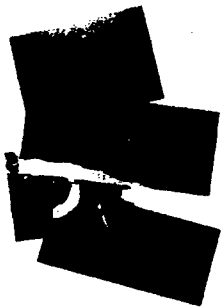


RC27

# Bristol Bay Set Gillnet Permit Stacking

**Marcus Gho**  
Economist, CFEC



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## Definitions

- **Permit Stacking** – a single permit holder uses two full complements of gear with two permits in the Bristol Bay set gillnet fishery
- **Dual Permit Operations** – two permit holders on a single boat and that use less than two full complements of gear in the Bristol Bay drift gillnet fishery
- **Local** – permit holders who reside within the Bristol Bay ADF&G management area
- **Nonlocal** – permit holders who live in Alaska but are not local to Bristol Bay
- **Nonresident** – permit holders who do not reside in Alaska

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## Introduction

Year	Legislation / Regulation
2002	House Bill 286 AS 16.43.40 (c) multiple permit holdage
2003	
2004	
2005	House Bill 251 AS 16.05.251 Board of Fisheries can allow stacking
2006	proposal 15 permit stacking
2007	
2008	
2009	proposal 17 permit stacking
2010	5 AAC 06.331 (a) permit stacking with sunset clause
2011	
2012	11 proposals to repeal sunset clause

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## Findings

- Nonlocals and Nonresidents have a higher rate of participation in permit stacking.
- Permit stacking brings permits out of latency.
- Number of individuals fishing decreases with permit stacking.
- Fewer new entrants into S04T fishery due to permit stacking.
- Harvest reallocated towards residency classes with higher participation in permit stacking.
- S04T permit prices increased due to permit stacking.

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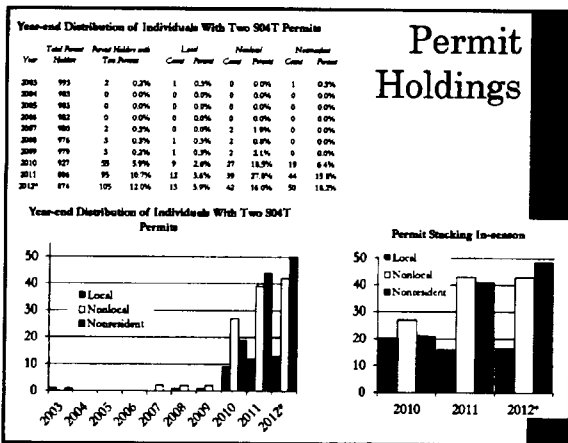
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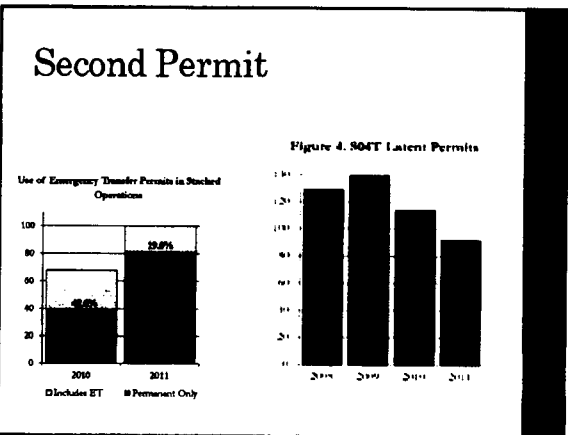
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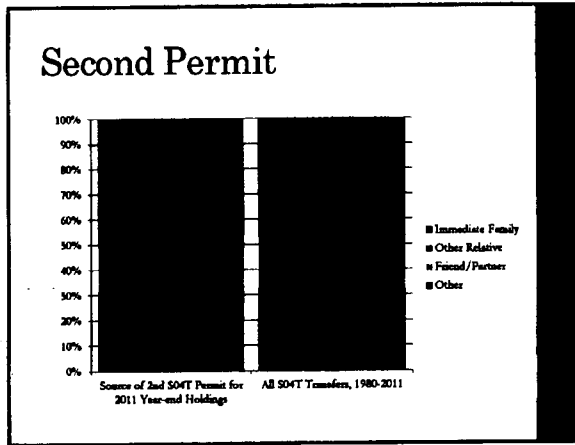
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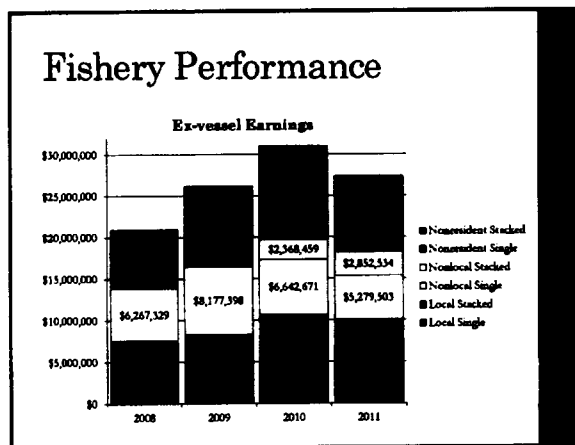
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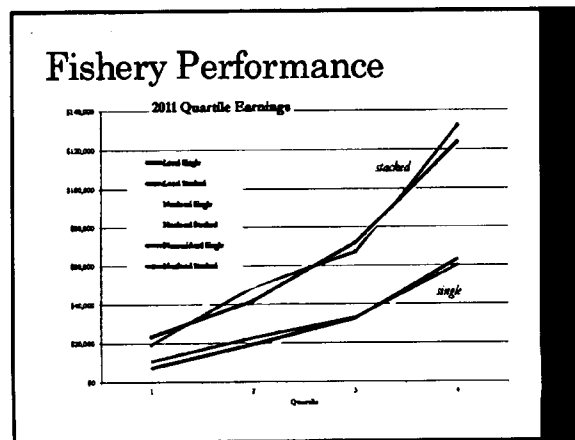
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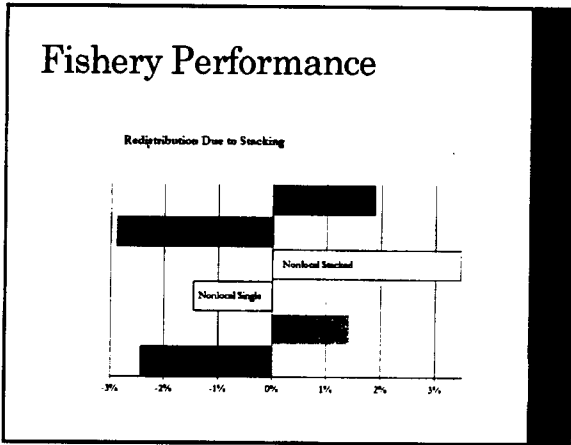
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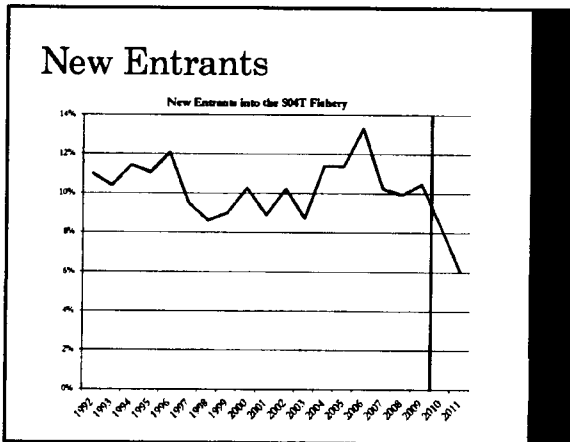
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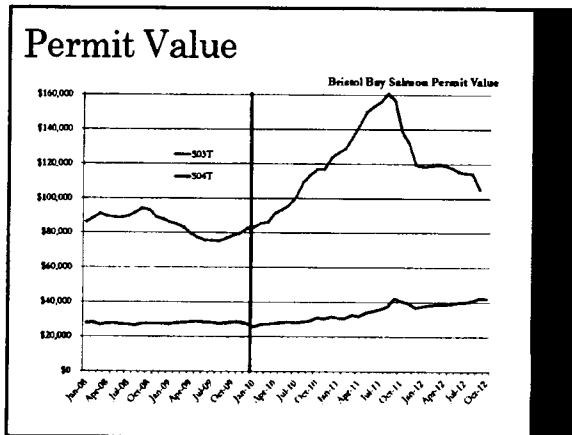
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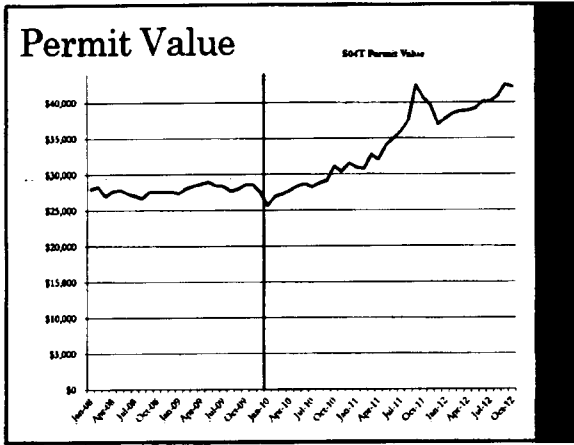
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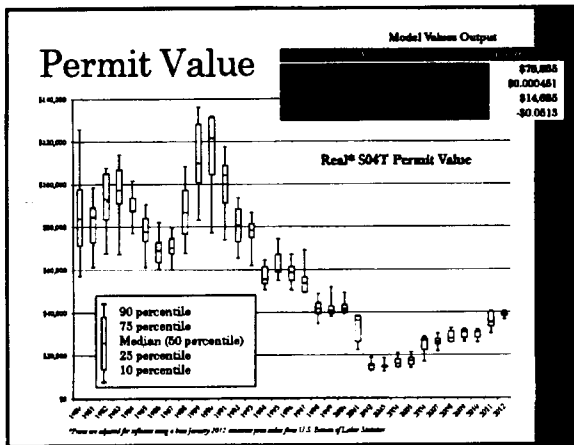
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**Conclusion**

- Nonlocals and Nonresidents have a higher rate of participation in permit stacking.
- Permit stacking brings permits out of latency.
- Number of individuals fishing decreases with permit stacking.
- Harvest reallocated towards residency classes with higher participation in permit stacking.
- Fewer new entrants into S04T fishery due to permit stacking.
- S04T permit prices increased due to permit stacking.

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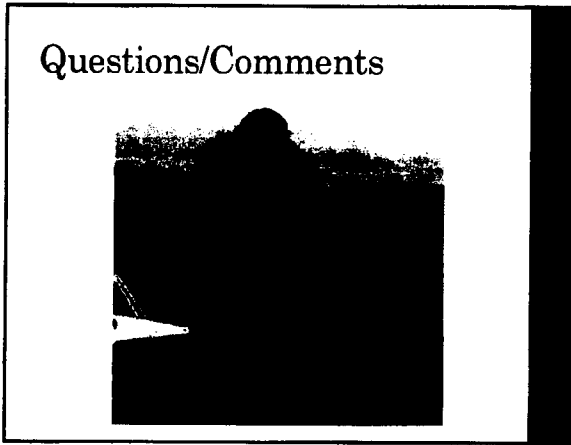
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Robin Samuelsen's Comments

To

Alaska Board of Fish

Naknek, Alaska 2012

First off, I would like to thank the BOF for holding its Bristol Bay Regulatory meeting in Naknek, Alaska. These meetings are need to happen in the affected areas of the State to get local input. We in Bristol Bay have had good sustainable salmon runs for over 20 years. However, in the last 10 years we have seen our food, fuel, electric costs go thru the roof. Not only are these costs going up but to be a commercial fishermen our costs are raising faster than the price of fish we all are being paid. As you the Board will work thru these proposals, please do not develop regulations that would require more capital to be spent by the fishermen of Bristol Bay. Our local watershed resident cannot afford additional costs. We have sustainable salmon runs and now we need to make sustainable communities within Bristol Bay.

Support 2,6,7,8

Oppose 3,4,5, Coho sport fish bag limits should be reviewed by-wide

Oppose 10,11,12,13

Support 14 as amended by the Nushagak Advisory Committee. Togiak is the second largest village in Bristol Bay, with some of the highest consummation of subsistence foods. This area will not affect the commercial herring fishery.

Oppose 15,16,21,22,23,24,25,30,31,32,33,34,35, these proposals have come up before the Board many times, they were always voted down. I oppose lengthing the boat length in Bristol Bay. Costs will be very high and those folks who cannot lengthen their boats will be at a serious disadvantage, many may be put out of the fishery, and these are mostly watershed residents. The social and economic impact will be felt throughout this fishery and the local fishermen would be hurt the most.

Support 17, 29

Permit Stacking: I oppose 36,37,38,39,40,44,45,46,47,48,49,50,51,52,53,54,55

Support 238,41,42,43,

Oppose permit stacking for both the setnet and drift fishery. Look at what CFEC has put together on this issue. Outside interests are the very large majority who fish duel permits. Duel permits have had very little benefit to the watershed residents. Again this is a classic case of those with the capital will step up and buy the extra permit. A person who fishing three nets does not stand a chance against a person fishing four net.

Oppose 56,58,59,60,61, I do not support opening a general district in Bristol Bay. Why create an intercept fishery. The last time they tried this in the Nushagak the Igushik river system was greatly affected, less fish showed up for the setnetters to harvest. A lot of folks would not fish in the general district because of the excessive fuel costs. We have our district boundaries and they are large enough.

Support 62, I support this proposal because it will take into consideration the effect on local fisherman.

Oppose 63,64,65,66,67, the allocation plan between the setnet and drift fleet is working. Before the BOF adopted this proposal the fishermen were fighting each other like you would not believe. Now that fight is behind us, the allocation plan is working.

Oppose 75,76,77, we developed the King Salmon Management Plan and it has been working great. I strongly oppose these regulations. I support the BOF proposal to do away with treble hooks in the King Salmon sport fishery. Commercial fishing for Kings has been shut down the past two years. Commercial fishermen should not take additional regulatory hit when they are not fishing for Kings the Sport fishery needs to take the hits to conserve kings.

Oppose 78,79,80,83,84, time is short to make a living fishing and our sockeye run is compressed like no other in the State of Alaska. When we are in the WRSSHA fishing is not good for everyone, only the first few setnet site on the line. I oppose changing the escapement goals for all river systems in Bristol Bay. Our sockeye runs are in the downward mode and adding additional sockeye to the escapement goal is just taking money from the fishermen's pockets. Currently, our escapement goals are have provided us with sustainable runs for over 20 years, nothing is broken, why try and fix something when it is not broken.

Thank you



Attn: BOF Record Copy (RC)  
Boards Support Section  
Alaska Department of Fish and Game  
P.O. Box 115526  
Juneau, AK 99811-5526

Fax: 907-465-6094

Re: RC Comments Proposals 44 through 53

Dear Chairman Johnstone, Members of the Board,

I support proposals 44 through 53 repealing the setnet permit stacking sunset provision. I'm a setnet fisherman in the Ugashik District and my family and I have fished there for the past dozen years.

