAPITAL COSTS

|                                       |        |
|---------------------------------------|--------|
| DEPRECIATION                          | 4423.  |
| 10% INTEREST CHARGE ON ALL INVESTMENT | 16497. |

TOTAL CAPITAL COSTS 20375.

VI LABOR COSTS

|                     |        |
|---------------------|--------|
| CREW LABOR: % GROSS | 37.    |
| CREW COST           | 51124. |

|                              |          |
|------------------------------|----------|
| 1973 AVERAGE GROSS EARNINGS  | 140067.* |
| PLUS: BONUS PAYMENTS AT 0.04 | 0.       |

TOTAL EARNINGS

140067.

LESS: OPERATING COSTS

12089.

FIXED COSTS

25835.

DEPRECIATION

4423.

LABOR COSTS

51124.

TOTAL COSTS

93471.

NET RETURN

46596.

LESS INTEREST CHARGE ON INVESTMENT

16497.

RETURN TO OPERATOR

30099.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN

211790.

BEFOREVEN GROSS AS ESTIMATED BY FISHERMEN

109921.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 88.% OF TOTAL GROSS EARNINGS FROM ALL FISHERIES

## 1973 OPERATING COST SURVEY

FISHERY: BRISTOL BAY

DRIFT GILLNET

NUMBER SAMPLED

33

## I VESSEL CHARACTERISTICS

|                           |       |
|---------------------------|-------|
| AGE                       | 13.   |
| KEEL LENGTH               | 30.   |
| ENGINE HP                 | 140.  |
| DIESEL                    | 24.   |
| OUTBOARD                  | 15.   |
| G INBOARD                 | 61.   |
| ELECTRONICS               |       |
| RADAR                     | 3.    |
| LORAN                     | 3.    |
| AUTO PILOT                | 3.    |
| EST. MKT. VALUE OF VESSEL | 8744. |
| EST. MKT. VALUE OF GEAR   | 2804. |
| % VESSELS INSURED         | 79.   |
| NUMBER OF CREW            | 2.4   |

## II SFT NET SITES

|                        |       |
|------------------------|-------|
| MKT VALUE GEAR ON SITE | ***** |
| MKT VALUE OF SITE      | ***** |

## III OPERATING COSTS

|               |      |
|---------------|------|
| FUEL          | 172. |
| FOOD, CLOTHES | 383. |
| BAIT          | 0.   |
| ICE           | 0.   |

TOTAL OPERATING COSTS 555.

## IV FIXED COSTS

|                      |      |
|----------------------|------|
| VESSEL REPAIRS       | 206. |
| GEAR REPAIRS, LOSSES | 187. |
| INSURANCE            | 303. |
| MOORAGE              | 9.   |
| UTILITIES            | 0.   |
| ADMINISTRATIVE       | 31.  |
| FREIGHT-TRANSP       | 303. |
| OTHER                | 76.  |

TOTAL FIXED COSTS 1115.

## V CAPITAL COSTS

|                                          |       |
|------------------------------------------|-------|
| DEPRECIATION                             | 209.  |
| 10% INTEREST CHARGE<br>ON ALL INVESTMENT | 1022. |

TOTAL CAPITAL COSTS 1045.

## VI LABOR COSTS

|                     |       |
|---------------------|-------|
| CREW LABOR: % GROSS | 38.   |
| CREW COST           | 1371. |

|                              |        |
|------------------------------|--------|
| 1973 AVERAGE GROSS EARNINGS  | 3612.* |
| PLUS: BONUS PAYMENTS AT 0.0% | 0.     |

TOTAL EARNINGS

3612.

LESS: OPERATING COSTS

555.

FIXED COSTS

1115.

DEPRECIATION

209.

LABOR COSTS

1371.

TOTAL COSTS

3251.

NET RETURN

362.

LESS INTEREST CHARGE ON INVESTMENT

1022.

RETURN TO OPERATOR

-660.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN

16440.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN

8119.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 88.% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

1973 OPERATING COST SURVEY  
FISHERY: BRISTOL BAY SET GILL NET

NUMBER SAMPLED

21

I VESSEL CHARACTERISTICS

AGE \*\*\*  
KEEL LENGTH \*\*\*\*  
ENGINE HP \*\*\*\*\*  
DIESEL \*\*\*\*\*  
OUTBOARD \*\*\*\*\*  
G INBOARD \*\*\*\*\*  
ELECTRONICS  
RADAR \*\*\*\*\*  
LORAN \*\*\*\*\*  
AUTO PILOT \*\*\*\*\*  
EST. MKT. VALUE OF VESSEL \*\*\*\*\*  
EST. MKT. VALUE OF GEAR \*\*\*\*\*  
\* VESSELS INSURED \*\*\*\*\*  
NUMBER OF CREW 2.0

II SET NET SITES

MKT VALUE GEAR ON SITE 1758.  
MKT VALUE OF SITE 4535.

III OPERATING COSTS

FUEL 45.  
FOOD, CLOTHES 485.  
BAIT 0.  
ICE 0.

TOTAL OPERATING COSTS 530.

IV FIXED COSTS

VESSEL REPAIRS 30.  
GEAR REPAIRS, LOSSES 80.  
INSURANCE 14.  
MOORAGE 0.  
UTILITIES 0.  
ADMINISTRATIVE 2.  
FREIGHT-TRANSP 179.  
OTHER 12.

TOTAL FIXED COSTS 317.

V CAPITAL COSTS

DEPRECIATION 174.  
10% INTEREST CHARGE  
ON ALL INVESTMENT 604.

TOTAL CAPITAL COSTS 760.

VI LABOR COSTS

CREW LABOR: % GROSS 22.  
CREW COST 121.

1973 AVERAGE GROSS EARNINGS 561.\*  
PLUS: BONUS PAYMENTS AT 0.0% 0.

TOTAL EARNINGS 561.

LESS: OPERATING COSTS 530.  
FIXED COSTS 317.  
DEPRECIATION 174.  
LABOR COSTS 121.

TOTAL COSTS 1142.

NET RETURN -581.  
LESS INTEREST CHARGE ON INVESTMENT 604.  
RETURN TO OPERATOR -1185.

REASONABLE GROSS AS ESTIMATED BY FISHERMEN 12431.

BREAK-EVEN GROSS AS ESTIMATED BY FISHERMEN 7351.

\* GROSS EARNINGS FROM FISHERY INDICATED ARE 96.2% OF TOTAL  
GROSS EARNINGS FROM ALL FISHERIES

## APPENDIX A

### Investment, Gross Earnings and Growth

Table 1 shows the relationship that exists between size of investment and gross earnings. The various salmon fisheries have been ranked in order of the pro-rated value of their average investment. As can be seen, earnings are closely related to average investment. The actual correlation is 0.95.

Investment has been pro-rated by the percentage of total gross earnings the vessel earned from the fishery being examined. For example, the value of the average Southeastern purse seine vessel, plus purse seine gear was \$91,000. However, since fishermen in the survey actually earned only 54% of their earnings from the Southeast purse seine fishery, the pro-rated value of investment is 54% of 91,000 or 49,000.

For set net sites, no value is included for the value of the site itself. It was found that this is frequently an unreliable number since the concept of "ownership" varies from area to area.

Gross earnings have been averaged over a five year period because earnings fluctuate widely depending on the availability of fish. Average earnings were derived from Department of Fish and Game landing records.

TABLE I  
COMPARISON OF INVESTMENT WITH GROSS EARNINGS

| FISHERY                             | PRO-RATED<br>INVESTMENT | 5 YEAR AVERAGE<br>GROSS EARNINGS |
|-------------------------------------|-------------------------|----------------------------------|
| Chignik Purse Seine                 | 54,690                  | 32,667                           |
| Southeastern Purse Seine            | 49,550                  | 28,380                           |
| Prince William Sound<br>Purse Seine | 27,140                  | 18,037                           |
| Kodiak Purse Seine                  | 25,270                  | 15,569                           |
| Southeastern Drift Net              | 21,350                  | 10,365                           |
| Cook Inlet Purse Seine              | 21,310                  | 8,596                            |
| Power Troll                         | 21,240                  | 5,686                            |
| Peninsula Drift Net                 | 18,380                  | 9,323                            |
| Peninsula Purse Seine               | 13,350                  | 13,816                           |
| Cook Inlet Drift Net                | 12,630                  | 4,430                            |
| Prince William Sound<br>Drift Net   | 12,090                  | 5,777                            |
| Bristol Bay Drift Net               | 10,220                  | 7,309                            |
| Yakutat Set Net                     | 10,206                  | 4,122                            |
| Cook Inlet Set Net                  | 8,223                   | 2,854                            |
| Kodiak Set Net                      | 8,139                   | 3,434                            |
| Hand Troll                          | 5,600                   | 1,238                            |
| Peninsula Set Net                   | 4,317                   | 3,518                            |
| Bristol Bay Set Net                 | 1,758                   | 2,080                            |

Table II shows the size of investment compared to the rate of growth in registered gear that took place from 1960 to 1970. In this comparison the value of total investment is used rather than the pro-rated value since an individual entering a fishery would have to buy an entire vessel, not a pro-rated share. Growth in gear is the trend towards increase or decrease in the number of registered units that took place each year during the decade.

It will be noticed that there was very little growth in those fisheries that required an investment of much more than \$15,000. The power troll fishery is the one exception.

TABLE II

COMPARISON OF INVESTMENT WITH GROWTH IN GEAR REGISTRATION

|                       | AVERAGE TOTAL<br>INVESTMENT | GROWTH IN REGISTERED<br>GEAR PER YEAR 1960-1970 |
|-----------------------|-----------------------------|-------------------------------------------------|
| <u>PURSE SEINE</u>    |                             |                                                 |
| Southeastern          | 91,212                      | - 7                                             |
| Prince William Sound  | 39,592                      | + 1                                             |
| Cook Inlet            | 33,657                      | - 2                                             |
| Kodiak                | 37,901                      | 0                                               |
| Chignik               | 66,307                      | 0                                               |
| Peninsula             | 51,473                      | + 1                                             |
| <u>DRIFT GILL NET</u> |                             |                                                 |
| Southeastern          | 27,254                      | + 2                                             |
| Prince William Sound  | 15,642                      | + 7                                             |
| Cook Inlet            | 15,254                      | +41                                             |
| Peninsula             | 23,428                      | + 3                                             |
| Bristol Bay           | 11,548                      | +78                                             |
| <u>SET GILL NET</u>   |                             |                                                 |
| Yakutat               | 10,206                      | + 3                                             |
| Cook Inlet            | 8,223                       | +15                                             |
| Kodiak                | 8,139                       | + 6                                             |
| Peninsula             | 4,317                       | + 1                                             |
| Bristol Bay           | 1,758                       | +46                                             |
| <u>TROLL</u>          |                             |                                                 |
| Power Troll           | 33,002                      | +38                                             |
| Hand Troll            | 6,525                       | +62                                             |

Finally there is evidence that rapid growth in certain fisheries since statehood is responsible for poor earnings today. Table III compares 5 year average gross earnings in the Drift Gill Net fisheries from 1969 to 1973 with the rate of growth in the fisheries in the decade of the 60's.

The fisheries are ranked in order of their growth.

TABLE III  
RATE OF GROWTH AND PRESENT EARNINGS IN  
THE DRIFT GILL NET FISHERIES

| FISHERY                        | GROWTH IN REGISTERED<br>GEAR 1960-1970 | 5 YEAR AVERAGE<br>GROSS EARNINGS |
|--------------------------------|----------------------------------------|----------------------------------|
| Bristol Bay Drift Net          | +78                                    | 7,309                            |
| Cook Inlet Drift Net           | +41                                    | 4,430                            |
| Prince William Sound Drift Net | + 7                                    | 5,777                            |
| Peninsula Drift Net            | + 3                                    | 9,323                            |
| Southeastern Drift Net         | + 2                                    | 10,365                           |

Bristol Bay's relatively higher earnings result from the fact that 1970 was an exceptionally good year in the Bay. The trend in recent years has been toward much lower earnings. For example, gear operators interviewed in Bristol Bay averaged only 3,612 in 1973 despite record high prices.

## APPENDIX B

### Survey Description

Two data sources have been used in preparing this report. The first is the computerized fish ticket files of the Alaska Department of Fish and Game. These files contain data from the approximately 300,000-400,000 landings made in the state each year. Information collected by the Department includes vessel number, species and amount caught, gear used, date landed, and statistical area. To derive gross earnings, data is summarized by each vessel by gear type. Actual dollar amounts are derived by multiplying the weight of fish caught times an average price paid for that particular species, gear and statistical area. An approximation of time fished is derived by comparing the dates of landings for each vessel.

