

Statewide

Salmon

Forum

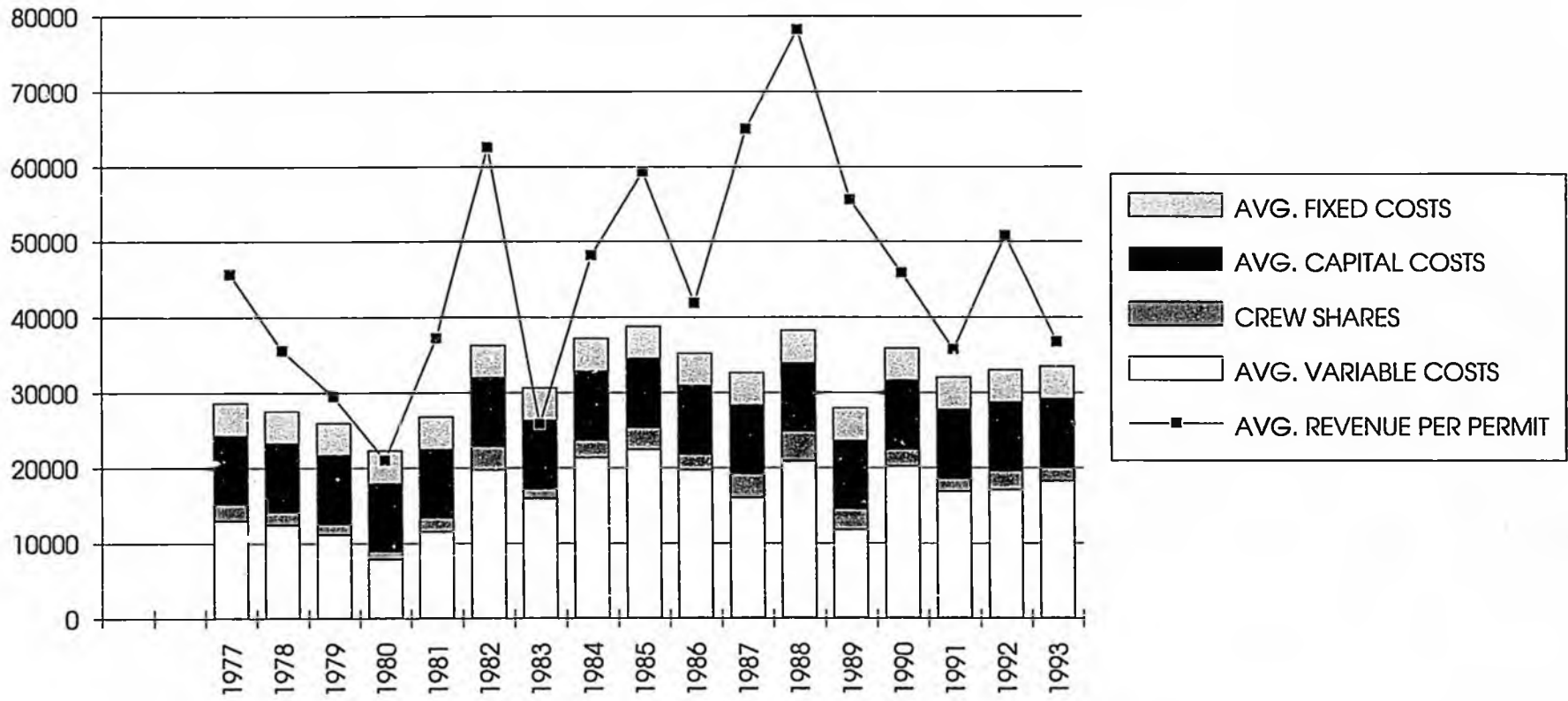
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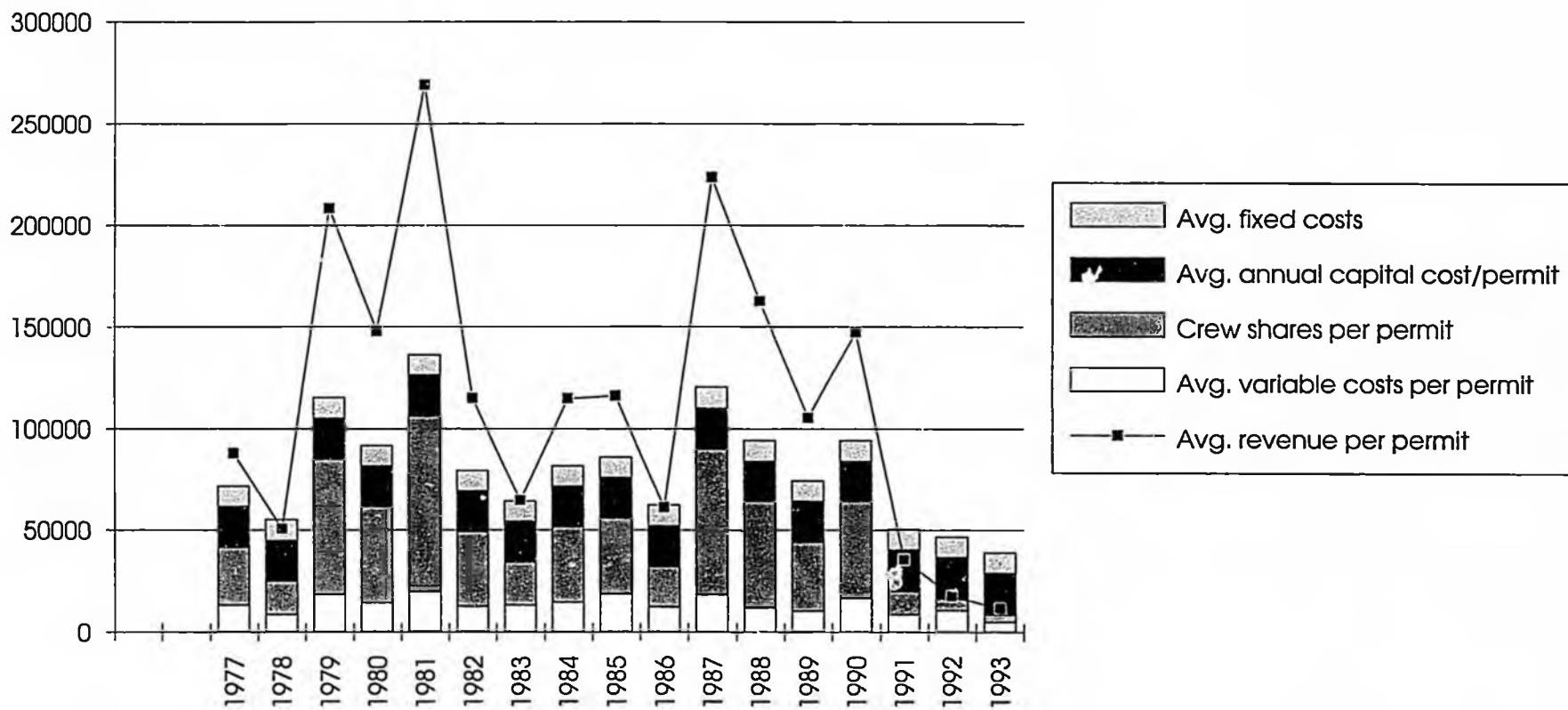
ECONOMIC INFORMATION ON THE PRINCE WILLIAM SOUND SALMON
FISHERIES

Dan Hull, Prince William Sound drift gillnetter
Chairman, Prince William Sound Aquaculture Corporation
Vice President, United Fishermen of Alaska

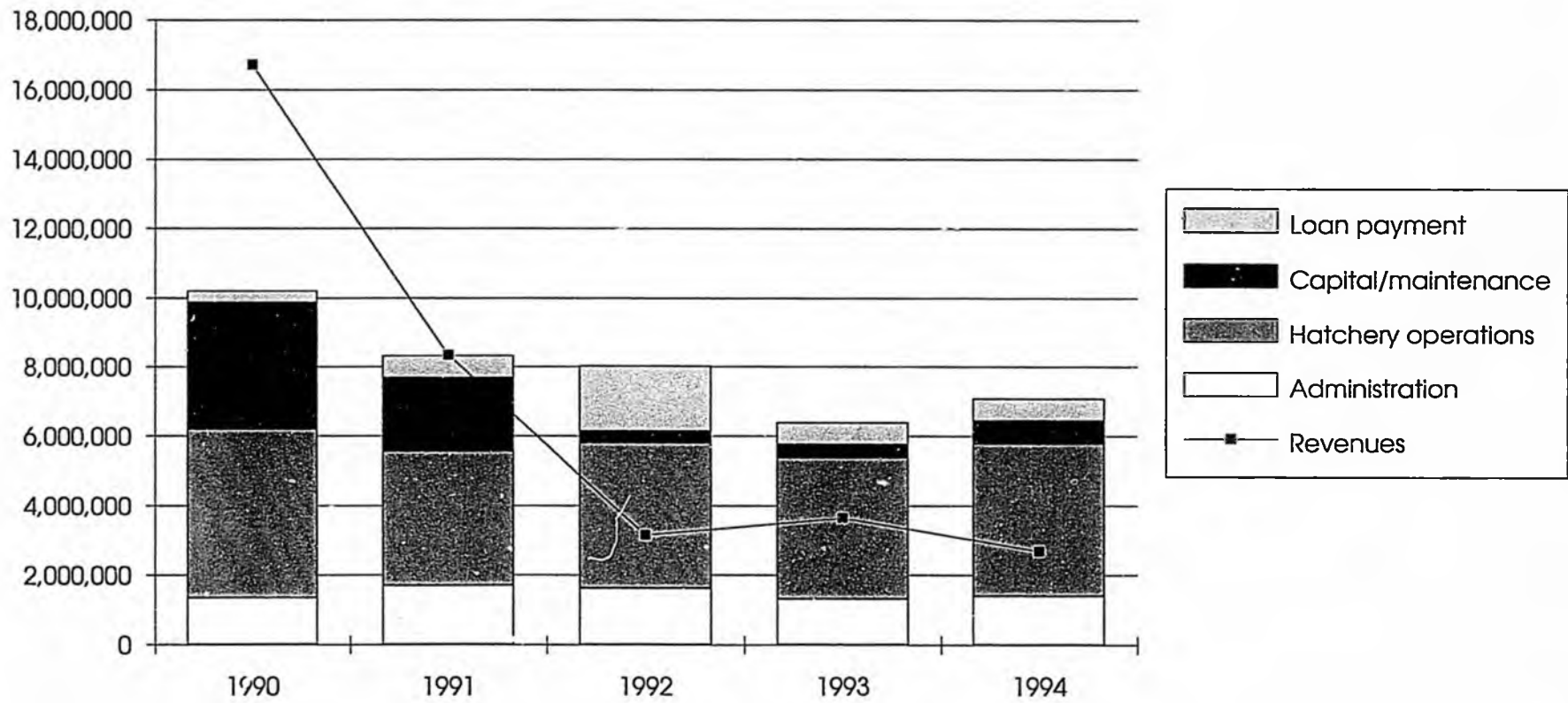
Estimated Average PWS Drift Gillnet Revenues and Costs, 1977-1993 (in 1993 dollars)



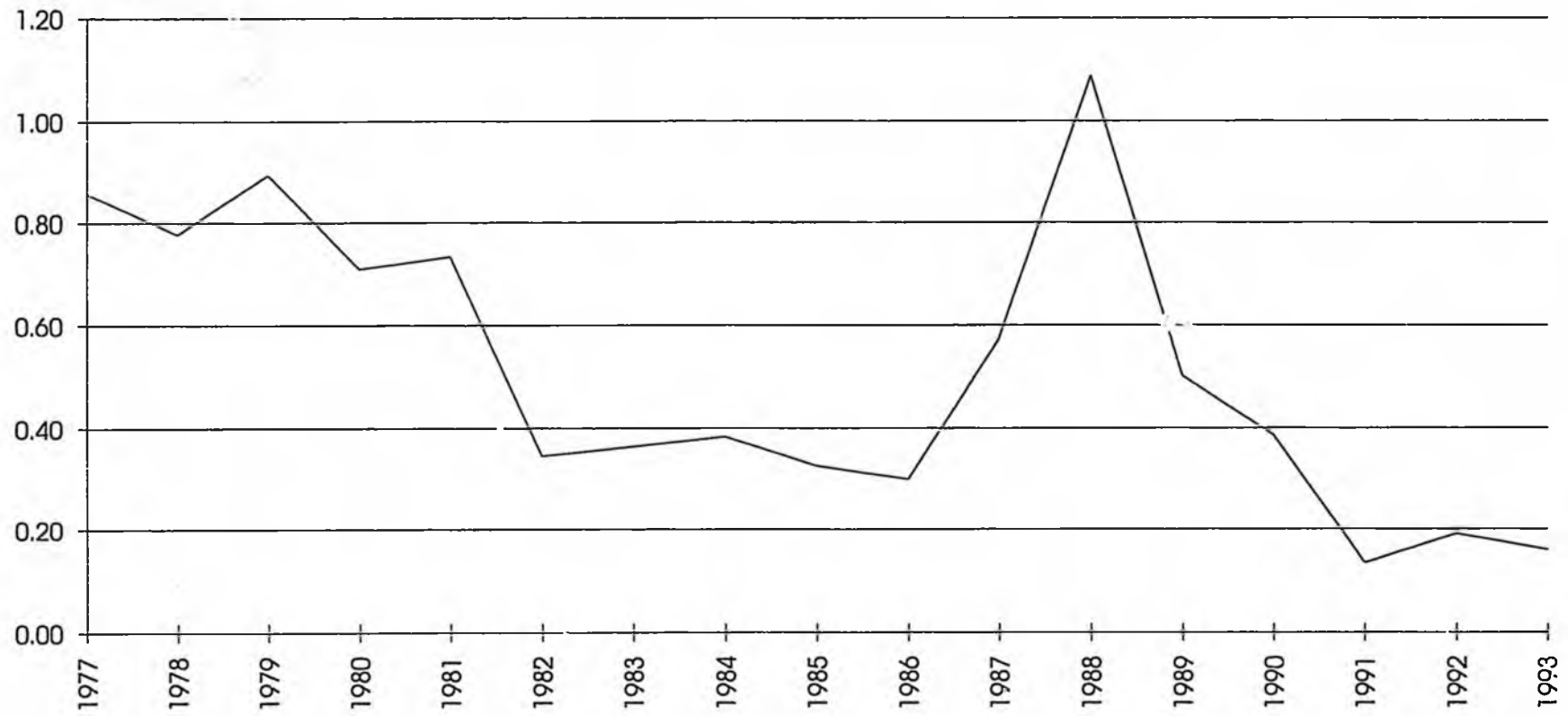
Estimated Average PWS Purse Seine Revenues and Costs, 1977-1993 (in 1993 dollars)