I testified in support of the stacking provision when it was originally introduced at the Board of Fish meeting in Anchorage. I spoke then on how the economics of fishing has changed over the years and I think what I said then still holds true. According to state statistics the average setnet site produces approximately 30,000 pounds per year. At last year's prices (\$1 less Bristol Bay taxes of 5%) that represents a gross income of \$28,500 but now look at the costs:

Crew cost of at least 10% or	\$3,000
Airfare last year: \$1,000 per person	\$2,000
Food for a month	\$ 750
Fuel/Oil	\$ 750
Permit costs (site lease and permit)	\$ 225
Cabin costs (repairs etc)	\$1,500
Freight costs	\$ 750
Skiff and gear (nets, line) repairs	\$1,500
<b>Total direct costs</b>	<b>\$10,475</b>

These are just the direct costs. There also the capital costs that must be reserved for. Skiffs are \$25,000, motors another \$15,000. Building or buying a cabin \$35,000. Permits \$35,000. 4 wheelers \$5,000. If a person borrowed money to get into fishing the payments would eat through almost all of the money that remained after paying the direct costs.

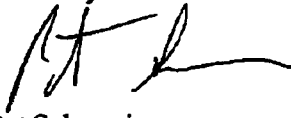
That is why stacking makes sense: Most of the fixed capital costs can be spread over two permits with only a small increase in direct costs. One skiff can fish two nets on all but the busiest of days. You can always make room for another person in your cabin so those costs are the same. By having a second permit you are able to make enough to invest back into the business - like spending \$1,000 for slush bags for every bin on your boat so that you can ice fish.

Looking to the future I don't see any of our direct costs coming down. I think airfares will continue to increase. I can't imagine gas getting any cheaper. Gear costs continue to rise. All these factors would support stacking in the future.

In the area I fish there is widespread support among the setnetters for stacking and for the repeal of the sunset provision. Almost all of the fishermen in our area fish multiple permits and have for as long as I have been there.

I appreciate the opportunity to submit these comments

Sincerely



Pat Salvucci

Attn: BOF Record Copy (RC)  
Boards Support Section  
Alaska Department of Fish and Game  
Box 115526  
Eagle River, AK 99811-5526

Re: RC Comments Proposals 44 through 53

Dear Chairman Johnstone, Members of the Board,

I am providing you these written comments supporting proposals 44 through 53 repealing the setnet permit stacking sunset provision. I would like to see setnet permit stacking remain in place in Bristol Bay for at least the next 3 years and preferably permanently.

My wife and I are lifelong Alaska residents and own and run a family setnet operation in Nushagak and have done so since 1992. Before that I worked as a deckhand for my father, starting in 1984. Our operation consists of four permits and sites that we have purchased over the years, two of which are currently in my name. Because my wife doesn't go out in the boat and my kids are not old enough yet to have permits in their names, I have been forced to put my other permits in deckhand's names. This is risky, and ideally I would like to have two in my name, and two in my son's name (when he is old enough).

The main benefit that setnet permit stacking provides in Bristol Bay is that it allows operations to expand and become more viable while not exposing owners to the risk of putting permits in crewmembers names. Single permit operations have a tough time making it any more, one poor year is enough to cause an operation to fail. Many fishermen are not willing to take the risk of committing themselves financially to purchasing another permit, and then also being forced to put it in someone else's name. Financing may be harder to obtain in some cases if the new permit must go in someone else name other than the owner of the operation. I would argue that permit stacking has worked well the past three years and that the majority of setnetters are in favor of it. Those opposed are mainly drift fisherman, and those not wanting to see setnet operations expand.

I would encourage the Board to consider eliminating the sunset clause and making setnet permit stacking in Bristol Bay a permanent regulation. In my opinion the positive benefits far outweigh the negative ones.

Sincerely,

Tom J. Rollman  
Eagle River, AK



Alaska Board of Fisheries  
Bristol Bay Finfish Proposals

**Frank Woods**  
**Box 713**  
**Dillingham**  
**December 2012 Naknek**

- Mr. Chairman and members of the Board, for the record my name is Frank Woods. I'm a 47 year old Bristol Bay salmon drift fisherman. I'm here to testify in behalf of myself to proposals listed: As someone who depends on living off the land and water I beg of you to be fearless and thorough from the very start. We are not asking for more and more till it's all gone. We are asking for you to continue support us and not losing anymore then we already have.

- **Proposal 1 Subsistence is a priority for All of Alaskans**  
Not in favor of having any additional provisions and regulations that make it harder to feed our people that have taken more then there share of the burden of conservation

**Herring**

- **Proposal 10** oppose because once we give it away we don't have it anymore
- **Proposal 11** oppose due to not enforcing the 70/30 split till both gear groups reach their quota currently it is only managed till  $\frac{1}{2}$  the quota is caught so make 70/30 mandatory through regulation
- **Proposal 12** I support this proposal helps reach out to industry to even the playing field and include more Alaskan participation. One company already has this in there buying

plan 50/50 split is already being done. Write regulation to full allocation would be better impacts are in RC ~~Attachments~~

- **Proposals 32-35** bigger boats means higher maintenance costs and larger investment capital and financial burden to an already over capitalized fishery. Less money to sustain our region this will be in my option less sustainable yield and bottom line for most Local and Alaskan fisherman.
- **Proposal 42** I am the Author and I support my own proposal permit stacking allows me double my investment capital and increase my bottom line by 25% plus bonuses. I believe business plans are already drawn to this very decision. If we don't stop it now at least some of the bleeding and outmigration of permits will stop and through the aggressive BBEDC permit buying program put these permits back to Alaskans hands
- **Proposal 57** Place holder for increased escapement in most of the fishing districts it has History of the Kvichak written all over it be careful on trying anything to even out the returns. Science doesn't allow history to repeat itself
- **Proposal 43** Support Togiak district doesn't need this race for fish with longer nets on such a small and fragile run.
- **Proposal 23~~4~~** that deal with sport fishing on the Nushagak River I am not a sportsman I am a commercial fisherman and a subsistence user of that resource. But I believe this proposal will only hurt the regions efforts in trying to sustain itself through the sport fishery.
- **Proposals 44-55** that deal with permit stacking for set nets read all the information from CFEC that says ~~that say~~ let this rest and sunset is loud and clear.
- We have got it tuff enough in rural Alaska as more and more of the burden of proof has to lie with in the people have the most to loose in this arena then any one else in this room is the people that depend on the resources to sustain themselves

Support Pro 12

**Current 70/30 Herring Quota**

**2012 Seiners**

Quota **15,135 tons**

**Total Catch**

**13,084 TONS**

Total Number of Seiners

16

Total Number of Local Seiners

1

Average price per Ton

\$200.00

**Total Revenue**

**\$2,616,800.00**

Average Per Seiner

163,550.00

Average Per Local Seiner X 1

163,550.00

**2012 Gillnetters**

Quota **6,487 tons**

**Total Catch**

**4,142 TONS**

Total Number of Gillnetters

18

Total Number of Local Seiners

8

Average price per Ton

\$230.00

**Total Revenue**

**\$952,660.00**

Average Per Gillnetter

52,925.00

Average Per Local Gillnetter X 8

423,400.00

**Impacts of 50/50 Herring Quota \* Based on 2012**

**Total Revenue**

**\$2,616,800.00**

Minus 20% of total revenue

(523,360.00)

**Total Revenue Impact 50/50**

**\$2,093,440**

2012 Average Per Seiner

163,550.00

20% decrease per local seiner

-32,710.00

**Total Impact Per Seiner**

**\$130,840.00**

Total Impact Local Seiner x 1

130,840.00

**Total Revenue**

**\$952,660.00**

Increase 20% of total revenue

523,360.00

**Total Revenue Impact 50/50**

**\$1,476,020.00**

2012 Average Per Gillnetter

52,925.00

20% increase to gillnet

29,075.55

**Total Impact Per Gillnetter**

**\$82,000.55**

Total Impact Local Gillnetters X 8

656,004.40

\*For every dollar spent in the region, \$1.00=\$7.00 rolled over locally.

Impact for Gillnetters - \$29,075.55 x 8 = \$232,604.40 x \$7.00 = \$1,628,230.80 Increase

Impact for Seiners - \$32,710.00 x 1 x \$7.00 = \$228,970.00 Decrease

Increase

1.6 million for Gillnetters } Local

vs \$ 228,970 to local

Decrease





## Setnet Permit Stacking--Villain or Saint?

Submitted by Eric M Beeman

Disclaimer: I like setnet permit stacking. Recently I have heard that some are less than satisfied. Since I authored one of the original stacking proposals, I thought I'd share my thoughts about why it's a good idea, discuss a few potential problems and and why they haven't occurred.

First of all, what good is setnet permit stacking? Lets use my family as an example. My father, mother, wife, son, and myself are involved. Prior to stacking, my wife and I each had a BB permit in our name. My father has a Cook Inlet setnet permit, and my son holds the other CI permit that my mom used to have. We fish these Cook Inlet permits prior to and after our BB season, and my parents get a share. **This is how setnet families operate.** My dad is now 81 and is retiring--but his need for income continues. Permit stacking has allowed us to place both of our BB permits in my wife's name, and now I have Dads CI in mine. We get to extend our season, and more importantly my parents get to continue their income. If stacking were disallowed, we would most likely transfer a BB permit back to me, leaving us with the choice of putting Dad's permit (and Shore Fishery leases) into a non-family member, or we could put my 81 year old father stiffly back into the boat.

What about consolidation? Setnet permits are cheap and provide an affordable entry into the commercial fishing world. I too wrestled with this as I would hate to see the consolidation that has happened with the crab and ground fisheries--but there's a big difference between the two fisheries. Much of the big boat fleet is owned by corporations, often with multiple vessels owned by the same entity. Who ever heard of a corporate setnetter? Our fishery mainly consists of multi-generation family units. In our case permits moved laterally between family members, more of a transfer than a consolidation. I would be very surprised if this wasn't the case with most stacked permits.

Will permit stacking make it more difficult for potential new entrants? Could it dry up the supply of permits for sale? The Board of Fish felt this was an issue in Kodiak, and allowed stacking to sunset. But Bristol Bay with 886 permits, and Cook Inlet with 692 provide a lot more chances to purchase than do Kodiak's 167. A quick look--tonight-- on the first permit brokerage site I Googled, had both a BB and a CI setnet permit for sale, along with a couple of setnet packages. This search took me a grand total of about 3 minutes. Regardless of stacking, setnet permits are still for sale and still affordable.

Does stacking put more gear in the water? It will to the extent that unused permits are bought and added to the fishery. However setnetting comes with an additional limiting factor: the sites. Unlike Kodiak, Bristol Bay is pretty crowded on the setnet beaches. Much of the territory has no room for additional sites, and the areas that are unfished have good reasons for remaining that way. The area I fish, Ugashik, is one of the least crowded areas in the Bay. In the years since stacking was implemented, I have noticed no setnet gear increase. Additionally, with a fixed setnet allocation in place (which I wholeheartedly favor), my once brethren neighbors have now become my competition and any new setnet gear in the water reaches directly into my pocketbook. As president of the setnet association, I would have heard complaints if this were happening in my district. I have heard nothing.

Do all BB setnetters favor stacking? (OK, when was the last time all setnetters agreed on anything!) No, stacking is not liked by all. I have heard some discontent in the Dillingham/Nushagak area. Stacking is strongly supported in both the Egagik and Ugashik areas. Ugashik Setnet Association represents almost all of the setnetters in our district. Last spring we took a poll and 80% supported stacking. This is not unanimous, but 8 out of every 10 is a strong statement. The Lower BB AC recently did express support for repealing the sunset clause--unanimously. In the 2012 proposal booklet there are eleven proposals to repeal the sunset clause. Obviously we in Ugashik and Egagik are not alone. What if one district wants the sunset, and others strongly support stacking? Well, perhaps we could remove stacking from the one district but keep it in the others. This probably wouldn't be too hard to enforce, after all, BB setnetters don't move around much. (This is not my idea but I think it's a merit). And the Bay does have rules that don't pertain to all districts--an example is that Togiak has area registration rather than the allocation system in place in the rest of the Bay. Of course, if the Board does consider this division, it really needs to give some sort of response time to those fishermen in the affected districts, IMHO.

Just how many permits have transferred? According to 2011 statistics, 95 BB setnetters hold two permits, just under 11% of the fleet. Anecdotally I have heard this number has increased to 105 in 2002. So we have 95 transfers in the first two years, and only 10 in the last. Some would argue that the slowdown of transfers is a result of less permits available on the market. However, since there are presently still permits for sale, I feel what we are seeing is stacking equilibrium, i.e., most permits that will be stacked have already done so.

When I proposed setnet stacking, my main purpose was to keep family fishing operations intact. I believe it has helped do that. The idea of permit stacking has been not only endorsed by the Egagik and Ugashik Setnet Associations, it was passed by the Board of Fish in Kodiak, Bristol Bay, and in the case of Cook Inlet, unanimously.

**Note:** Just prior to submitting this RC, a CFEC economist made a presentation to the board about the effects of permit stacking. I feel many of his conclusions were reached in error. I will briefly explain within the short timeframe I have. The authors conclusions are in bold, my replies are not.

1. **Non-locals and Non-residents have a higher rate of participation in permit stacking.** I my family has been fishing since the mid-1950s. I was born in Alaska and have actively fished since 1969. Two of my three children salmon fish. I moved my operation to Ugashik in 1997. As a lifelong Alaskan, who just finished his 44th salmon season, and who has been setnetting in Ugashik for 16 summers, why is there a perceived stigma when I transfer my permit to my wife?

2. **Permit stacking brings permits out of latency.** Undoubtedly it does, but not many. Also please consider this: the authors definition of a latent permit is one who is registered but did not sell fish. This definition does not take into account those families who deliver catches from multiple permits on a single permit to take advantage of production (poundage) bonuses offered by many processors.

3. **Fewer new entrants into the S04T fishery due to permit stacking.** Prior to stacking, any time a permit holder exited the fishery and his permit was needed by the operation in which he had been involved, a new transfer would have to occur. This scenario would happen due to a number of circumstances: young adult family member exploring a new career, military service, a crewman who held a permit (this is a common practice in the setnetting world, at least prior to stacking) leaving for other opportunities, older family member retiring. With permit stacking much of what would have been labeled as new transfers went away, not because new fishermen were ceasing to enter the fishery, but because all the permits which needed to be transferred within existing operations were transferred mostly within the first two years. **To really track this, we need to view how many transfers were of a non-\$\$ nature, i.e., where the transferee received no compensation.** This should separate the in-site transfers from the real new entrants.

4. **S04T permit prices increased do to permit stacking.** Compared with drift permits, setnet permit values had already been lagging before stacking was introduced. I don't have the absolute figures, but a few years ago drift permits rose substantially while setnet permit values stagnated. I am absolutely convinced that the rise of setnet permit values had much more to do with greater earning potential (higher base price, icing bonuses, more robust salmon runs) than due to any fallout from permit stacking.

I have a 44 year degree in setnetting. Most of my facts were gathered on the fishing grounds. I am not sure that all my ideas are 100% correct, but I am 100% convinced that much of the data can be used to reach different conclusions.



Kevin McCambly

3455 Trumpeter Drive

Dillingham, AK 99576

Set net fisherman from the Nushagak District(combine flats)

It is noted that the figures showing the count of individuals who held two permits do not include Emergency Transfer permits where the permit reverts back to the permanent permit holder at the end of each year. This does not directly indicate that these permits are held by Bristol Bay Watershed residents. If you look at the total of local residents with two permits at year-end, just 13(12.38%) of the total 105 were watershed residents. If 92(87.62%) of the year-end dual permit holders were from other areas or out of state, it seems obvious that this creates a disadvantage to those from Bristol Bay who are trying to get into the fishery.