The second data source is a survey of fishermen that was designed to examine average costs of vessels engaged in the various fisheries in 1973. The sample for this survey was chosen from a list of commercial gear license holders who actually fished in 1972 and purchased licenses in 1973. Generally, the gear license holder is the skipper of the vessel and either keeps or has access to accounting records. Gear operators who fished leased vessels identified the costs paid by the owner and these costs were later gathered by contacting the owner directly. No gear license holder under 18 years of age was selected for the survey since only infrequently would they be the actual vessel operator. A constraint was also placed on the geographical dispersion of gear license holders. Outside Alaska only those individuals who lived along the coast of Puget Sound, the lower Columbia River, San Francisco Bay or Monterey, California were included. In Bristol Bay the sample was confined to the Wood River/Nushagak River drainage area and the coastal communities of the Bristol Bay area as far south as Egegik. Certain communities in the Alaskan interior were also not included. About 2% of the gear license holders who participate in the fisheries included in the survey live in areas outside the survey area.

The sample size for each fishery was determined by an estimate of variance gathered from existing cost and earnings data.

Personal interviews were conducted over the period from the beginning of March through the middle of June.

This period normally coincides with the collection of data for income tax purposes and comes before most salmon fisheries begin. Those individuals that could not be reached personally were contacted by letter. A breakdown of sample size by fishery follows.

|                                  | <u>1/</u><br>Total<br>Population | <u>2/</u><br>Sample Size<br>Less Duplicates and<br>Those That Did Not Fish | <u>3/</u><br>Completed<br>Interviews | Completion Rate<br>(Percent) |
|----------------------------------|----------------------------------|----------------------------------------------------------------------------|--------------------------------------|------------------------------|
| Southeastern Purse Seine         | 371                              | 32                                                                         | 25                                   | 78.1                         |
| Pr. William Sound Purse Seine    | 241                              | 19                                                                         | 12                                   | 63.2                         |
| Cook Inlet Purse Seine           | 39                               | 21                                                                         | 14                                   | 66.7                         |
| Kodiak Purse Seine               | 357                              | 63                                                                         | 43                                   | 68.3                         |
| Chignik Purse Seine              | 81                               | 10                                                                         | 8                                    | 80.0                         |
| Alaska Peninsula Purse Seine     | 88                               | 31                                                                         | 26                                   | 83.9                         |
| Southeast Alaska Drift Gill Net  | 471                              | 56                                                                         | 49                                   | 87.5                         |
| Pr. William Sound Drift Gill Net | 514                              | 61                                                                         | 46                                   | 75.4                         |
| Cook Inlet Drift Gill Net        | 414                              | 39                                                                         | 33                                   | 84.6                         |
| Alaska Peninsula Drift Net       | 157                              | 31                                                                         | 28                                   | 90.3                         |
| Bristol Bay Drift Gill Net       | 1,587                            | 34                                                                         | 33                                   | 97.1                         |
| Yakutat Set Gill Net             | 134                              | 10                                                                         | 8                                    | 80.0                         |
| Cook Inlet Set Gill Net          | 418                              | 38                                                                         | 32                                   | 84.2                         |
| Kodiak Set Gill Net              | 128                              | 17                                                                         | 13                                   | 76.5                         |
| Alaska Peninsula Set Gill Net    | 49                               | 11                                                                         | 10                                   | 90.9                         |
| Bristol Bay Set Gill Net         | 514                              | 28                                                                         | 21                                   | 75.0                         |

|                                    | <u>1/</u><br>Total<br>Population | <u>2/</u><br>Sample Size<br>Less Duplicates and<br>Those That Did Not Fish | <u>3/</u><br>Completed<br>Interviews | Completion Rate<br>(Percent) |
|------------------------------------|----------------------------------|----------------------------------------------------------------------------|--------------------------------------|------------------------------|
| Hand Troll                         | 1,047                            | 48                                                                         | 43                                   | 89.6                         |
| Power Troll                        | 755                              | 31                                                                         | 24                                   | 77.4                         |
| Cook Inlet Otter Trawl (Shrimp)    | 7                                | 3                                                                          | 2                                    | 66.7                         |
| Pr. William Sound King/Tanner Crab | 68                               | 9                                                                          | 6                                    | 66.7                         |
| Cook Inlet King/Tanner Crab        | 66                               | 29                                                                         | 20                                   | 68.9                         |
| Kodiak King/Tanner Crab            | 100                              | 44                                                                         | 18                                   | 40.9                         |
| Alaska Peninsula King/Tanner Crab  | <u>155</u>                       | <u>6</u>                                                                   | <u>6</u>                             | <u>100.0</u>                 |
| Total                              | 7,761                            | 671                                                                        | 520                                  | 77.5                         |

1/ Population consists of all those that actually fished in 1972 and purchased a gear license in 1973.

2/ Sample size includes all those randomly selected from the population, less those that did not actually fish in 1973 (as determined by interview) and duplicates. Duplicates occurred where two fishermen were selected from the same vessel. Age and geographical constraints are discussed in the text.

3/ Completed interviews are the number of persons actually surveyed. Interviews could not be completed because the contact could not be located (133), refused (8), or did not have information necessary (10).

To insure that individuals were treated uniformly, certain decisions had to be made both before actually interviewing fishermen and once data processing began. These decisions effect the actual values of the figures in this report.

In the set net fishery no vessel characteristics are given since frequently there are several skiffs used on one site. Vessel value is included in the category "market value of gear on site." Gear on site does not include the value of trucks, shoreside cabins, or other equipment when used outside of fishing for other purposes. The estimated market value of the site is a figure that cannot be precisely defined since it is common for the "rights" to a site to be acquired only through actual usage. Frequently there is no legal title to the adjacent shorelands, but a set net site still may be bought or sold like any other piece of property. Different customs have evolved in different management areas, however, so in some the concept of site ownership is not well developed.

Gear operators who fish several types of gear spread their fixed costs such as depreciation, insurance, some repairs and moorage over several fisheries. Higher fixed and capital costs can be expected if one enters only one fishery. In several fisheries, particularly the purse seine and crab fisheries, multiple gear operations are an important part of the cost picture.

It was found that many fishermen lump certain cost categories together in such a way that it is not possible to distinguish fuel costs from, for example, food costs. This means that total costs are more reliable than individual cost breakouts.

At times the distinction between a fishing cost and a non-fishing cost is not clear. This is particularly true of those persons who live on board their vessel for all or a greater portion of the year. In some cases, particularly in the remote areas of Alaska, fishermen purchase their supplies for an entire year from a cannery owned store, making it difficult to determine those supplies used for fishing and those used for home consumption.

Certain hidden costs have also not been counted. This includes such costs as the amount of time a person might spend repairing his boat rather than having a boat yard do the work, or a fisherman that uses family members for crew on his

vessel.

Repair and gear costs vary from year to year for a vessel. At some point nearly all vessels will need an engine rebuilt or replaced, a shackle of gear will be destroyed, or even an entire boat may be lost. On the other hand, in some years repairs may consist of only routine maintenance. It was found that the vessels surveyed were in various stages of a repair cycle. Therefore, the costs derived for vessel repairs and gear losses and repairs more closely reflect what a typical boat in the fishery might spend on repairs averaged over the lifetime of the vessel rather than what would be typical in any give year.

Crew costs have been deducted despite the fact that crew members may actually be family members. It was found that family members are very commonly crew members in the troll and set net fisheries.

In some cases net return may appear understated. The reason is that some costs such as depreciation and "opportunity" costs of capital do not actually require an annual outlay of cash and are therefore frequently underestimated or not considered. Also of course, these figures are averages. It is known that many fishermen are not full time participants, nevertheless these individuals must be counted for an overall picture of the fisheries.

In addition to these general comments there are certain anomalies in individual fisheries. In Yakutat it was found that some set gill net operators have very substantial investments. These individuals have been averaged with all fishermen, but because the sample size is so small this tends to produce unreliable data. In the Prince William Sound King and Tanner crab fishery there were very high gearing up costs in 1973 since this is a new fishery. In the Kodiak King and Tanner crab fishery there was a low survey return which introduces an undetermined bias in the results.

**1975**

**Annual Report**

**Commercial Fisheries**

**Entry Commission**



1975 ANNUAL REPORT

COMMERCIAL FISHERIES ENTRY COMMISSION

ROY A. RICKEY  
CHAIRMAN

CHARLES J STOVALL  
COMMISSIONER

JOHN N GARNER  
COMMISSIONER

APRIL, 1976

## INTRODUCTION

For 19 commercial salmon fisheries in Alaska, 1975 was the year entry limitation began. The preceding year and a half of activity by the Commercial Fisheries Entry Commission, including research, public hearings, proposed regulations, and more public hearings, was the prelude to the actual regulating of access to some of the State's commercial fisheries.

In earlier years, all commercial fisheries were open to anyone. This open access stood in contrast to other publicly held resources, which have had access regulated for years (for instance, the competitive leasing of State oil lands, AS 38.05.180, or the allocation of water, AS 46.15.050). Regulated access has developed because of the recognition that too much exploitation can endanger and ultimately destroy a resource. It took effect in a large complex of commercial fisheries in the United States for the first time in 1975.

Access to the 19 salmon fisheries put under limited entry is regulated through the issuance of entry permits, each of which enables a person to operate a unit of gear in a particular fishery. Permits are issued on the basis of an applicant's past participation and economic dependence in the fishery for which he is applying. Permits are freely transferable so that access to a fishery is not blocked. The level of effort remains the same, since one person must leave the fishery for every person who enters. Because permits may be transferred for a price, the Commission has examined permit prices. It has also examined issuance and transfer patterns in relation to residents and non-residents.

The transition from an open access fishery to one with regulated access has generally been smooth, although it has been met with opposition from some quarters. A lawsuit has been filed challenging the constitutionality of the State law regulating entry into commercial fisheries. Toward the end of the year an initiative petition drive succeeded in gaining enough signatures to put the question of repealing that State statute onto the ballot.

In creating the Commercial Fisheries Entry Commission the Legislature said its purpose was "to promote the conservation and sustained yield management of Alaska's fishery resource and the economic health and stability of commercial fishing in Alaska." This is to be done by "regulating and controlling entry into the commercial fisheries in the public interest and without unjust discrimination." This fusion of economics and conservation represents a new view, but one that is supported by many, providing a more realistic picture of the inseparable forces that operate in a fishery.

The Legislature also found that commercial fishing "had reached levels of participation, on both a statewide and an area basis, that have impaired or threatened to impair the economic welfare of the fisheries of the State, the overall efficiency of the harvest, and the sustained yield management of the fishery resources." Since the Commission must look at fisheries that are "threatened, " in 1975 it also turned its attention to the six commercial salmon fisheries of the Arctic-Yukon-Kuskokwim area, which it subsequently found to need entry regulation. In addition, it continued to investigate the need for entry regulation in the State's other commercial fisheries, with particular emphasis on the shellfish fisheries.

The following report touches only on highlights of Commission activity in calendar 1975, including progress in reducing gear to optimal levels. The Commission will be happy to provide additional information upon request.

## LIMITED ENTRY IMPLEMENTED

In calendar year 1975, the Commercial Fisheries Entry Commission regulated entry into 18 commercial salmon net fisheries and the power troll fishery. They comprise all of the salmon fisheries in the State except those in the Arctic-Yukon-Kuskokwim area, and the hand troll fishery. As of December 31, 1975, a total of 6,770 permits were issued out of an expected total of approximately 7,500 permits to be issued for those fisheries.

Of the 6,770 permits issued, 73.1 percent were issued to residents of Alaska, and 26.9 percent to non-residents. Table A compares those percentages to gear licenses issued to residents and to non-residents who fished prior to the passage of the limited entry law in 1973.

TABLE A

### Residency Comparison of Permits and Gear Licenses

|                      | <u>Resident</u> | <u>Non-Resident</u> |
|----------------------|-----------------|---------------------|
| 1975 Permits*        | 73.1%           | 26.9%               |
| 1972 gear licenses** | 70.8%           | 29.2%               |
| 1971 gear licenses** | 70.9%           | 29.1%               |
| 1970 gear licenses   | 70.5%           | 29.5%               |
| 1969 gear licenses   | 71.3%           | 28.7%               |

\*Determined by Commercial License File information on resident and non-resident licensing, only those issued as of December 31, 1975, excludes transfers.

\*\*Excludes licenses issued in fisheries closed during the full calendar year.

The qualifications claimed by a number of applicants required individual treatment by the Commission. During 1975, Commission hearing officers conducted more than 300 administrative hearings. These hearings and subsequent Commission adjudications generally involved applicants with special or unavoidable circumstances that called for an individual evaluation of the applicant's situation in relation to the regulations and the law. Most of the questions and other matters contained in the bulk of the 9,400 applications received were resolved without the need for an applicant to go through the hearing process.

While this time-consuming process sometimes meant delays in permit issuance, these various application procedures were the only fair way to treat applicants who through no fault of their own had exceptional circumstances during the years that counted toward their qualifications for an entry permit.

Only two entry permit applicants have sought judicial appeals from Commission determinations. In both instances the Commission could not accept the person's application because the eligibility requirement of the law precluded such acceptance. The Commission could not accept an application if the applicant did not fish as a gear license holder at some time between 1960 and 1972. No judicial appeals have been sought by eligible applicants.

Approximately 13.75 percent of the applications from eligible people will not qualify for entry permits. The actual number of people who will not qualify for a permit is less, since many people applied for more than one permit.