PWSAC Revenues and Expenses, FY 1990-1994

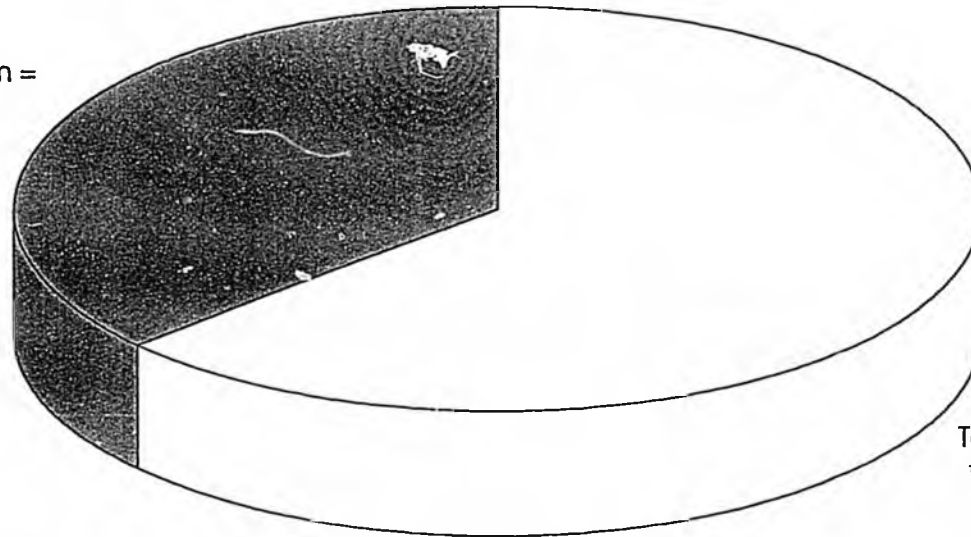


PWS Pink Salmon Price, 1977-1993 (in 1993 dollars)



Impact of Salmon Fisheries on the Economy Prince William Sound and Seward, 1990

Impact of salmon
enhancement program =
\$21,372,954



Total impact of salmon
fisheries = \$58,720,804

*Engineer's side
AYK Gellert*

Value-Added Salmon Production

- * Because high production levels and record high salmon inventories are expected to continue, there is little hope that prices will recover under current conditions even in regions of the state like AYK that have seen chum and king salmon harvests decline.
- * One of the most important ways to increase the value of our salmon is by adding in the value ourselves. This will increase demand for salmon by making available to consumers new, more convenient product forms. It will also increase local employment by expanding processing job opportunities. This is particularly important in rural Alaska where commercial fishing provides the only cash economy to the region.
- * The lack of the an efficient, mechanical method of pin bone removal from the salmon is the single largest roadblock to value-added production of new product forms.
- * This past summer the Norton Sound CDQ group worked with their harvesting partner, Glacier Fish Company to produce boneless/skinless pink salmon blocks; the product form used by the European and U.S. food industry to manufacture many convenience-style frozen food products.
- * This was an important development for Norton Sound fishermen who have been unable to secure buyers for their pink salmon for several years.
- * In order to meet product specifications, fishermen were required to chill and bleed all their fish.
- * Glacier Fish Company brought in one of their factory trawlers which has high speed pollock filleting equipment on board. Because pollock and pink salmon are similar in size and weight, this machinery was able to produce 200 fillets per minute.
- * This was an important technological step for the salmon industry except that the fillet machine had to be turned off frequently so that several processing line workers could cut out the pin bones by hand. This increased labor and overhead costs significantly while reducing the yield taken for fillets.

* While the Norton Sound CDQ group and its partner had no trouble finding markets for our new salmon product form, making a profit was difficult. . While CDQ groups are able to subsidize these product development efforts for a short period, success of these product forms will never be realized until salmon pin bones can be removed efficiently. Other value-added salmon product development efforts are being pursued by the CDQ groups representing communities on the Yukon Delta, Kuskokwim and Aleutian regions.

* The first table provided here shows that without a mechanical method of pin bone removal, a boneless/skinless salmon fillet product is not cost competitive against traditional canned salmon and headed and gutted salmon products even at current low ex-vessel prices.

* The second table shows that decreased labor costs and increased yield of a pin bone machine would make boneless/skinless salmon products more profitable to produce than canned and headed and gutted salmon products.

* Twenty years ago nearly all poultry products were sold as whole headed and gutted carcasses, just as our frozen salmon is today. It was an inconvenient product form for many consumers who increasingly have less time to produce meals. The third table shows that U.S. poultry consumption since that time has tripled. This is primarily due to increased boneless/skinless product options developed by poultry product producers.

* The production of convenience-style poultry products has greatly increased the demand and the value of the poultry resource. Unfortunately, most frozen salmon is still sold as a headed and gutted whole carcass. We as an industry need to work together in partnership with the state to forge the appropriate reasearch and development of the technolgy that will make possible expanded product forms to the consumer.

* The Emmonak Fishermen's Coop at the mouth of the Yukon River and the Kotzebue Fishermen's Coop are investing in value-added processing equipment. And Coastal Village Fisheries opened a new salmon plant in Bethel this summer. They have also used their CDQ factory trawler to produce boneless/skinless salmon products in PWS. The Unalakleet salmon plant in Norton Sound is also

upgrading its processing capacity. Plants with groundfish processing equipment in Kodiak, Akutan, Dutch Harbor and Sand Point have begun experimenting with its use in producing salmon fillets.

* In order to be successful these plants need access to increased ice production and cold storage capacity. These improvements will increase the quality needed for new product forms and allow the local plants to hold on to the fish so that it can be processed into value-added product forms locally instead of being shipped to Seattle as soon as it is caught. These infrastructure developments are needed statewide.

* The Alaska salmon industry needs the support of the state and its agencies in providing infrastructure support like increased ice, cold storage capacity and value-added processing facilities so that industry participants can afford to make the investment risks necessary to move forward. The current market collapse does not permit individual industry participants to take these risks alone.

Legislative Options to Address Alaska's Salmon Crisis

Table 9: Comparison of Margins Remaining After Deduction of Processing Costs for Canned Pink Salmon, Headed & Guttled Frozen Pink Salmon, and Boneless/Skinless Pink Salmon Fillets at Varying Recovery Rates

Production Costs and Assumptions:	H&G		Boneless/Skinless			
	Canned	Frozen				
Ex-Vessel Price (per round lb)	0.15	0.15	0.15	0.15	0.15	0.15
Raw fish tax	\$0.007	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005
Tender cost/lb	0.15	0.15	0.15	0.15	0.15	0.15
Assumed recovery rate for primary	65%	74%	18%	20%	26%	33%
Assumed recovery rate for secondary	0%	0%	4%	7%	10%	6%
Raw material cost (per processed lb)	\$0.47	\$0.41	\$1.68	\$1.50	\$1.14	\$0.90
Labor and packaging costs	\$0.42	\$0.46	\$0.50	\$0.50	\$0.50	\$0.50
Other variable costs	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Total production cost	\$1.09	\$1.07	\$2.38	\$2.20	\$1.84	\$1.60
Wholesale Values:						
Wholesale price primary	\$1.14	\$0.76	\$2.25	\$2.25	\$2.25	\$2.25
Wholesale price secondary	\$0.00	\$0.00	\$0.85	\$0.85	\$0.85	\$0.85
Margin Per Pound After						
Deducting Production Costs	\$0.13	-\$0.24	-\$0.20	-\$0.05	\$0.25	\$0.44

The computations show that the production of deepskin/boneless fillets is not cost competitive against canned salmon given current prices, until a recovery rate of at least 26% for the primary fillet product is achieved. At a recovery rate of 33% for the primary fillet product, the margin remaining to the processor after accounting for production costs is approximately \$0.44 per pound. This is significantly higher than the margin remaining for canned pink salmon of \$0.13 per pound.

If 10% of the 1994 projected Southeast pink salmon harvest (164.5 million pounds projected) were processed into deepskin/boneless fillets at a recovery rate of 33%, the margin remaining after the deduction of production costs would be \$7.2 million.⁴⁶ This is \$5.1 million greater than the \$2.1 million in value for an equivalent amount of pink salmon produced into a canned product. If the labor costs associated with this production were reduced from \$0.50 per hour to \$0.25 per hour, the value of the production would be \$11.4 million, or \$9.2 million greater in value than an equivalent amount of pink salmon produced into a canned product.

⁴⁶164.5 million pounds times 10%, times a recovery rate of 33%, times \$0.44 (see Table 9)

Legislative Options to Address Alaska's Salmon Crisis

Table 10: Comparison of Margins Remaining After Deduction of Processing Costs for Canned Pink Salmon, Headed & Gutted Frozen Pink Salmon, and Boneless/Skinless Pink Salmon Fillets at Varying Recovery Rates and a Reduced Labor Rate

	H&G		Boneless/Skinless			
	Canned	Frozen				
Production Costs and Assumptions:						
Ex-Vessel Price (per round lb)	0.15	9.15	0.15	0.15	0.15	0.15
Raw fish tax	\$0.007	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005
Tender cost/lb	0.10	0.10	0.10	0.10	0.10	0.10
Assumed recovery rate for primary	65%	74%	18%	20%	26%	33%
Assumed recovery rate for secondary	0%	0%	4%	7%	10%	6%
Raw material cost (per processed lb)	\$0.40	\$0.34	\$1.40	\$1.25	\$0.95	\$0.76
Labor and packaging costs	\$0.42	\$0.46	\$0.25	\$0.25	\$0.25	\$0.25
Other variable costs	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Total production cost	\$1.02	\$1.00	\$1.85	\$1.70	\$1.40	\$1.21
Wholesale Values:						
Wholesale price primary	\$1.14	\$0.76	\$2.25	\$2.25	\$2.25	\$2.25
Wholesale price secondary	\$0.00	\$0.00	\$0.85	\$0.85	\$0.85	\$0.85
Margin Per Pound After						
Deducting Production Costs	\$0.13	(\$0.24)	\$0.05	\$0.20	\$0.50	\$0.69

Table 10 is a reproduction of Table 9, except that the labor cost for deepskin/boneless production has been cut in half. This table demonstrates the impact upon costs if a fillet machine is developed that can remove the pin bone and increase the yield. Under these scenarios, the margin per pound remaining after production costs increases by the same amount as the reduction in labor costs and results in a high end margin of \$0.69 per pound.

If labor costs are reduced with a mechanical pin bone removal device, margins would increase even at lower recovery rates. This would allow pink and chum value-added salmon products to more effectively meet price points currently set by poultry and whitefish in the frozen convenience-style product market place.

Table 7--Red meat, poultry, and fish (boneless, trimmed equivalent): Per capita consumption, 1968-90 1/

Year	Poultry 2/			Red meat					Fish and shellfish		Total red meat, poultry, and fish 3/
	Chicken	Turkey	Total 3/	Beef	Veal	Pork	Lamb	Total 3/	Shellfish		
1968	25.2	6.4	31.6	77.3	2.6	48.3	2.4	130.6	11.0	173.2	
1969	26.3	6.6	32.9	77.8	2.3	47.1	2.3	129.6	11.2	173.6	
1970	27.7	6.4	34.1	79.6	2.0	48.2	2.1	132.0	11.7	177.8	
1971	27.7	6.6	34.3	79.0	1.9	52.6	2.1	135.5	11.5	181.3	
1972	28.7	7.1	35.7	80.7	1.6	47.7	2.2	132.1	12.5	180.4	
1973	27.8	6.7	34.5	75.9	1.2	43.0	1.7	121.9	12.7	169.1	
1974	27.9	7.0	34.9	80.6	1.6	46.7	1.5	130.4	12.1	177.3	
1975	27.5	6.7	34.2	83.0	2.8	38.2	1.3	125.3	12.1	171.7	
1976	29.3	7.2	36.5	88.9	2.7	40.7	1.2	133.5	12.9	182.9	
1977	30.2	7.2	37.4	86.2	2.6	42.3	1.1	132.2	12.6	182.3	
1978	32.0	7.2	39.2	82.3	2.0	42.4	1.0	127.6	13.4	180.2	
1979	34.7	7.8	42.5	73.5	1.4	48.6	1.0	124.5	13.0	180.0	
1980	34.3	8.3	42.6	72.1	1.3	52.1	1.0	126.4	13.8	181.9	
1981	35.4	8.5	43.9	72.8	1.3	49.9	1.0	125.1	12.8	181.8	
1982	36.4	8.5	44.9	72.5	1.4	44.9	1.1	119.7	12.1	176.9	
1983	37.0	8.9	45.8	74.1	1.3	47.4	1.1	123.9	12.9	182.7	
1984	38.2	9.0	47.2	73.8	1.5	47.2	1.1	123.6	13.5	184.3	
1985	39.9	9.6	49.4	74.6	1.5	47.7	1.1	124.9	14.4	189.7	
1986	40.7	10.6	51.3	74.4	1.6	45.2	1.0	122.2	14.8	188.3	
1987	43.4	12.1	55.5	69.5	1.3	45.6	1.0	117.4	15.3	188.2	
1988	44.7	12.6	57.4	68.6	1.1	48.8	1.0	119.5	15.2	192.1	
1989	47.3	13.5	60.8	65.4	1.0	48.4	1.1	115.9	15.8	192.6	
1990 P	49.3	14.4	63.6	64.0	0.9	46.3	1.1	112.3	15.5	191.4	

P = Preliminary. NA = Not available.

1/ Excludes shipments to U.S. territories. Uses U.S. total population, July 1, which does not include the U.S. territories. Boneless equivalent for red meat derived from carcass weight, using conversion factors shown in tables 40-43. Boneless equivalent for chicken and turkey derived from ready-to-cook weight, using conversion factors shown in tables 49-50. Boneless equivalent, or edible weight, for fish is calculated by the U.S. Department of Commerce (see table 8). 2/ Includes skin, neck meat, and giblets. 3/ Total may not add due to rounding.

TABLE 1

Partial List of Value-Added Products and Opportunity Rating for Alaska

<u>Product Type</u>	<u>Opportunity Species</u>	<u>Type</u>	<u>Rating</u>	<u>Reasoning/Comments</u>
Consumer-Ready	Salmon	Frozen/Dressed	Ongoing	
		Canned	Ongoing	
		Fresh	Ongoing	
		Roe	Ongoing	
		Steaks* Portioned*	High	Reasonable market demand, reduction in freight costs, lower value product into higher value product. Requires increased cold storage holding capacity, use of Puget Sound cold storage, and ability to take advantage of smaller market orders.
		Smoked	High	Strong, increasing market demand. Can be shipped using air freight. Equipment and capitalization costs are low.
		Mince*	High	Increasing market demand for variety of product forms, many of which are still evolving. Good use of dark-skinned, less visually pleasing fish. Requires increased cold storage holding capacity, additional equipment, and means to utilize or dispose of left over body frames.

*Requires infrastructure

TABLE 1 (continued)

Partial List of Value-Added Products and Opportunity Rating for Alaska

<u>Product Type</u>	<u>Opportunity Species</u>	<u>Type</u>	<u>Rating</u>	<u>Reasoning/Comments</u>
Consumer-Ready	Salmon	Micro-Wave Pouches*	Medium	Increasing market demand. Same infrastructure requirements as steaks and portioning. Medium ranking because pink salmon filets probably required for sizable market; pink filets have pin bone and recovery rate problems, as well as cost variability uncertainties. If these problems are resolved, ranking is "high".
		Pickled Salted	Medium	Low market demand, but product can easily be produced in Alaska. For specialty producer, large cold storage capacity unnecessary.
		Surimi	Medium	Absence of surimi production facilities coupled with transportation costs associated with tendering pink salmon and lower quality surimi make economics questionable. Kodiak probably only possibility.