When looking at a count of in-season permit stacking, the numbers become clear that the number of locals with dual permits decline. My point is local fisherman truly are the family operations keeping family members involved in the operation.

The considerable increase in permanent stacked operations coincides with the growth in number of non-local dual permits. Originally permit stacking was under the idea that set-netting is more of a family operation. Why then is only 56% in 2010, and 51% in 2011, of the second permits acquired from immediate family of relatives? So much for "keeping it in the family."

New entrants were at an all-time low of 6% in 2011 further indicating permit-stacking will only make it harder to buy into the fishery. Only some will be afforded the luxury of increasing profits through this process, yet fewer people will be in a captain's position. Dual permitting decreases the amount of permit holders. Through the reduction of separate fishing operations, there will also be a drop in the number of crew members hired.

With more people holding on to multiple permits, this will make the value of permits increase. My theory is that as fewer people are involved while those involved are then able to hold onto permits longer and off the market, it will make the asking price go through the roof. Not allowing dual permits will increase the availability of permits through natural turnover of people fishing due to various reasons. The very statement of permit stacking would result in making the fishery more profitable; therefore, would be more enticing to individuals to enter the fishery directly causes the cost of a permit to increase as they would become more lucrative.

My last point will be that those with the option of fishing a second permit are paid more for a lower quality product. If one person manages two or four sites, fish soak longer and are increasingly more likely to go dry on the mud flat which is counterintuitive to "slushing" or

using RSW systems. They harvest more fish; make more in profits, enabling them to invest in chilling capabilities while delivering a lower percentage of "number-one grade" fish. They are also paid more in incentives because of production from processors as their total poundage is not divided among the number of permits their "family operation" owns. This creates a greater discrepancy between single permit operations and those putting poundage from multiple sites onto one ticket causing processors to increase the required poundage for incentives.

My conclusion is that permit stacking makes it harder for locals to buy into the fishery. If it then becomes easier or more enticing to take a stable job offered by mining groups (such as Pebble), no matter if it is temporary, all permits will decrease in value along with the overall demand for Bristol Bay Wild Salmon. If dual permits should be allowed, something enacted such as points accumulated requiring those in possession of a second permit to sell or transfer after a couple of years; much like the implications/limitations on medical transfers on medical transfers.

Please do not repeal the "sunset clause." I do not support set net stacking for SO4T.

I support Proposal 1;

I support Proposal 3

I support Proposal 4-why prohibit baiting if you're still allowed to chum?

I support Proposal 15;

I support Proposal 16;

I support Proposal 17;

I support Proposal 19;

I oppose Proposal 24;

I oppose Proposal 25;

I oppose Proposals 31-35;

I oppose I oppose Proposal 36, 37, 38;

I strongly oppose Proposal 44-55;

I oppose Proposals 58-61;

I oppose Proposals 76, 77;

I oppose Proposals 79, 80;

I oppose Proposals 83, 84;



# BIG CREEK FISHERIES, LLC

3900 Railway Avenue  
Everett, WA 98201  
PH: 425.742.8609  
FAX: 425.742.8699

November 14, 2012

Alaska Board of Fisheries  
Bristol Bay Finfish  
Bristol Bay Borough School  
2 School Road  
Naknek, AK

RE: Proposal 48 - Repeal sunset clause for a dual set gillnet permits for single permit holder.

Big Creek Fisheries along with the undersigned set & drift gillnet permit fishermen are in favor of repealing the sunset clause allowing the regulation to continue as written.

The regulation as it is currently written has benefitted the fisheries industry and the family fishing businesses. Allowing the sunset clause to go into effect would eliminate the dual permit holding and would negatively affect the family fishing businesses.

<i>Patricia Weese</i>	504T-59962-A	425-210-7456	11-14-12
<i>Jane Kay Weese</i>	504T-59963-R	425-252-5533	11-18-12
<i>Al Weese</i>	504T 609476	425 244 6943	11/28/2012
<i>Fony Weese</i>	504T604334	425 334 8028	11/28/2012
<i>Mutual L U</i>	504T 599202	425 244 6995	11-28-12
<i>Mitaul But</i>	504T 59905P - 504T 60434M	206-718-7680	
<i>John moen</i>	504T 61895	425-259-4325	11-28-12
<i>John Doe</i>	504T 64897	425-334-2498	11-29-12
<i>CATHY THOMPSON</i>	504T 65622Q	425-334-2498	11-29-12
<i>Elizabell Courtney</i>	504T 61278F	425 259 1873	11-29-12
<i>Dennis Courtney</i>	503T 576 49A	425-259-1873	11-29-12
<i>Marshall Courtney</i>	503T 580 49W	425 259 1873	11 29 12



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Ken Silbert	56243	907-345-2768
Sarah Salvecci	64753	907-345-8358
Rene Salvecci	60478	907-345-8358
Pat Salvecci	60701	" "
Edward Eggleston	61897	907-345-7897
Mlanwah Rice	615930	907-783-286
Peter Rehter	605108	907-277-4068
Robbie Muir	608996	907-223-7654
Connor Muir	64096	907-223-7654
Seremaih Sones	61888F	
Tom Huffer Jr.	503+ 60248	- 907-696-7445
Tom Huffer Sr.		- 907-694-2326
John Paul Huffer		- 907 382-0486
John Huffer	9071211720	907-696-7445



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Tom Neal	5047 60274L 60377W	907 299 2351
Gwen M Neal	60302A	(907) 235-8228
Anthony Underwood	589765	(907) 348-6084
George Wicklund		907 248-8600
John Wicklund		11
John Peter		907 278 0994
Matthew Worsman	57461A	907441-4099
Brad Lohr	60005B	907-598-1144
Karen Freeman	62334B	509-464-3608
Todd Pierce	60781A	509-464-3608
Doug Freeman	60413Z	509-464-3608



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STACY CLARK	55907 F		907 299 3377
GEORGE BISHOP	60236 F	56874C DIB	907 299 3377
SHELBY BISHOP	61442		907 299 3377
STEPHEN BISHOP	59936 B		907 299 3377
RAIPH UNDERWOOD	60243 A		907-346-3088
MARY Q UNDERWOOD	61890		907-346-3088



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- 1 VICTOR POPA SØ 3T 56 234
- 2 NICHOLAS POPA SØ 4T 60 503 = Nick Popa
- 3 TERRI POPA SØ 4T 59947 = Terri Popa
- 4 TERRI POPA SØ 4T 61540 = Terri Popa
- 5 CHRISTOPHER POPA SØ 3T - 62040 = Chris Popa



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*Robert Johnson* - Robert Johnson 504+580390 Dual  
504T 60962

*Annette Johnson* - Annette Johnson 504T 57354

*James Omeget* James Omeget 503T 66351

*Nancy Trott* Nancy Trott 65110P # 60578H

*James Trott* James Trott 644170 # 66914E

*William Johnson* William Johnson 57343-61918 - Dual



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Evelyn Clark S04T 60892  
 Alan Clark S04T 57870 + S04T 5A953  
 Michael J Clark S03T 58978  
 Peggy Clark 60565 & 64743  
 Cheryl Backman S04T 60767  
 Gary Backman S03T 615830 46019  
 Alan C West S04T 56899K  
 Veryle M. West S04T 64879V



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S04 T64716 X

S04 T 60036M

S03T 60669I - drift permit

} dual permit

↔ Franke Hoff



*Big Creek Fisheries, LLC*

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November 14, 2012

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*Frank [Signature]*  
504T 59153  
504T 64878



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*Dorey Walsh*  
*James J.*

503T 57261W

504T 60891W

*Niklaus King*

504T 57783X

*Mary & William Brown*

504T 59882

*Yvonne Phelps*

504T 64928X

*Erica Phoebe*

504T 59860H

Katherine Carscallen  
PO Box 398  
Dillingham, Alaska 99576  
907.843.2006

December 4, 2012

Mr. Chairman, members of the Board,

My name is Katherine Carscallen, I am a third generation drift permit holder, and lifelong resident of Dillingham, Alaska. As a newer permit and boat owner, I can attest to the economic barrier to fishing in Bristol Bay - buying a boat, gear, getting set up to chill fish, etc. is one thing, and then there's the permit.

In the past 15 years that I've been fishing, I've seen permits range from 15,000 when I started crewing to 160,000 two years ago - In that time, fish prices went from 35 cents for sockeye up to 140 for some.

These fluctuations are an accepted part of fishing in Bristol Bay - when fishing gets better, the cost to entry is higher, and vice versa. What I do not want to see is change to the laws that will drive permit prices up, when the Bristol Bay economy is down.

Allowing single owner permit stacking will raise permit prices almost immediately, and keep them high, because the demand for 50 extra fathoms will never go away - we saw this with the set-net proposals that passed the last board cycle - permit prices for set-nets have steadily risen since this proposal passed, while drift permits have fluctuated with the market.

Like I mentioned, permit prices should reflect the viability of our fishery. Taking actions that will raise the price of permits when we are on a natural down cycle will only encourage more fishermen to sell their permits to those who can afford them, who are able to supplement their fishing income with other employment.

When limited entry happened it created a significant economic barrier to entry of this public resource. This was a necessary step for conservation, but salmon are a public resource, and we must remember that access to this fishery is a right that ideally would be available to all those interested.

The concept that you can *pay more to own more* of a right to fish is not what we need in Bristol Bay. This is not a quota fishery - in Bristol Bay you fish harder to make more money. If you can afford a larger boat, better gear, you can buy yourself an advantage, but I do not believe we have the right to buy a larger share in the fishery.

The main thing I would like the board to consider, is the long term consequence we will see if these permit stacking proposals are passed. I know there has been discussion about the need for gear reduction, - but that is not what these proposals are - they will result in a consolidation of the fleet and a higher barrier to entry for crewmen or others hoping to enter the fishery.

Attached to my letter is some information I believe is helpful in considering these proposals.

Please see HB 685 passed in 2002, and the discussion surrounding this bill, which initially allowed ownership of more than one salmon fishery permit. Highlighted you will see there was discussion at that time of passing a permit stacking proposal. Through recommendations from UFA and others it was determined that single owner permit stacking was not recommended, and the law that stands now was meant as a fishermen sponsored buy back with no option to fish that second permit. This issue has been reviewed and discussed year after year and the facts have still not changed. I hope the board will continue to find that single owner permit stacking is still not in the best long term interest for our fishery.

To reiterate, I am opposed to proposals 36 and 37. I am also opposed to proposals 32-25. I am also in favor of proposal 80. I would like to participate in the Committee as a Whole Group 2 discussion on Permit Stacking.

Thank you,

A handwritten signature in cursive script, appearing to read "Katherine Carsak".

Katherine



22nd Legislature(2001-2002)

**Committee Minutes**

HOUSE FISHERIES

Feb 04, 2002

**HB 286-OWNERSHIP OF MORE THAN ONE FISHERY PERMIT**

CO-CHAIR WILSON announced that the first matter before the committee would be HOUSE BILL NO. 286, "An Act allowing a person to hold more than one commercial fishing entry permit for a fishery; relating to the power of the Board of Fisheries to establish fishing periods and areas for subgroups of commercial fishing permits and commercial fishing permit holders and to establish limits on the amount of fishing gear that may be used by certain commercial fishing permit holders; and providing for an effective date."

Number 0128

REPRESENTATIVE SCALZI, speaking as the sponsor, told the committee that HB 286 was what was referred to as a "stacking bill" for people who made the presentation at the fish caucus. He said it has gone before the United Fisherman of Alaska (UFA) board and had revisions made that he concurred with. He said over the weekend, he and the board reviewed those revisions; a proposed CS is in progress.

REPRESENTATIVE SCALZI said that despite the changes made to the bill, it still remains a bill with a primary function of reducing gear in the water." He said this aim is achieved by allowing an individual to own up to two permits per area. He said provisions allowing more gear or extended fishing time for holders of multiple permits had been deleted from the bill so that a majority of permit holders could have a vote on it. [HB 286 was held over.]

22nd Legislature(2001-2002)

**Committee Minutes**

SENATE JUDICIARY

May 03, 2002

**HB 286-FISHING PERMITS/ASSOCIATIONS/ASSESSMENTS**

REPRESENTATIVE SCALZI, sponsor of HB 286, said the bill would offer the salmon industry a tool for consolidation. He said it would allow individuals to hold two salmon permits in any given area. He said there was often a lot of inactivity of permits and believed there were more permits issued in some areas than necessary; more permits were activated when a fishery became healthy through an increase in prices or salmon runs. ~~HB 286 would offer individuals in the salmon fisheries the opportunity to buy and hold some of the permits. The permits would carry no privileges, such as extra fishing gear or time.~~ He said consolidating the effort would keep fishermen from other areas from coming in and exacerbating the problem of overcrowding.

He said HB 286 was the highest priority bill supported by the United Fishermen of Alaska (UFA) because it would offer the most benefit to the commercial fishing industry.

CHAIRMAN TAYLOR asked Ms. Sue Aspelund to provide testimony.

MS. SUE ASPELUND, Executive Director, Cordova District Fishermen United (CDFU), said CDFU represents the fishing families of the Copper River/Prince William Sound area. CDFU believes the industry needs a variety of tools to pursue structural changes necessary to compete in the new global marketplace. HB 286 would provide fishermen with one of the ~~simplest and most immediate~~ **tools to get fishing gear out of the water in distressed fisheries.**

CHAIRMAN TAYLOR asked if there were any questions for Ms. Aspelund. There were none.

MR. VICTOR SMITH said UFA and processors are saying that HB 286 is part of a plan to revitalize Alaskan salmon fisheries. He said the main authors of HB 286 were Mr. David Bedford, Executive Director of the Southeast Alaska Seiners Association (SASA), and Mr. Bob Thorstenson, president of UFA and stockholder of "Alaska Seafoods." He said fishermen themselves had very little input on the bill. The SASA board did not authorize or direct Mr. Bedford to proceed on its behalf regarding permit stacking. He said the board authorized a committee to explore options for fleet reduction but while that committee was exploring options, Mr. Bedford was also working on a plan of his own. He said Mr. Bedford denied saying there was a deal that processors would support permit stacking in exchange for UFA's support to keep global seafoods out. He said Mr. Bedford now claims he said UFA wouldn't oppose the processors' new management plan if the processors would support permit stacking.

MR. VICTOR SMITH said one of the touted features of HB 286 was that it could be used in different ways in different fisheries. He wondered why that would be necessary because all Alaska salmon

fisheries were subject to the same laws. He said UFA and SASA also used the selling point that HB 286 would be in the control of fishermen. He said they had possibly been guilty of involvement or trade on their global decision. He said nonresidents couldn't use their permits and were forced to sell. He said the salmon industry needs to follow the law. Key people involved in HB 286 had conflicts of interest and had broken rules of accountability. He said these same people would probably have control over permit stacking and how it would work. He believed HB 286 would be as bad for many Alaskans as it had been for the first round of nonresidents ousted from Alaska fisheries.

CHAIRMAN TAYLOR asked if there were any questions for Mr. Victor Smith. There were none. He asked Mr. David Bedford to provide testimony.

MR. DAVID BEDFORD, Executive Director, SASA, said he sat on the board of UFA for SASA and was licensed to practice law in Alaska. He said HB 286 is the highest priority piece of legislation for UFA and has a strong majority of support within that organization.