#### PERMIT TRANSFERS AND PRICES

A total of 553 permits were permanently transferred in 1975. The transfer process has resulted in a net increase of permits in the hands of Alaska residents. Transfers, on the basis of residence, were as follows:

|                              |           |
|------------------------------|-----------|
| Resident to resident         | 285 (52%) |
| Non-resident to non-resident | 166 (30%) |
| Non-resident to resident     | 79 (14%)  |
| Resident to non-resident     | 23 (4%)   |

The transfer of a permit indicates someone new entering a fishery as a gear operator, and of course someone else dropping out.

A permit price survey conducted by the Commission indicates that in approximately 40 percent of the cases permits were transferred for free. Generally these transfers occurred between family members, although more distant relations were occasionally involved, as were skippers and crewmen. In a significant number of other cases, the permit was transferred for nothing along with the sale of a vessel or set net site.

While specific prices covered a somewhat wider range, the average price paid for an entry permit varied from \$750 to \$11,035, depending on the type of permit. The average prices, where sufficient sales of entry permits occurred to prevent disclosure of information on an individual transaction, are set out for each fishery in Table B.

TABLE B

Permit Sales and Prices Paid Through August 1975

| <u>FISHERY</u>                         | <u>TOTAL NUMBER<br/>OF SALES</u> | <u>AVERAGE PRICE OF<br/>PERMIT ALONE</u> |
|----------------------------------------|----------------------------------|------------------------------------------|
| Southeast<br>Purse Seine               | 16                               | \$11,035                                 |
| Southeast<br>Drift Gill Net            | 26                               | \$ 9,100                                 |
| Yakutat<br>Set Gill Net                | 2                                | \$ 750                                   |
| Prince William Sound<br>Purse Seine    | 6                                | \$ 7,600                                 |
| Prince William Sound<br>Drift Gill Net | 9                                | \$ 3,412                                 |
| Cook Inlet<br>Drift Gill Net           | 10                               | \$ 2,190                                 |
| Kodiak<br>Purse Seine                  | 7                                | \$ 4,571                                 |
| Bristol Bay<br>Drift Gill Net          | 19                               | \$ 1,004                                 |
| Statewide<br>Power Troll               | 53                               | \$ 5,598                                 |

Average prices shown are for transactions of permits not sold with vessels, gear, or set net sites. Separate questionnaires were sent to each party in a transaction; the most reliable data is set forth above.

There are two reasons that price information on all 19 fisheries is not listed. Either the number of responses from a fishery was too small to avoid the disclosure of

information on individuals, or there were no transactions of permits alone.

In some fisheries the average prices at this writing may be somewhat higher, since the prices cited include all sales from the inception of the program, and healthy harvest projections for some fisheries in 1976 tend to increase permit prices in those fisheries. In other fisheries, particularly where 1976 projections are below average, the prices may tend to be lower than the average prices given.

The survey also determined that in the majority of cases where financing is necessary, permit sales are financed by the transferor of the permit, or a bank. Of the respondents 7.5 percent indicated that a processor had financed the purchase.

#### EFFECTS OF REDUCED GEAR LEVELS

The effect of reduced gear levels in 1975 compared to 1974 was varied. In most cases it resulted in additional fishing periods for the fishermen, although the amount of additional fishing time varied according to the strength of the salmon runs. The greatest effect was probably in the Southeast Alaska salmon fisheries, where the majority of Washington State fishermen affected by the Boldt decision would otherwise have fished.

#### LEGAL CHALLENGE AND INITIATIVE

The constitutionality of that portion of the limited entry law restricting the applicant pool to those individuals who participated as gear license holders at some time from 1960 to 1972 is presently being tested in the Alaska Supreme Court in Isakson, et al., v. Rickey, et. al. In the Superior Court, Judge Thomas Stewart ruled that the limited entry law was constitutional in all respects, placing considerable emphasis on the unrestricted transferability of entry permits in his decision. It is expected that the Alaska Supreme Court will rule on the case prior to the 1976 fishing seasons.

Initiative petitions to repeal the limited entry law were first circulated in the late spring of 1975. By the end of the year at least 10,000 valid signatures had been obtained, a number more than sufficient to put the question on the November general election ballot.

## OPTIMUM NUMBERS AND BUYBACK

During 1975 the Commission began determining the "optimum" number of entry permits for each of the 19 salmon fisheries operating under the entry regulation system that year. Establishing an "optimum number" is necessary in order to identify those fisheries that will require a "buyback" program.

The optimum number is defined in the law as a reasonable balance of the following general factors:

1. The number of entry permits sufficient to maintain an economically healthy fishery that will result in a reasonable average rate of economic return to the fishermen participating in that fishery, considering time fished and necessary investments in vessels and gear.
2. The number of entry permits necessary to harvest the allowable commercial take of the fishery resource during all years in an orderly, efficient manner, and consistent with sound fishery management techniques.
3. The number of entry permits sufficient to avoid serious economic hardship to those currently engaged in the fishery, considering other economic opportunities reasonably available to them.

The law provides that in any fishery where the optimum number of entry permits is less than the number of entry permits in the fishery, a voluntary buyback program for the fishery will be instituted by the Commission. Under the program the Commission would enter the market for permits, and vessels and gear where necessary, as another buyer. If a fisherman chooses to sell his permit to the Commission, it would be withdrawn from the fishery permanently.

Separate programs are to be set up for each fishery requiring buyback and each program is to be funded by the permit holders in the fishery for which it is established. Funding is to come from an annual assessment of up to seven percent on the gross catch of the individual permit holders. Preliminary research indicates that an assessment rate considerably less than seven percent would be required to retire the necessary number of entry permits.

Initial research in 1975 indicates that the following fisheries may require a buyback program: The salmon drift gill net fisheries of Southeast Alaska, Prince William

Sound, Cook Inlet and Bristol Bay; and the salmon set net fisheries of Cook Inlet and Bristol Bay. It is important to note that these designations are by no means certain since necessary research has not been completed. Determinations of the optimum number of entry permits require a considerable amount of economic research by the Commission and input from Alaska Department of Fish and Game personnel. It is expected that optimum number research, using status quo assumptions as to the nature of the fisheries, will be finished by the end of calendar 1976.

Proposals currently before the Legislature concerning bonding and loans to establish hatcheries could, if implemented, significantly alter the assumptions used in determining optimum numbers. One of the unknown factors that will affect such determinations for any fishery is the time required for hatcheries to yield significant results. The law specifies that any long range changes in the economic condition or biological condition of a fishery may result in changes in the optimum number of entry permits.

#### AYK SALMON FISHERIES

During 1975 the Commission investigated the need for entry regulation in the six commercial salmon fisheries of the Arctic-Yukon-Kuskokwim area. The investigation was prompted by significant growth trends over the last five or more years in the amount of gear in those fisheries, and by recommendations for entry regulation advanced by fisheries management biologists and fishermen.

In addition to its research, the Commission conducted a series of hearings in nine villages before proposing regulations. Administrative hearings on the proposed regulations were later conducted in nine villages. The groundwork was also laid for providing application completion assistance to those in the area who may need it. Regulations to limit entry were adopted in early 1976, after some changes as a result of public comments and Commission research.

#### INTERIM-USE PERMITS

Interim-use permits are issued to gear operators in those fisheries in which a regulated entry program has not been established. Their use on fish tickets allows fisheries conditions to be monitored, as well as establishing key parts of a data base that would have to be drawn upon should changed conditions indicate a need for entry regulation in the future.

The Commission issued approximately 10,000 interim-use permits in those fisheries not under entry regulation in 1975. Some interim-use permits were also issued in the 1975 fishing season in the 19 salmon fisheries under the regulation system in cases where the Commission was unable to determine if an applicant would qualify for an entry permit.

#### SHELLFISH STUDY GROUPS

The entry regulation law as originally introduced was designed to alleviate pressing problems in the commercial salmon fisheries of the State. During legislative consideration of the bill, all other commercial fisheries were brought under the jurisdiction of the Commercial Fisheries Entry Commission, although the law retained many features designed primarily for the salmon fisheries.

The Commission began an investigation of the need for entry regulation in the shellfish fisheries in 1975, prompted by several indications. These include: 1. the compression of fishing seasons; 2. increases in gear or in the efficiency of gear; 3. wide fluctuations in prices over the years, each price peak generally bringing with it an increase in gear; 4. the impact of season compression and price fluctuations on processing industry employment patterns; and 5. overfishing in some fisheries.

Much research needs to be completed before decisions are made concerning entry regulation for the shellfish fisheries. Since the Commission desires extensive public input, from fishermen, processors, and the general public on the question, it promoted the concept of formal study groups. These groups have a two-fold charge. They are to examine the shellfish fisheries of which they are knowledgeable to determine the need for entry regulation; and, recognizing the salmon fishery orientation of the present law, they are to make recommendations for the best form of entry regulation for any shellfish fishery that may need it.

An initial study group was formed by the Fish and Game Advisory Board in Kodiak to examine the shellfish fisheries of that area and to make recommendations to the Commission. Similar groups are in the process of formation in other areas.

These groups are in the position to play a critical role in determining the need for entry regulation in the shellfish fisheries of the State, and the manner in which it

should be done. The Commission has provided considerable research support and will continue to do so. Extensive public involvement and necessary research are two keys to making the best decisions concerning the shellfish fisheries of Alaska.

#### LEGISLATIVE RECOMMENDATIONS

The Commission has no legislative recommendations for the current session of the Legislature, although it is available to provide comment on any matter the Legislature wishes. Depending on the outcome of shellfish study group work, research, and fisheries developments, legislative recommendations concerning the shellfish fisheries and perhaps other fisheries may be offered next year.

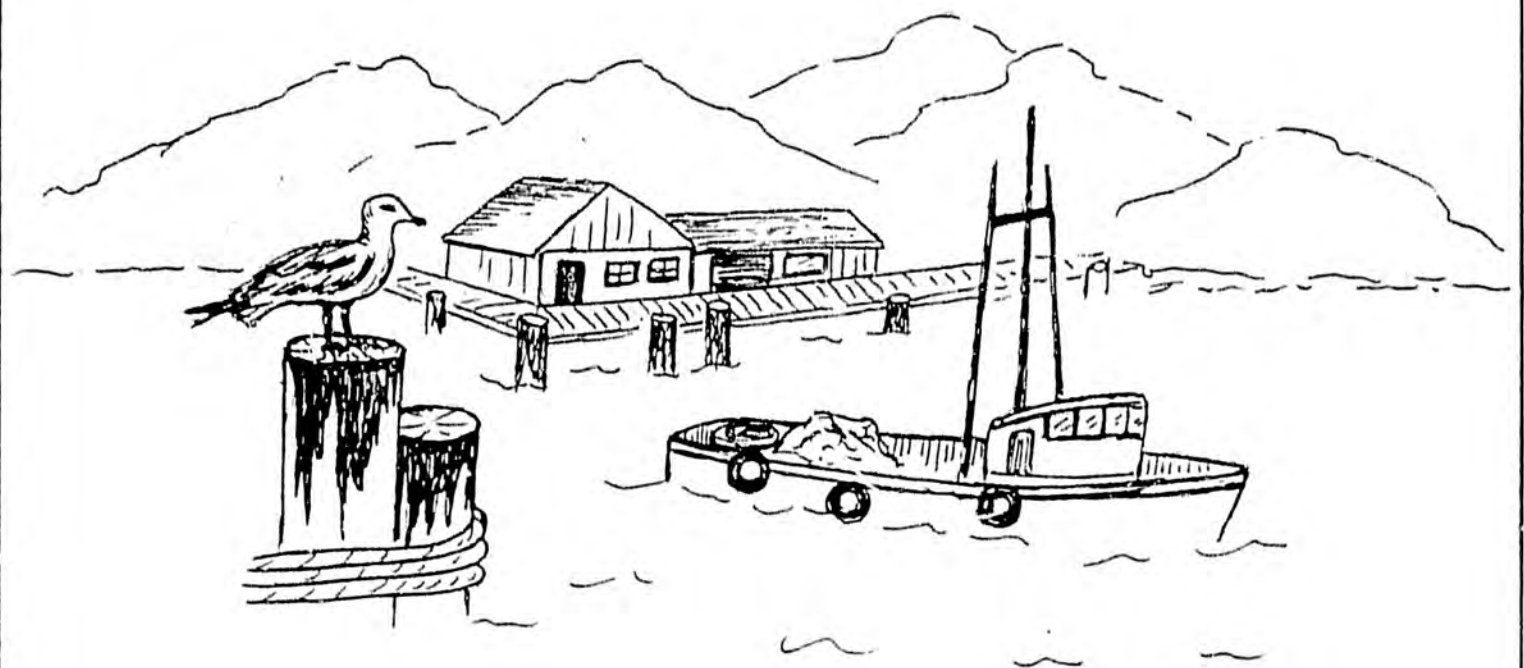
#### ACKNOWLEDGEMENTS

The Commission could not operate effectively without the cooperation and assistance of a number of departments, agencies, and individuals, all of whose services in gaining information and insight are appreciated.