*Requires infrastructure

Bruce Schackler
Kodiak Seine Fisherman

Value of the Salmon Industry to the State of Alaska

* The importance of the salmon industry to the state of Alaska is sometimes taken for granted. The salmon industry has existed as long as commerce has been practiced in Alaska. Salmon is such an integral part of Alaska that we assume it will always be healthy, despite cyclical swings in volume and price. Unfortunately, that is not the current situation. The conditions now facing the salmon industry are so severe that survival of the industry as we know it cannot be taken for granted.

* The importance of the seafood industry to the state of Alaska cannot be over estimated. If Alaska were a nation, it would rank among the top ten worldwide seafood producers... ahead of Norway, Canada, Iceland and other countries renowned as fishing nations.

* The commercial fishing and processing industry is Alaska's largest private employer, providing 35,000 jobs annually. Last year nearly 6 billion pounds of seafood was harvested in waters off Alaska representing more than of all seafood harvested in the United States. The total value of Alaska seafood production exceeds \$3 billion annually.

* After oil, it is the second largest contributor to the state's economy. It is self-supporting ; Despite depressed prices, the seafood industry generated \$ 87 million in taxes and fees to the state in 1993. State operating expenditures to support fisheries management, enforcement and other seafood related activities totaled \$85 million.

* Over 550 processing facilities of all sizes are located in Alaska, most of which are dedicated to salmon. Despite collapsed prices, contributions from the salmon industry to the state economy regularly exceed \$1.2 billion annually and include:

* Salmon accounts for more than 40% of the volume of all commercial seafood produced in Alaska processing facilities; an average of 700 million pounds annually.

* Despite record low prices, salmon accounted for more than 50% of the ex-vessel value of seafood landed at shorebased plants last year; or nearly \$400 million.

* Approximately \$135 million is spent in labor and related costs to process the salmon harvest.

* Approximately \$45 million is expended to purchase goods and services directly related to the salmon harvest.

* Last year, despite record low prices, the salmon industry contributed nearly \$18 million through raw fish taxes, local taxes, ASMI assessments, and aquaculture assessments.

* Just as the value of the salmon industry cannot be over stated, the impact of record low prices to the state cannot be over estimated.

* Each 1 cent per pound decline in the average statewide salmon price represents a loss of \$7 million in ex-vessel payments to fishermen. Each dime reduction in prices represents a loss of \$70 million, and a \$4.5 million loss in tax revenues and assessments to the state and municipalities.

* Between 1988 and 1993 the average fishermen has caught 64% more fish, yet made 67% less money. That means fishermen have to work two-thirds harder to make two-thirds less money.

* These economic losses are not restricted to coastal regions. More than 600 salmon permit holders reside in Anchorage. In 1988 they brought back to town \$33 million in average gross revenues. By 1991, they brought back only \$12 million.

* Though statewide salmon harvests increased by 64% between 1988 and 1993, salmon raw fish tax revenues generated by those ex-vessel revenues declined by 55%; from \$26.6 million to \$14.6 million.

* The decline in salmon prices between 1992 and 1993, a single year, cost the state more than \$8 million in lost taxes and assessments.

* While most other regions of the world watch their salmon runs named to the endangered species list, thanks to the excellent management of the resource by ADF&G, Alaska has a thriving wild salmon resource. We need to act wisely now to protect one of the state's most vital industries so it can be as healthy as the resource it depends on.

The Value of Permits to the Community

* The trend in downward prices for Alaskan salmon is reflected in salmon permit values which have decreased substantially. Bristol Bay driftnet permits have dropped from \$250,000 in Nov. 1990 to \$160,000 last month. Prince William Sound seine permits have plummeted from \$360,000 to \$52,000. Cook Inlet seine permits has dropped from \$220,000 to \$55,000. Other regions and gear types have suffered less substantial losses, but significant lost permit value has occurred in every salmon fishery in the state. Kodiak seine permits have dropped from \$155,000 to \$55,000. Other regions and gear types have suffered less substantial losses, but significant lost permit value has occurred in every salmon fishery in the state.

* The high cost of financing permits and vessels which were purchased when ex-vessel prices paid to fishermen and aquaculture associations were substantially higher, has created conditions that have caused widespread inability to repay loans to the state and commercial banks.

* In the past three years there more than 1,200 requests for loan extensions from the state's revolving loan fund have been processed by the Department of Commerce and Economic Development. At stake is over \$130 million loaned to salmon fishermen and aquaculture associations.

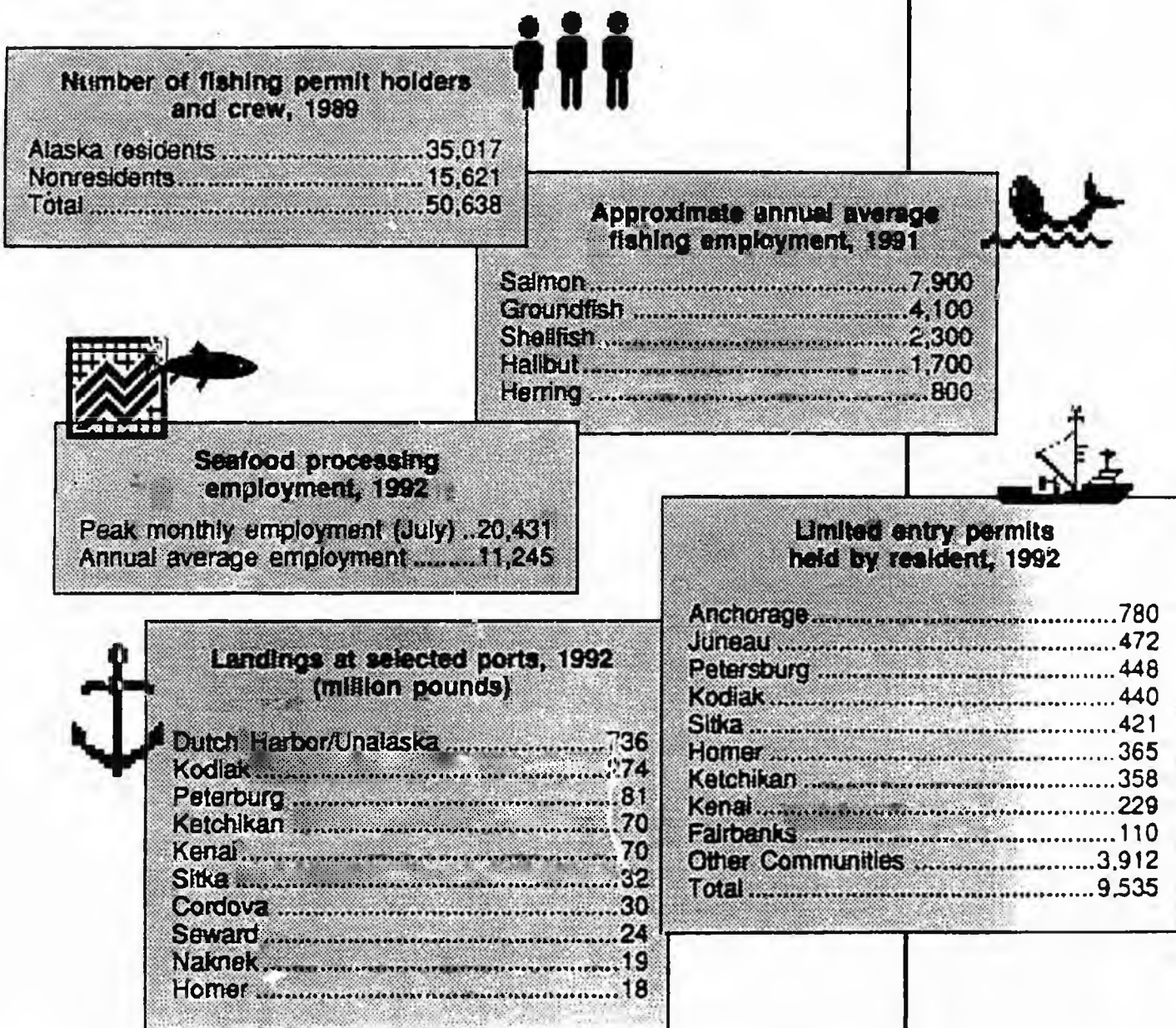
* Despite the severe economic conditions faced by fishermen, the default rate on state commercial fishing loans is only 4% ; the lowest of any state loan program. This is indicative of the priority given to commercial fishing loans and the importance of this livelihood to participants in the fishing industry. Without permits and vessels, there are few other employment options in most of Alaska's coastal regions.

* These economic conditions have also caused increased federal tax delinquency. The IRS has targeted 2,284 Alaska resident fishermen for action that could lead to the seizure of their vessels and permits. According to the IRS, these fishermen owe approximately \$13.7 million in back taxes. The vast majority owe less than \$50,000 and are debts that have accrued during the recent years of poor pricing.

The Seafood Industry in Alaska's Economy

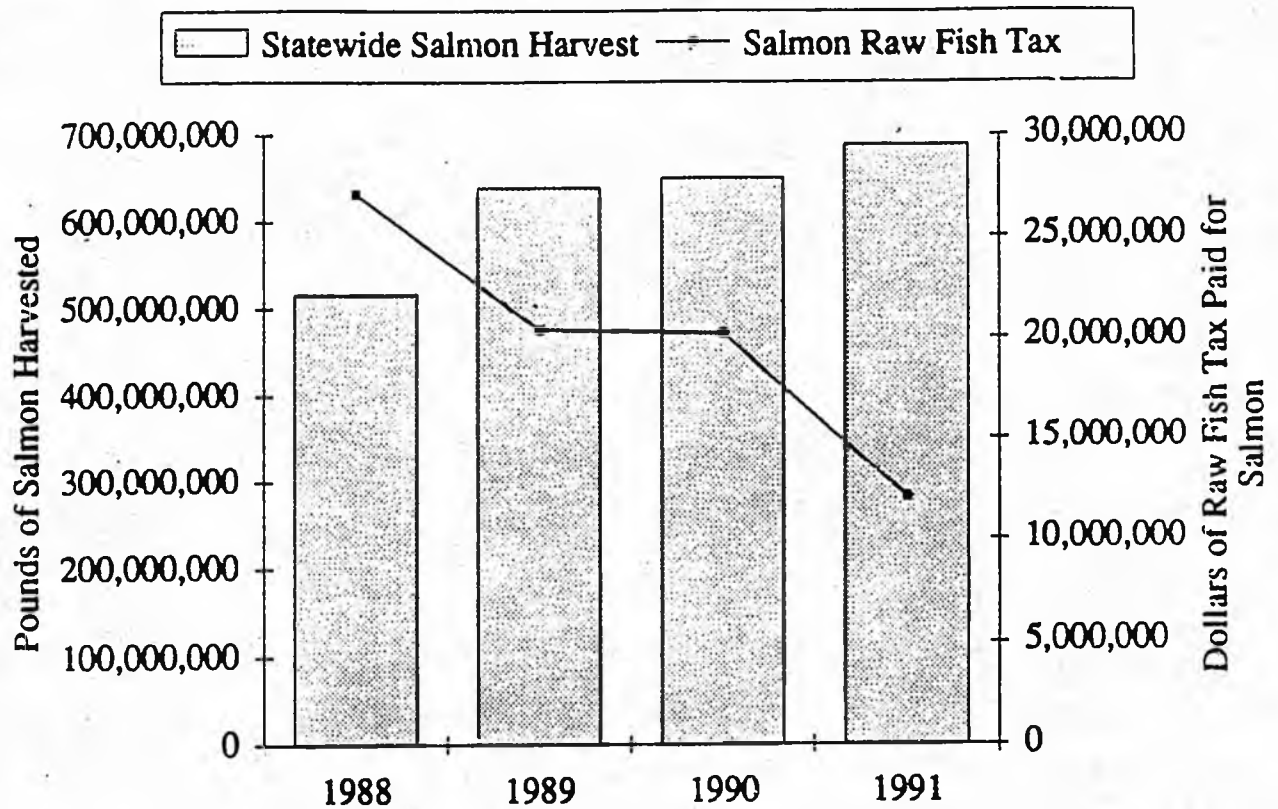
The seafood industry is vitally important to Alaska's economy. It is Alaska's largest private-sector employer. More than 35 thousand Alaskans work in fish harvesting or processing, accounting for one-sixth of Alaska employment and payroll. Including jobs in support sectors such as transportation, more than one-fifth of Alaska employment is attributable to the seafood industry. The seafood industry is particularly important for coastal communities, where fish harvesting and fish processing are often the only significant private-sector activities, and fisheries taxes are the most important source of local government revenues. But thousands of residents of Alaska's largest cities also fish part of the year, or work in industries which provide support services to the seafood industry.

Alaska seafood industry pays its own way. The seafood industry contributed more than \$87 million to state revenues in FY93, including \$42 million in fisheries business taxes. State operating expenditures to support fisheries management, enforcement, and other seafood-related activities totaled \$85 million. The seafood industry is second only to the oil industry in its contributions to state government.



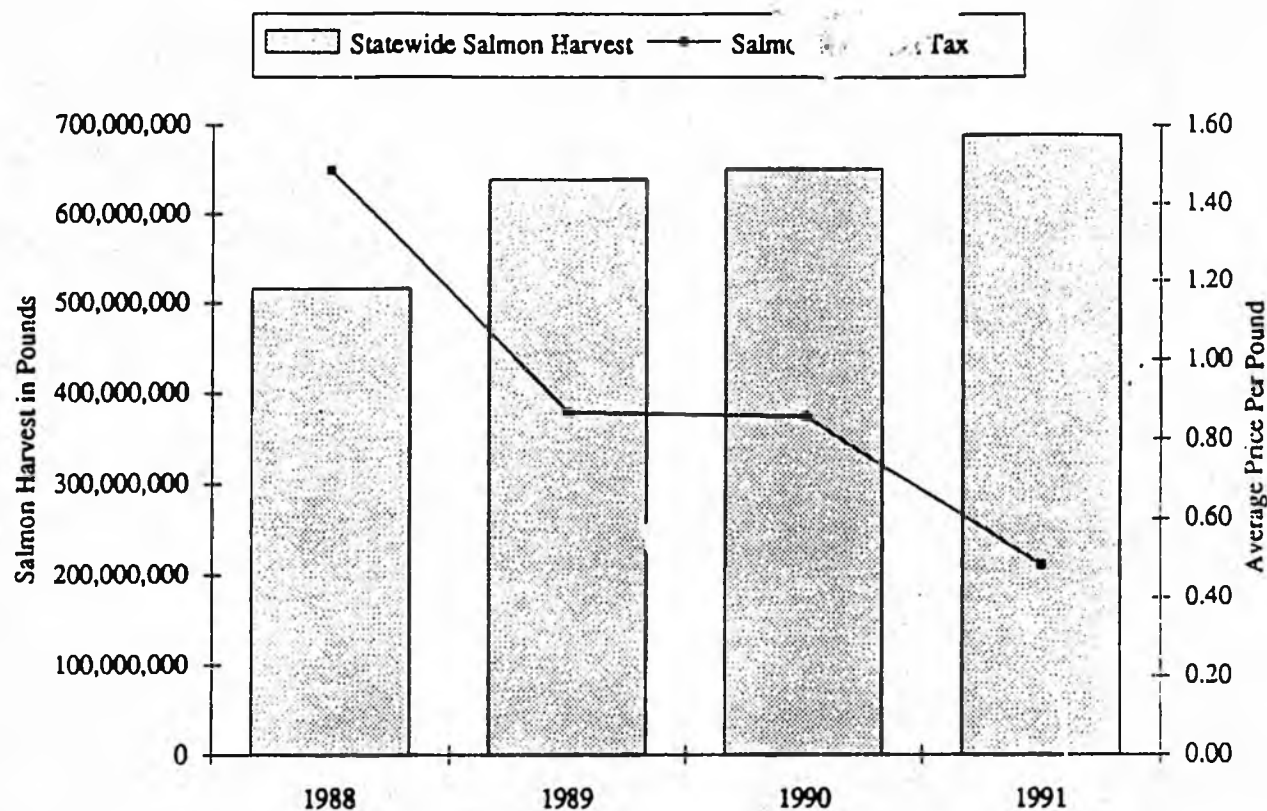
Comparison of Salmon Harvests and Raw Fish Tax Paid during 1988 thru 1991

Note: Statewide salmon harvest increased by 33% while raw fish tax declined by 55% during same time period.