He said UFA brought HB 286 forward because the salmon fisheries are in dire straits and some things need to be done to address the economic difficulties the fisheries are experiencing. He said HB 286 would give them the opportunity to reduce the number of people competing for a share of a shrinking pie so they could have a viable fishing business to support the coastal regions that depend on the salmon fisheries.

MR. BEDFORD maintained that HB 286 was drafted to be as transparent as possible to make sure that control would be in the hands of the permit holders. It was drafted that way because they were concerned somebody might be able to use the bill to force something on fishermen that they didn't want. He said HB 286 would require a two-thirds vote of all permit holders before any kind of assessment could be levied. He said anybody wanting to initiate the program would be required to go to the permit holders with an outline of the plan so they had a very clear idea of what would be done and what their money would be paying for. The program would be regional so nobody from another area would have anything to say about a distant fishery.

MR. BEDFORD said UFA and SASA are asking the Legislature to give them the tools to address their problems.

1:55 p.m.

SENATOR THERRIAULT asked who would buy and hold the permits.

MR. BEDFORD said the limited entry law specifies that only individuals can hold permits. He said the association would decide it was going to set up a program and figure out how to do it. They could contract with a permit holder to send their permit back to the Commercial Fisheries Entry Commission to be extinguished, or the association could contract with a permit holder to hold a second permit until sometime in the future when the fishery was so lucrative that there should be more people fishing. Individuals would hold the permits at all times.

SENATOR THERRIAULT asked if HB 286 might create a situation where people would buy low and hope to sell high.

MR. BEDFORD said that is possible with any kind of effort reduction program. He said the Magnuson-Stevens Act provided effort reduction programs for federal fisheries. A person could buy a permit and try to speculate on it but he didn't think that would be a very good investment. He said people currently in the fishery would probably buy a second permit to hold because they would receive an annual payment from the association and they would have to compete with one less boat. He said the association should be able to contract for less money with a person who would be gaining the additional benefits of less competition.

CHAIRMAN TAYLOR asked if there were any further questions for Mr. Bedford. There were none.

MR. JERRY MCCUNE, UFA, said HB 286 wouldn't work for every fishery; it would be an option that some fisheries could use. He said people probably wouldn't buy another permit in a fishery where permits cost \$60,000 to \$70,000. However, they would probably buy another permit if the permit cost \$10,000 to \$18,000. He said that might be a good investment for a fisherman planning to stay in the fishery.

MR. MCCUNE said the associations would be difficult to set up because the permit holders need to support the idea to start an association. He said many safeguards are contained in HB 286: a timeline on assessments is required; a two-thirds vote of all permit holders would be required to extend an assessment; and 25% of the permit holders could petition to have a vote to change or remove an assessment.

CHAIRMAN TAYLOR asked if there were any questions for Mr. McCune. There were none.

SENATOR COWDERY moved CSHB 286(RES) am out of committee with attached zero fiscal note and individual recommendations.

There being no objection, CSHB 286(RES) am moved out of committee with attached zero fiscal note and individual recommendations.

---

## 22nd Legislature(2001-2002)

## Bill Text 22nd Legislature

00 SENATE CS FOR CS FOR HOUSE BILL NO. 286 (RES)  
 01 "An Act allowing a person to hold two commercial fishing entry permits for a salmon  
 02 fishery for the purpose of consolidating the fishing fleet for a salmon fishery; relating to  
 03 salmon fishery associations and to salmon fishery assessments; and providing for an  
 04 effective date."

05 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

06 \* Section 1. AS 16.40 is amended by adding a new section to read:

07 Article 5. Salmon Fishery Associations.

08 Sec. 16.40.250. Salmon fishery associations. The commissioner may assist  
 09 in and encourage the formation of qualified salmon fishery associations for the  
 10 purpose of promoting the consolidation of the fishing fleet in a salmon fishery for  
 11 which the Alaska Commercial Fisheries Entry Commission has issued commercial  
 12 fishing entry permits under AS 16.43. A salmon fishery association is qualified if the  
 13 commissioner determines that the regional association

- 14 (1) is incorporated as a nonprofit corporation under AS 10.20;  
 01 (2) is comprised of interim-use permit and entry permit holders in the  
 02 salmon fishery for which the association is established; and  
 03 (3) has a board of directors that is comprised of interim-use permit and  
 04 entry permit holders in the salmon fishery.

05 \* Sec. 2. AS 16.43.140(c) is amended to read:

06 (c) A person may hold more than one interim-use or entry permit issued or  
 07 transferred under this chapter only for the following purposes:

- 08 (1) fishing more than one type of gear;  
 09 (2) fishing in more than one administrative area;  
 10 (3) harvesting particular species for which separate interim-use or  
 11 entry permits are issued;  
 12 (4) if authorized by regulations of the commission, fishing an entire  
 13 unit of gear in a fishery in which the commission has issued entry permits for less than  
 14 a unit of gear under AS 16.43.270(d); under this paragraph, a person may not hold  
 15 more than two entry permits for a fishery; however, the person may not  
 16 (A) fish more than one unit of gear in the fishery; or  
 17 (B) acquire a second entry permit for the fishery after the  
 18 person has acquired an entry permit that authorizes the use of an entire unit of  
 19 gear in the fishery;

20 (5) consolidation of the fishing fleet for a salmon fishery; however,  
 21 a person may hold not more than two entry permits for a salmon fishery under  
 22 this paragraph, but the person who holds two entry permits for a salmon fishery  
 23 may not engage in fishing under the second entry permit.

24 \* Sec. 3. AS 37.05.146(b)(4)(AA) is amended to read:

25 (AA) dive fishery management assessment receipts  
 26 (AS 43.76.150) and salmon fishery assessment receipts (AS 43.76.220);

27 \* Sec. 4. AS 43.76 is amended by adding new sections to read:

28 Article 4. Salmon Fishery Assessment.

29 Sec. 43.76.220. Salmon fishery assessment. (a) A salmon fishery  
 30 assessment shall be levied on the value of the salmon sold in a salmon fishery. The  
 31 rate of the assessment, not to exceed five percent, and the termination date of the  
 32 assessment shall be determined by an election under AS 43.76.230.

02 (b) A salmon fishery assessment may only be levied or collected on salmon  
 03 sold in a fishery if

- 04 (1) there exists for that fishery an association determined by the  
 05 commissioner of fish and game to be a qualified salmon fishery association under  
 06 AS 16.40.250; and  
 07 (2) the rate of the salmon fishery assessment is determined by an  
 08 election under AS 43.76.230.

09 Sec. 43.76.230. Election to approve, amend, or terminate salmon fishery  
 10 assessment. (a) A qualified salmon fishery association may conduct an election  
 11 under this section after the commissioner of fish and game approves

- 12 (1) the notice to be published by the qualified salmon fishery  
 13 association; the notice must state that all salmon sold in the fishery are subject to the  
 14 salmon fishery assessment, the rate of the salmon fishery assessment to be approved,

15 amended, or terminated at the election, and the date on which the assessment would  
16 terminate under AS 43.76.250(a);

17 (2) the ballot to be used in the election; and

18 (3) the registration and voting procedure for the approval, amendment,  
19 or termination of the salmon fishery assessment.

20 (b) The salmon fishery assessment is levied under AS 43.76.220 in a fishery  
21 on the effective date stated on the ballot if

22 (1) the assessment is approved by a two-thirds majority vote of the  
23 eligible interim-use permit and entry permit holders in the fishery; and

24 (2) the election results are certified by the commissioner of fish and  
25 game.

26 (c) In conducting an election under this section, a qualified salmon fishery  
27 association shall adopt the following procedures:

28 (1) the qualified salmon fishery association for the fishery shall make  
29 copies of the articles of incorporation and bylaws of the association available to all  
30 interim-use permit and entry permit holders in the fishery;

31 (2) the qualified salmon fishery association for the fishery shall hold at  
01 least one public meeting not less than 30 days before the date on which ballots must be  
02 postmarked to be counted in the election to explain, as appropriate, the reason for  
03 approval or amendment of the proposed salmon fishery assessment, the reason for the  
04 proposed rate and the proposed termination date of the salmon fishery assessment, or  
05 the reason for termination of the salmon fishery assessment, and to explain the  
06 registration and voting procedure to be used in the election; the qualified salmon  
07 fishery association shall provide notice of the meeting by

08 (A) mailing the notice to each eligible interim-use permit and  
09 entry permit holder;

10 (B) posting the notice in at least three public places in the  
11 administrative area in which the fishery occurs; and

12 (C) publishing the notice in at least one newspaper of general  
13 circulation in the administrative area in which the fishery occurs at least once a  
14 week for two consecutive weeks before the meeting;

15 (3) the qualified salmon fishery association shall mail two ballots to  
16 each eligible interim-use permit and entry permit holder; the first ballot shall be  
17 mailed not more than 45 days before the date ballots must be postmarked to be  
18 counted in the election; the second ballot shall be mailed not less than 15 days before  
19 the date ballots must be postmarked to be counted in the election; the qualified salmon  
20 fishery association shall adopt procedures to ensure that only one ballot from each  
21 eligible interim-use permit and entry permit holder is counted in the election;

22 (4) the ballot must

23 (A) state that all salmon sold in the fishery are subject to the  
24 salmon fishery assessment;

25 (B) state the rate of the assessment to be levied under  
26 AS 43.76.220 and the date on which the assessment would terminate under  
27 AS 43.76.250(a);

28 (C) ask the question whether the salmon fishery assessment  
29 addressed on the ballot shall be approved, amended, or terminated, as  
30 appropriate;

31 (D) indicate the fishery for which the salmon fishery  
01 assessment will be levied or terminated;

02 (E) provide an effective date for the approval, amendment, or  
03 termination of the salmon fishery assessment; and

04 (F) indicate the date on which returned ballots must be  
05 postmarked in order to be counted;

06 (5) the ballots shall be returned by mail and shall be counted by an  
07 auditor selected by the qualified salmon fishery association and approved by the  
08 commissioner of fish and game; the qualified salmon fishery association shall pay the  
09 costs of counting the ballots.

10 (d) The commissioner of fish and game shall certify the results of an election  
11 under this section if the commissioner determines that the requirements of (a) and (c)  
12 of this section have been satisfied.

13 (e) A qualified salmon fishery association may employ or contract with  
14 another person to administer an election under this section subject to the supervision  
15 of the association.

16 (f) Except as otherwise provided under AS 43.76.240 and 43.76.250, an  
17 election to amend the rate or termination date of a salmon fishery assessment or to  
18 terminate a salmon fishery assessment shall be conducted under the same procedures  
19 established under (a), (c), and (d) of this section for an election to approve a salmon  
20 fishery assessment.

21 (g) In this section, "eligible interim-use permit and entry permit holder" means  
22 an individual who, 90 days before the date ballots must be postmarked to be counted  
23 in an election under this section, is listed in the records of the Alaska Commercial  
24 Fisheries Entry Commission as the legal holder of an interim-use permit for salmon  
25 fishing gear or an entry permit for salmon fishing gear that authorizes the individual to  
26 fish commercially in the salmon fishery for which the salmon fishery assessment is to  
27 be approved, amended, or terminated.

28 **Sec. 43.76.240. Amendment of salmon fishery assessment.** (a) The rate or  
29 termination date of the salmon fishery assessment levied on salmon under  
30 AS 43.76.220 may be amended by the commissioner of revenue upon a two-thirds  
31 majority vote at an election held under AS 43.76.230 among the eligible permit  
01 holders for the fishery in which the salmon fishery assessment is levied.

02 (b) The commissioner of revenue shall amend the rate or termination date of a  
03 salmon fishery assessment under (a) of this section following an election among the  
04 eligible permit holders for the fishery if

05 (1) a petition that is signed by at least 25 percent of the interim-use  
06 permit and entry permit holders in the fishery that is the subject of the petition is  
07 presented to the commissioner of fish and game requesting amendment of the rate or  
08 termination date of the salmon fishery assessment; the petition must state, as  
09 appropriate, the proposed rate or termination date of the salmon fishery assessment to  
10 be levied under AS 43.76.220; only a person who holds an interim-use permit or entry  
11 permit for the fishery at the time of signing the petition may validly sign the petition;

12 (2) an election is held in accordance with AS 43.76.230; a ballot to  
13 amend the rate of the salmon fishery assessment must ask the question whether the  
14 rate of the salmon fishery assessment on salmon sold in the fishery shall be amended  
15 and must state the salmon fishery assessment to be levied under AS 43.76.220 and the  
16 termination date of the assessment if the assessment is amended; a ballot to amend the  
17 termination date of the salmon fishery assessment must ask the question whether the  
18 termination date of the salmon fishery assessment on salmon sold in the fishery shall  
19 be amended and must state the termination date of the salmon fishery assessment if the  
20 termination date is amended; the ballot must be worded so that a "yes" vote is for  
21 amendment of the salmon fishery assessment and a "no" vote is for continuation of the  
22 current salmon fishery assessment;

23 (3) a two-thirds majority of the eligible interim-use permit and entry  
24 permit holders in the fishery casts a ballot for the amendment of the salmon fishery  
25 assessment; in this paragraph, "eligible interim-use permit and entry permit holder"  
26 has the meaning given in AS 43.76.230; and

27 (4) the qualified salmon fishery association provides notice of the  
28 election in accordance with AS 43.76.230 within six months after receiving notice  
29 from the commissioner of fish and game that a valid petition under (1) of this  
30 subsection has been received.

31 **Sec. 43.76.250. Termination of salmon fishery assessment.** (a) The salmon  
01 fishery assessment levied under AS 43.76.220 shall be terminated by the  
02 commissioner of revenue on the termination date determined at an election held under  
03 AS 43.76.230 to establish or amend the assessment.

04 (b) Notwithstanding (a) of this section, the commissioner of revenue shall  
05 terminate the salmon fishery assessment before the termination date determined at an  
06 election held under AS 43.76.230 to establish or amend the assessment, upon a two-  
07 thirds majority vote at an election held under AS 43.76.230 among the eligible permit  
08 holders for the fishery in which the salmon fishery assessment is levied.

09 (c) The commissioner of revenue shall terminate a salmon fishery assessment  
10 under (b) of this section following an election among the eligible permit holders for  
11 the fishery if

12 (1) a petition that is signed by at least 25 percent of the interim-use  
13 permit and entry permit holders in the fishery that is the subject of the petition is  
14 presented to the commissioner of fish and game requesting termination of the salmon  
15 fishery assessment; only a person who holds an interim-use permit or entry permit for  
16 the fishery at the time of signing the petition may validly sign the petition;

16 (f) Except as otherwise provided under AS 43.76.240 and 43.76.250, an  
17 election to amend the rate or termination date of a salmon fishery assessment or to  
18 terminate a salmon fishery assessment shall be conducted under the same procedures  
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16 termination date of the assessment if the assessment is amended; a ballot to amend the  
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19 be amended and must state the termination date of the salmon fishery assessment if the  
20 termination date is amended; the ballot must be worded so that a "yes" vote is for  
21 amendment of the salmon fishery assessment and a "no" vote is for continuation of the  
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14 presented to the commissioner of fish and game requesting termination of the salmon  
15 fishery assessment; only a person who holds an interim-use permit or entry permit for  
16 the fishery at the time of signing the petition may validly sign the petition;



My name is Alannah Rice and I am a set net permit holder in the Egegik District. I fish with my Mom and Dad on the North Shore near Coffee Point. I have held my own permit since 2004 but have been on hand since I was three months old. I wish to address the issue of stacking set net permits. This has been a really good thing for my family. Being able to hold dual permits made it possible for my family to keep fishing the same amount of gear and maintain our normal season numbers when circumstances prevented my mom from coming out to fish her permit for the whole season. Being able to stack her permit with my Dad's saved our season. In addition, I will be attending Nursing School at UAA in the next couple of years which will require me to miss fishing to take classes and being able to transfer my permit to my immediate family member will ensure that I still have a permit to come back to when I get out of school. It takes the worry out of transferring a permit to a crew member. This has really been a good thing not only for my family, but many others on the beach as well.