Most important, the Commission appreciates the general high level of cooperation and understanding from the thousands of commercial fishermen who have provided information and borne with us during the transition to regulated entry in some of Alaska's most important commercial fisheries.

1976 Annual Report

# Commercial Fisheries Entry Commission



1976 ANNUAL REPORT

COMMERCIAL FISHERIES ENTRY COMMISSION

ROY A. RICKEY  
CHAIRMAN

ALLAN ADASIAK  
COMMISSIONER

MAY 1977

## INTRODUCTION

Three major events took place in 1976 in connection with Alaska's program for limiting entry into its commercial fisheries. The people of Alaska renewed their support for the limited entry concept by voting nearly two to one against an initiative to repeal the limited entry law. The Alaska Supreme Court upheld the law by ruling the limited entry program constitutional in all respects except the cutoff date for application eligibility. Finally the ability of limited entry to protect Alaskan fisheries was demonstrated when it blocked a potentially massive influx of Washington and Oregon fishing vessels affected by court decisions in those states.

The Commission's activities can be classified as those relating to permits and to research--both directed toward regulating entry into Alaska's commercial fisheries. The Commission's permit activity included: renewing permits through a new computerized system; issuing entry permits to Arctic-Yukon-Kuskokwim fishermen; reopening the application process as a result of a court ruling changing the cutoff date; and regulating the transferal of permits according to restrictions outlined in the law. Permit application adjudications and appeal hearings for all fisheries under entry limitation in 1975 neared completion by the end of the year.

Research activities began in two new fisheries. The herring fisheries were analyzed to determine whether they needed limitation and the appropriate regulations were proposed. In the shellfish fisheries statewide, a major bio-economic study was initiated. Another project involved the development of a new program to combine commercial licensing with entry permits in order to simplify the paperwork for both the fishermen and the State. Support for research activities came from the data processing section which continued its development of a statewide fisheries information system.

This annual report to the Legislature reviews the three major events of 1976 which impacted limited entry and the Commission activities mentioned above. The report will conclude with a look at new activities for the coming year and recommendations for legislative changes.

## MAJOR EVENTS OF 1976

### Election Summary

The most significant event affecting limited entry in 1976 was the November General Election. The initiative to repeal limited entry into Alaska's commercial fisheries was soundly defeated by a margin of nearly two to one. The limited entry issue, Ballot Proposition Number 5, became one of the most controversial Alaskan issues in the election and received more total votes than any other ballot or bonding proposition, even more official votes than the capital site selection measure.

Nearly 62% of the registered voters cast ballots in the election, and of those 93.4% voted either for or against the limited entry proposition. A vote "For" the proposition would have repealed the limited entry statute; a vote "Against" the proposition would have retained the law. A summary of the official election returns by district is given on the following page.

### Supreme Court Test

Another major event of 1976 was the Alaska Supreme Court decision in the Isakson v. Rickey case. The case, which was pending most of the year, involved eleven fishermen who entered a fishery as first time gear license holders after 1972. They were originally ineligible to apply for a permit because they had not fished as gear license holders between 1960 and 1972, as required by statute. In January 1975 the plaintiff fishermen filed a complaint challenging the limited entry law. The Superior Court entered a judgment in favor of the Commission in May 1975. The fishermen appealed the decision to the Alaska Supreme Court, and in May 1976 the Supreme Court issued an opinion stating that the plaintiff fishermen should be eligible to apply for permits. In all other respects the limited entry law was upheld. The Supreme Court's opinion was implemented in a judgment from the Superior Court on September 24, 1976. The plaintiff fishermen then filed a motion to amend the judgment, but on November 8, 1976, the Superior Court denied their motion. Before taking the steps necessary to allow application by fishermen affected by the Isakson decision, the Commission waited 30 days to see if any further appeals would be taken. There was no appeal and on December 16, 1976 the Commission adopted a regulation to allow an application period for fishermen made eligible by the Isakson decision.

### Boldt and Belloni Decision

Federal court decisions by Judges Boldt and Belloni to allot up to 50% of Washington and Oregon's commercial salmon catch to treaty Indians severely reduced the catch available

BALLOT PROPOSITION NUMBER 5  
INITIATIVE TO REPEAL LIMITED ENTRY  
VOTES BY ELECTION DISTRICT

| District<br>Number | "For" | "Against" | District<br>Name          |
|--------------------|-------|-----------|---------------------------|
| 1                  | 1499  | 3622      | Ketchikan-Prince of Wales |
| 2                  | 1041  | 1534      | Wrangell-Petersburg       |
| 3                  | 1268  | 1727      | Sitka                     |
| 4                  | 2420  | 6350      | Juneau-Lynn Canal         |
| 5                  | 1408  | 2135      | Cordova-Valdez-Seward     |
| 6                  | 1725  | 2905      | Palmer                    |
| 7                  | 2537  | 4567      | Anchorage Northwest       |
| 8                  | 3142  | 5840      | Anchorage Northeast       |
| 9                  | 1590  | 2858      | Anchorage Spenard         |
| 10                 | 3623  | 6077      | Anchorage East            |
| 11                 | 3740  | 6758      | Anchorage South           |
| 12                 | 3359  | 5843      | Anchorage West            |
| 13                 | 2155  | 4474      | Kenai-Cook Inlet          |
| 14                 | 1335  | 983       | Kodiak                    |
| 15                 | 659   | 626       | Aleutian Chain            |
| 16                 | 681   | 1312      | Bristol Bay               |
| 17                 | 1044  | 1233      | Bethel                    |
| 18                 | 871   | 865       | Wade Hampton              |
| 19                 | 1501  | 1900      | Yukon-Tanana              |
| 20                 | 6510  | 11615     | Fairbanks                 |
| 21                 | 1133  | 770       | Barrow-Kobuk              |
| 22                 | 1063  | 1131      | Nome                      |
| TOTAL              | 44304 | 75125     |                           |

to other fishermen in those areas and created a strong impetus for those fishermen to move into fisheries off Alaska. Potentially 5,000 Washington fishermen as well as many of the Oregon Columbia River fishermen were prevented from moving into this State's salmon fisheries by Alaska's limited entry law. In July of 1969 the Federal District Court filed a decree that the tribes who had signed the 1857 treaty had the right "of taking fish at all usual and accustomed places" on the Columbia River and its tributaries. The Indians were allotted 50% of the harvest that was destined to reach the tribes' usual accustomed grounds. In 1974 both Washington and Oregon tried to appeal the decision, but it was upheld by Judge Robert C. Belloni of the U. S. Court of Appeals on January 28, 1976. Judge George Boldt of Washington applied the treaty rights throughout Washington, and awarded the 50% allotment to all the treaty tribes. In an already depressed fishery, these decisions made fishing economically unfeasible for many residents. If Alaska's limited entry law had not been in effect, it is quite likely that many of these displaced fishermen would have entered this State's fishery.

#### PERMIT ACTIVITY

In 1976 permit activity consisted of five separate functions. These were: 1) permit renewal; 2) Arctic-Yukon-Kuskokwim permit issuance; 3) salmon application period reopening; 4) permit transfers; and 5) hearings and adjudication of appeals.

A new permit renewal system using pre-printed computer cards was implemented in 1976. These cards were mailed to the fishermen to be reviewed, signed, and returned with the specified fee. This system proved to be accurate and efficient for the Commission and easy and time-saving for the fisherman. Further steps were taken by the Data Processing Section in 1976 to make permit issuance even smoother by mass producing the 1977 plastic permit cards with an automated embossing process. This process eliminates the need to emboss the majority of the cards manually at the time of issuance.

Entry permits made up 42% or 9,166 of the 21,601 permits issued in 1976. These included the issuance of permanent permits to the Arctic-Yukon-Kuskokwim salmon fishermen and the renewal of permits to other salmon fishermen in the State. The table on page 4 shows that in 7 fisheries the maximum number has been slightly exceeded. Permits may be issued above the maximum number only to eligible applicants who would suffer significant economic hardship by exclusion from the fishery. All gear operators in fisheries not under entry limitation were issued interim-use permits. The number of permits issued in 1976 for selected fisheries is

## ENTRY PERMIT STATUS IN 1976

|                      | <u>Maximum<br/>Number</u> | <u>Entry<br/>Permits</u> | <u>Pending<br/>Permits*</u> |
|----------------------|---------------------------|--------------------------|-----------------------------|
| Southeastern         |                           |                          |                             |
| Purse Seine          | 395                       | 409                      | 9                           |
| Drift Gill Net       | 453                       | 449                      | 38                          |
| Yakutat              |                           |                          |                             |
| Set Gill Net         | 150                       | 156                      | 3                           |
| Prince William Sound |                           |                          |                             |
| Purse Seine          | 258                       | 247                      | 35                          |
| Drift Gill Net       | 511                       | 514                      | 25                          |
| Set Gill Net         | 32                        | 28                       | 7                           |
| Cook Inlet           |                           |                          |                             |
| Purse Seine          | 68                        | 63                       | 16                          |
| Drift Gill Net       | 545                       | 514                      | 82                          |
| Set Gill Net         | 686                       | 706                      | 7                           |
| Kodiak               |                           |                          |                             |
| Purse Seine          | 368                       | 358                      | 36                          |
| Beach Seine          | 27                        | 23                       |                             |
| Set Gill Net         | 183                       | 176                      | 11                          |
| Chignik              |                           |                          |                             |
| Purse Seine          | 80                        | 90                       | 3                           |
| Peninsula-Aleutians  |                           |                          |                             |
| Purse Seine          | 111                       | 112                      | 2                           |
| Drift Gill Net       | 155                       | 153                      | 2                           |
| Set Gill Net         | 110                       | 106                      | 10                          |
| Bristol Bay          |                           |                          |                             |
| Drift Gill Net       | 1669                      | 1621                     | 99                          |
| Set Gill Net         | 803                       | 759                      | 5                           |
| Kuskokwim            |                           |                          |                             |
| Gill Net             | 810                       | 687                      | 489                         |
| Kotzebue             |                           |                          |                             |
| Set Gill Net         | 214                       | 118                      | 196                         |
| Lower Yukon          |                           |                          |                             |
| Gill Net             | 671                       | 678                      | 263                         |
| Upper Yukon          |                           |                          |                             |
| Gill Net             | 63                        | 35                       | 83                          |
| Fishwheel            | 126                       | 80                       | 169                         |
| Norton Sound         |                           |                          |                             |
| Set Gill Net         | 195                       | 169                      | 141                         |
| Statewide            |                           |                          |                             |
| Power Gurdy Troll    | 950                       | 916                      | 83                          |

\*Interim-use permits issued in limited fisheries to individuals whose applications have not been finalized.

given in the table on page 6. These figures do not include interim-use permits in the limited fisheries issued to those individuals who have not received a final determination on their application for an entry permit.

#### AYK Salmon Permit Issuance

Regulations for limiting the Arctic-Yukon-Kuskokwim commercial salmon fisheries were adopted in February of 1976. The following month 3,200 pre-printed application forms with instruction booklets were mailed to all fishermen of record who participated from 1970 through 1976 in any of the 6 designated salmon fisheries. The fisheries are: Kotzebue Gill Net; Norton Sound Gill Net; Lower Yukon Gill Net; Upper Yukon Gill Net; Upper Yukon Fish Wheels; and Kuskokwim Gill Net.

The Commission went to considerable effort to insure that all fishermen were informed about limited entry and that assistance was available for making application. Qualification points, which the Commission's records could support, were pre-printed on the individual's application. Blank application forms were made available in local areas. Advertisements were put in local newspapers, and radio and television spots were broadcast in English and Yupik. Contracts were signed with four different AYK native organizations for bilingual application assistance services to natives and non-natives alike. The two-month application period was extended an additional month, and a 60-day late application period for good cause was made available. The application returns reflected the comprehensive program of field assistance. Eighty percent of the pre-printed applications were completed and returned to the Commission.

Since it took six months to review and substantiate the majority of applications, determinations about permit issuance could not be made in time for the 1976 fishing season. Therefore any fisherman who was eligible to apply for a permit was allowed to fish in 1976.

#### Salmon Application Period Reopened

The Supreme Court through the Isakson v. Rickey court case determined that any fisherman who fished in 1973 or 1974 as a gear license holder for the first time would be eligible to apply and be ranked by the point system which ran from 1960 through December 31, 1972. Previously only gear license holders who participated at any time up through December 31, 1972 were eligible to apply.