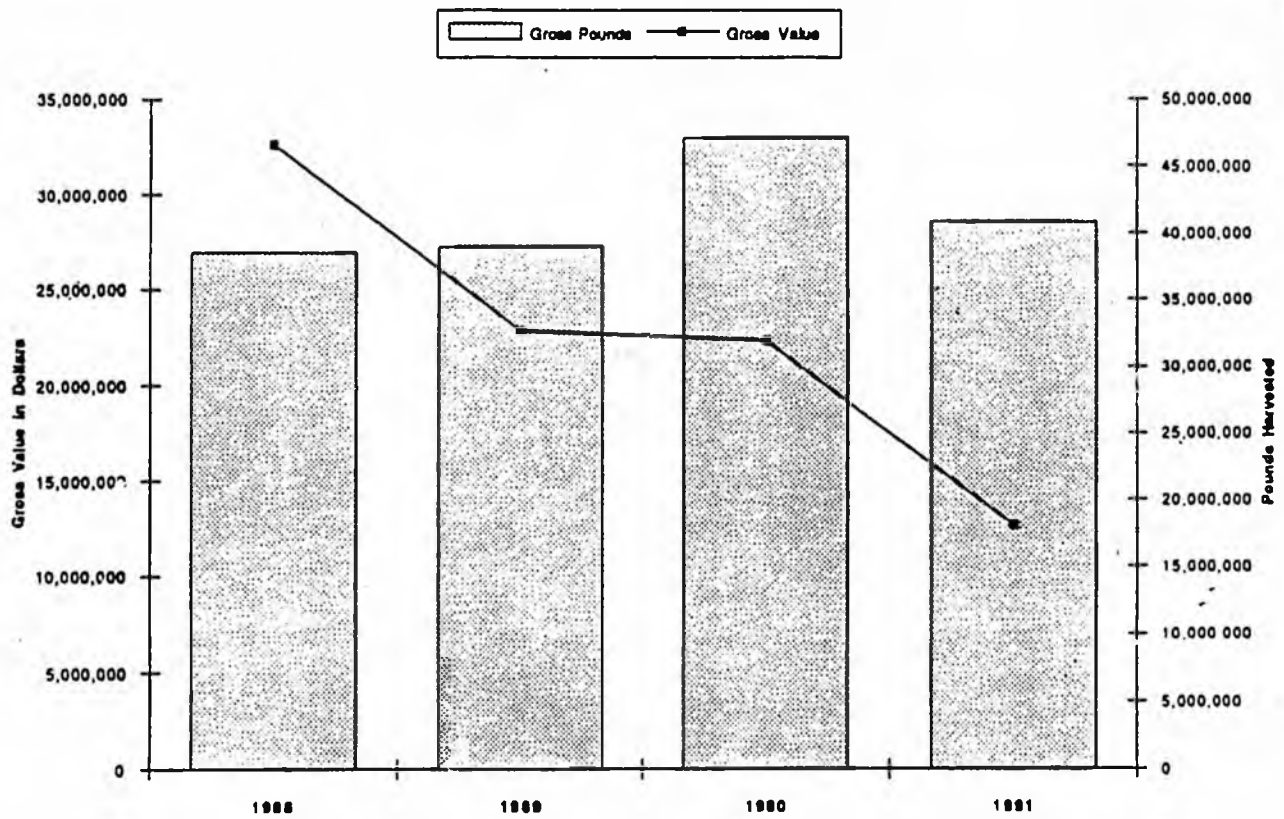
Changes in Statewide Salmon Harvest and Average Ex-Vessel Price Per Pound during 1988 thru 1991

Note: Salmon harvest increased by 33% during time period, while average ex-vessel price decreased by 67%.

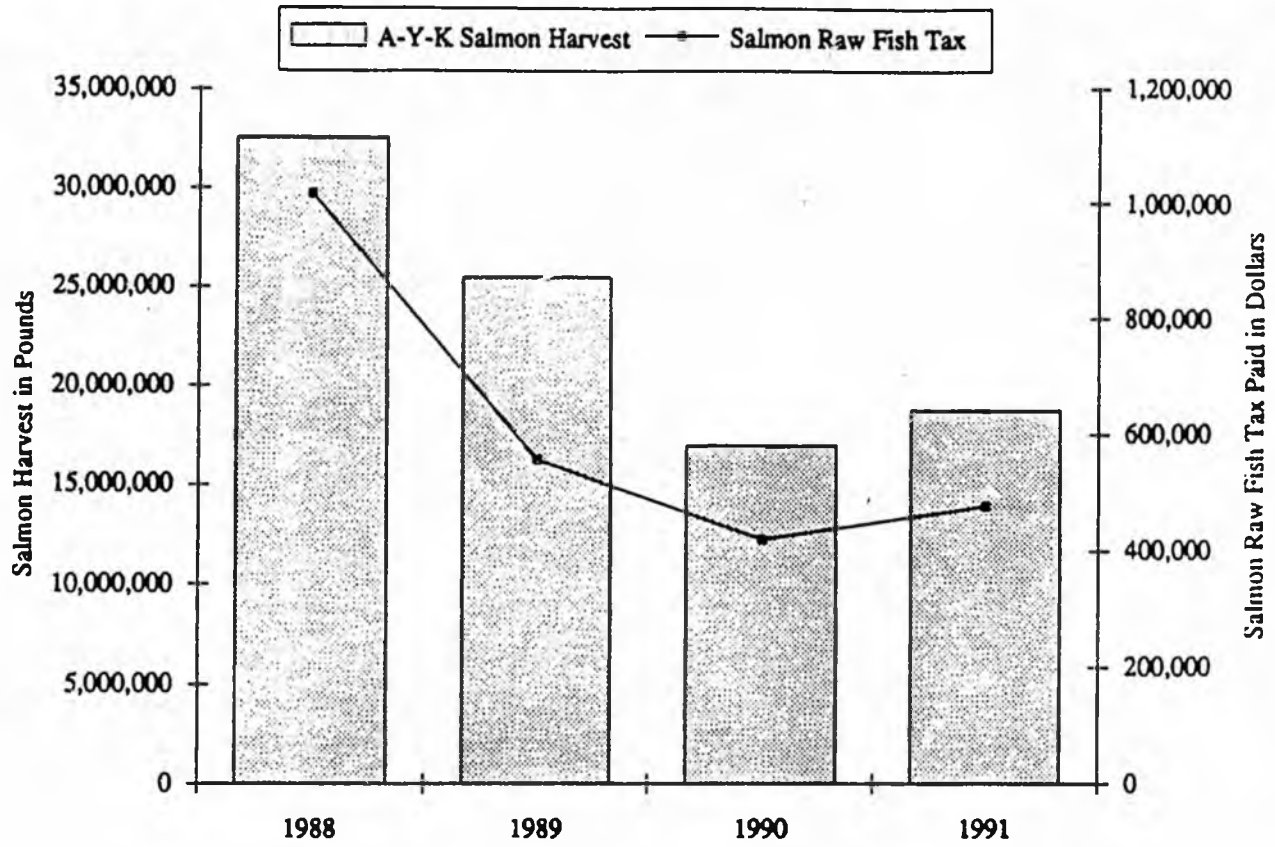


Value and Poundage of Salmon Harvested by Anchorage Residents in Commercial Fisheries in Alaska during 1988 through 1991

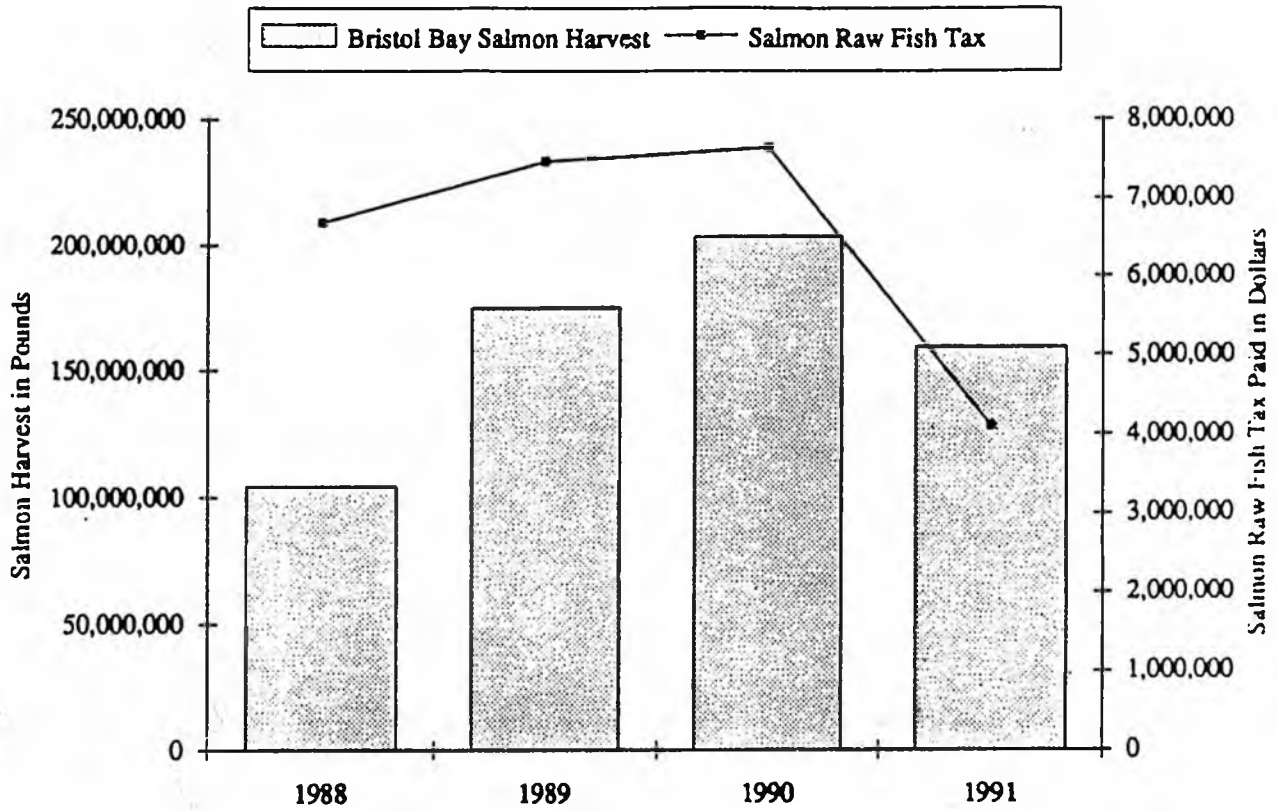
(Note: Value declined 61% during the time period, while volume increased 6%)



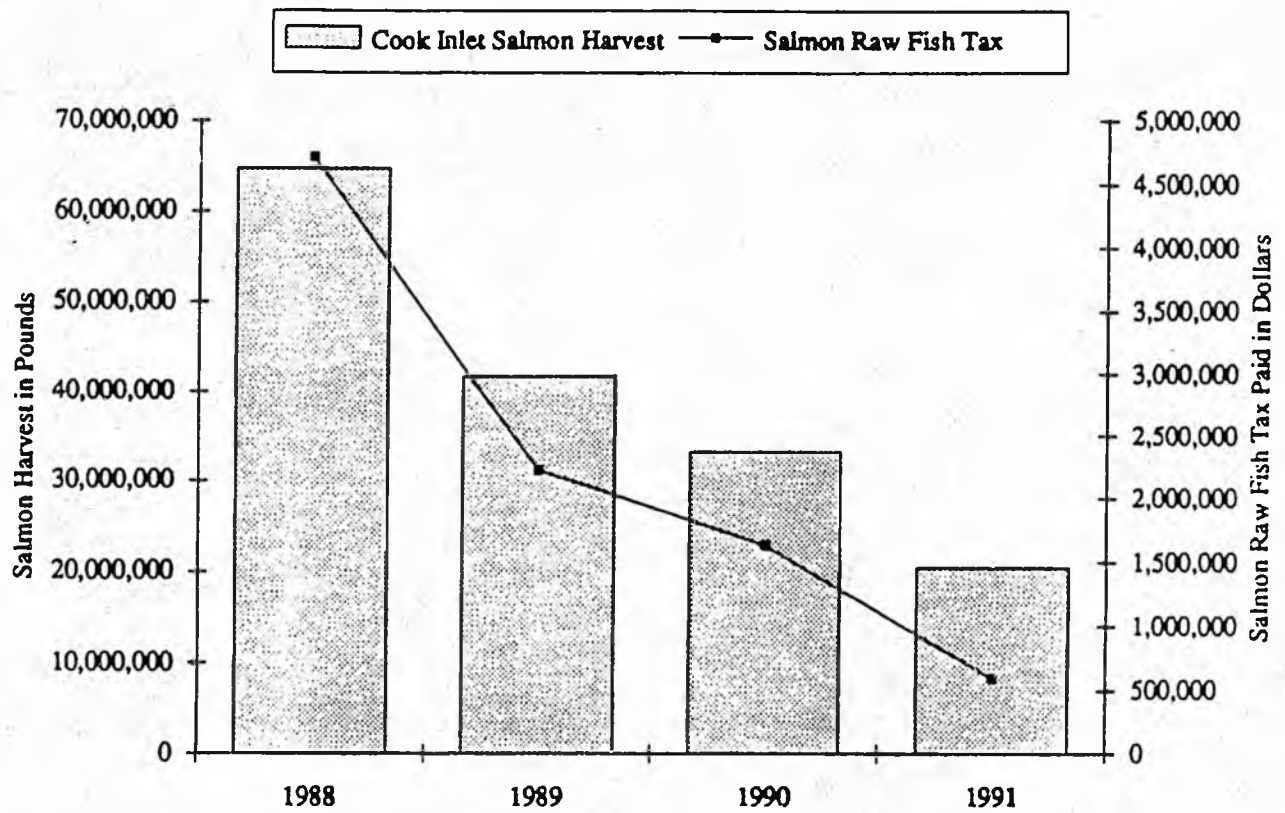
Comparison of Salmon Harvest and Raw Fish Tax Paid in the A-Y-K Region during 1988 thru 1991