ALASKA BOARD OF FISHERIES  
DECEMBER 4-12, 2012  
BRISTOL BAY FINFISH

**PERMIT STACKING**

Proposals 44-54 Yes

I am 29 years old, new to bristol bay and trying to make a successful fishing business. Originally a fishermen from Kodiak, where the dual permits did not work and were not successful. Bristol Bay is not Kodiak. The dual permits in Bristol Bay for set gillnets allows me to continue to fish and not rely on my parents to be in the bay.

**GENERAL DISTRICT**

Proposals 58-61 No

58- No, a direct intercept fishery that will affect the health of all sockeye runs.

59- No

60- No

61- No

**BRISTOL BAY ALLOCATION PLAN**

63-Yes

64-Yes

65-Yes

  
Remie Murray



To: Monica Wellard, Executive Director  
Alaska Board of Fisheries  
Alaska Department of Fish and Game

Date: December 5, 2012

Subject: Proposals to the Board:  
2012/2013 Bristol Bay Finfish .  
meeting.

From: John Murray  
P.O. Box 5073  
Akhiok, Alaska 99615 .

I support proposal No. 44 because the dual permit provision in the administrative code 5AAC 06.331 (2010, 2011, 2012) allowed set gillnet camps to consolidated cost and operate more efficiently. As per Gunnar Knap (Alaskan Economist), this is exactly what Alaska fishermen needed to do in order to survive in todays competitive market; i.e., farmed fish.

This is one of the few regulatory changes in all of the Alaskan Fisheries the BOF was able to make to help Alaskan fishermen. Please keep the dual permit for Bristol Bay set gillnet fishermen.

Thank You,

  
John Murray



# The Importance of the Bristol Bay Salmon Fisheries to the Region and its Residents: An Overview

*Prepared for*

**Bristol Bay Economic Development Corporation**

**November 2012**

*Prepared by*



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## **The Importance of the Bristol Bay Salmon Fisheries to the Region and its Residents**

This document is an updated overview of the importance of Bristol Bay Salmon harvesting to region residents. A larger and more in-depth analysis is forthcoming, and is an update of the work Northern Economics published in 2009. Bristol Bay Economic Development Corporation again sponsored this project to continue developing an understanding of how the fishery affects Bristol Bay Region residents.

This overview addresses the following:

- Population in Bristol Bay
- Cost of Living in Bristol Bay
- The Drift Gillnet Fishery
- Capitalization of Drift Gillnet Vessels
- The Set Gillnet Fishery
- The Bottom Line

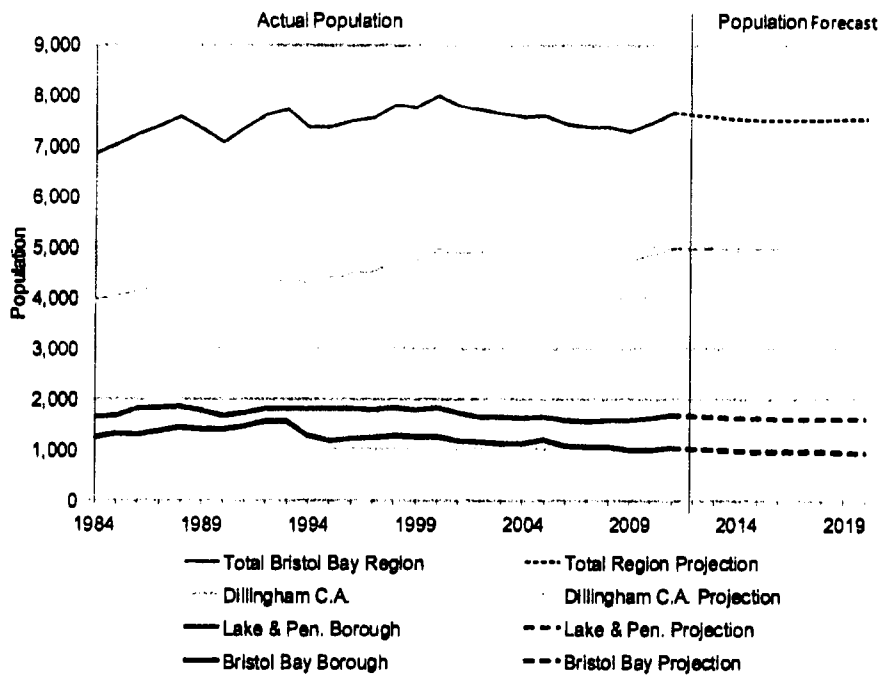
This summary, as well as our forthcoming analysis, consists of a series of figures, each with a paragraph or two of explanatory text. While Northern Economics developed the figures, the information is derived almost entirely from publically available data.

### **Population in Bristol Bay**

The total population in the Bristol Bay rose from 1984 through the turn of the century before slipping into a decade-long decline. The current population of the region is roughly the same as it was 15 years ago and the 5-year forecast is basically flat. Population in the Dillingham Census Area increased in the 1990s but fell slightly through 2009. Population in the Lake and Peninsula Borough declined steadily from 2000 – 2009, but has move slightly higher with the census in 2010. Population in the Bristol Bay Borough dropped sharply in the early '90s with closure of the air force base, and has been relatively stable since then. The Bristol Bay region, and it's sub-regions, all saw population increases in with the 2010 census between 0.2 and 4 percent.



Figure 1. Population of the Bristol Bay Region 1984 – 2011 and Projections to 2020



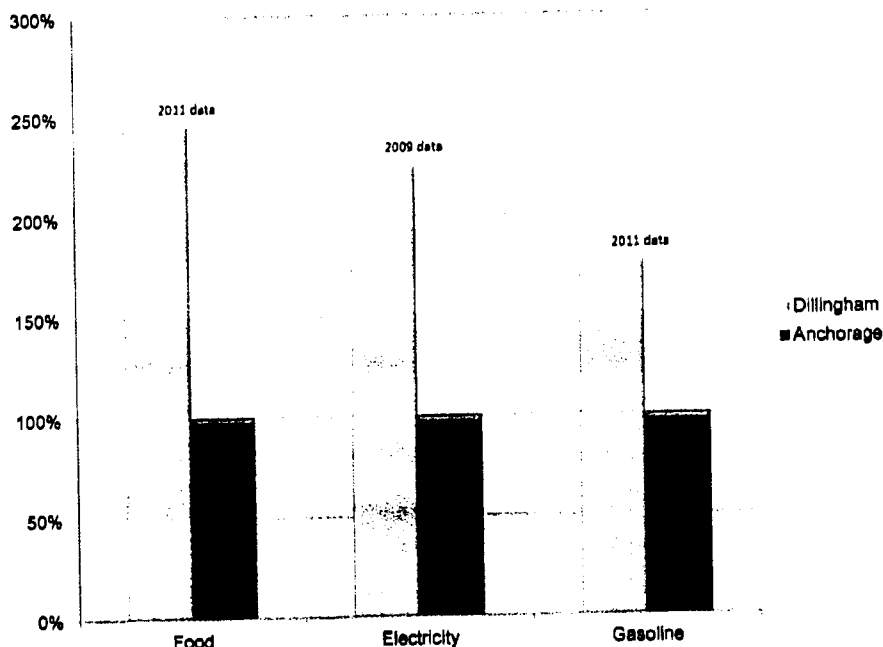
Source: Northern Economics, Inc. using ADOLWD 2012

### Cost of Living

Figure 2 compares the cost of living in Dillingham versus Anchorage in select categories. Each quarter the University of Alaska in Fairbanks (UAF) conducts a survey of household costs in communities across the state. The most recent survey shows that prices for food and gasoline in Dillingham were more than 150 percent of the prices in Anchorage. The most recent survey capturing electricity cost for both Dillingham and Anchorage was completed in June 2009—these data show that electricity prices in Dillingham are more than double the prices in Anchorage. The July 2012 *Alaska Economic Trends* issue focuses on the cost of living in Alaska, and also cites the UAF survey stating that groceries in the Dillingham area cost more than in any other surveyed community in the state. Using a sample of grocery items meant to mimic average consumer purchases, the article notes that \$132 worth of groceries in Anchorage would cost \$354.72 in Dillingham.

In addition to the commodity prices surveyed by UAF, the Department of Commerce, Community, and Economic Development's Fuel Price Report compares the cost of heating fuel across the state. The January 2012 report shows that prices for heating fuel #1 in Western and Southwestern Alaska are some of the highest in the state, averaging \$6.59 and \$5.92 per gallon, respectively. Unfortunately, the report does not list Anchorage fuel prices, so the information is not included in the graphic.

Figure 2. The Cost of Living in Dillingham Compared to Anchorage as of March 2011/June 2009



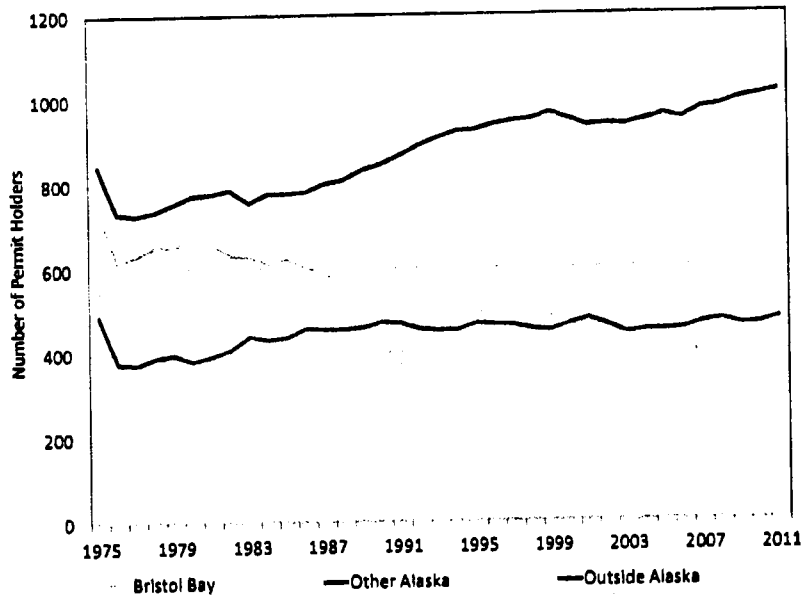
Source: Figure developed by Northern Economics based on data from UAF Cooperative Extension Service Alaska Food Cost Survey (UAF Cooperative Extension Service, 1996 – 2011). Gasoline data for Anchorage are from GasPriceData.com by GasBuddy.

### Drift Gillnet Fishery

In our examination of the fishery we divided permit holders into three groups: Bristol Bay residents, Other Alaska residents and permit holders from Outside Alaska.

Figure 3 shows that the number of locally owned drift gillnet permits has declined at a relatively constant rate over the past 30 years. Currently there are less than 400 drift gill net permit holders residing in the watershed; only 20 percent of the permits in the fishery. The out-migration of drift gillnet permits is a long-term issue for the region. The data reveal that the out-migration of permits from the Bristol Bay region has not slowed in recent years and has continued at a relatively constant rate over the past 30 years. The majority of these permits are eventually held by individuals who live outside of Alaska; the number of "other Alaska" permits has stayed relatively constant over the last decade. It is not clear whether these data represent an out-migration of individuals, an out-migration of permits, or both.

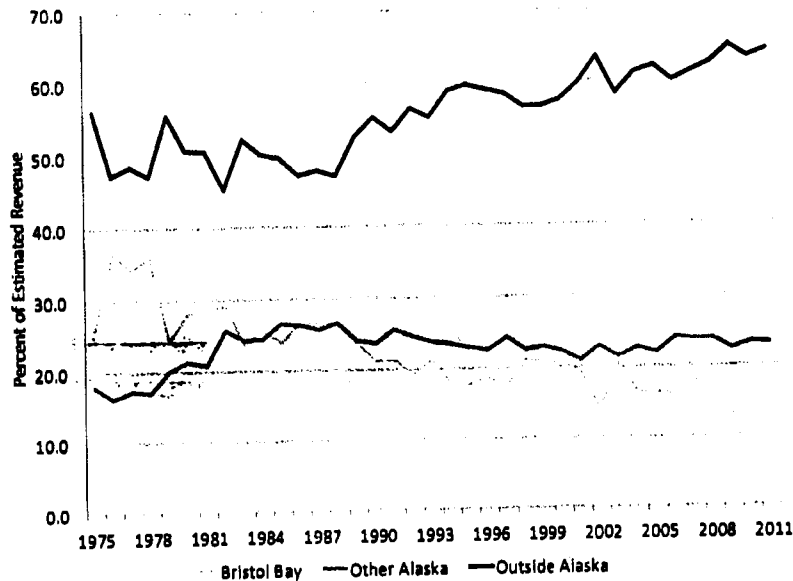
Figure 3. Number of Drift Gillnet Permit Holders By Residence, 1975 - 2012



Source: Figure developed by Northern Economics based on data from Commercial Fishery Entry Commission (CFEC, 1980 - 2011) and (CFEC, 2012).

Figure 4 shows ex-vessel revenue for each group as a percent of total ex-vessel revenue for the fishery. Revenue of local drift permit holders has fallen from over 30 percent of the total in the late 70's to about 12 percent in recent years. The decline is due in part to the decline in the number of locally owned permits and in part due to the fact that locally owned permits are generating less revenue per permit fished. (See Figure 5.)

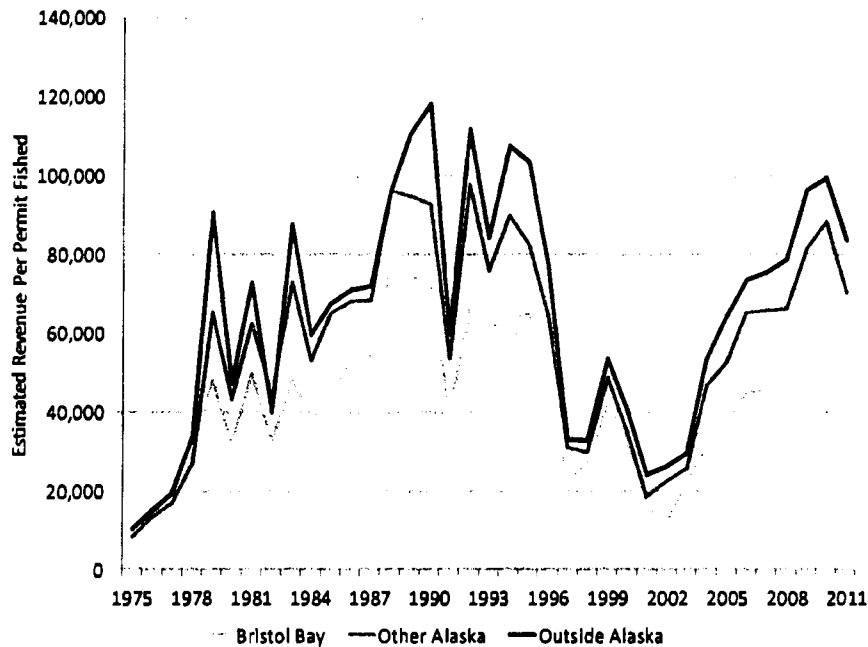
Figure 4. Percent of Total Revenue in the Drift Gillnet Fishery by Residence, 1975 - 2011



Source: Figure developed by Northern Economics based on data from Commercial Fishery Entry Commission (CFEC, 1980 - 2011) and (CFEC, 2012).