Application forms and instruction booklets were mailed to the 2,961 individuals on record who fished a salmon gear license for the first time in 1973 or 1974, as well as to the applicants who were determined ineligible to apply

ENTRY AND INTERIM-USE PERMITS ISSUED IN 1976  
FOR SELECTED FISHERIES

ENTRY PERMITS

| <u>SALMON</u>               |      |
|-----------------------------|------|
| <u>Southeastern</u>         |      |
| Purse Seine                 | 404  |
| Drift Gill Net              | 484  |
| <u>Yakutat</u>              |      |
| Set Gill Net                | 154  |
| <u>Prince William Sound</u> |      |
| Purse Seine                 | 280  |
| Drift Gill Net              | 526  |
| Set Gill Net                | 33   |
| <u>Cook Inlet</u>           |      |
| Purse Seine                 | 77   |
| Drift Gill Net              | 581  |
| Set Gill Net                | 676  |
| <u>Kodiak</u>               |      |
| Purse Seine                 | 387  |
| Beach Seine                 | 23   |
| Set Gill Net                | 183  |
| <u>Chignik</u>              |      |
| Purse Seine                 | 92   |
| <u>Peninsula-Aleutians</u>  |      |
| Purse Seine                 | 110  |
| Drift Gill Net              | 150  |
| Set Gill Net                | 110  |
| <u>Bristol Bay</u>          |      |
| Drift Gill Net              | 1674 |
| Set Gill Net                | 736  |
| <u>Kuskokwim</u>            |      |
| Gill Net                    | 1175 |
| <u>Kotzebue</u>             |      |
| Set Gill Net                | 314  |
| <u>Lower Yukon</u>          |      |
| Gill Net                    | 941  |
| <u>Upper Yukon</u>          |      |
| Gill Net                    | 118  |
| Fishwheel                   | 249  |
| <u>Norton Sound</u>         |      |
| Set Gill Net                | 310  |
| <u>Statewide</u>            |      |
| Power Gurdy Troll           | 976  |

INTERIM-USE PERMITS

| <u>SHELLFISH (by vessel length)</u> |      |
|-------------------------------------|------|
| <u>Dungeness</u>                    |      |
| Statewide                           |      |
| under 50 feet                       | 165  |
| over 50 feet                        | 35   |
| <u>Tanner</u>                       |      |
| Statewide                           |      |
| under 50 feet                       | 229  |
| over 50 feet                        | 288  |
| <u>King Crab</u>                    |      |
| <u>Southeastern</u>                 |      |
| under 50 feet                       | 38   |
| over 50 feet                        | 8    |
| <u>Prince William Sound</u>         |      |
| under 50 feet                       | 27   |
| over 50 feet                        | 4    |
| <u>Cook Inlet</u>                   |      |
| under 50 feet                       | 74   |
| over 50 feet                        | 31   |
| <u>Kodiak</u>                       |      |
| under 50 feet                       | 152  |
| over 50 feet                        | 137  |
| <u>Peninsula-Aleutians</u>          |      |
| under 50 feet                       | 36   |
| over 50 feet                        | 12   |
| <u>Dutch Harbor</u>                 |      |
| under 50 feet                       | 8    |
| over 50 feet                        | 149  |
| <u>Bering Sea</u>                   |      |
| under 50 feet                       | 5    |
| over 50 feet                        | 226  |
| <u>Adak</u>                         |      |
| over 50 feet                        | 17   |
| <u>Western Aleutians</u>            |      |
| over 50 feet                        | 20   |
| <u>OTHER</u>                        |      |
| <u>Halibut Statewide</u>            |      |
| Hand Troll                          | 35   |
| Long Line                           |      |
| under 26 feet                       | 1079 |
| over 26 feet                        | 969  |
| <u>Salmon Statewide</u>             |      |
| Hand Troll                          | 2081 |

during the original application period. The new application period began on January 15, 1977 and will terminate on June 15, 1977, with an additional 30 day period in which tardy applications can be accepted if good cause is shown.

### Transfers

An entry permit may be transferred by selling it, trading it, or giving it away as a gift or inheritance. The Commission must be notified that a transfer is intended and 60 days must elapse from the date of filing notice before the actual transfer may be made.

In 1976, 692 permits were permanently transferred, compared to 553 transfers in 1975, the first year transfers could be made.

The continuing trend has been to transfer permits to Alaskan residents, as can be seen in the following table:

ENTRY PERMIT TRANSFERS

| <u>Residency</u>           | 1975       |           | 1976       |           | Total      |           |
|----------------------------|------------|-----------|------------|-----------|------------|-----------|
|                            | <u>No.</u> | <u>%</u>  | <u>No.</u> | <u>%</u>  | <u>No.</u> | <u>%</u>  |
| Resident to resident       | 285        | 52%       | 344        | 50%       | 629        | 50%       |
| Nonresident to nonresident | 166        | 30%       | 212        | 31%       | 378        | 30%       |
| Nonresident to resident    | 79         | 14%       | 81         | 12%       | 160        | 13%       |
| Resident to nonresident    | <u>23</u>  | <u>4%</u> | <u>55</u>  | <u>8%</u> | <u>78</u>  | <u>6%</u> |
| Total                      | 553        | 100%      | 692        | 100%      | 1245       | 100%      |

The price of permits being transferred was noticeably affected by the initiative to repeal the limited entry law. Prior to the election, permit prices generally dropped below previous levels since the purchaser had to assume the risk of the permit losing its value should the limited entry law be defeated. The results of the election, however, assured the continuation of the program and the permit market reflected this with higher permit prices. The table on page 8 gives the number of sales and the average price paid for permits in 1976. The information was obtained from questionnaires sent to the transferees and transferors. Approximately 36% of all transfers involved no exchange of funds because they were made between family members or other special parties, such as skippers and crewmen. The price table does not include these non-monetary transfers.

# PERMIT SALES AND PRICES PAID IN 1976

| <u>Fishery</u>                         | <u>Total Number<br/>of Sales<br/>in 1976</u> | <u>Average Price<br/>of Permit<br/>in 1976</u> | <u>Average Price<br/>Since November 1976<br/>Election</u> |
|----------------------------------------|----------------------------------------------|------------------------------------------------|-----------------------------------------------------------|
| Southeastern<br>Purse Seine            | 11                                           | \$ 9,000                                       | \$14,071                                                  |
| Southeastern<br>Drift Gill Net         | 18                                           | 9,564                                          | 10,500                                                    |
| Yakutat<br>Set Gill Net                | 7                                            | 3,657                                          |                                                           |
| Prince William Sound<br>Purse Seine    | 13                                           | 10,115                                         |                                                           |
| Prince William Sound<br>Drift Gill Net | 28                                           | 4,562                                          | 8,417                                                     |
| Cook Inlet<br>Purse Seine              | 3                                            | 6,666                                          | 10,250                                                    |
| Cook Inlet<br>Drift Gill Net           | 50                                           | 5,160                                          | 7,265                                                     |
| Cook Inlet<br>Set Gill Net             | 20                                           | 1,720                                          | 8,675                                                     |
| Kodiak<br>Purse Seine                  | 20                                           | 7,780                                          | 12,571                                                    |
| Kodiak<br>Set Gill Net                 | 14                                           | 4,621                                          | 4,250                                                     |
| Kodiak<br>Beach Seine                  |                                              |                                                | 5,500                                                     |
| Bristol Bay<br>Drift Gill Net          | 39                                           | 2,484                                          | 3,332                                                     |
| Bristol Bay<br>Set Gill Net            | 20                                           | 2,087                                          | 1,500                                                     |
| Peninsula-Aleutians<br>Drift Gill Net  | 6                                            | 6,250                                          | 10,000                                                    |
| Peninsula-Aleutians<br>Set Gill Net    | 3                                            | 6,666                                          | 6,500                                                     |
| Statewide<br>Power Troll               | 37                                           | 4,649                                          | 7,313                                                     |

## Hearings

Hearings and adjudications of appeals for the original 19 salmon fisheries which came under limitation in 1975 neared completion in 1976. Approximately 400 hearings have taken place. Most of the hearings occurred in 1975, and approximately 100 of these were resolved prior to adjudication. The majority of the 252 adjudications made were in 1976. There are approximately 70 cases that remain open for resolution in 1977.

In addition to the Commissioners' review and adjudications of administrative appeals, the Commissioners have reconsidered 25 cases to date, and have made more than 100 determinations on late applications and emergency transfers.

## RESEARCH

Every action the Commission takes in identifying a fishery in need of limited entry and subsequently implementing a program for limitation is based on specialized research. Each fishery has its own complexities and unique management problems. The Commission generally allows from a few months to more than a year for field investigations, talks with fishermen, and social, economic and biological research prior to limiting a fishery. Advice is requested from Fish and Game personnel who are familiar with the specific problems and management practices of their fisheries.

The Commission's own research efforts were directed mainly at the herring and shellfish fisheries; developing a new program for commercial licensing; and continuing its formation of a statewide fisheries information system.

## Herring

Herring research was initiated in response to requests from the Department of Fish and Game and from fishermen, including a petition from 26 fishermen involved in the Southeastern herring sac roe purse seine fishery. The record of these herring fisheries in Southeastern, Prince William Sound, and Cook Inlet indicated that management problems existed in at least two areas. Short seasons, excess fishing capacity, and the large number of fishermen who realize no return for their investment in the herring sac roe fisheries indicated a need for limited entry. In the case of Prince William Sound, 103 boats participated in the 1-hour opening which constituted the 1976 season. Even with such short openings, it is difficult for management personnel to insure that total catches stay within the designated quotas. A table showing the increase of vessels participating in the three herring sac roe fisheries brought under limitation follows:

PURSE SEINE FISHERY FOR HERRING SAC ROE  
NUMBER OF VESSELS PARTICIPATING

| <u>Southeastern</u> | <u>Prince William Sound</u> | <u>Cook Inlet</u> |
|---------------------|-----------------------------|-------------------|
| 1969 - *            | 1969 - 6                    | 1969 - 11         |
| 1970 - *            | 1970 - 1                    | 1970 - 20         |
| 1971 - *            | 1971 - 14                   | 1971 - 19         |
| 1972 - *            | 1972 - 20                   | 1972 - 6          |
| 1973 - 16           | 1973 - 33                   | 1973 - 22         |
| 1974 - 34           | 1974 - 72                   | 1974 - 40         |
| 1975 - 30           | 1975 - 85                   | 1975 - 40         |
| 1976 - 40           | 1976 - 103                  | 1976 - 70         |

\*Figures were not available to distinguish the sac roe fishery from the bait fishery.

Based on Commission research, proposed regulations were drafted and public hearings were to be held soon after the November 2nd general election. However, aside from one hearing held in Petersburg, the hearing schedule was delayed by the holiday season and by uncertainty regarding the disposition of herring proposals which were to be acted upon by the Board of Fisheries in early December.

At its December meeting the Board of Fisheries requested that the Entry Commission give serious consideration to entry limitation for the Southeastern, Prince William Sound, and Cook Inlet herring purse seine sac roe fisheries. The Board rejected proposals calling for area registration for Cook Inlet and Prince William Sound herring fisheries and indicated a policy of nonexpansion for the herring sac roe fishery in Southeastern Alaska. It also requested that the Entry Commission prepare a status report for presentation to the spring Board meeting in March of 1977.

The Commission determined that it would be both possible and desirable to separate the sac roe and bait fisheries. This meant limiting the purse seine sac roe fishery in Southeastern Alaska, Prince William Sound, and Cook Inlet while leaving the other herring fisheries open to entry. To facilitate this, Southeastern and Prince William Sound were subdivided into sac roe and non-sac roe fishing areas, and entry was limited only to fishing in those areas which were expected to have sac roe fisheries.

Proposed regulations for entry limitation into the Southeastern herring purse seine sac roe fishery were published and distributed in November, followed by proposed regulations for Prince William Sound and Cook Inlet in December. Public hearings were held in Petersburg, Ketchikan, Juneau, Seattle, Cordova, Homer, and Kodiak. In January of 1977 final regulations were adopted and the limited entry application process was begun.

## Shellfish

In the fall of 1976, the National Marine Fisheries Service (NMFS) contracted with the Commission for a state-wide analysis of Alaskan shellfish fisheries. Under the contract the Commission will develop bio-economic information so NMFS can provide technical assistance to the North Pacific Fishery Management Council (NPFMC) in assessing and specifying optimum yield. Under the Fishery Conservation and Management Act of 1976 (the 200-mile limit law), the Council is responsible for formulating fishery management plans. It must develop a complete and accurate picture of domestic fishing activity for regulatory purposes and must determine the amounts of fishery resources that are in excess of domestic need under optimum yield and thus available for foreign harvest.

Among other things, the Commission will analyze: shellfish fleet capacity, cost and earnings characteristics, and diversification potential into other fisheries. This information will be developed through a questionnaire to be administered to a representative sample of the State's shellfish fishermen. In addition, Commission staff members are meeting with shellfish fishermen throughout the State to check on the accuracy of the data generated by the questionnaire and to obtain information that cannot be gained from the questionnaire.

NMFS sought the services of the Commission for four reasons: 1) the Commission was beginning its own research into the shellfish fisheries; 2) the Commission has a considerable capacity for generating fisheries information; 3) its staff has experience and expertise in developing bio-economic information on the harvesting sector of Alaska's commercial fisheries; and 4) the Commission has access to information confidential by statute and not available to NMFS. The relationship between the Commission and the Council will change as the Council addresses considerations of limited entry for fisheries within both Council and State jurisdiction.

In 1976 the Commission received approximately 100 requests for fisheries information from State, Federal, and private entities. Examples of outside requests are: lists of area fishermen for a non-profit hatchery organization; a study of the geographic distribution of gross earnings from Alaskan fisheries for the U. S. Department of Commerce; and a list of vessels by length for a State study of boat harbors.