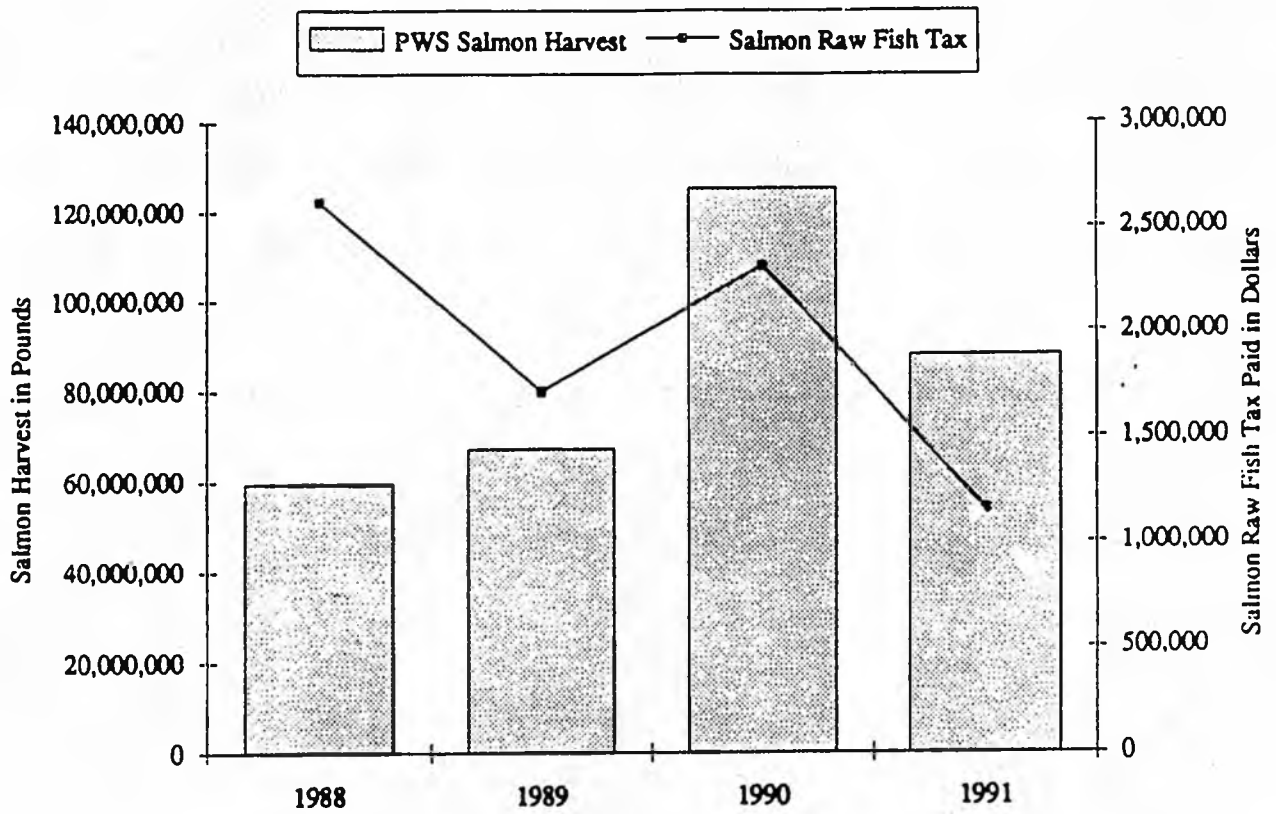
Comparison of Salmon Harvest and Raw Fish Tax Paid in Bristol Bay during 1988 thru 1991



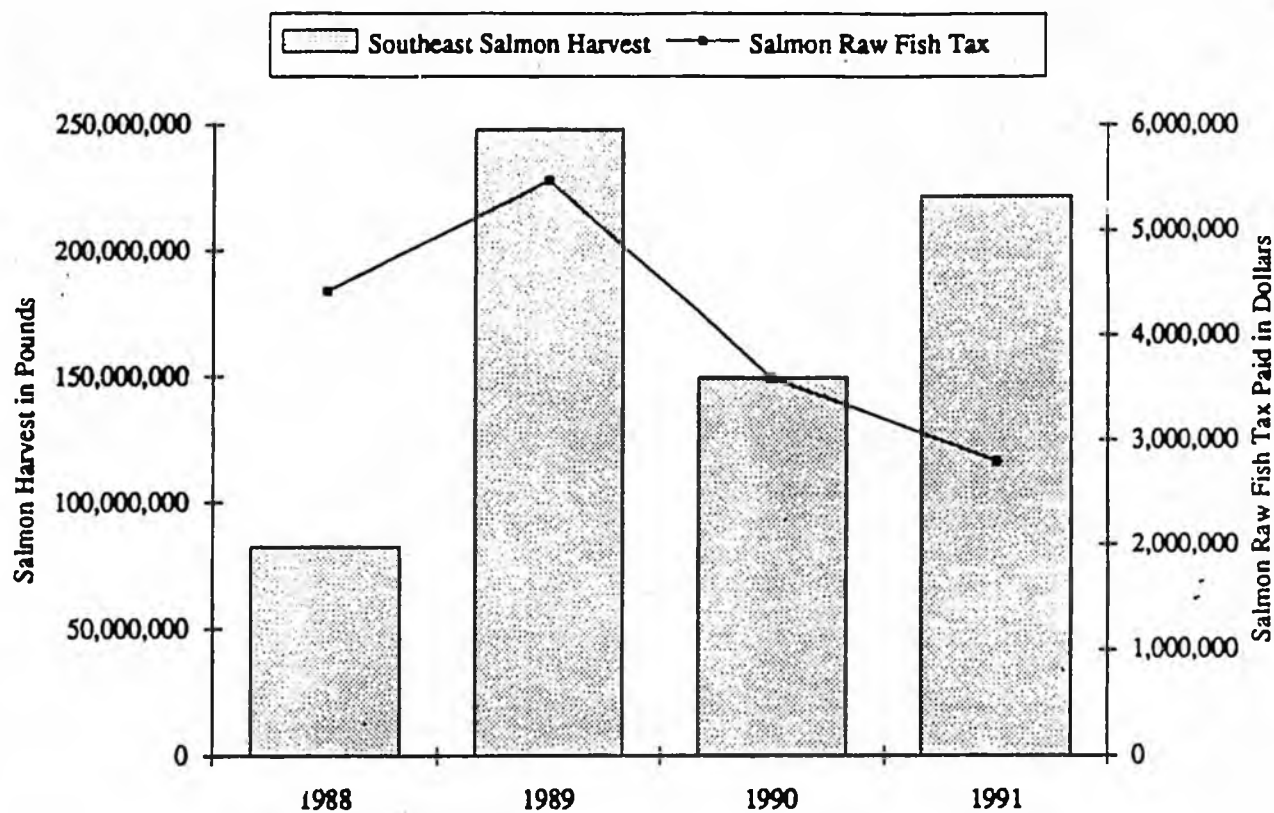
Comparison of Salmon Harvest and Raw Fish Tax Paid in Cook Inlet during 1988 thru 1991



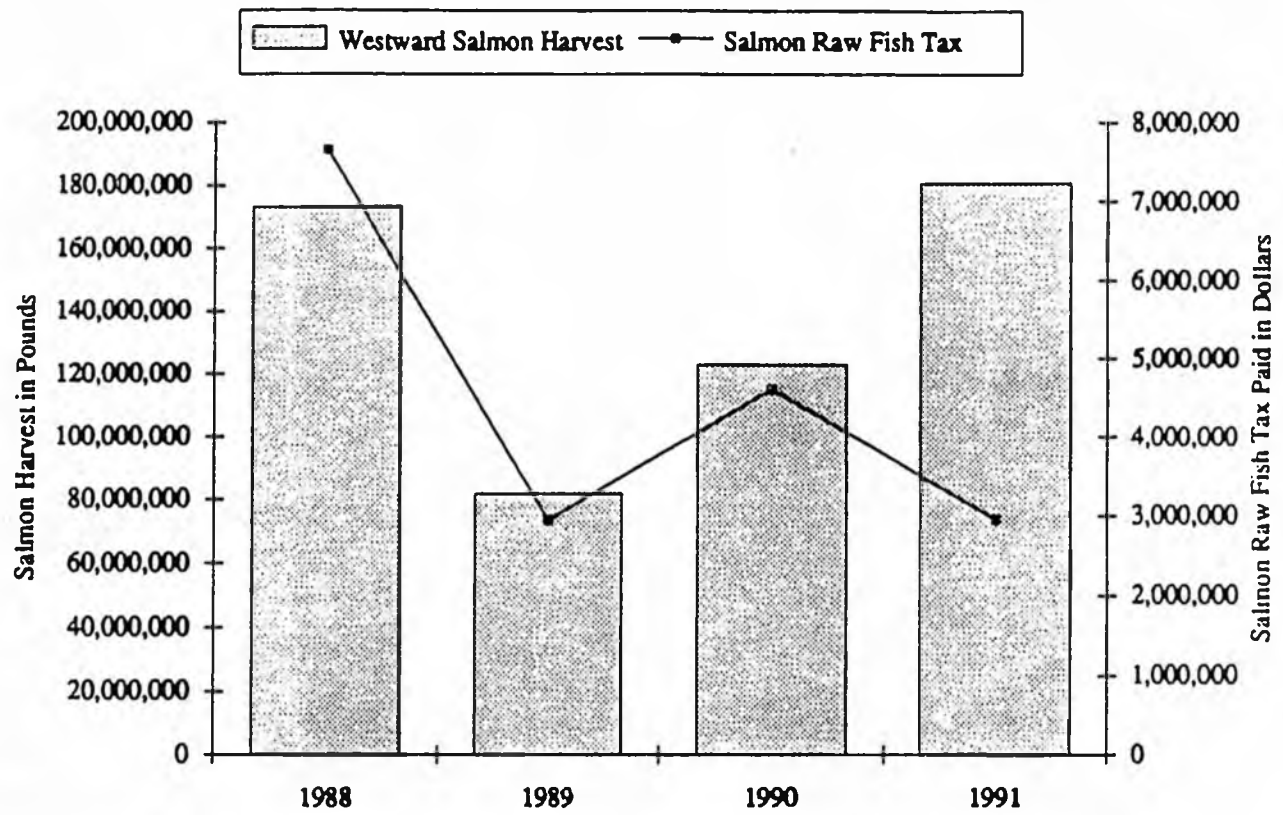
Comparison of Salmon Harvest and Raw Fish Tax Paid in Prince William Sound during 1988 thru 1991



Comparison of Salmon Harvest and Raw Fish Tax Paid in Southeast Alaska during 1988 thru 1991



Comparison of Salmon Harvest and Raw Fish Tax Paid in the Westward Region during 1988 thru 1991



REPORT TO THE BRISTOL BAY NATIVE ASSOCIATION
BLUE RIBBON COMMISSION ON LIMITED ENTRY AND
TO SENATOR GEORGE JACKO

March 7, 1994

ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

Bruce Twomley, Chairman
Frank Homan, Commissioner
Dale G. Anderson, Commissioner

Introduction

- I. License Limitation in Alaskan Salmon Fisheries Generally
- II. Salmon Limited Entry Permits in the Local Bristol Bay Area
- III. Attachments

INTRODUCTION

On the invitation of the Bristol Bay Native Association (BBNA), the Alaska Commercial Fisheries Entry Commission (CFEC) is participating in BBNA's Blue Ribbon Commission on Limited Entry. At the request of BBNA, the CFEC prepared this report. Part I provides a brief history of limited entry in Alaska's salmon fisheries. Part II focuses on limited entry permits held and transferred in the local Bristol Bay area. Part III provides data through the end of 1992 from which the discussion in Part II is drawn. Additionally, Parts II and III of this report respond to a concurrent request from Senator George Jacko.

I. License Limitation in Alaskan Salmon Fisheries Generally

Background

Alaska's limited entry system is the product of years of effort by the State beginning in 1961. Two previous attempts by the legislature to establish the means to limit entry into Alaska's fisheries failed as the result of legal challenges.

The Alaska legislature persisted, however, because Alaska's salmon fisheries were experiencing a long and threatening overall decline, which began in the 1930's and continued into the early 1970's. Despite this decline, the number of participants continued to increase substantially, which resulted in more and more fishing pressure on a diminishing resource. A limited entry system was the only means by which the State could control a critical variable in the management of its fishery resources: the number of fishermen participating in a given fishery.

Following action by the legislature, in 1972, Alaska voters approved an amendment to Article VIII, Section 15 of the Alaska Constitution, which authorized:

the State to limit entry into any fishery for purposes of resource conservation, to prevent

economic distress among fishermen and those dependent upon them for a livelihood and to promote the efficient development of aquaculture in the State.

Building upon this constitutional foundation, in 1973, the Alaska legislature adopted the Limited Entry Act, which has resulted in the largest limited entry program of its kind in the United States. Limitation of entry into all twenty-six of Alaska's salmon fisheries followed shortly. During 1976, by referendum, the voters of Alaska again supported limited entry by a margin of almost two-to-one. Today, some forty-six of Alaska's fisheries are under limitation. More than 78% (more than 10,000) of all limited entry permits are held by Alaskans. Of the permits held by Alaskans, more than half are held by Rural Alaskans.

As a food source important to Alaskans and the world, Alaska's fisheries are without question one of its most important renewable resources. Alaska's fisheries employ a substantial segment of the State's population, and many remote communities rely upon commercial fishing as their primary economic base. Therefore, sound management of its fisheries is crucial to the State of Alaska, and limited entry is an important part of the State's management system.

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

Under AS 16.43.140, no commercial fisherman may operate fishing gear in a limited fishery without an entry permit. The Alaska Commercial Fisheries Entry Commission (CFEC) issues entry permits and administers the program. The entry permit is the critical element of the system and, to an Alaskan fisherman, an entry permit is a legally required tool of his trade. In establishing limited entry and considering the needs of the State and Alaska

fishermen, the Alaska legislature gave careful consideration to the nature of an entry permit and the privileges that a permit would extend to its holder.

In creating a limited entry system, if the legislature had been committed only to simplicity and economy, it could have conducted a lottery, or it could have authorized auctioning of a limited number of property rights to its fisheries. The legislature rejected these approaches, because they would not have been consistent with the State's most important objectives in establishing a limited entry system. The legislature believed that, in view of the substantial reliance on their fisheries by fishermen and those dependent upon them, privileges should be initially extended only to qualified, individual fishermen who could demonstrate their dependence. At the same time, the legislature wished to restrain the growth of State bureaucracy.

Although, under state law, entry permits do not constitute property belonging to their holders, the legislature, authorized holders to transfer their permits subject to control and approval by CFEC. Doing so advanced several of the State's objectives. Among other considerations, by not interrupting a holder's use of his entry permit and further authorizing the fisherman to transfer his permit, the fisherman and those dependent upon him held the means to continue their access to the fishery and their livelihood. Additionally, by not cutting off the fisherman's interest (as would have been the case through a lottery or a system of reversion and reissue) the holder was granted a sufficiently long-term privilege in the fishery so as to be encouraged to both conserve and enhance the fishery resource. Finally, to avoid generating additional State bureaucracy, the legislature did not require the State to select who would be a subsequent recipient of the privilege. (As discussed in the next subsection, the task of initially awarding permits has been sufficiently burdensome in itself.)