In 2011, the revenues of the average watershed resident were only 63 percent of the average revenue for permit holders from outside Alaska. We do not have data that can fully explain these differences, but they appear primarily due to lower overall catches per permit and not due to lower ex-vessel prices paid to locals. The gap in earning per permit between Bristol Bay residents and the other groups has increased steadily since 2003.

Figure 5. Average Revenue per Drift Permit by Residency Group, 1975-2011

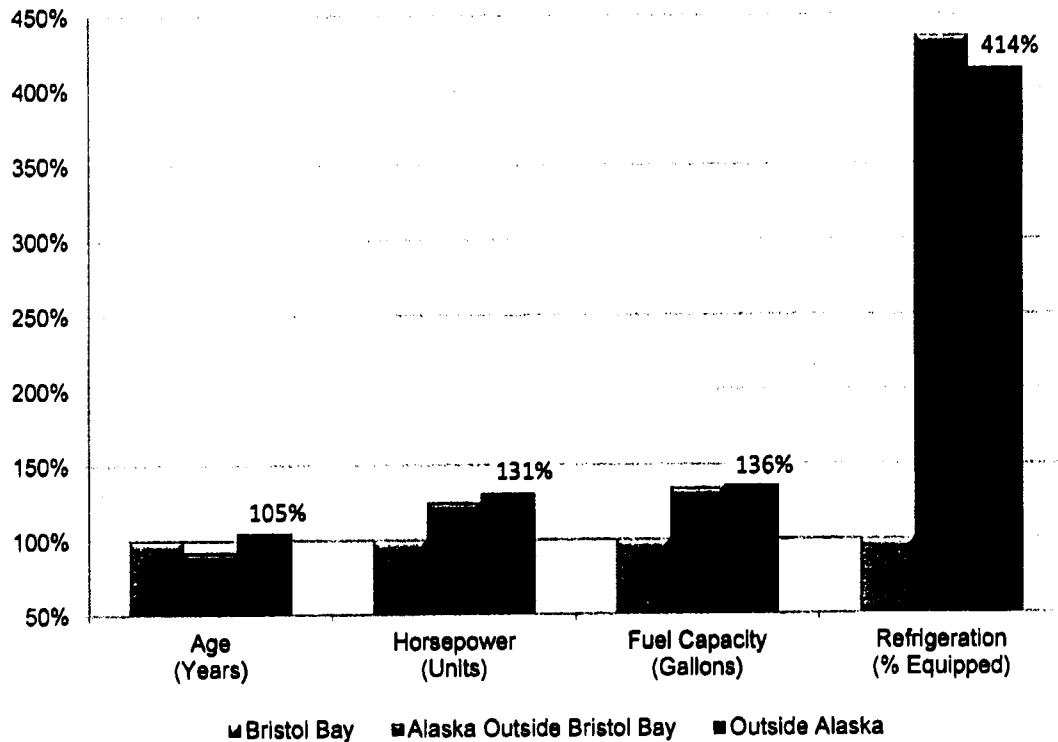


Source: Figure developed by Northern Economics based on data from Commercial Fishery Entry Commission (CFEC, 1980 - 2011) and (CFEC, 2012).

Some of the differences in revenues for watershed permit holders can be attributed to difference in vessel capacity. This figure compares vessel age, horsepower, fuel capacity, and refrigeration capacity by residence groups as of 2012. Because the different characteristics all have their own units we have set the average of each characteristic for vessels operating in the Bristol Bay drift gillnet fishery, residing in the watershed, to 100 percent. We then show the relative value of the vessels registered for the Bristol Bay drift gillnet fishery, owned by other residency groups. For example, the average age of locally owned vessels was 28.5 years, while the average age of vessels owned by permit holders outside Alaska was 29.9 years (or 105 percent of the age of vessels owned by watershed residents).

Drift gillnet vessels owned by local residents on average have lower horsepower, less fuel capacity, and have significantly less capacity for chilling fish. These differences have been increasing over time as is shown Northern Economics' more detailed study available from BBEDC (Northern Economics, Inc., 2009).

Figure 6. Comparison of 2012 Drift Gillnet Vessel Characteristics across Residency Groups

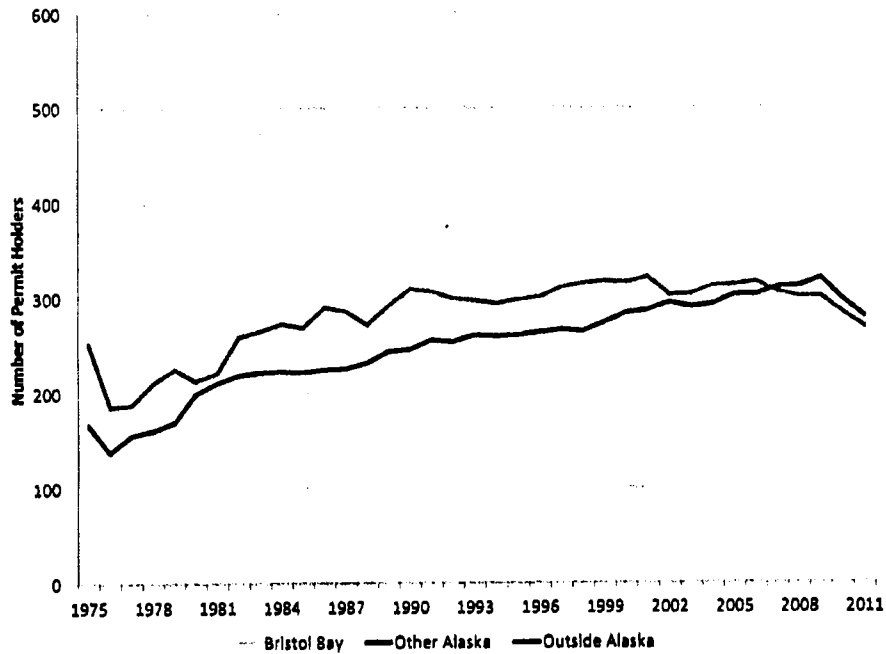


Source: Figure developed by Northern Economics based on data from Commercial Fishery Entry Commission (CFEC, 1982 - 2012).

### Set Gillnet Fishery

The next two figures examine the set gillnet fishery in Bristol Bay. In the Set Gillnet fishery the number of permits owned and fished by watershed residents has continued to decline over the past 15 years but has leveled out at about 350 permits. Watershed residents now own about 38 percent of the total number of permits, the largest of the three groups. The out-migration of set net permits was nearly zero in 2002 and 2003 then increased steadily from 2003 to 2009, and has recently dipped back down. Also note that the destination of out-migrating permits has been almost equally distributed between the "Other Alaska" and "Outside Alaska" groups.

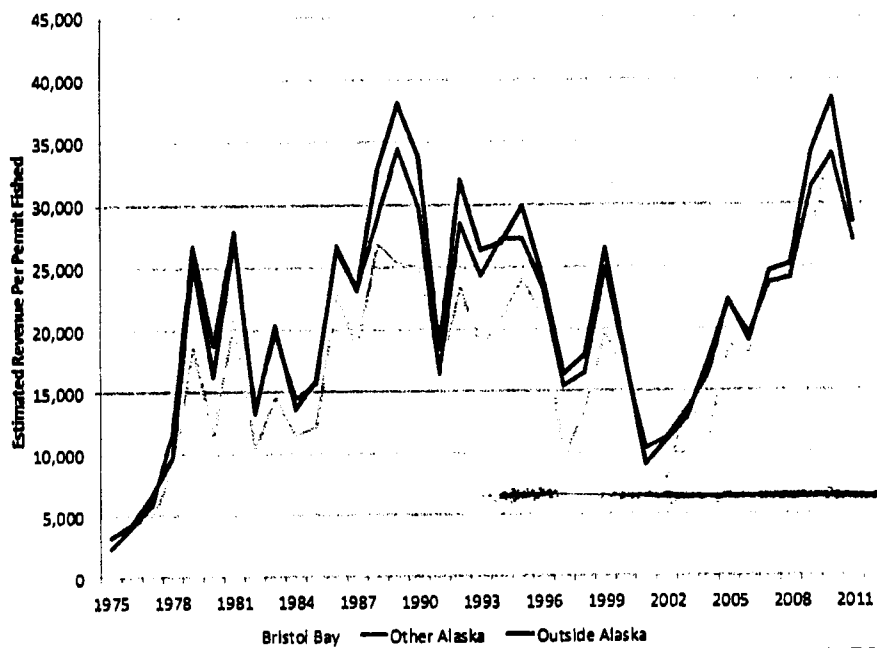
Figure 7. Number of Set Gillnet Permit Holders by Residence, 1975-2011



Source: Based on data from Commercial Fishery Entry Commission (CFEC, 1980 - 2011) and (CFEC, 2012).

Historically, set net permit holders from the watershed have had lower average gross earnings per permit than permit holders from outside the region. In recent years however, watershed residents are basically on par with other groups. This is very different than in the drift gillnet fishery.

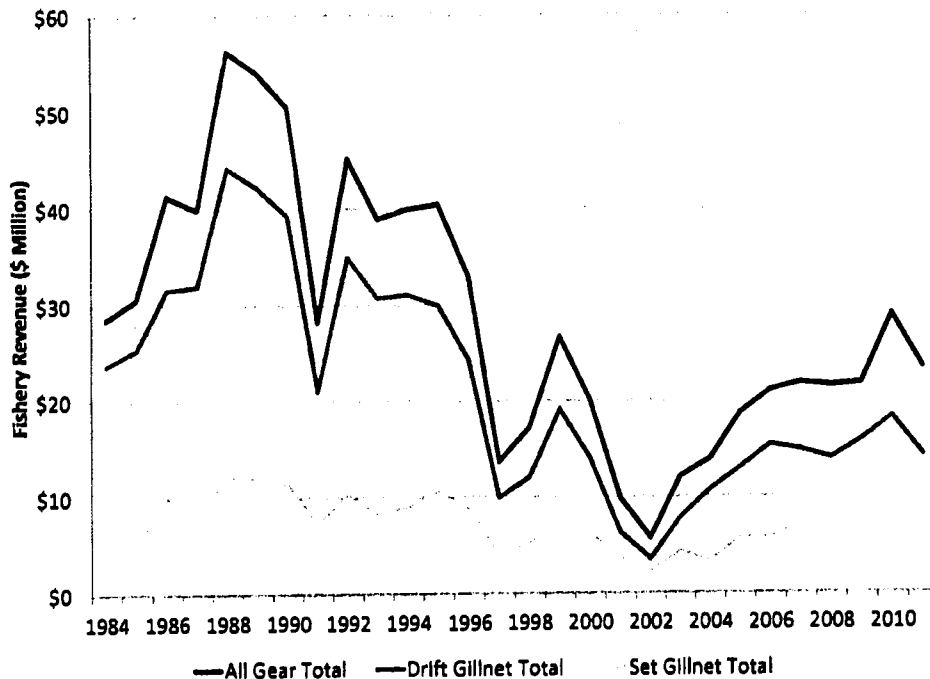
Figure 8. Revenue per Set Permit by Residency Group, 1975-2011



Source: Based on data from Commercial Fishery Entry Commission (CFEC, 1980 - 2011) and (CFEC, 2009).

Figure 9 combines gross revenues of watershed residents for both the drift and set gillnet fisheries. The drift fishery has been much more volatile than the set net fishery. Overall there was a markedly downward trend in total revenue from the 1980s through 2002 followed by increases nearly every year since then with the exception of the declines seen in 2011.

Figure 9. Combined Revenue of All Watershed Permit Holders

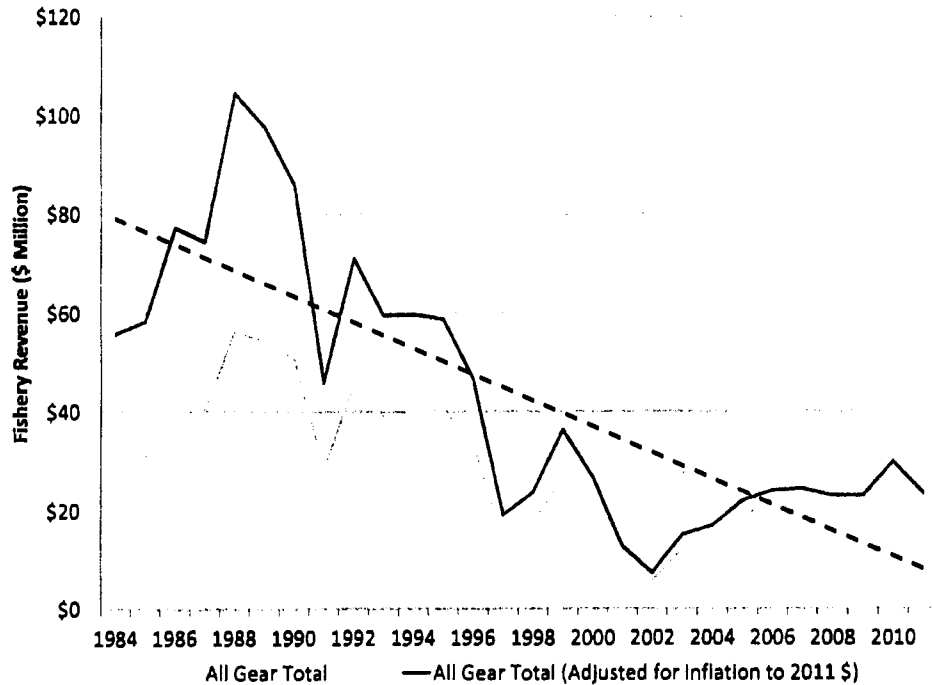


Sources: Both Figure 8 and Figure 9 were developed by Northern Economics based on data from Commercial Fishery Entry Commission (CFEC, 1980 - 2008).

In Figure 10 we adjust the combined set and drift revenues of all watershed residents for inflation. The inflation adjustment shifts revenues from previous years upward because a dollar in earlier years would buy more goods than it does now. After adjusting for inflation the downward trend in revenues from the watershed (as shown in the dashed blue line) is very apparent.

Sensitivity testing on some of the factors contributing to this decline indicates that approximately 30 percent of the decline is due to the out-migration of permits, and another 60 percent is due to the fact that ex-vessel prices have not kept up with inflation. The remaining 10 percent of the decline is not explained by the variables that we examined.

Figure 10. Inflation Adjusted Revenue of Watershed Permit Holders



Sources: Figure developed by Northern Economics based on data from Commercial Fishery Entry Commission (CFEC, 1980 - 2011) and the US Bureau of Labor Statistics (US BLS, 1980 - 2011).

