

January 9, 2024 Submission to the Board of Fisheries, Kodiak AK.**Proposal 63****Allowing S04K stacking**

Dear Board of Fisheries members,

My name is Lacey Berns. I started setnetting in Kodiak in 1977 when I was 23. I've fished in both Uganik and Terror bays. Right now, I've been at my site for 25 seasons. My kids were raised at 9 different beaches or sites.

Thank you for allowing me to provide information about stacking permits in Kodiak. It is my hope that you'll find that allowing setnetters to use this "tool" may keep many of us fishing and utilizing our decades of investment in our operations. Stacking was allowed in Kodiak from 2008-2010, and this outlines what happened in those 3 years.

All of the data I'm submitting is from the CFEC "Kodiak Salmon Set Gillnet Permit Stacking" report (13-4N). The data that I'm quoting examines basic data on commercial fishing in the Kodiak Salmon Set Gillnet Fishery, emphasizing the stacking of limited entry permits from 2008-2010.

I also seek to demonstrate that data from this report clearly assuages many of the fears from opponents, that residency rates, transfer rates, including emergency between family members, and finally latency rates were reflective of similar rates from 1975-2012.

"In 2002, the Alaska Legislature passed House Bill 286, amending Alaska Statute 16.43.140 (c). The Amendment allows individuals to concurrently hold two salmon limited entry permits in the same permit fishery. The statute specifies that individuals who hold two salmon limited entry permits are allowed to fish only one of the two permits. This prohibition, however, was supplanted under specific circumstances when the legislature passed House Bill 251 in 2006. This bill gave the Alaska Board of Fisheries (Board or BOF) the authority to grant fishing privileges to the second permit held by an individual. Although much of the initial interest in the bill centered on fishing activity in Bristol Bay, the law applies to all Commercial Fisheries Entry Commission (CFEC) salmon limited entry permits. The new practice of fishing two permits by one individual has since been referred to as permit stacking."

Residency Classification of Individuals Fishing Stacked Permits, 2008-2010

"The residency of persons who fished with stacked permits does not appear to be substantially different from the proportion of resident types in historical or current single permit operations. The rate of individuals who stacked permits, broken out by residency and compared to the percentage of all Kodiak set gillnet permit holders, varied annually by no more than 3.8% among Locals, no more than 8.2% among non locals, and no more than 4.3% among nonresidents."

Transfer Survey

The data provided figures relating to the permanent transfers of all Kodiak salmon set gillnet permits from 1980 through 2012. "Over the entire period, there have been 818 permit transfers. *The greatest number of transfers was in 2011, in the year immediately following the sunset of permit stacking. The majority of these transfers occurred prior to the beginning of the 2011 fishing season and were between immediate family members.* The second largest number of transfers occurred in 2008. *Approximately two-thirds (63.0%) of the total transfers have been as gifts, whereas permit sales have represented 30.2% of the transfers. Over all years, transfers among family members predominate: 59.6% have occurred between the combination of immediate family members and/or other relatives."*

Transfer Acquisition

"(This table refers only to where the permit holder acquired both of his/her stacked permits through permanent transfers.

The survey indicated that second permits in stacked permit operations were acquired in a similar manner as all S04K permits, with somewhat higher rates of permits obtained by gifts (annually, 73.3% to 77.4%) and higher rates of transfers from family members (annually, 77.8% to 86.7% for the combined totals of immediate family members and other relatives). Note again that Table 4 does not include stacked permit operations that were formed as the result of an emergency transfer of a permit".

Emergency Transfers

“During previous Board of Fisheries meetings, some persons raised concerns regarding the use of ET permits if permit stacking regulations were in place. Some postulated that ET permits would be widely used under permit stacking, whereas others indicated that permit stacking would not change the use of ET permits. Data indicates the use of emergency transfer permits in the Kodiak salmon set gillnet fishery. The study shows the total number of individuals who recorded landings in a year, and indicates the number and percentage of those individuals who used ET permits when they fished. From 1975 through 1987, the rate of individuals who used ET permits ranged between 1.8% and 5.0%. In 1988, the rates increased and have not been lower than 6.4%.”