Generally, AS 16.43.150(g) prohibits involuntary transfer requiring that an entry permit may not be "attached, distrained, or sold on execution of judgement or under any other process or order of any court." Additionally, a fisherman may not pledge his entry permit as security for a debt. (The legislature recognized that the absence of a property right might

impair a fisherman's ability to obtain financing for the purchase of a permit and his fishing operation, and, therefore, established two State authorized loan programs: the State Fishery Loan Program and CFAB.) Just as a fisherman could not, contrary to State law, create a security interest in his fishing privilege, neither can a creditor.

The legislature recognized that a fisherman's earnings were seasonal and subject to many variables from year-to-year beyond his control (for example, weather, predation, and interception). If creditors with short term objectives were allowed to treat an entry permit as a fungible item of property and to seize and force its sale, a fisherman without other means of earning a living, together with those dependent upon him, could well be left destitute. In Alaska, where many communities in remote areas of the State depend upon commercial fishing as the primary basis for their cash economy, this is a very real possibility. [The Social Security Administration acknowledged the wisdom of Alaska's approach by recognizing that an entry permit is essential to self-support, and, therefore, by not considering the market value of a permit as an alternative resource in determining an individual's eligibility for Supplemental Security Income benefits. 50 Fed. Reg. 42683, 42685 (1985).]

To avoid intemperate transfers, a permit holder may permanently transfer a permit only after a 60-day waiting period during which the holder can withdraw from any agreement to transfer. Permits can be transferred only to a living individual who can demonstrate his or her present ability to participate actively in the fishery. They may not be transferred to a corporation or a partnership.

Finally, because only a limited number of privileges would be extended, the legislature wished to ensure that the State would be reasonably compensated by regular permit fees.

Administration of the Program as a Salmon Management Tool

The primary purpose of Alaska's limitation program is to establish a form of moratorium which does more than simply block new entrants. For each limited fishery, a qualification date is established. The highest number of

units of gear in the fishery in any one of the four years prior to the qualification date becomes the maximum number of permits to be issued. In the years prior to the qualification date, large numbers of fishermen have come and gone from the fishery. Therefore, the number of individual applicants for permanent entry permits who participated prior to the qualification date is invariably much greater than the maximum number. The Commission's responsibility is to gradually reduce the number of entry permits to the maximum number through an elaborate grandfathering system.

The Entry Commission ranks each applicant against all other applicants according to the hardship the applicant would suffer if he or she failed to receive an entry permit upon initial issuance. To determine this ranking, the extent of an applicant's past participation in and economic dependence on the fishery are evaluated. The commission issues permanent entry permits to the applicants with the highest ranking and continues to issue permits moving down through the ranked applicants until the maximum number of permits is issued. Nonetheless, the Commission is authorized to exceed the maximum number in order to issue permanent entry permits to those individuals who would otherwise suffer "significant economic hardship."

Processing and adjudicating applications for permanent entry permits is expensive and consumes extended periods of time. Each application requires detailed fact finding. Following the initial denial of an application, a hearing officer must conduct an evidentiary hearing on behalf of a denied applicant who can demonstrate a genuine issue. Following a final administrative review by the commissioners, a denied applicant can go to state court to challenge the decision by the commission. Applicants are often represented by attorneys and by law can continue to participate in a limited fishery as long as they can keep a pending application alive before the commission or a court.

While working toward each maximum number is a long and expensive process, within its limited objectives, Alaska's license limitation system has been effective.

The primary objective of Alaska's license limitation system was to limit the growth in the numbers of participants in its salmon fisheries. Prior to limitation, the number of participants continued to grow despite the decline of salmon harvests. Having observed more and more participants crowd into a declining fishery, one can imagine the drawing power of Alaska's more recent record salmon harvests upon potential new participants if limited entry were not in place.

In addition to the increase in Alaskan salmon harvests, there would have been other likely sources of pressure. The construction of the Alaska pipeline during the 1970's drew a large work force into Alaska. Upon completion of the pipeline, displaced former pipeline workers could well have sought to enter Alaska's salmon fisheries.

Of more significance, the troubles that have befallen west coast salmon fisheries over the last two decades could well have spawned additional interest by disappointed west coast salmon fishermen in Alaska's salmon fisheries. Alaska's system of limitation was barely in place when the Boldt decision came down in 1974. Among other things, the Boldt decision required that a substantial portion of the salmon harvests in the northwestern United States be reserved for certain Native American tribes. That decision dislocated large numbers of northwest salmon fishermen, who would likely have looked to Alaska to offset their losses. In short, had Alaska's license limitation system not stood as a bulwark, these various pressures likely would have caused additional growth in the numbers of participants in its fisheries and even greater pressure upon the resource.

Alaska's limited entry system does more than simply limit the number of participants because it does not operate by itself. The State Board of Fisheries has consistently provided gear and vessel restrictions applicable to commercial salmon fishermen. These restrictions, when coupled with license limitation, result in a limitation of overall fishing capacity and further allow fishery managers to calculate with some assurance the amount of fishing power to be managed.

Controversy over transfer of entry permits

An entry permits secures a fishermen's access to his fishery. Limited entry empowers a fishermen by giving him control of that access. The various protections that apply to an entry permit help to insulate a fishermen from control and exploitation by others. In turn, a fishermen is free to transfer his entry permit to a family member or to any other individual with the ability to participate in the fishery.

At some times and in some places, what fishermen have done with this power to transfer entry permits has become controversial. In some rural areas of the state, more permits have departed from the area by transfer than have been received by transfer. This net rural drain of entry permits in areas where economic alternatives to commercial fishing are very limited is a very serious concern. The Bristol Bay area is a case in point, where local permit holders have transferred more permits away from the local area than they have received by transfer. There are other rural places in the state which show a net gain in the number of locally held entry permits. For example, in local communities of the Chignik salmon purse seine fishery, there has been a net loss of only three permits due to transfer. This net loss has been more than offset by a net increase of 15 permits by migration (that is, movement of permit holders). Id.

Even in the Bristol Bay area, results vary. For example, in five of the last eight years, more salmon set net entry permits have transferred to local Bristol Bay residents than from them. See Part II and Attachment D. The second part of this report looks in detail at entry permits held by and transferred in the local Bristol Bay Area.

While the Limited Entry Act is neutral with respect to residency, overall, Alaskans hold a substantial portion of the permits. More than 78% (more than 10,000) of Alaska's limited entry permits are held by Alaskan residents. More than one-half of the Alaskans holding entry permits are rural residents living in areas where other sources of cash income are very limited. Among permits transferred to rural Alaskans living near their fisheries, more than 50% of the transfers have been by gift (since the Commission began to record types of transfers in 1980). When permits have

transferred from rural areas of the state, they have tended to transfer to other Alaskans (as opposed to nonresidents).

Finally, as the result of court decisions, child support claimants and the Internal Revenue Service may now seize and force the sale of entry permits to collect their obligations. To date, no permit has been transferred as the result of these newfound creditors' rights, so the effect of these legal developments is not yet known.

II. Salmon Limited Entry Permits in the Local Bristol Bay Area

This section provides a look at salmon limited entry permits issued and transferred in the Bristol Bay area and is extracted from our transfer data through the end of 1992. See Attachments. The reader should bear in mind that transfer patterns vary significantly by region, place, and group. As noted below, current transfer patterns for drift net and set net are different in the Bristol Bay area. Additionally, in contrast to the Bristol Bay area, local communities of the Chignik purse seine fishery show a net increase in locally held entry permits. See Attachment E.

In the course of administering the limited entry program, CFEC has had the opportunity to observe some individuals, groups, and places have success in getting and keeping limited entry permits. We are eager to share some of the secrets of that success with any interested individuals or groups. On a regular basis, we have participated in meetings and workshops toward that end.

From 1975 through the end of 1992, the Commission issued 1,325 (670 drift/655 set) salmon entry permits to Bristol Bay residents. See Attachment A. Over the same period of time, 1,048 (526 drift/522 set) salmon entry permits were transferred to local Bristol Bay residents. See Attachment A. Of the permits transferred to local Bristol Bay residents, more than 60% have been transferred by gift. See Attachment B. Approximately 30% of the permits transferred to local Bristol Bay residents have been sold. Id.

Comparing the number of transfers to and from local Bristol Bay residents, over time, more permits have transferred from Bristol Bay residents (largely to other Alaskans) than have transferred to local residents. In net terms, 313 (171 drift/142 set) more salmon entry permits transferred from local residents than transferred to local residents. See Attachment A.

Attachment C to this report shows the number of permits held in local Bristol Bay communities in each year from the inception of the program in 1975 through 1992. Attachment C should be of value to anyone wishing to trace the history of entry permit holding in any particular Bristol Bay community. Departures of permits from a community are the result of transfer, movement of permit holders (migration), and revocation of entry permits. One can obtain a general idea of the effect of these, respective, forces by referring back to Attachment A. Similar information is provided for local communities of the Chignik purse seine fishery. See Attachment E.

Attachment C bears out the fact that limited entry is a continuing process, and the Commission continues to issue permits over time. Going back to the early days of the program in 1975, CFEC issued permits to those individuals with the strongest claims. Those individuals had solid state fishing records which made issuance of the entry permit a virtual certainty. Thereafter, permits issued by the Commission tended to result from claims taken to evidentiary hearings before hearing officers and the Commission. Additionally, in more recent years, the Entry Commission settled the Wassillie case which resulted in more permits issued to the local Bristol Bay residents.

One can take a snapshot in time and look at the number of salmon permits issued to local Bristol Bay residents in 1975: 935 (509 drift/426 set). The current total in salmon limited entry permits held by Bristol Bay residents is 952 (485 drift/467 set). See Attachment C. This snapshot may be significant, because the permits issued by the Commission in 1975 were those most easily granted based on solid, black-and-white fishing records. Permits issued later tended to be those resulting from evidentiary hearings where the Commission was called upon to adjudicate more questionable claims.

We have theorized that the permits issued in 1975 represented a core group of the most serious and consistent fishermen. Even on that theory, however, the current loss of drift permits from that core is disturbing.

The historic pattern of transfer activities is worth noting. In the drift fishery the tendency of permits to transfer away from locals began in 1977. See Attachment D. It fell off markedly after 1984, but resurged in 1986 and 1987. Id. Again, this tendency of drift transfers away from locals diminished after 1987, but resurged again in 1991 and 1992. Id.

In contrast, after 1984, the net transfers of set net permits away from local Bristol Bay residents began a fairly steady decline. In fact, more set net permits transferred to local residents in 1985, 1987, 1988, and again in 1991 and 1992. Id. Thus, for the set net fishery, there has been a positive transfer of permits to local Bristol Bay residents in five of the last eight reported years.

As noted, over the history of the limited entry program, 1,048 local Bristol Bay residents have received limited entry permits by transfer. However, because the overall figures present a net loss by transfer of 313 permits, the Commission has consistently raised the question, why not more transfers to local individuals?

We believe that we have some information to share which could help turn the situation around. Additionally, we are heartened by the fact that the net transfer figures have turned positive toward local Bristol Bay residents in the Bristol Bay set net fishery in recent years. At the same time, the drift fishery remains a serious problem. However, we are encouraged by BBNA's having formed this Blue Ribbon Commission and by the Bristol Bay Economic Development Corporation (BBEDC) having established a local permit brokerage service with the goal of directing permits into the hands of local Bristol Bay residents. At a time of falling permit prices, there may be some opportunities for the purchase of entry permits that have not been available in the past. Additionally, with the support of two State-authorized loan programs, and the Entry Commission, we have every hope for the success of BBEDC's project.

PERMITS BY COMMUNITY: A Summary of Permanent Limited Entry Permits for the Fisheries and Communities Local to
BRISTOL BAY, 1975-1992
By City, All Years Combined

Fishery = BRISTOL BAY DRIFT & SET COMBINED

City	Permanent Permits at YEAR END 1992	Permits Issued	Transfers to City	Transfers from City	Net Change Due to Transfer	Net Change Due to Migrations	Permits Foreclosed	Permits Forfeited	Permits Lapsed	Permits Revoked	Permits Reinstated
ALEKNAGIK	32	66	29	-48	-19	-15	0	0	0	0	0
CLARKS POINT	17	34	15	-25	-10	-5	-1	0	0	-1	0
DILLINGHAM	261	321	275	-355	-80	25	-3	0	-1	-1	0
EGEGIK	46	72	40	-74	-34	8	0	0	0	0	0
EKUK	1	8	2	-1	1	-8	0	0	0	0	0
EKWOK	5	18	20	-30	-10	-3	0	0	0	0	0
IGIUGIG	6	5	5	-5	0	1	0	0	0	0	0
ILIAMNA	23	33	48	-66	-18	8	0	0	0	0	0
KING SALMON	30	43	57	-76	-19	6	0	0	0	0	0
KOKHANOK	9	17	13	-19	-6	-2	0	0	0	0	0
KOLIGANEK	17	31	26	-28	-2	-9	-1	-2	0	0	0
LEVELOCK	13	27	14	-20	-6	-8	0	0	0	0	0
MANOKOTAK	84	99	58	-74	-16	3	-2	0	0	0	0
NAKNEK	125	140	166	-181	-15	2	-2	0	0	0	0
NEW STUYAHOK	41	43	15	-19	-4	2	0	0	0	0	0
NEUHALEN	2	16	4	-8	-4	-10	0	0	0	0	0
NONDALTON	17	38	19	-37	-18	-3	0	0	0	0	0
PEDRO BAY	6	9	3	-6	-3	0	0	0	0	0	0
PILOT POINT	25	43	32	-43	-11	-5	-2	0	0	0	0
PORT ALSWORTH	4	2	2	-4	-2	4	0	0	0	0	0
PORT HEIDEN	19	14	22	-13	9	-2	-1	0	0	-1	0
PORTAGE CREEK	0	20	6	-14	-8	-12	0	0	0	0	0
SOUTH NAKNEK	43	61	50	-59	-9	-9	0	0	0	0	0
TOGIAK	118	141	117	-140	-23	0	0	0	0	0	0
TWIN HILLS	7	14	9	-12	-3	-4	0	0	0	0	0
UGASHIK	1	10	1	-4	-3	-6	0	0	0	0	0
1992 YEAR END TOTALS	952	1,325	1,048	-1,361	-313	-42	-12	-2	-1	-3	0

Notes:

1. Only permanent permits are included.
2. Permits Issued is the number of limited entry permits originally issued to residents of the community in question.
3. Migrations occur when permit holders move from one community to another.
4. Permits Foreclosed refer to foreclosures by the Department of Commerce & Economic Development or by the Commercial Fishing & Agriculture Bank. These transactions are NOT included in the Change Due to Transfer column in this report. They ARE included in the changes due to transfer in CFEC Report 93-7N.
5. Permits Forfeited refer to the retirement of permits due to nonpayment of renewal fees for two consecutive years.
6. Permits Lapsed refer to the retirement of Nontransferable permits whose owner has died.
7. Permits Revoked include the revocation of permits due to administrative errors in their issuance and also to permits revoked due to criminal proceedings.
8. Permits Reinstated indicates the reinstatement of permits which had been previously revoked.