### The Bottom Line

We conclude with the following statements and a final figure.

- The decline in value derived from the fishery by watershed residents has had a significant impact on the region's economy.
- The decline however does necessarily diminish the fishery's overall importance to residents.

The final figure shows the inflation adjusted per capita revenue from the Bristol Bay drift and set gillnet fisheries of permit holders residing in the Watershed. Over the last 25 years per capita revenue from the Bristol Bay fisheries (in real dollars after adjusting for inflation) has fallen an average of \$340 per year.

In the 1980s, per capita revenue was over \$10,000 with a peak in 1988 of over 15,000. However, since 2005 watershed permit holders have brought in an average of just \$3,452 per man, woman, and child living in the Region.



12-6-2012

ATTN: Board of Fish Record Copy  
BOARD Support

RE: RC ~~00~~ Comments Proposals 44 → 53

DEAR CHAIRMAN Johnstone & Members of the  
BOARD,

I support proposals 44 through 53

My name is TOM BURSCH I  
HAVE fished throughout the state  
AS A DEELHAND AND AS A SET  
NET FISHERMAN & PERMIT HOLDER  
IN UGASHIK FROM 1986 - 2009  
AND AS A DRIFT PERMIT HOLDER  
SINCE 2010. MY DAUGHTER  
FRANCES HOLDS A SET NET PERMIT  
& MY DAUGHTER MARGARET HOLDS  
TWO (STACKED) SOFT PERMITS.  
WE ARE ALASKANS AND HAVE  
A TRUE FAMILY OPERATION  
MY DAUGHTERS HAVE FISHED

BRISTOL BAY IN EURETERO  
AND EVERY YEAR SINCE  
THEY ARE NOW 19 & 21  
YEARS OLD.

WE HAVE A QUALITY FISHING  
OPERATION DELIVERING ICE  
& BLED SOCKEYES

OUR OPERATION IS MADE MORE  
VIABLE AND SECURE BY OUR  
ABILITY TO STACK PERMITS

I UNDERSTAND ~~THE~~ THAT  
OPponents OF STACKING  
CLAIM THAT STACKING HAS  
CAUSED THE DRAIN OF PERMITS  
FROM THE WATER SHED.

PLEASE UNDERSTAND THAT THIS  
CHALLENGE OF PERMITS  
LEAVING THE B-BAY WATER SHED  
HAS EXISTED SINCE LIMITED  
ENTRY BEGAN. BY ALLOWING

STACKING TO SUNSET PERMITS  
WILL NOT SUDDENLY FLOOD  
BACK INTO THE WATERSHED  
AND DO LITTLE OR NOTHING TO STOP THIS.

AS A LONGTIME OBSERVER OF  
THE VILLAGE OF PILOT POINT  
IN BRISTOL BAY. A GOOD NUMBER  
OF THE ~~THE~~ RESIDENTS HAVE  
LEFT THE WATERSHED

PLEASE ALLOW STACKING TO CONTINUE  
TO ALLOW CONTINUE STABILITY AND  
VIABILITY FOR FAMILY OPERATIONS

I AM A MEMBER OF THE  
LOWER BRISTOL BAY ADVISORY  
COMMITTEE - THESE COMMENTS  
ARE MY OWN

THANK YOU

907-235-5111

THOMAS

BURSCH  
2233 MT. AUGUSTINE  
HOMER AK 99603



Harlan Bailey  
1061 Palm Ave, Martinez CA 94553  
PO Box 479, Naknek AK 99633

Alaska Board of Fisheries

Mr Chairman, members of the Board:

What did Governor Jay Hammond and Governor Sarah Palin have in common? They were both set netters. There are a couple of set netters seated at the Board today. When you drive around the neighborhoods here in the NN KS area, you see set net skiffs parked in the driveways of many homes. Some of the homes are grand, some modest, many socio-economic tiers in close proximity. All fish set net.

I am a nonresident, but I own a home here. I buy all of the goods and services I possibly can in the local economy. I bought the trailer that carries my set net skiff at Napa Auto in Naknek. I pay my property taxes. I donate to and participate in local interests. I am a summer resident. It is an asset to the community to have nonresidents living, working, and maintaining capital here.

For people who can make a life in Naknek, a set net operation is the equivalent of a family farm. It gives direct access to a basic resource and the ability to market. A relatively large capital investment is not required to fish set net. Extreme intellectual capital is not needed. In Bristol Bay, set net is the best opportunity to maintain a sustainable local economy.

I like proposal 62. I support any effort which makes the process of bringing a restructuring proposal to the table more rigorous. I am opposed to structuring a system which turns commercial fishing operators into shareholders. I support an industry in which small scale owners who have control of their own capital can run independent operations and thrive.

When I sold my fish to Wynn and Harold Brindle at Red Salmon, it was all canned. I once called Harold to tell him that I had a load of one eyed salmon that I had allowed to land on the mud where the gulls could get at them. "We don't can the eyes, bring them in." he told me. In the mid-90s when the market and the fishery went sour, fish quality became the prime concern. Yardarm Knot bought Red Salmon and changed the paradigm. They don't want one eyed jacks. They don't want to buy any fish that has landed in the mud. Their tenders carry refrigerated water tanks and less fish. They imposed a delivery limit on each permit.

In 2006, 2007, 2008, set net fishing in the Kvichak was good and our tender was on limits. Those who were operating with dual permits, two permittees and one crew for instance, were able to fully realize their capacity for harvest. I had a two man crew who quit and left me on

the fishing grounds with my boats and gear in play when they realized that we were delivering at half capacity. I was appalled to contemplate the fact that I needed to buy another permit to harvest fully. At the time, I had no one close enough to me to trust with such an investment in their hands, an investment I would be powerless to recover if they decided to walk with it.

I presently hold two set net permits. I was issued the first in 1976 when limited entry was instituted. I purchased the second in 2009 for \$28,500 when we were allowed to stack permits. I operate them in this manner: two skiffs, two fishers in each, a shore fishery lease with two net lines, fifty fathoms each. Five people work this operation instead of six. The missing individual is the other permit holder. The new equipment which allows two persons to fish a net line in one skiff is the hydraulic roller. The roller is the other crew member.

In a changed economic environment, in a fishery with many variables, this is how I use two stacked permits:

1. Large harvest in Bristol Bay  
Plant processing capacity and quality concerns = delivery limits at tender  
My sites can catch 10 thousand pounds a tide; delivery limits are 2500 to 5000 pounds  
I need two permits for two limits to fully exploit my sites.  
At times, I am using less than the gear allowed by my two permits to get my limits.
2. Small harvest in Bristol Bay or the Kvichak No limits at tender  
I use double gear, two permits allows me 100 fathoms, to recover a harvest on a poor year.
3. Special Harvest Area  
No limits at tenders  
I use double reduced gear to recover a poor harvest.

A word about markets: There are two markets, two tenders which operate in my area. YAK has been my market for many years. I went to AGS and asked them to buy my fish. They told me that they had their own fishermen in the Kvichak who were also on limits.

In good years, depending on processing capacity and distribution of fish throughout the districts, my second permit allows me to deliver the same catches as before. In bad years, we catch more, make more money and recover a decent harvest. The two permits have allowed me to get rid of ten year old two stroke outboards and upgrade to four stroke which now cost about \$7000 each. I have purchased a new hydraulic roller. I am able to maintain my facilities in town without stress. I have been able to operate and upgrade my operation regardless of run strength. Harlan Bailey

TO: 907-465-6094

December 6, 2012

Attn: BOF Record Copy  
Board Support

Re: RC comments Proposals 44 through 53

Chairman Johnstone, Members of the Board  
I support proposals 44-53 repealing  
setnet stacking sunset provision.

I am Margaret Bursch, I grew up fishing  
in Ugashik Bay. I am 19 years old.

I'd like to continue to fish and make a  
career out of it. I won't be able to  
support myself by setnetting unless I  
can fish more than one permit. As it  
is right now it is barely paying for my  
college. If the provision is sunsetted  
I will be forced to put my permit  
in someone else's name, possibly  
losing it.

Also if I choose to do an <sup>college</sup> internship  
or miss a year of setnetting I would like to  
be able to keep this permit in the family  
by transferring to my sister or other

family member, <sup>who</sup> already holds a permit,  
so that I can come back to the  
fishery without losing the permit ~~to~~ outside  
the family.

I'm also very interested in quality. We  
bleed all our fish etc. If I can keep  
2 permits I will have enough profit to  
continue quality & increase it with  
more income to go to additional crew,  
equipment & clout with the markets.

Thank-you for your time on the board.

Margaret Bursch

2233 Mt. Augustine Dr.

Homer, AK 99603



December 5, 2012

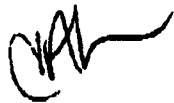
Attn: BOF Record Copy (RC)  
Boards Support Section  
Alaska Department of Fish and Game  
P.O. Box 115526  
Juneau, AK 99811-5526

Fax: 907-465-6094

Re: RC Comments Proposals 44 through 53

Dear Chairman Johnstone, Members of the Board,

I support proposals 44 through 53 repealing the setnet permit stacking sunset provision for many reasons. The two main reasons that come to mind are convenience and control within a family operation when members/crew are not able to fish the entire season. The other, which is directly related to the former, is that the permits are working the entire season via the members/crew who are able to stay and fish the duration which gives our fish buyers dependable sources of product. I fish Ekuk beach in Bristol Bay (since 1972) and sincerely appreciate your consideration in this matter.



Christina A. Libby



Alaska Department of Fish and Game  
Board of Fish Comments – Kvichak Setnetters Association

December 5, 2012

Hello Mr. Chairman, esteemed Board Members,

My name is Eric Meyer. I was raised in Southeast Alaska. I have fished as a Kvichak set netter for 32 years, the last 15 as a permit owner. I am a board member of the Kvichak Setnetters Association. I am representing the Kvichak Setnetters in this presentation.

I am going to give you a brief synopsis of our Boards voting on some of the proposals. They are as follows:

24) We oppose a seine fishery in Bristol Bay.

32-35) Regarding boat length, we have no official position as long as allocations remain the same.

44-54) In reference to permit stacking, 6 of 7 Kvichak Setnetters Association board members voted to support these proposals to repeal the sunset clause and allow stacked set net permits. 5 of our 44 members currently have "stacked" permits. Our reasoning is:

- It increases the profitability of a set net operation on any given season but not necessarily double as the earlier report proposed.
- Years when limits are in place, low return years, or when fishing within a Special Harvest Area where restricted gear is required, dual permits can help make a season profitable where it may otherwise not be.
- We feel there would be no adverse affect on quality.
- It preserves family operations. For example when a family member retire or has conflicting interest on a particular season such as educational opportunities or commitments.
- Lastly, permit prices have increased in recent years, not necessarily from permit stacking but rather from increased fish prices and improved fish returns in recent years.

55) We oppose fishing 100 fathoms on any site.

57) We support use of WASSIP to create better management plans and limit interception. I found the WASSIP report particularly interesting in that it identified a larger percent of Egigik harvest was bound for the Naknek/Kvichak district than had been previously reported by scale sampling in prior years.

58-61) We oppose any fishing in the general district, again to prevent interception.

63-65) No official comment on allocation change but the wording MUST include an allocation split between Naknek and Kvichak sections within the Naknek/Kvichak district.

66) We strongly oppose removal of the allocations.

67 & 76) We oppose any actions that restrict ADF&G's ability to effectively manage the sustainability of a run.

71-72) Oppose opening the Naknek Special Harvest Area for any reason other than preservation of Kvichak stocks.

Thank you for the opportunity to speak with you here today.

Eric Meyer  
Secretary – Kvichak Setnetters Association  
(805) 235-8776

## RC 66

Hello I am George Wilson Jr. I am the president of Levelock Natives Limited Corporation and today I would like to speak on the behalf of my people.

I would like to talk you all for giving me the opportunity to speak again. Yesterday I was a bit nervous and forgot who I was representing and found it easy to speak about myself and my experience. Therefore today I would like to speak for the shareholders of Levelock Limited and the board about what we feel is important to this last great fishery on earth.

Our corporation was involved in the fishery until about 15 years ago, prior to that our corporation owned the Foggy Cape and was quite successful in the fish tendering business. The corporation is now in the process of getting back into the fisheries. This would give a few local shareholders jobs and the local economy a much needed boost.

The board has over 200 shareholders and a lot of them still participate in the commercial fishery and or the subsistence fishing. We are in support of dual permits on one vessel and one owner of dual drift permits. We also support the dual permit system that currently the setnet have with a single ownership. We feel it gives local small family's more power over their long range ownership of these permits which are leaving the region at a high rate. In Levelock we have a strong fishing community of 85 residents with a large % of permit holders in both the drift and setnet fishery.

Within this community we have a young group of fisher persons who are showing interest in joining the fisheries. With the current dual permit system we have in both the drift and setnet fishery they have the ability to join a boat or beach operation and to gain experience of being a commercial fisherman. We have seen the benefit of local set netters who have dual permits and have heard about their success they have both financially and also in keeping the second permit in the bay region.

We heard yesterday that since the dual drift permit system went into effect that a few dormant or latent permits came out of the wood work. A lot of these "sleepers" came from our local communities here in the bay and throughout Alaska as well. There are several elders in our community that have not used their permits in years due to medical reasons or the lack of interest in family members. By opening up the dual permit system it allowed our local people who were already invested in the fisheries, to take over other family permits and expand their business. This is an outstanding program for us, as keeps these permits in the region and in families that otherwise would have been sold to outsiders and lost forever. Our people cannot afford to lose these permits or their stake in our resources.

My understanding of the dual drift permit program was that it was to bring local drift permits back into the fishery. This has been obviously successful. Furthermore, the program was meant to reduce gear in the bay and it has reduced it by 3600 fathoms of gear. So in rebuttal to those people who say that a dual permit boat puts them at a disadvantage because of the 200 fathoms, if they would just consider that without the dual permit system they would be competing against another vessel and 150 fathoms. Overall the dual permit system reduces the amount of net in the water and reduces "competition" considerably.

The board feels that with the dual permit system going away in both drift and setnet there would be a huge out migration of permits that we could never recover from.

We also feel that the 32 limit is adequate because it has worked for over 50 years. Our ancestors fished in these fisheries on much smaller boats with sails. And beyond that, they caught far more fish back then, than we do today with bigger power boats with hydraulics. This blows my mind - bigger, faster, boats don't make better fisherman. If the board of fish were to change the limit or have no limit at all, the local citizens here in the region would be at a huge disadvantage. We generally just fish the Bristol bay salmon season and our 32' boats would be too small to join other fisheries. But to bring in other larger boats that currently fish in other parts of Alaska where they belong would put locals here at a disadvantage. Most of us don't have the financial means to get a 500 to a million dollar vessel. This fishery and local infrastructure can't and doesn't support a vessel over 32' or a vessel of that is would cost close to a million dollars to build.

Thanks you for your time again.



Marcus Gho  
 Economist  
 Commercial Fisheries Entry Commission  
 8800 Glacier Hwy., Number 109  
 P.O. Box 110302  
 Juneau, AK 99811-0302

This RC is in response to a request for additional information by the Board of Fisheries regarding permit stacking in the Bristol Bay set gillnet fishery.

The question is: **How many permits were brought out of latency due to permit stacking?**

Response:

Table 1. Count of Permits Formerly Latent, Then Used in a Stacked Permit Operation In-Season.