These requests are complied with, subject to confidentiality requirements and freedom of information considerations. Work is done on a time available basis and billings for services were made as appropriate.

### New Commercial Licensing Program

In 1976, the Commission, with the cooperation of the Departments of Fish and Game, Revenue, and Public Safety, developed a new program of commercial fisheries licensing. This program was designed to reduce paperwork for the fishermen, save time and money for the State, and increase the accuracy of the licensing data base. The new licensing system will eliminate the gear and commercial licenses, separate the vessel license from an assigned operator, and create a crewmember license similar to the commercial license. A renewed entry permit will be the only requirement for a gear operator in order to participate in a fishery. A vessel used in commercial fishing must be licensed and no indication of who will operate the boat will be needed. People who participate in the fishery as crewmembers will have to obtain a crewmember license only.

### Statewide Fisheries Information System

Catch and fleet data collected and recorded by the Department of Fish and Game is the basis for the Commission's statewide fisheries information system. This data base was begun in 1973 when the Commission was formed and has developed into a comprehensive information system on Alaskan fisheries. Among other things, the system can generate reports on distribution of earnings, mobility of vessels, and potential for fleet diversification.

In 1976, the data processing personnel of the research section spent much of its time correcting 1975 and 1976 raw data from the Department of Fish and Game, and applying it to the existing data base. Accurate data is essential since the Commission must address records of individual fishermen and not total fleets as required by Fish and Game and other agencies.

### FUTURE

The next few years will see a shift in emphasis of the Commission's functions. In the salmon net fisheries, permit issuance will be reduced to a maintenance level of renewals and transfers, and developing buy back programs for some of these fisheries will become a priority task. Studies of economic and biological optimum numbers for units of gear will be completed so that determinations can be made as to which fisheries require buy back programs. A method will be developed for assessing those fisheries which have more than the optimum level of participants and implementation of the buy back programs will begin.

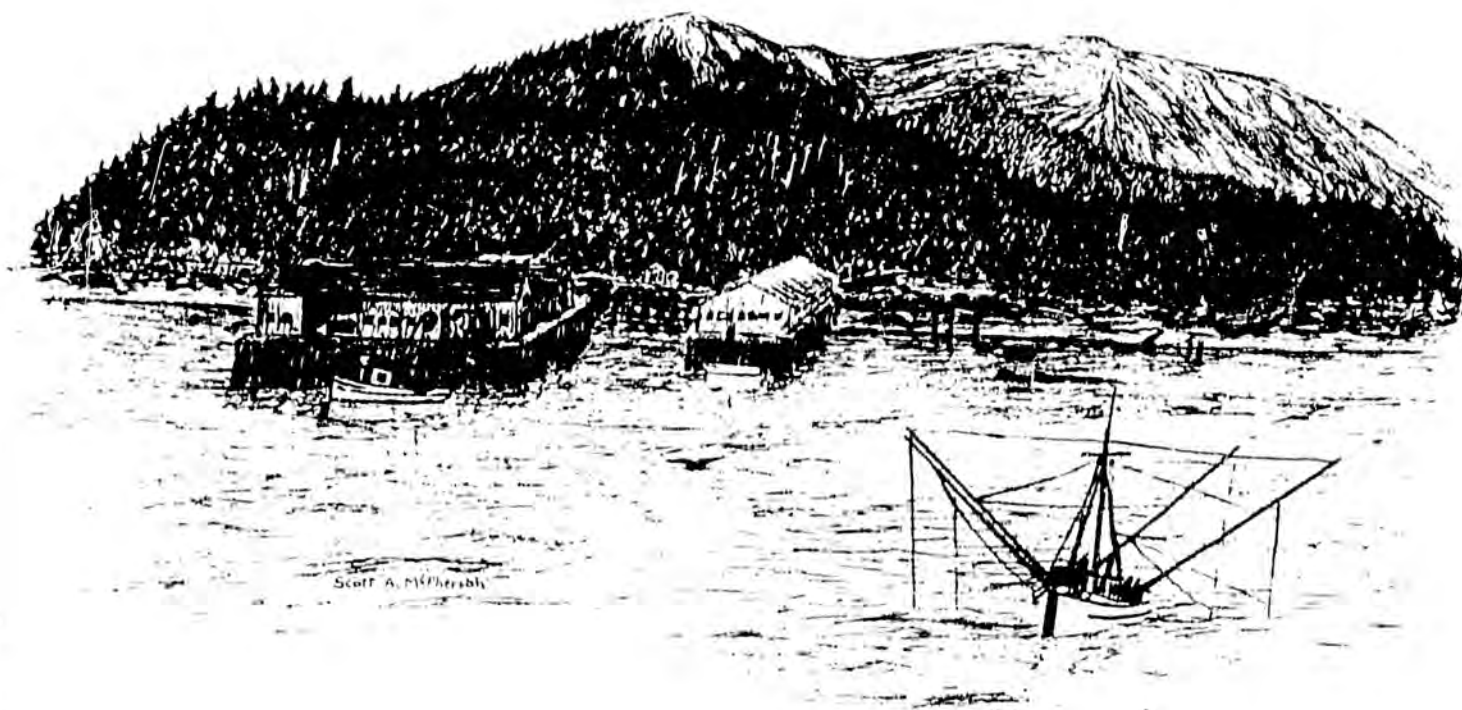
The Commission will continue to initiate or pursue research into fisheries such as shellfish, halibut, and herring, which have not yet come under limited entry. Numbers of vessels and individuals involved in these fisheries will be analyzed along with catch effort and bio-economic data. In evaluating the need for limited entry, the Commission will determine if effective biological management is in jeopardy and reasonable average rate of return to the fisherman for his time and money invested in a fishery is being provided. If limited entry is needed, the Commission will devise the best system for the fishery under consideration.

#### Legislative Recommendations

The Commission submitted several legislative changes to the first session of the Tenth Legislature. The recommendation which provides for a new licensing system is outlined on page 12. The other recommendations deal with: 1) controlling permit leasing; 2) tightening criteria for emergency transfers; 3) restricting the transfer of permits belonging to individuals charged with violating the limited entry statute; 4) making the transfer of a permit automatically to the spouse or estate upon the death of a permit holder; 5) repealing the five-year prohibition on transfers; and 6) making the permit purchase price tax deductible as a business expense.

**1977 Annual Report**

# **Commercial Fisheries Entry Commission**



**State of Alaska**

1977 ANNUAL REPORT

ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

POUCH KB

JUNEAU, ALASKA

99811

ALLAN ADASIAK  
CHAIRMAN

ROBERT J. SIMON  
COMMISSIONER

JOHN GARNER  
COMMISSIONER

MAY 1978

## ANNUAL REPORT

### Introduction:

This annual report submitted by the Commercial Fisheries Entry Commission (CFEC) addresses four categories of Commission activity during the 1977 calendar year. These areas are:

(1) the continuing administration of the limited entry law (AS 16.43) in Alaskan fisheries, (2) the implementation of new commercial fishing licensing procedures brought about by legislation during the last legislative session (Chapter 105, SLA 1977), (3) the coordination of State limited entry programs with those of the federal government which have resulted from the enactment of the Fishery Conservation and Management Act of 1976 (FCMA) and (4) legislative recommendations.

## LIMITED ENTRY FOR 1977

### Entry permit applications under Isakson v. Rickey:

The last application period for permits to be issued for the original 19 salmon fisheries brought under limited entry closed September 30, 1977. The acceptance of these additional applications was mandated by the Alaska Supreme Court decision of Isakson v. Rickey,<sup>1</sup> which required that the Commission accept applications for entry permits from persons who participated as gear license holders for the first time in either 1973 or 1974 in one of the 19 fisheries first placed under limitation in 1975.

Recognizing the diverse backgrounds of Alaskan commercial fishermen, the legislature, in 1977, provided an appropriation of \$38,000 to the CFEC to provide application completion assistance to persons eligible for permit application under the unexpected period mandated by Isakson v. Rickey. In addition to using its own staff, the Commission contracted with the Aleutians-Pribilof Islands Association, Inc., the Bristol Bay Native Association, the Cook Inlet Native Association, the Kodiak Area Community Development Corporation and Southeastern Alaska Community Action Program to provide assistance. The Commission received 1,327 applications under this Isakson application period; the processing of these applications should continue into the middle of 1978, although selected applications requiring hearings may take longer.

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<sup>1</sup>Isakson v. Rickey, 550 P 2d 359 (1966).

### Hearings:

Hearings on pending permit applications are proceeding as rapidly as possible considering the research necessary to give each applicant the full opportunity to explore his or her case in its entirety. In 1977, Commission hearing officers held approximately 109 hearings in various communities including Anchorage, Seattle, Aniak, Dillingham, Fairbanks, Galena, Homer, Juneau, Kenai, Ketchikan, Kodiak, Kotzebue, Nome, Sitka, Togiak and Wrangell in order to assure that fishermen living in even remote areas would receive a fair and impartial hearing at a location near their place of residence.

### New Limited Entry fisheries in 1977:

During 1977 three herring purse seine fisheries were added to the list of fisheries which have been determined by the CFEC to have reached levels of participation requiring entry limitation. Those fisheries are the Southeastern and Prince William Sound herring sac roe fisheries and the Cook Inlet herring purse seine fishery. The Commission was requested to investigate the need for limitation in these fisheries by fishermen, the Department of Fish and Game, and the Board of Fisheries.

Early in 1977 the Commission held public hearings in Kodiak, Homer, Cordova, Juneau, Petersburg, Ketchikan, Sitka and Seattle. Testimony from these hearings was helpful in establishing the ranking system for entry permit issuance in each fishery.

Applications for entry permits into these three fisheries were received from 262 fishermen. Of the 158 permits to be issued, 148 have been issued as of this writing.

In addition to work on the three herring purse seine fisheries put under limited entry, the Commission engaged in considerable research on the need for entry limitation into the herring gill net fishery in Southeast Alaska. This research culminated in regulations in early 1978 which limit the number of entry permits for the herring gill net fishery to 110.

Monitoring of other fisheries also occurred, including identification of effort level trends, catch trends, and economic research as appropriate. Some growth occurred in the long line and shellfish fisheries, while the salmon hand troll fishery in Southeast Alaska continued its rapid expansion.

Continued monitoring of permit transfers:

Since 1975, the Commission has conducted a voluntary survey of all fishermen transferring or acquiring permits. The purpose of the survey is to monitor permit prices and to analyze transfer trends. Copies of the survey questionnaire used in 1977 are attached as Appendix 1. During the past three years, responses to the survey have been received from 50 to 60% of those involved in transfers.

According to the survey information, permit prices increased significantly during 1977. Apparent causes were the healthy salmon harvests in 1977, anticipated harvest levels for 1978, and increases in the price of fishery resource products relative to the cost of fishing. Also, the failure of the 1976 initiative designed to repeal the Limited Entry Law was a cause of permit price escalation in 1977. Since success of the initiative would have made permits valueless, prices were restrained by uncertainty; after the 1976 election, there was a relatively abrupt increase in average prices. Appendix 2 indicates the results of a price survey for salmon entry permits from 1975 through December 31, 1977.

The computerized permit status file has allowed the Commission to monitor the transfer of permits between resident and nonresident fishermen to analyze the composition of the Alaska fishing fleets. As indicated by Appendix 3, permit transfers in 1977 resulted in a net gain of 30 permits to Alaskan fishermen. As in the past, most transfers were from a resident to a resident or from a non-resident to a non-resident.

Optimum number of permits:

Throughout the 1977 calendar year, work has continued on the determination of the optimum number of units of gear which might be supported in each of the 25 salmon fisheries under limited entry. Significant changes in fish prices,

operating costs and harvestable stock since 1973 have required updated economic research. The impact of projected aquaculture efforts must also be considered.

Under current statutory provisions, the optimum number of entry permits for a fishery is the number which will:

(1) maintain an economically healthy fishery that will result in a reasonable average rate of economic return to the fishery participants, (2) promote an orderly and efficient commercial harvest consistent with sound fishery management techniques and (3) avoid serious economic hardship to those currently engaged in the fishery, considering alternative economic opportunities reasonably available to them.

A management optimum number writing team was established in late 1977 comprised of Alaska Department of Fish and Game (ADF&G) fishery managers for each of four regions of the State of Alaska and a representative of CFEC. The writing team is currently preparing a working draft of the management optimum numbers in each of the 25 salmon fisheries. The intention is to update and refine preliminary work done in the past.

Completion of the National Marine Fisheries Service Shellfish Data Base Research Contract:

The CFEC entered into a \$100,000 contract with the National Marine Fisheries Service (NMFS) to gather information and develop an Alaskan Shellfish Bio-economic data base. This contract was completed in mid February of 1978 after many months of extensive research. As required under the

contract, the CFEC, in conjunction with fishermen and processors, designed a questionnaire which was administered to the owners and skippers of 223 of the 540 vessels in Alaska's shellfish fleet. Summaries of data from fish tickets and license files were also prepared in accordance with Alaska's statutes regarding confidentiality. Meetings were held with user-group representatives to review the data obtained.