Changes in PERMANENT Permit Holdings in Communities Local to the Bristol Bay Salmon Gill Net Fisheries, 1975-1992
By City, All Years Combined

Fishery = Bristol Bay Salmon Drift Gill Net

City	Permanent Permits at YEAR END 1992	Permits Issued	Transfers to City	Transfers from City	Net Change Due to Transfer	Net Change Due to Migrations	Permits Foreclosed	Permits Forfeited	Permits Lapsed	Permits Revoked	Permits Reinstated
ALEKNAGIK	21	38	21	-27	-6	-11	0	0	0	0	0
CLARKS POINT	9	17	9	-16	-7	0	-1	0	0	0	0
DILLINGHAM	149	169	163	-206	-43	27	-3	0	0	-1	0
EGEGIK	22	33	14	-32	-18	7	0	0	0	0	0
EKUK	0	0	0	0	0	0	0	0	0	0	0
EKWOK	5	17	20	-29	-9	-3	0	0	0	0	0
IGIUGIG	5	5	4	-5	-1	1	0	0	0	0	0
ILIAMNA	14	15	21	-26	-5	4	0	0	0	0	0
KING SALMON	11	13	21	-24	-3	1	0	0	0	0	0
KOKHANOK	3	13	7	-16	-9	-1	0	0	0	0	0
KOLIGANEK	12	20	18	-20	-2	-5	-1	0	0	0	0
LEVELOCK	9	15	8	-12	-4	-2	0	0	0	0	0
MANOKOTAK	34	42	28	-36	-8	2	-2	0	0	0	0
NAKNEK	45	49	67	-67	0	-3	-1	0	0	0	0
NEW STUYAHOK	35	39	14	-18	-4	0	0	0	0	0	0
NEWHALEN	2	11	3	-7	-4	-5	0	0	0	0	0
NONDALTON	4	14	5	-13	-8	-2	0	0	0	0	0
PEDRO BAY	2	5	3	-6	-3	0	0	0	0	0	0
PILOT POINT	11	21	10	-17	-7	-1	-2	0	0	0	0
PORT ALSWORTH	1	2	2	-4	-2	1	0	0	0	0	0
PORT HEIDEN	14	9	13	-6	7	-1	-1	0	0	0	0
PORTAGE CREEK	0	12	3	-10	-7	-5	0	0	0	0	0
SOUTH NAKNEK	11	14	19	-18	1	-4	0	0	0	0	0
TOGIAK	59	81	47	-71	-24	2	0	0	0	0	0
TWIN HILLS	7	12	6	-9	-3	-2	0	0	0	0	0
UGASHIK	0	4	0	-2	-2	-2	0	0	0	0	0
1992 YEAR END TOTALS	485	670	526	-697	-171	-2	-11	0	0	-1	0

Notes:

1. Only permanent permits are included.
2. Permits Issued is the number of limited entry permits originally issued to residents of the community in question.
3. Migrations occur when permit holders move from one community to another.
4. Permits Foreclosed refer to foreclosures by the Department of Commerce & Economic Development or by the Commercial Fishing & Agriculture Bank. These transactions are NOT included in the Change Due to Transfer column in this report. They ARE included in the changes due to transfer in CFEC Report 93-7N.
5. Permits Forfeited refer to the retirement of permits due to nonpayment of renewal fees for two consecutive years.
6. Permits Lapsed refer to the retirement of Nontransferable permits whose owner has died.
7. Permits Revoked include the revocation of permits due to administrative errors in their issuance and also to permits revoked due to criminal proceedings.
8. Permits Reinstated indicates the reinstatement of permits which had been previously revoked.

Changes in PERMANENT Permit Holdings in Communities Local to the Bristol Bay Salmon Gill Net Fisheries, 1975-1992
By City, All Years Combined

Fishery = Bristol Bay Salmon Set Net

City	Permanent Permits at YEAR END 1992	Permits Issued	Transfers To City	Transfers from City	Net Change Due to Transfer	Net Change Due to Migrations	Permits Foreclosed	Permits Forfeited	Permits Lapsed	Permits Revoked	Permits Reinstated
ALEKNAGIK	11	28	8	-21	-13	-4	0	0	0	0	0
CLARKS POINT	8	17	6	-9	-3	-5	0	0	0	-1	0
DILLINGHAM	112	152	112	-149	-37	-2	0	0	-1	0	0
EGEGIK	24	39	26	-42	-16	1	0	0	0	0	0
EKUK	1	8	2	-1	1	-8	0	0	0	0	0
EKWOK	0	1	0	-1	-1	0	0	0	0	0	0
IGIUGIG	1	0	1	0	1	0	0	0	0	0	0
ILIAMNA	9	18	27	-40	-13	4	0	0	0	0	0
KING SALMON	19	30	36	-52	-16	5	0	0	0	0	0
KOKHANOK	6	4	6	-3	3	-1	0	0	0	0	0
KOLIGANEK	5	11	8	-8	0	-4	0	-2	0	0	0
LEVELOCK	4	12	6	-8	-2	-6	0	0	0	0	0
MANOKOTAK	50	57	30	-38	-8	1	0	0	0	0	0
NAKNEK	80	91	99	-114	-15	5	-1	0	0	0	0
NEW STUYAHOK	6	4	1	-1	0	2	0	0	0	0	0
NEWHALEN	0	5	1	-1	0	-5	0	0	0	0	0
NONDALTON	13	24	14	-24	-10	-1	0	0	0	0	0
PEDRO BAY	4	4	0	0	0	0	0	0	0	0	0
PILOT POINT	14	22	22	-26	-4	-4	0	0	0	0	0
PORT ALSWORTH	3	0	0	0	0	3	0	0	0	0	0
PORT HEIDEN	5	5	9	-7	2	-1	0	0	0	-1	0
PORTAGE CREEK	0	8	3	-4	-1	-7	0	0	0	0	0
SOUTH NAKNEK	32	47	31	-41	-10	-5	0	0	0	0	0
TOGIAK	59	60	70	-69	1	-2	0	0	0	0	0
TWIN HILLS	0	2	3	-3	0	-2	0	0	0	0	0
UGASHIK	1	6	1	-2	-1	-4	0	0	0	0	0
1992 YEAR END TOTALS	467	655	522	-664	-142	-40	-1	-2	-1	-2	0

Notes:

1. Only permanent permits are included.
2. Permits Issued is the number of limited entry permits originally issued to residents of the community in question.
3. Migrations occur when permit holders move from one community to another.
4. Permits Foreclosed refer to foreclosures by the Department of Commerce & Economic Development or by the Commercial Fishing & Agriculture Bank. These transactions are NOT included in the Change Due to Transfer column in this report. They ARE included in the changes due to transfer in CFEC Report 93-7N.
5. Permits Forfeited refer to the retirement of permits due to nonpayment of renewal fees for two consecutive years.
6. Permits Lapsed refer to the retirement of Nontransferable permits whose owner has died.
7. Permits Revoked include the revocation of permits due to administrative errors in their issuance and also to permits revoked due to criminal proceedings.
8. Permits Reinstated indicates the reinstatement of permits which had been previously revoked.

Attachment A
(3 of 3)

Transfer Acquisition Methods, by Fishery and Year (From 1980-1992 Survey Data)*
 **** Transfers to Local Bristol Bay Persons Only ****

<u>Fishery</u>	<u>Year</u>	<u>Gift</u>	<u>Sale</u>	<u>Trade</u>	<u>Other</u>	<u>Total</u>
Drift & Set Combined	1980	42 (68.9%)	16 (26.2%)	2 (3.3%)	1 (1.6%)	61 (100.0%)
	1981	43 (68.3%)	14 (22.2%)	1 (1.6%)	5 (7.9%)	63 (100.0%)
	1982	30 (52.6%)	23 (40.4%)	3 (5.3%)	1 (1.8%)	57 (100.0%)
	1983	36 (62.1%)	19 (32.8%)	1 (1.7%)	2 (3.4%)	58 (100.0%)
	1984	30 (66.7%)	14 (31.1%)	1 (2.2%)	0 (0.0%)	45 (100.0%)
	1985	35 (67.3%)	16 (30.8%)	1 (1.9%)	0 (0.0%)	52 (100.0%)
	1986	30 (61.2%)	18 (36.7%)	0 (0.0%)	1 (2.0%)	49 (100.0%)
	1987	26 (57.8%)	16 (35.6%)	1 (2.2%)	2 (4.4%)	45 (100.0%)
	1988	34 (65.4%)	14 (26.9%)	0 (0.0%)	4 (7.7%)	52 (100.0%)
	1989	43 (60.6%)	15 (21.1%)	0 (0.0%)	13 (18.3%)	71 (100.0%)
	1990	32 (59.3%)	13 (24.1%)	0 (0.0%)	9 (16.7%)	54 (100.0%)
	1991	20 (52.6%)	13 (34.2%)	1 (2.6%)	4 (10.5%)	38 (100.0%)
	1992	33 (67.3%)	11 (22.4%)	0 (0.0%)	5 (10.2%)	49 (100.0%)
			-----	-----	-----	-----
		434 (62.5%)	202 (29.1%)	11 (1.6%)	47 (6.8%)	694 (100.0%)
Bristol Bay Drift	1980	21 (61.8%)	10 (29.4%)	2 (5.9%)	1 (2.9%)	34 (100.0%)
	1981	26 (72.2%)	5 (13.9%)	1 (2.8%)	4 (11.1%)	36 (100.0%)
	1982	16 (48.5%)	16 (48.5%)	1 (3.0%)	0 (0.0%)	33 (100.0%)
	1983	17 (51.5%)	13 (39.4%)	1 (3.0%)	2 (6.1%)	33 (100.0%)
	1984	21 (70.0%)	8 (26.7%)	1 (3.3%)	0 (0.0%)	30 (100.0%)
	1985	17 (65.4%)	8 (30.8%)	1 (3.8%)	0 (0.0%)	26 (100.0%)
	1986	12 (48.0%)	13 (52.0%)	0 (0.0%)	0 (0.0%)	25 (100.0%)
	1987	12 (66.7%)	5 (27.8%)	1 (5.6%)	0 (0.0%)	18 (100.0%)
	1988	12 (60.0%)	5 (25.0%)	0 (0.0%)	3 (15.0%)	20 (100.0%)
	1989	20 (58.8%)	7 (20.6%)	0 (0.0%)	7 (20.6%)	34 (100.0%)
	1990	8 (50.0%)	5 (31.3%)	0 (0.0%)	3 (18.8%)	16 (100.0%)
	1991	5 (55.6%)	4 (44.4%)	0 (0.0%)	0 (0.0%)	9 (100.0%)
	1992	14 (70.0%)	3 (15.0%)	0 (0.0%)	3 (15.0%)	20 (100.0%)
			-----	-----	-----	-----
		201 (60.2%)	102 (30.5%)	8 (2.4%)	23 (6.9%)	334 (100.0%)
Bristol Bay Set Net	1980	21 (77.8%)	6 (22.2%)	0 (0.0%)	0 (0.0%)	27 (100.0%)
	1981	17 (63.0%)	9 (33.3%)	0 (0.0%)	1 (3.7%)	27 (100.0%)
	1982	14 (58.3%)	7 (29.2%)	2 (8.3%)	1 (4.2%)	24 (100.0%)
	1983	19 (76.0%)	6 (24.0%)	0 (0.0%)	0 (0.0%)	25 (100.0%)
	1984	9 (60.0%)	6 (40.0%)	0 (0.0%)	0 (0.0%)	15 (100.0%)
	1985	18 (69.2%)	8 (30.8%)	0 (0.0%)	0 (0.0%)	26 (100.0%)
	1986	18 (75.0%)	5 (20.8%)	0 (0.0%)	1 (4.2%)	24 (100.0%)
	1987	14 (51.9%)	11 (40.7%)	0 (0.0%)	2 (7.4%)	27 (100.0%)
	1988	22 (68.8%)	9 (28.1%)	0 (0.0%)	1 (3.1%)	32 (100.0%)
	1989	23 (62.2%)	8 (21.6%)	0 (0.0%)	6 (16.2%)	37 (100.0%)
	1990	24 (63.2%)	8 (21.1%)	0 (0.0%)	6 (15.8%)	38 (100.0%)
	1991	15 (51.7%)	9 (31.0%)	1 (3.4%)	4 (13.8%)	29 (100.0%)
	1992	19 (65.5%)	8 (27.6%)	0 (0.0%)	2 (6.9%)	29 (100.0%)
			-----	-----	-----	-----
		233 (64.7%)	100 (27.8%)	3 (0.8%)	24 (6.7%)	360 (100.0%)

* Transfers of permits from the Department of Commerce or the Commercial Fisheries Agriculture Bank are included in the "other" category.

Number of Bristol Bay Salmon Permits Held by Bristol Bay Locals, by City and Year, 1975-1992.

FISHERY = BRISTOL BAY DRIFT & SET COMBINED

Area/City	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
LAKES AREA:																		
ALEKNAGIK	54	58	57	56	53	49	43	41	41	41	36	38	37	34	36	34	32	32
CLARKS POINT	22	23	31	27	26	26	25	22	22	22	22	22	21	22	22	19	17	17
DILLINGHAM	223	250	269	300	289	292	282	256	253	245	258	248	257	262	265	259	264	261
EKUK	7	10	13	10	13	8	7	8	6	7	7	5	5	5	4	3	1	1
EKWOK	16	17	16	13	10	9	8	8	7	8	5	7	7	7	7	7	5	5
KOLIGANEK	19	20	19	22	27	26	28	26	25	23	23	24	22	22	21	19	18	17
MANOKOTAK	64	68	75	90	93	99	97	97	95	95	91	85	83	85	90	91	83	84
NEW STUYAHOK	26	33	39	36	32	31	31	32	30	29	29	33	36	35	38	38	38	41
PORTAGE CREEK	15	13	11	11	13	13	11	11	12	10	10	6	3	3	2	2	1	0
TOGIAK	92	100	111	115	118	113	107	106	113	111	118	112	107	110	116	110	116	118
TWIN HILLS	11	11	12	12	12	11	10	8	8	9	8	9	11	10	10	8	7	7
Subtotal	549	603	653	692	686	677	649	615	612	600	607	589	589	595	611	590	582	583
MUSHAGAK/TOGIAK:																		
EGEGIK	53	59	66	62	49	45	47	41	39	38	40	40	44	41	44	49	46	46
KING SALMON	35	35	36	35	30	29	29	30	30	30	30	25	24	24	24	26	26	30
LEVELOCK	20	20	19	21	19	18	18	16	18	20	21	20	18	19	21	14	14	13
NAKNEK	105	121	125	131	139	141	134	127	128	124	127	128	131	128	129	120	121	125
P!LOT POINT	33	35	35	37	39	36	35	28	27	26	26	25	20	16	25	25	25	25
PORT HEIDEN	13	13	12	12	12	12	12	15	20	19	19	19	18	18	19	19	19	19
SOUTH NAKNEK	46	48	48	50	51	49	51	45	45	47	43	46	43	44	45	46	46	43
UGASHIK	10	9	9	6	5	4	4	4	4	4	3	3	2	4	1	3	1	1
Subtotal	315	340	350	354	344	334	330	306	311	308	309	306	300	294	308	302	298	302
PENINSULA AREA:																		
IGIUGIG	3	4	5	6	7	8	8	8	6	5	5	3	4	5	6	6	6	6
ILIAMNA	24	34	36	43	44	41	44	35	32	30	30	29	28	25	30	30	25	23
KOKHANOK	11	13	13	14	14	14	11	8	8	11	10	9	9	10	10	10	10	9
NEWHALEN	12	11	9	2	3	1	1	2	2	2	2	2	2	2	2	3	3	2
NONDALTON	14	24	28	29	30	26	25	25	26	23	23	16	16	11	15	14	14	17
PEDRO BAY	5	5	5	4	5	5	5	7	8	8	7	8	7	6	6	6	6	6
PORT ALSWOR	2	1	0	0	0	2	2	1	3	4	5	6	6	6	5	4	4	4
Subtotal	71	92	96	98	103	97	96	86	85	83	82	73	72	65	74	73	68	67
Grand Total	935	1035	1099	1144	1133	1108	1075	1007	1008	991	998	968	961	954	993	965	948	952

ATTACHMENT C
(1 OF 3)

Number of Bristol Bay Salmon Permits Held by Bristol Bay Locals, by City and Year, 1975-1992.