Year	Total Stacked Operations	Former Latent Permits	
		Count	Percent
2010	68	7	10.3%
2011	100	15	15.0%

\* A "formerly latent" permit is one that was not fished in the immediately preceding year.

Table 2. Units of Gear Used in the S04T Fishery

Year	Total Year-end Permits	Total Units of Gear Used In-Season
2008	979	854
2009	982	858
2010	982	884
2011	981	895

Table 2 was derived from Table 6 of CFEC report 12-2. Each individual with a single permit operation was counted once, and individuals with an in-season stacked permit operation were counted twice (two units of gear with two permits). Aggregating each of the counts suggests an increase from 854 and 858 units of gear in 2008 and 2009 (pre-stacking) to 884 and 895 units of gear in 2010 and 2011 (post-stacking).





Submitted by Board member Johnstone  
December 6, 2012

Any proposal that adds or subtracts existing or new gear or allows a person who owns more than one permit in a specific fishery to fish both permits at the same time, or changes a fishing vessel length, shall be considered a restructuring proposal that has potential for significant financial or social impacts. Such a proposal shall be accompanied by a properly filled out form provided by the Board of Fisheries.



1107

**Attn: BOF Record Copy (RC)  
Boards Support Section  
Alaska Department of Fish and Game  
O.O Box 115526  
Juneau, AK 99811-5526**

**Dear Chairman Johnstone and Members of the Board:**

**Please support proposals 44 to 53 repealing  
the setnet permit stacking sunset provision.**

**I have been setnetting in the Nushagak District for 28 years,  
and I have recently purchased a second permit to make my  
operations safer by not having a permit in a crewmember's  
name. I am more efficient with two permits, one boat, and  
side-by-side sites. This adds to higher quality, better  
production, and the ability to operate two sites more  
economically and more efficiently.**

**Please keep permit stacking in Bristol Bay. No one is  
harmed, and it keeps hardworking setnet fishermen safer.**

**Thank you for your consideration.**

**Tom M. Rollman, Sr.**



FROM :

FAX NO. :9076961286

Dec. 06 2012 03:34PM P1

**Attn: BOF Record Copy (RC)  
Boards Support Section  
Alaska Department of Fish and Game  
O.O Box 115526  
Juneau, AK 99811-5526**

**Dear Chairman Johnstone and Members of the Board:**

**I strongly support Proposals 44 to 53 repealing the setnet  
permit stacking sunset provision.**

**No one is harmed by setnet permit stacking.**

**Thank you for your consideration.**

**Trevor Rollman  
SO4T 59608  
SO4T 59903**



Submitted by the Department of Fish and Game at the request of Board member Kluberton

December 6, 2012

Substitute regulatory language for Proposal 44.

5 AAC 06.331(u) is amended to read:

**5 AAC 06.331. Gillnet specifications and operations.**

(u) In the Naknek-Kvichak, Egegik, and Ugashik Districts, a [A] CFEC permit holder who holds two Bristol Bay set gillnet permits may **stack those permits and operate additional set gillnet gear as described in this subsection** [NOT OPERATE MORE THAN FOUR SET GILLNETS, AND THE AGGREGATE LENGTH OF SET GILLNETS OPERATED BY THE CFEC PERMIT HOLDER MAY NOT EXCEED 100 FATHOMS]. **The CFEC permit holder may not operate more than four set gillnets.** A single set gillnet may not exceed 50 fathoms in length, **and the aggregate length of set gillnets operated by the CFEC permit holder may not exceed 100 fathoms.** The buoys must be marked as specified in 5 AAC 06.334 and 5 AAC 39.280 with both of the CFEC permit holder's **five-digit** [FIVE DIGIT] permit numbers followed by the letter "**S**" ["D"]. In addition, at least one cork every 10 fathoms along the cork line must be plainly and legibly marked with both CFEC permit numbers. All identifiers must be displayed in a manner that is plainly visible, unobscured, and in a color that contrasts with the background. The provisions of this subsection do not apply after December 31, **2015** [2012].





## BBEDC Comments on Proposals 44-54

Some of the discussion surrounding repealing the sunset clause for dual set gillnet permits for a single individual (Proposals 44-54) causes concern for the Bristol Bay Economic Development Corporation.

As stated previously, we oppose repealing the sunset clause because of our fear, confirmed by CFEC Report No. 12-02-N, that allowing two setnet permit operations would reduce opportunities for new entrants to the fishery by increasing the market price of setnet permits while reducing their availability.

The three-year-trial Kodiak dual setnet experiment seems to have produced similar results, and although the decision to allow that regulation to sunset was a difficult one, the Board acknowledged the longer-term benefits to the Kodiak fishing community.

Suggestions that a fair compromise for Bristol Bay might be to create different rules for the Bay's east and west sides (Naknek, Egegik and Ugashik vs. the Nushagak) would not prevent permit prices from rising, nor would it make the permits more readily available. It would however create a third class of permit holder on the Nushagak, setnet fishers with the option of owning but not fishing a second permit of ever increasing value.

Testimony offered to the committee of the whole described how one two-permit operation can be significantly more productive than two one-permit operations by running what amounts to "two shifts" during open fishing periods. But current regulations already allow for those benefits for family members and fishing partners who make use of shared equipment, skiffs and trucks at one or more sites, and many setnet fishers already benefit from such cooperative arrangements.

The difference is that voluntary cooperative operations maintain broad participation and permit ownership, in contrast to continuing the one-person two-permit rule where consolidation will continue to increase costs and reduce opportunity for new entrants.

Exclusivity was never the goal of the limited entry system. We urge the Board to allow Bristol Bay's one-person two-permit experiment to sunset as the regulations now require.

Fritz Johnson for BBEDC



Comments on Proposals 44-54, and 36, 36 & 238

Hattie Albecker  
Ugashik

As a lifelong resident of Bristol Bay and Ugashik setnetter since the age of nine, I hope the Board will not support Proposals 44-54 and will allow the one-person two-setnet permit rule to sunset.

My reason for saying this is because of the regulation's dramatic effect on setnet permit prices, which have essentially doubled in the three years since the two-permit rule went into effect. The more permits cost, the less chance there is for the next generation of watershed residents to get into the fishery.

In Ugashik setnet fishing has always been a family business, and my family hopes it will continue that way. But the two-permit-one-person rule is pushing permit prices out of reach for the young people who live here. This will only get worse if the rule is allowed to continue.

For the same reasons I am against allowing one person to own and fish two drift permits and I oppose Proposals 36, 37 and 238. Like allowing one person two own and fish two setnet permits, this only benefits the rich, and it is blind to suppose that anything different will happen with drift permit prices if one person can own and fish two drift permits. Prices will go up and make it much more difficult if not impossible for young people to buy into the drift fishery.



Submitted by the Department of Fish and Game at the request of board member Jeffrey

December 7, 2012

Substitute regulatory language for Proposal 44.

5 AAC 06.331(u) is amended to read:

**5 AAC 06.331. Gillnet specifications and operations.**

(u) A CFEC permit holder who holds two Bristol Bay set gillnet permits may stack those permits and [NOT] operate no more than four set gillnets under this subsection [, AND THE AGGREGATE LENGTH OF SET GILLNETS OPERATED BY THE CFEC PERMIT HOLDER MAY NOT EXCEED 100 FATHOMS]. A single set gillnet may not exceed 50 fathoms in length, and the aggregate length of set gillnets operated by the CFEC permit holder may not exceed 75 fathoms. The buoys must be marked as specified in 5 AAC 06.334 and 5 AAC 39.280 with both of the CFEC permit holder's five-digit [FIVE DIGIT] permit numbers followed by the letter "S" ["D"]. In addition, at least one cork every 10 fathoms along the cork line must be plainly and legibly marked with both CFEC permit numbers. All identifiers must be displayed in a manner that is plainly visible, unobscured, and in a color that contrasts with the background. [THE PROVISIONS OF THIS SUBSECTION DO NOT APPLY AFTER DECEMBER 31, 2012].



## Common Use, No Exclusive Fisheries, and Limited Entry Clauses of Alaska Constitution

The common use clause of Alaska's Constitution states:

Whenever occurring in the natural state, fish, wildlife and waters are reserved to the people for common use.

Alaska Const., art. VIII, section 3. "The expression for "common use" implies that these resources are not to be subject to exclusive grants or special privileges as was so frequently the case in ancient royal tradition." Owsichek v. State, Guide Licensing and Control, 763 P.2d 488, \* (Alaska 1988)(citing Alaska Constitutional Convention Papers, Folder 210, Papers Drafted by the Committee on Resources, entitled "Terms".)

The no exclusive fisheries clause and the limited entry clause are contained in article VIII, section 15, of the Alaska Constitution, which states:

No exclusive right to special privilege of fishery shall be created or authorized in the natural waters of the state. This section does not restrict the power of 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 livelihood and to promote the efficient development of aquaculture in the State.

*Id*

In Johns v. Commercial Fisheries Limited Entry Commission, 758 P.2d 1256 (Alaska 1988), the Alaska Supreme Court provided:

In State v. Ostrosky, 667 P.2d 1184 (Alaska 1983), we noted that there is a tension between the limited entry clause of the state constitution and the clauses of the constitution which guarantee open fisheries. We suggested that to be constitutional, a limited entry system should impinge as little as possible on the open fishery clauses consistent with the constitutional purposes of limited entry, namely, prevention of economic distress to fishermen and resource conservation. Ostrosky, 667 P.2d at 1191. The optimum number provision of the Limited Entry Act is the mechanism by which limited entry is meant to be restricted to its constitutional purposes. Without this mechanism, limited entry has the potential to be a system which has the effect of creating an exclusive fishery to ensure the wealth of permit holders and permit values, while exceeding the constitutional purposes of limited entry. Because of this risk of unconstitutionality exists, the CFEC should not delay in embarking on the optimum number process, except where there is a substantial reason for doing so.

*Id.* at page 1266 (emphasis added); Owsichek, 763 P.2d 488, Alaska 1988) (citing Johns and Ostrosky).

Joe Fattl





RC Submitted by Dylan Braund.

12/7/12

I would like to comment on the substitute language for proposal 44 specified in RC 73. I oppose language that excludes Nushagak setnetters. There are a significant amount of longtime Nushagak setnet fishermen and family operations who would suffer from being excluded setnet permit stacking. The opposition to setnet permit stacking in Nushagak is primarily local drift fishermen. These individuals are not privy to the challenges of keeping a viable setnet operation running. Due to the location and timing of this meeting many of Nushagak setnetters were not able to attend and asked me to speak on their behalf. A vast amount of Nushagak setnetters are in favor of this proposal. Thus, the testimony out of Nushagak is not reflective of the views of setnet fishermen over their.

Please do not exclude Nushagak from this proposal. This will marginalize Nushagak setnet families. Why are they less important than their colleagues on the East side.

Finally, if the Board is contemplating a gear reduction. This would cause us to lose our sites associated with those permits as the leases would not be applicable. Also it would not be practical to fish 25 fathoms behind a 50 fathom net.

Thank you for your consideration.



## Setnet Permit Stacking New Information

We feel that much of the public testimony, and many of the conclusions reached in the CFEC permit stacking presentation were inaccurate.

The main reasons offered by those who were opposed to stacking were:

1. Stacking leads to transfers of permits out of the watershed area.
2. Permit prices increased due to stacking.
3. Stacking reduces new entrants to the fishery.

We realize this is a contentious issue, and that the Board's decision was not easily reached. We also feel that if this information were made available, the vote might have turned out differently.

We respectfully ask Board members to review this new data, and revisit the issue of setnet permit stacking.

Submitted by Kim Rice, Alannah Rice, Eric Beeman, Eddie Clark, Lee Weese, Harlan Baily, Roland Briggs

**RE: Argument: Stacking leads to transfers of watershed setnet permits out of area.**

Actual data:

1990-- 462 Total setnet permits in BB watershed

2011-- 349 Total setnet permits in BB watershed

21 yr. loss of 113 permits

On average, 5.3 permits/yr have transferred out of BB watershed

Obviously, there is a problem with permits are being transferred out of the watershed.

However in the 2 years since stacking was implemented: (net figures)

In 2010 2 BB watershed setnet permits transferred out of area

In 2011 3 BB watershed setnet permits transferred out of area

Basically, for the 2 years we have had stacking (no data for 2012), surprisingly we have a **50% decrease** in permits transferring out of the watershed.

**RE: Argument: Permit prices increase due to stacking.**

Actual data:

12-31-2010 ( Kodiak stacking sunsets) value of setnet permit \$ 70,700

11-2012( Last month--most recent data) value of setnet permit \$78,100

In Kodiak, the only region where stacking was allowed and then sunseted, permit values **actually rose** after stacking was discontinued.

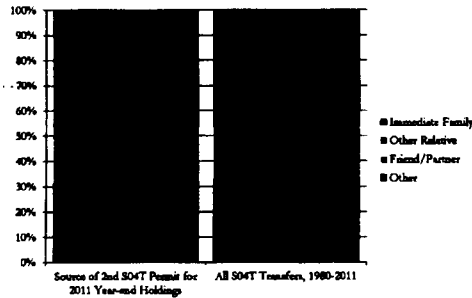
**RE: Argument: Stacking hurts new entrants into the fishery.**

Actual data:

To me, it looks like the transfer sources remained the same.

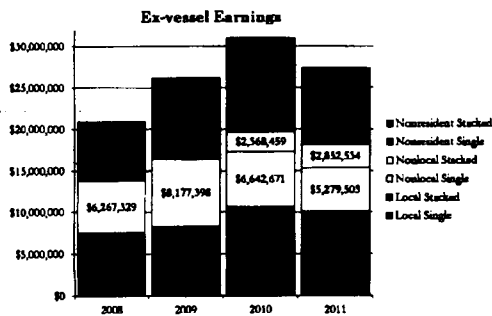
**See chart.**

### Second Permit

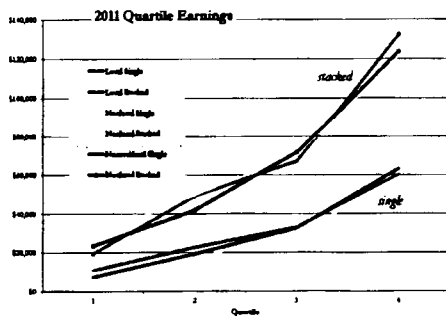


→ The differences between sources of transfer in the stacking years and in years previous to stacking are minute.

### Fishery Performance



### Fishery Performance



# Latent Permits by Residency Type

Latent permits by Residency Type

Year	Total Latent	Alaska Residents	
		Local	Nonlocal
2008	129	53 41.1%	48 37.2%
2009	139	59 42.4%	45 32.4%
2010	114	40 35.1%	49 43.0%
2011	91	33 36.3%	41 45.1%
			28 21.7%
			35 25.2%
			25 21.9%
			17 18.7%

This data was put together after a last minute request by Kim Rice. While this data approximates what is occurring, it may or may not be exact. Requests of this nature typically require additional time to review for accuracy. You may note that the "Total Latent" count is off by one. Either way, this data approximates to a close degree the breakout of residency types of latent permits.

sincerely,  
 Marcus Gho  
 Economist  
 CFEC

This shows that there are 33 latent permits in the Bristol Bay Watershed that are not being fished as of 2012