The shellfish fleet was subdivided into fourteen subfleets on the basis of vessel size, species harvested and area fished. Sets of mean economic and physical characteristics were estimated with other relevant data; patterns of mobility and diversification were identified and summaries of future diversification plans developed. Data on catch and gross earnings patterns for 1969 through 1976, and comparisons of shellfish gross earnings with income from other fisheries and selected nonfishing industries were generated by subfleet.

The study has resulted in the cataloging of available sources of data on Alaska's shellfish fisheries and includes recommended topics for future research. This type of research will assist the North Pacific Fisheries Management Council (NPFMC) in developing the necessary data base to prepare fishery management plans for the shellfish and other fisheries.

## REVISIONS IN COMMERCIAL FISHING LICENSING

Commercial fishing licensing procedures were streamlined and consolidated under the authority and implementation of Chapter 105, SLA 1977, passed during the last legislative session. This new licensing program requires that commercial fishermen need purchase only a permit from the CFEC in order to operate gear in a commercial fishery. Prior to the passage of this legislation, a commercial fisherman was required to purchase a gear license, a commercial fishing license and a permit. Public information efforts have been, and will be, used to smooth the transition to this more effective and less cumbersome method of commercial fishing licensing.

Also, under the authority of Chapter 105, SLA 1977, the CFEC was delegated the task of issuing commercial vessel licenses, which in the past had been issued by the Department of Revenue from field offices throughout the State. Under the new licensing program, all vessel licenses are now issued through a new centralized system located in Juneau. Since this is the first year of the transition, some problems have occurred and the Commission is doing everything possible to circumvent further inconvenience to the fishermen. Next year, for those who have licensed their vessels in 1978, each fisherman will receive a pre-printed vessel license application card similar to the pre-printed permit renewal

card used in the past years. Upon receipt of this card, an individual fisherman will only need to verify the data, sign his name and attach the \$20 license fee.

During calendar year 1977, approximately 20,406 interim-use and entry permits were issued, resulting in revenues to the General Fund of \$780,570. Of the permits issued, some 13,026 were in the State's salmon fisheries; 2,791 permits were issued for crab and shrimp fishing. Bottom fish fishery resources accounted for another 234, and in the halibut and black cod longline fishery 2808 interim-use permits were issued.

It is anticipated that in 1978 the Commission will issue approximately 21,000 interim-use and entry permits, and license in the neighborhood of 14,000 vessels. Based upon 1978 licensing fee schedules, this is expected to result in total license revenues to the General Fund of approximately \$2,000,000 in 1978. This figure is over and above any contributions made by commercial fishermen to the Fishermen's Fund.<sup>2</sup>

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<sup>2</sup>The Fishermen's Fund is a dedicated fund for the purpose of providing disability compensation to fishermen injured during the course of commercial fishing. Revenues to support the fund come solely from the sale of crewmember fishing licenses and permits.

## 1978 LEGISLATIVE RECOMMENDATIONS

The CFEC supports two bills which are before the legislature:

Committee substitute for House Bill 573 incorporates the provisions of House Bill 581, introduced at the request of the Governor. HB 581 was drafted with the concurrence of the Department of Commerce and the CFEC. It would amend the Commercial Fishing Loan Act to allow the pledge of entry permits as security for a loan from the Department of Commerce to purchase an entry permit. With such monies available, Alaskan residents will be afforded another avenue of entry into Alaska's limited fisheries through long-term, low-interest loans.

The CFEC also supports Senate Bill 428 introduced at the request of the Senate Resource Committee. While this bill is primarily a housekeeping measure, it would establish more reasonable criteria for the emergency transfer of entry permits and provide for the administrative revocation of permits which have been issued on the basis of false information supplied by the permit applicant.

Acknowledgments:

During the past year, the CFEC received valuable assistance and cooperation from the Alaska Department of Fish and Game, the Department of Public Safety--Fish and Wildlife Protection Division, the Department of Commerce, the Governor's Office, the Alaska State Legislature, the North Pacific Fisheries Management Council, the National Marine Fisheries Service, various fishermen's associations, representatives of the fishing industry, and most important, many individual fishermen. The CFEC takes this opportunity to thank those persons, agencies and associations.

APPENDIX I

APPENDIX I

# STATE OF ALASKA

LLOYD S. HAMMOND, GOVERNOR

## COMMERCIAL FISHERIES ENTRY COMMISSION

POUCH KB - JUNEAU 99811  
(907) 586-3456

Please submit this in connection with the Request for Transfer form you have submitted for your entry permit.

This form does not identify you, and the information on it will not be disclosed in any manner that would allow identification of you. The information will be used to allow the Commission to monitor permit prices and transfer trends.

You are acquiring a permit for \_\_\_\_\_  
(Fishery Code) (Fishery Name)

1. How did you locate this permit?

- |                                                                                                                                                                          |                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <p><input type="checkbox"/> Relative or friend</p> <p><input type="checkbox"/> Commission list of permits for transfer</p> <p><input type="checkbox"/> Advertisement</p> | <p><input type="checkbox"/> Fish Processor</p> <p><input type="checkbox"/> Other (explain) _____</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|

2. Did you acquire the permit by (answer all items that apply)

- |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |        |          |      |          |      |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------|------|----------|------|----------|
| <p><input type="checkbox"/> Sale<br/>What was the sale price (including the fair market value of any items traded for the permit)? \$ _____</p> <p><input type="checkbox"/> Gift (no money)<br/>What is your relationship to the transferor? _____</p> <p><input type="checkbox"/> Inheritance<br/>What is your relationship to the transferor? _____</p> <p><input type="checkbox"/> Trade<br/>What was traded? _____</p> | <p><input type="checkbox"/> Along with a vessel, gear or set net site (indicate estimated value)</p> <table border="0" style="width: 100%;"><tr><td style="width: 60%;">Vessel</td><td style="width: 40%;">\$ _____</td></tr><tr><td>Gear</td><td>\$ _____</td></tr><tr><td>Site</td><td>\$ _____</td></tr></table> <p><input type="checkbox"/> At no extra cost along with vessel, gear or set net site</p> <p><input type="checkbox"/> Other (explain) _____</p> | Vessel | \$ _____ | Gear | \$ _____ | Site | \$ _____ |
| Vessel                                                                                                                                                                                                                                                                                                                                                                                                                     | \$ _____                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |          |      |          |      |          |
| Gear                                                                                                                                                                                                                                                                                                                                                                                                                       | \$ _____                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |          |      |          |      |          |
| Site                                                                                                                                                                                                                                                                                                                                                                                                                       | \$ _____                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |          |      |          |      |          |

3. If you financed the sale, was it through

- |                                                                                                                                            |                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><input type="checkbox"/> Financed by transferor</p> <p><input type="checkbox"/> Bank</p> <p><input type="checkbox"/> Fish Processor</p> | <p><input type="checkbox"/> State loan</p> <p><input type="checkbox"/> Credit Association</p> <p><input type="checkbox"/> Other (explain) _____</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|

4. Do you plan to transfer the permit back to the person you acquired it from?

- ☐ Yes
- ☐ No

For more space to complete this questionnaire, use the back of this paper.

If you have any questions concerning the completion of the form, do not hesitate to call or write the Commission. The Commission's phone number is (907) 586-3456, and its mailing address is Pouch KB, Juneau, Alaska 99811.

Thank you for your cooperation.

# STATE OF ALASKA

JAY S. HAMMOND, Governor

## COMMERCIAL FISHERIES ENTRY COMMISSION

POUCH KB - JUNEAU 99811  
(907) 586-3456

Please submit this in connection with the Request for Transfer form you have submitted for your entry permit.

This form does not identify you, and the information on it will not be disclosed in any manner that would allow identification of you. This information will be used to allow the Commission to monitor permit prices and transfer trends.

You have transferred a permit for \_\_\_\_\_  
(Fishery Code) (Fishery Name)

1. Did you transfer the permit by (answer all items that apply)

- |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><input type="checkbox"/> Sale<br/>What was the sale price (including the fair market value of any items traded for the permit)? \$ _____</p> <p><input type="checkbox"/> Gift (no money)<br/>What is your relationship to the transferee? _____</p> <p><input type="checkbox"/> Inheritance<br/>What is your relationship to the transferee? _____</p> <p><input type="checkbox"/> Trade<br/>What was traded? _____</p> | <p><input type="checkbox"/> Along with a vessel, gear or set net site (indicate estimated value)<br/>Vessel \$ _____<br/>Gear \$ _____<br/>Site \$ _____</p> <p><input type="checkbox"/> At no extra cost along with vessel, gear or set net site</p> <p><input type="checkbox"/> Other (explain) _____</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

2. If the sale was financed, was it through

- |                                                                                                                                      |                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><input type="checkbox"/> My own financing</p> <p><input type="checkbox"/> Bank</p> <p><input type="checkbox"/> Fish Processor</p> | <p><input type="checkbox"/> State loan</p> <p><input type="checkbox"/> Credit Association</p> <p><input type="checkbox"/> Other (explain) _____</p> |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|

3. Do you plan to get the permit back from the person to whom it was transferred?

- ☐ Yes  
☐ No

4. Why did you transfer your permit?

- |                                                                                                                                                                                                                          |                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><input type="checkbox"/> Poor health</p> <p><input type="checkbox"/> Retirement</p> <p><input type="checkbox"/> Plan to seek non-fishing employment</p> <p><input type="checkbox"/> Plan to enter other fisheries</p> | <p><input type="checkbox"/> Permit was part of the estate of a deceased fisherman</p> <p><input type="checkbox"/> Financial reasons</p> <p><input type="checkbox"/> Other (explain) _____</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

For more space to complete this questionnaire, use the back of this paper.

If you have any questions concerning the completion of the form, do not hesitate to call or write the Commission. The Commission's phone number is (907) 586-3456, and its mailing address is Pouch KB, Juneau, Alaska 99811.

Thank you for your cooperation.

APPENDIX 2

## APPENDIX 2

## Price Survey for Salmon Entry Permits from 1975 to 1977

| Fishery & Year              |      | Average Price<br>Paid for<br>Permits | No. of<br>Transfers<br>Involving<br>Money | Total <sup>1/</sup> No.<br>of Responses<br>to the<br>Questionnaire | No. of<br>Permits<br>Financed | <sup>2/</sup><br>High Permit<br>Price | <sup>2/</sup><br>Low Permit<br>Price |
|-----------------------------|------|--------------------------------------|-------------------------------------------|--------------------------------------------------------------------|-------------------------------|---------------------------------------|--------------------------------------|
| <u>SOUTHEASTERN</u>         |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                      | 1975 | 10,633                               | 15                                        | 25                                                                 | 13                            | 16,000                                | 5,000                                |
| Purse                       | 1976 | 9,222                                | 9                                         | 10                                                                 | 5                             | 15,000                                | 6,000                                |
| Seine                       | 1977 | 16,167                               | 21                                        | 28                                                                 | 15                            | 21,000                                | 8,000                                |
| Salmon                      | 1975 | 9,625                                | 28                                        | 38                                                                 | 20                            | 15,000                                | 4,000                                |
| Drift                       | 1976 | 10,213                               | 12                                        | 19                                                                 | 7                             | 15,000                                | 5,500                                |
| Gill Net                    | 1977 | 16,262                               | 21                                        | 37                                                                 | 18                            | 25,000                                | 8,000                                |
| Salmon                      | 1975 | 5,393                                | 47                                        | 68                                                                 | 26                            | 10,000                                | 300                                  |
| Power                       | 1976 | 4,896                                | 24                                        | 47                                                                 | 19                            | 10,000                                | 1,000                                |
| Troll                       | 1977 | 8,834                                | 59                                        | 76                                                                 | 25                            | 15,000                                | 3,500                                |
| <u>YAKUTAT</u>              |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                      | 1975 | 750                                  | 2                                         | 3                                                                  | 2                             | 1,000                                 | 500                                  |
| Set Gill                    | 1976 | 3,333                                | 3                                         | 10                                                                 | 2                             | 5,000                                 | 2,000                                |
| Net                         | 1977 | 7,000                                | 4                                         | 7                                                                  | 1                             | 10,000                                | 3,000                                |
| <u>PRINCE WILLIAM SOUND</u> |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                      | 1975 | 8,000                                | 6                                         | 7                                                                  | 5                             | 10,000                                | 5,000                                |
| Purse                       | 1976 | 10,700                               | 10                                        | 16                                                                 | 6                             | 20,000                                | 2,000                                |
| Seine                       | 1977 | 29,800                               | 5                                         | 7                                                                  | 6                             | 47,000                                | 19,000                               |
| Salmon                      | 1975 | 3,089                                | 9                                         | 13                                                                 | 6                             | 5,000                                 | 500                                  |
| Drift                       | 1976 | 4,406                                | 16                                        | 30                                                                 | 16                            | 7,000                                 | 1,000                                |
| Gill Net                    | 1977 | 13,379                               | 29                                        | 38                                                                 | 20                            | 20,000                                | 7,000                                |
| <u>COOK INLET</u>           |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                      | 1975 | -0-                                  | -0-                                       | -0-                                                                | -0-                           | -0-                                   | -0-                                  |
| Purse                       | 1976 | 7,500                                | 2                                         | 3                                                                  | 2                             | 10,000                                | 5,000                                |
| Seine                       | 1977 | 10,625                               | 4                                         | 6                                                                  | 2                             | 20,000                                | 2,000                                |