FISHERY = BRISTOL BAY DRIFT GILL NET

Area/City	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
LAKES AREA:																		
ALEKNAGIK	33	38	36	34	32	31	29	27	27	27	25	26	26	24	24	22	21	21
CLARKS POINT	12	13	18	13	15	13	13	11	11	11	11	11	11	11	11	10	10	9
DILLINGHAM	121	144	154	172	167	169	165	157	156	149	153	146	146	151	148	144	149	149
EKUK	0	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EKWOK	15	16	15	13	10	9	8	8	7	8	5	7	7	7	7	7	5	5
KOLIGANEK	15	15	15	17	18	19	19	19	18	16	15	15	13	13	14	14	13	12
MANOKOTAK	37	40	38	38	40	45	46	47	44	44	43	38	38	37	38	40	36	34
NEW STUYAHOK	23	29	35	33	30	30	30	31	29	28	28	30	33	32	34	33	33	35
PORTAGE CREE	10	11	8	7	9	8	7	6	6	5	6	5	2	2	1	1	0	0
TOGIAK	67	73	76	75	74	71	67	66	67	66	69	64	62	63	64	60	63	59
TWIN HILLS	11	11	12	11	11	9	9	8	7	8	7	9	9	9	9	8	7	7
Subtotal	344	393	409	415	406	404	393	380	372	362	362	351	347	349	350	339	337	331
MUSHAGAK/TOGIAK:																		
EGEGIK	24	26	29	30	26	25	25	22	21	20	22	22	23	21	21	23	21	22
KING SALMON	8	10	15	13	10	9	9	11	11	13	12	12	9	9	9	8	8	11
LEVELOCK	12	13	12	13	12	12	12	11	13	14	15	15	13	13	13	9	9	9
NAKNEK	38	50	51	50	56	57	52	48	54	50	53	55	57	54	51	48	45	45
PILOT POINT	18	20	18	20	20	19	18	16	15	14	14	14	12	8	10	14	12	11
PORT HEIDEN	9	9	9	9	9	9	10	12	14	15	15	15	13	13	14	14	14	14
SOUTH NAKNEK	14	14	10	11	12	14	16	15	17	20	18	15	13	13	13	13	14	11
UGASHIK	4	3	3	1	0	0	0	0	0	1	1	1	1	1	1	0	0	0
Subtotal	127	145	147	147	145	145	142	135	145	147	150	149	141	132	132	129	123	123
PENINSULA AREA:																		
IGIUGIG	3	4	5	6	7	7	7	7	5	4	4	2	3	4	4	5	5	5
ILIAMNA	8	14	16	22	21	21	23	19	18	16	15	15	13	12	15	15	14	14
KOKHANOK	10	12	11	10	8	9	6	3	3	5	5	3	3	3	3	3	3	3
NEWHALEN	7	6	6	2	3	1	1	2	2	2	2	2	2	2	2	3	3	2
NONDALTON	5	12	14	12	12	12	12	12	12	10	11	9	8	4	5	5	4	4
PEDRO BAY	3	3	1	0	1	1	1	3	4	4	3	4	3	2	2	2	2	2
PORT ALSWORTH	2	1	0	0	0	1	1	1	0	1	1	2	2	2	2	1	1	1
Subtotal	38	52	53	52	52	52	51	47	44	42	41	37	34	29	33	34	32	31
Grand Total	509	590	609	614	603	601	586	562	561	551	553	537	522	510	515	502	492	485

ATTACHMENT C
(2 of 3)

Number of Bristol Bay Salmon Permits Held by Bristol Bay Locals, by City and Year, 1975-1992.

FISHERY = BRISTOL BAY SET GILL NET

Area/City	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
LAKES AREA:																		
ALEKNAGIK	21	20	21	22	21	18	14	14	14	14	11	12	11	10	12	12	11	11
CLARKS POINT	10	10	13	14	11	13	12	11	11	11	11	11	10	11	11	9	7	8
DILLINGHAM	102	106	115	128	122	123	117	99	97	96	105	102	111	111	117	115	115	112
EKUK	7	8	11	8	13	8	7	8	6	7	7	5	5	5	4	3	1	1
EKWOK	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KOLIGANEK	4	4	4	5	9	7	9	7	7	7	8	9	9	9	7	5	5	5
MANOKOTAK	27	28	37	52	53	54	51	50	51	51	48	47	45	48	52	51	47	50
NEW STUYAHOK	3	4	4	3	2	1	1	1	1	1	1	3	3	3	4	5	5	6
PORTAGE CREEK	5	2	3	4	4	5	4	5	6	5	4	1	1	1	1	1	1	0
TOGIAK	25	27	35	40	44	42	40	40	46	45	49	48	45	47	52	50	53	59
TWIN HILLS	0	0	0	1	1	2	1	0	1	1	1	0	2	1	1	0	0	0
Subtotal	205	210	244	277	280	273	256	235	240	238	245	238	242	246	261	251	245	252
MUSHAGAK/TOGIAK:																		
EGEGIK	29	33	37	32	23	20	22	19	18	18	18	18	21	20	23	26	25	24
KING SALMON	27	25	21	22	20	20	20	19	19	17	18	13	15	15	15	18	18	19
LEVELOCK	8	7	7	8	7	6	6	5	5	6	6	5	5	6	8	5	5	4
NAKNEK	67	71	74	81	83	84	82	79	74	74	74	73	74	74	78	72	76	80
PILOT POINT	15	15	17	17	19	17	17	12	12	12	12	11	8	8	15	11	13	14
PORT HEIDEN	4	4	3	3	3	3	2	3	6	4	4	4	5	5	5	5	5	5
SOUTH NAKNEK	32	34	38	39	39	35	35	30	28	27	25	31	30	31	32	33	32	32
UGASHIK	6	6	6	5	5	4	4	4	4	3	2	2	1	3	0	3	1	1
Subtotal	188	195	203	207	199	189	188	171	166	161	159	157	159	162	176	173	175	179
PENINSULA AREA:																		
IGIUGIG	0	0	0	0	0	1	1	1	1	1	1	1	1	1	2	1	1	1
ILIAHNA	16	20	20	21	23	20	21	16	14	14	15	14	15	13	15	15	11	9
KOKHANOK	1	1	2	4	6	5	5	5	5	6	5	6	6	7	7	7	7	6
NEWHALEN	5	5	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NONDALTON	9	12	14	17	18	14	13	13	14	13	12	7	8	7	10	9	10	13
PEDRO BAY	2	2	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
PORT ALSWORTH	0	0	0	0	0	1	1	0	3	3	4	4	4	4	3	3	3	3
Subtotal	33	40	43	46	51	45	45	39	41	41	41	36	38	36	41	39	36	36
Grand Total	426	445	490	530	530	507	489	445	447	440	445	431	439	444	478	463	456	467

Attachment C
(3 of 3)

TRANSFERS BETWEEN BRISTOL BAY LOCALS AND OTHER RESIDENT TYPES

Fishery	Year	From Alaska Rural Local	To Alaska Rural Local	Net Alaska Rural Local Shift	Net Shift in Resident Type Due to Transfer Activities With Alaska Rural Locals			
					Alaska Rural Non- Local	Alaska Urban Non- Local	Non- Resi- dent	Dept. of Comm.
Bristol Bay Drift	1975	1	3	2	0	1	-3	0
	1976	5	5	0	-1	0	1	0
	1977	18	10	-8	1	2	5	0
	1978	22	9	-13	-1	11	3	0
	1979	24	4	-20	3	11	6	0
	1980	17	7	-10	0	9	1	0
	1981	18	5	-13	-1	9	5	0
	1982	25	5	-20	1	6	12	1
	1983	18	8	-10	3	7	1	-1
	1984	17	3	-14	2	4	8	0
	1985	10	8	-2	0	-1	2	1
	1986	26	7	-19	2	10	6	1
	1987	19	5	-14	1	6	6	1
	1988	9	2	-7	0	1	4	2
	1989	7	3	-4	1	1	2	0
	1990	10	2	-8	0	1	6	1
	1991	10	0	-10	0	4	5	1
	1992	17	5	-12	3	1	8	0
		-----	-----	-----	-----	-----	-----	-----
		273	91	-182 ¹	14	83	78	7
Bristol Bay Set Net	1975	1	3	2	-1	1	-2	0
	1976	12	2	-10	0	5	5	0
	1977	9	2	-7	-1	4	4	0
	1978	23	13	-10	-2	6	6	0
	1979	25	6	-19	1	12	6	0
	1980	28	8	-20	1	10	9	0
	1981	29	6	-23	1	12	10	0
	1982	36	7	-29	-1	22	8	0
	1983	16	3	-13	0	10	3	0
	1984	15	4	-11	-1	3	8	1
	1985	9	11	2	-1	4	-5	0
	1986	11	4	-7	3	2	2	0
	1987	8	10	2	2	-4	0	0
	1988	9	11	2	0	0	-2	0
	1989	8	6	-2	0	3	-1	0
	1990	6	4	-2	0	2	0	0
	1991	10	11	1	0	0	-1	0
	1992	6	7	1	1	-1	-1	0
		-----	-----	-----	-----	-----	-----	-----
		261	118	-143 ¹	2	91	49	1
		=====	=====	=====	=====	=====	=====	=====
Overall Total		534	209	-325	16	174	127	8

¹This total includes permits foreclosed (See Attachment A).

Changes in PERMANENT Permit Holdings in Communities Local to the Chignik Area Net Fisheries, 1975-1992
By City, All Years Combined

Fishery = Chignik Salmon Purse Seine

City	Permanent Permits at YEAR END 1992	Permits Issued	Transfers to City	Transfers from City	Net Change Due to Transfer	Net Change Due to Migrations	Permits Foreclosed	Permits Forfeited	Permits Lapsed	Permits Revoked	Permits Reinstated
CHIGNIK	14	7	8	-7	1	6	0	0	0	0	0
CHIGNIK BAY	1	0	0	0	0	1	0	0	0	0	0
CHIGNIK LAGOON	15	7	7	-6	1	7	0	0	0	0	0
CHIGNIK LAKE	4	6	0	-2	-2	0	0	0	0	0	0
IVANOF BAY	0	1	0	0	0	-1	0	0	0	0	0
PERRYVILLE	7	8	2	-5	-3	2	0	0	0	0	0
1992 YEAR END TOTALS	41	29	17	-20	-3	15	0	0	0	0	0

Notes:

1. Only permanent permits are included.
2. Permits Issued is the number of limited entry permits originally issued to residents of the community in question.
3. Migrations occur when permit holders move from one community to another.
4. Permits Foreclosed refer to foreclosures by the Department of Commerce & Economic Development or by the Commercial Fishing & Agriculture Bank. These transactions are NOT included in the Change Due to Transfer column in this report. They ARE included in the changes due to transfer in CFEC Report 93-7N.
5. Permits Forfeited refer to the retirement of permits due to nonpayment of renewal fees for two consecutive years.
6. Permits Lapsed refer to the retirement of Nontransferable permits whose owner has died.
7. Permits Revoked include the revocation of permits due to administrative errors in their issuance and also to permits revoked due to criminal proceedings.
8. Permits Reinstated indicates the reinstatement of permits which had been previously revoked.

Number of Chignik Salmon Permits Held by Chignik Area Locals, by City and Year, 1975-1992.

FISHERY = CHIGNIK PURSE SEINE

City	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
CHIGNIK	5	7	6	9	9	9	9	11	11	12	13	13	13	11	12	13	14	14
CHIGNIK BAY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
CHIGNIK LAGOON	7	9	10	10	9	9	9	10	10	10	12	14	15	14	13	14	14	15
CHIGNIK LAKE	6	6	6	7	8	9	9	10	10	9	10	10	9	9	8	5	5	4
IVANOF BAY	1	0	0	0	0	0	1	1	1	1	1	1	1	1	1	0	0	0
PERRYVILLE	8	9	9	8	8	8	6	6	7	7	7	7	7	7	7	7	7	7
Subtotal	27	31	31	34	34	35	34	38	39	39	43	45	45	42	41	39	40	41
Grand Total	27	31	31	34	34	35	34	38	39	39	43	45	45	42	41	39	40	41

Alaska State Legislature
Representative Carl E. Moses

CHAIRMAN
HOUSE RULES COMMITTEE

CHAIRMAN
HOUSE SPECIAL COMMITTEE FISHERIES

MEMBER FINANCE SUBCOMMITTEES ON:
DEPT. OF FISH AND GAME
DEPT. OF PUBLIC SAFETY



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MEMORANDUM

FEB 28 1994

TO: Senator Drue Pearce, Co-Chair, Senate Finance Committee
Senator Steve Frank, Co-Chair, Senate Finance Committee

Representative Eileen MacLean, Co-Chair, House Finance Committee
Representative Ron Larson, Co-Chair, House Finance Committee

FROM: Representative Carl E. Moses *CEM*
Chairman, House Special Committee on Fisheries

WITH: Senator George Jacko, Vice-Chair, Senate Finance Committee

DATE: February 28, 1994

RE: Statewide Salmon Forum

The House Special Committee on Fisheries would like to provide members of the salmon industry an opportunity to present a current status report before the Alaska legislature. With the remaining time in the session and the busy March schedule for everyone, a two day Statewide Salmon Forum has been scheduled in Juneau March 10 and 11.

A meeting before the Joint House and Senate Finance Committees has been scheduled for March 11. A draft agenda has been attached. As the agenda formalizes, I will provide you with a copy.

Many reasons exist for holding a meeting before the legislature. The primary reason for this meeting is to address the current difficulties facing the fishing industry and the subsequent financial impact on Alaskans and Alaska. Information regarding the statewide value of the commercial fishing industry will be provided to the committee members. Thank you for setting aside this special time for the commercial fishing industry.

Attachments

ADAK • AKUTAN • AMCHITKA • ATKA • ATTU • BELKOFSKI • CHERNOFSKI • CHIGNIK • CHIGNIK LAGOON • CHIGNIK LAKE
COLD BAY • DUTCH HARBOR • EGEKIK • EKWOK • FALSE PASS • IVANOF BAY • KING COVE • KING SALMON • KOLIGANEK • LEVELOCK • NAKNEK
NELSON LAGOON • NEW STUYAHOK • NIKOLSKI • PEDRO BAY • PERRYVILLE • PILOT POINT • PORT HEIDEN • PORT MOLLER • SAND POINT
SHEMYA • SQUAW HARBOR • SOUTH NAKNEK • ST. GEORGE ISLAND • ST. PAUL ISLAND • UGASHIK • UNALASKA • UNGA