| Fishery & Year             |      | Average Price<br>Paid for<br>Permits | No. of<br>Transfers<br>Involving<br>Money | Total <sup>1/</sup> No.<br>of Responses<br>to the<br>Questionnaire | No. of<br>Permits<br>Financed | <sup>2/</sup><br>High Permit<br>Price | <sup>2/</sup><br>Low Permit<br>Price |
|----------------------------|------|--------------------------------------|-------------------------------------------|--------------------------------------------------------------------|-------------------------------|---------------------------------------|--------------------------------------|
| <u>COOK INLET Cont.</u>    |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                     | 1975 | 3,911                                | 9                                         | 13                                                                 | 3                             | 10,000                                | 500                                  |
| Drift                      | 1976 | 5,552                                | 29                                        | 39                                                                 | 12                            | 13,000                                | 2,500                                |
| Gill Net                   | 1977 | 9,871                                | 26                                        | 41                                                                 | 14                            | 40,000                                | 2,000                                |
| Salmon                     | 1975 | 2,250                                | 6                                         | 16                                                                 | 6                             | 2,500                                 | 2,000                                |
| Set Gill                   | 1976 | 1,818                                | 11                                        | 34                                                                 | 8                             | 2,500                                 | 1,000                                |
| Net                        | 1977 | 4,821                                | 24                                        | 41                                                                 | 15                            | 18,500                                | 2,000                                |
| <u>KODIAK</u>              |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                     | 1975 | 4,571                                | 7                                         | 11                                                                 | 5                             | 7,500                                 | 1,000                                |
| Purse                      | 1976 | 9,425                                | 12                                        | 19                                                                 | 5                             | 18,000                                | 6,000                                |
| Seine                      | 1977 | 17,611                               | 18                                        | 32                                                                 | 7                             | 36,000                                | 1,500                                |
| Salmon                     | 1975 | 5,380                                | 5                                         | 14                                                                 | 5                             | 11,000                                | 1,000                                |
| Set Gill                   | 1976 | 3,900                                | 8                                         | 16                                                                 | 2                             | 6,000                                 | 500                                  |
| Net                        | 1977 | 6,600                                | 5                                         | 12                                                                 | 4                             | 15,000                                | 2,000                                |
| Salmon                     | 1975 | -0-                                  | -0-                                       | -0-                                                                | -0-                           | -0-                                   | -0-                                  |
| Beach                      | 1976 | -0-                                  | -0-                                       | -0-                                                                | -0-                           | -0-                                   | -0-                                  |
| Seine                      | 1977 | 15,000                               | 3                                         | 4                                                                  | 2                             | 30,000                                | 5,000                                |
| <u>CHIGNIK</u>             |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                     | 1975 | 600                                  | 1                                         | 2                                                                  | 1                             | -----                                 | -----                                |
| Purse                      | 1976 | -0-                                  | -0-                                       | 3                                                                  | -0-                           | -0-                                   | -0-                                  |
| Seine                      | 1977 | 7,500                                | 1                                         | 3                                                                  | 1                             | -0-                                   | -0-                                  |
| <u>PENINSULA-ALEUTIANS</u> |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                     | 1975 | 10,000                               | 1                                         | 1                                                                  | -0-                           | -----                                 | -----                                |
| Purse                      | 1976 | -0-                                  | -0-                                       | 3                                                                  | -0-                           | -----                                 | -----                                |
| Seine                      | 1977 | 10,000                               | 2                                         | 5                                                                  | -0-                           | 15,000                                | 5,000                                |

| Fishery & Year                   |      | Average Price<br>Paid for<br>Permits | No. of<br>Transfers<br>Involving<br>Money | Total <sup>1/</sup> No.<br>of Responses<br>to the<br>Questionnaire | No. of<br>Permits<br>Financed | <sup>2/</sup><br>High Permit<br>Price | <sup>2/</sup><br>Low Permit<br>Price |
|----------------------------------|------|--------------------------------------|-------------------------------------------|--------------------------------------------------------------------|-------------------------------|---------------------------------------|--------------------------------------|
| <u>PENINSULA-ALEUTIANS Cont.</u> |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                           | 1975 | -0-                                  | -0-                                       | 1                                                                  | -0-                           | -----                                 | -----                                |
| Drift                            | 1976 | 6,333                                | 3                                         | 5                                                                  | 1                             |                                       |                                      |
| Gill Net                         | 1977 | 10,286                               | 7                                         | 15                                                                 | 6                             | 12,000                                | 10,000                               |
| <u>BRISTOL BAY</u>               |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                           | 1975 | 1,197                                | 15                                        | 37                                                                 | 6                             | 2,500                                 | 500                                  |
| Drift                            | 1976 | 2,484                                | 23                                        | 64                                                                 | 10                            | 10,000                                | 500                                  |
| Gill Net                         | 1977 | 6,516                                | 52                                        | 111                                                                | 40                            | 20,000                                | 500                                  |
| Salmon                           | 1975 | -0-                                  | -0-                                       | 9                                                                  | -0-                           | -0-                                   | -0-                                  |
| Set Gill                         | 1976 | 2,207                                | 14                                        | 35                                                                 | 6                             | 5,000                                 | 300                                  |
| Net                              | 1977 | 2,538                                | 17                                        | 42                                                                 | 4                             | 5,000                                 | 50                                   |
|                                  |      |                                      | 625                                       | 1,116                                                              | 379                           |                                       |                                      |
| <u>AYK</u>                       |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| <u>KUSKOKWIM</u>                 |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                           | 1976 | -----                                | ---                                       | 3                                                                  | ---                           | -----                                 | -----                                |
| Set Gill                         | 1977 | -----                                | ---                                       | 11                                                                 | ---                           | -----                                 | -----                                |
| Net                              |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| <u>KOTZEBUE</u>                  |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                           | 1976 | -----                                | ---                                       | 2                                                                  | ---                           | -----                                 | -----                                |
| Set Gill                         | 1977 | 3,000                                | 1                                         | 2                                                                  | ---                           | -----                                 | -----                                |
| Net                              |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| <u>LOWER YUKON</u>               |      |                                      |                                           |                                                                    |                               |                                       |                                      |
| Salmon                           | 1976 | -----                                | ---                                       | 4                                                                  | ---                           | -----                                 | -----                                |
| Set Gill                         | 1977 | 550                                  | 2                                         | 5                                                                  | ---                           | 1,000                                 | 100                                  |
| Net                              |      |                                      |                                           |                                                                    |                               |                                       |                                      |

SUMMARY OF TOTAL DATA

| Year | No. of Surveys<br>Received with<br>Prices Listed | Total No. of<br>of Surveys <sup>1/</sup><br>Received | No. of Permits<br>Financed | Actual Total No. of<br>Permits Transferred |
|------|--------------------------------------------------|------------------------------------------------------|----------------------------|--------------------------------------------|
| 1975 | 151                                              | 258                                                  | 98                         | 554                                        |
| 1976 | 176                                              | 353                                                  | 101                        | 707                                        |
| 1977 | <u>298</u><br>625                                | <u>505</u><br>1,116                                  | <u>180</u><br>379          | <u>937</u><br>2,198                        |

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1/ Questionnaires are sent to the person transferring the permit and to the person acquiring the permit. In order to avoid duplication. Only responses from those acquiring permits were tabulated.

2/ The high prices seem to indicate "the going market" price, while the low prices reflect "deals" made to relatives or friends.

Note: Prices for permits in some areas have reportedly risen since January, 1978. The information here is complete to December 31, 1977.

APPENDIX 3

## APPENDIX 3

## PERMANENT TRANSFER OF ENTRY PERMITS IN 1977

| Fishery                        | Total #<br>Permits<br>Issued | Res. -<br>Non Res. | Res. -<br>Res. | Non Res. -<br>Res. | Non Res. -<br>Non Res. | Total<br># of<br>Transfers |
|--------------------------------|------------------------------|--------------------|----------------|--------------------|------------------------|----------------------------|
| <u>Southeastern</u>            |                              |                    |                |                    |                        |                            |
| Salmon Purse Seine             | 411                          | 7                  | 17             | 3                  | 16                     | 43                         |
| Herring Sac Roe<br>Purse Seine | 38                           | -                  | -              | -                  | -                      |                            |
| Salmon Drift<br>Gill Net       | 459                          | 3                  | 32             | 12                 | 10                     | 57                         |
| Power Troll                    | 929                          | 10                 | 68             | 29                 | 28                     | 135                        |
| <u>Yakutat</u>                 |                              |                    |                |                    |                        |                            |
| Salmon Set<br>Gill Net         | 158                          | 2                  | 7              | 3                  | -                      | 12                         |
| <u>Prince William Sound</u>    |                              |                    |                |                    |                        |                            |
| Salmon Purse Seine             | 255                          | 2                  | 14             | -                  | 8                      | 24                         |
| Herring Sac Roe<br>Purse Seine | 85                           | 1                  | 1              | 1                  | -                      | 3                          |
| Salmon Drift<br>Gill Net       | 542                          | 5                  | 35             | 11                 | 13                     | 64                         |
| Salmon Set<br>Gill Net         | 28                           | 1                  | 1              | -                  | -                      | 2                          |
| <u>Cook Inlet</u>              |                              |                    |                |                    |                        |                            |
| Salmon Purse Seine             | 72                           | -                  | 11             | -                  | -                      | 11                         |
| Herring Purse Seine            | 61                           | -                  | 1              | -                  | -                      | 1                          |
| Salmon Drift<br>Gill Net       | 539                          | 4                  | 53             | 5                  | 14                     | 76                         |

| Fishery                    | Total #<br>Permits<br>Issued | Res. -<br>Non Res. | Res. -<br>Res. | Non Res. -<br>Res. | Non Res. -<br>Non Res. | Total<br># of<br>Transfers |
|----------------------------|------------------------------|--------------------|----------------|--------------------|------------------------|----------------------------|
| <u>Cook Inlet Cont.</u>    |                              |                    |                |                    |                        |                            |
| Salmon Set<br>Gill Net     | 720                          | 1                  | 74             | 7                  | 2                      | 84                         |
| <u>Kodiak</u>              |                              |                    |                |                    |                        |                            |
| Salmon Purse Seine         | 365                          | 4                  | 33             | 8                  | 10                     | 55                         |
| Salmon Set<br>Gill Net     | 181                          | 2                  | 16             | 4                  | 2                      | 24                         |
| Salmon Beach<br>Seine      | 30                           | 1                  | 7              | -                  | -                      | 8                          |
| <u>Chignik</u>             |                              |                    |                |                    |                        |                            |
| Salmon Purse Seine         | 90                           | -                  | 3              | 1                  | -                      | 4                          |
| <u>Peninsula-Aleutians</u> |                              |                    |                |                    |                        |                            |
| Salmon Purse Seine         | 113                          | 1                  | 10             | 2                  | -                      | 13                         |
| Salmon Drift<br>Gill Net   | 154                          | 1                  | 11             | -                  | 10                     | 22                         |
| Salmon Set<br>Gill Net     | 106                          | 1                  | 13             | -                  | -                      | 14                         |
| <u>Bristol Bay</u>         |                              |                    |                |                    |                        |                            |
| Salmon Drift<br>Gill Net   | 1,663                        | 18                 | 73             | 12                 | 85                     | 188                        |
| Salmon Set<br>Gill Net     | 823                          | 13                 | 36             | 8                  | 12                     | 69                         |

| Fishery             | Total #<br>Permits<br>Issued | Res. -<br>Non Res. | Res. -<br>Res. | Non Res. -<br>Res. | Non Res. -<br>Non Res. | Total<br># of<br>Transfers |
|---------------------|------------------------------|--------------------|----------------|--------------------|------------------------|----------------------------|
| <u>Kuskokwim</u>    |                              |                    |                |                    |                        |                            |
| Salmon Gill Net     | 175                          | -                  | 16             | 1                  | -                      | 17                         |
| <u>Lower Yukon</u>  |                              |                    |                |                    |                        |                            |
| Salmon Gill Net     | 691                          | -                  | 6              | 2                  | -                      | 8                          |
| <u>Upper Yukon</u>  |                              |                    |                |                    |                        |                            |
| Salmon Gill Net     | 44                           | 1                  | -              | -                  | -                      | 1                          |
| Salmon Fishwheel    | 107                          | -                  | 2              | -                  | -                      | 2                          |
| <u>Norton Sound</u> |                              |                    |                |                    |                        |                            |
| Salmon Gill Net     | 176                          | 1                  | -              | -                  | -                      | 1                          |
| <u>Kotzebue</u>     |                              |                    |                |                    |                        |                            |
| Salmon Gill Net     | 175                          | -                  | 3              | -                  | -                      | 3                          |
| Total               | 9,190                        | 79                 | 543            | 190                | 210                    | 941                        |