The period 2008 through 2010, which corresponds to the years when permit stacking was in place, show a similar rate of use of ET permits as the overall period from 1988 through 2012.”

Simply put, the use of permanent and ET permits in the S04K from 1975-2012 was 7.7%. Between 2008-2010 the rate was 7.6%

Age of Permit Holders-Kodiak Setnet Fleet 1975-2012

The age of S04K permit holders increased from 39.9 in 1975 to 53.5 in 2012. Given that data, one could assume that most of us or average age, are now in our 60s. This shows clearly that we keep fishing no matter the circumstances.

“In the Kodiak salmon set gillnet fishery, the three years with the largest increase in median age were 1988, 2009, and 2010, where the annual increase in age from the preceding year ranged from 1.6 to 2.4 years. For years where the median age of S04K permit holders decreased from the preceding year, the three highest years were 1976 and 1977 – which corresponds to the period immediately after limited entry was implemented, and follows a similar pattern for all statewide limited entry permits - and 2011, which was the year following the sunset of permit stacking regulations.”

Table 9. CFEC Table/Kodiak Setnet 1st row/1975-2012**Year/S04K age**

Sorry, this is confusing!

Year/age

1975	39.9	42.7	36.7	43.4	24.3
1976	37.4	40.8	36.9	41.8	24.7
1977	35.8	39.9	36.6	41.0	25.1
1978	36.1	38.6	36.2	40.6	25.4
1979	36.0	38.5	36.3	40.6	25.8
1980	35.9	38.0	36.3	40.1	26.0
1981	36.9	38.7	36.5	40.0	26.5
1982	37.6	39.2	36.6	40.0	26.6
1983	37.9	39.2	36.2	40.1	26.8
1984	38.2	39.8	36.3	40.4	27.1
1985	38.3	39.3	36.8	40.6	27.5
1986	39.2	39.3	37.2	40.6	27.8
1987	39.1	39.2	37.5	40.9	28.3
1988	40.8	39.3	37.8	41.1	28.9
1989	40.8	39.9	38.5	41.5	29.4
1990	42.1	40.4	38.8	41.9	29.3
1991	41.9	40.7	39.4	42.4	29.7
1992	42.4	41.3	39.8	42.9	30.1
1993	43.2	42.0	40.4	43.5	30.5
1994	44.4	42.9	40.9	44.0	30.8
1995	45.1	43.5	41.5	44.4	31.1
1996	45.8	44.5	42.2	45.0	31.5
1997	45.6	44.9	42.5	45.5	31.8
1998	46.6	45.5	43.1	46.1	32.1
1999	46.2	45.9	43.6	46.6	32.3

2000	46.2	46.5	43.9	47.1	32.4
2001	47.6	47.5	44.6	47.5	32.7
2002	47.9	48.2	45.4	48.2	33.0
2003	48.9	49.2	46.0	48.9	33.2
2004	49.1	49.9	46.4	49.3	33.4
2005	49.6	50.6	46.5	49.8	33.6
2006	49.2	50.8	46.8	50.2	33.8
2007	49.8	51.6	47.3	50.6	33.9
2008	50.2	52.3	47.3	51.0	33.9-
2009	52.6	53.3	47.8	51.6	33.9
2010	54.2	54.5	48.2	51.9	33.8
2011	52.9	54.3	48.7	52.3	33.9
2012	53.5	54.9	49.3	52.6	34.19

Latent Permits

“The data shows that from 1975-1985 the rate was over 10%. It also shows that between 1990 the % varied from 2.6%, 14% in 2003, 50% in 2002, in 2006 18.6% in 2007 and 16.5% in 2011.

The latency rate from 2008-2010 was 12.2%, 11.2%, and finally in 2010--7.4%.” (Table 10, page 14)

Kodiak Salmon Set Gillnet Permit Prices

When I started fishing in 1977, the older people in Uganik Bay were selling to young adults. We picked up our permit for \$5000 in 1978 and began the adventure of fishing at the worst possible place to tow our skiffs to ! It was a war. We found another vacant site and lived on Noisy Island in Uganik. Around that time it became difficult to find and purchase setnet sites, as they were in high demand-the lifestyle, raising a family.

I believe that just the permit went as high as \$150,000 in the late 80s to early 90s. In the CFEC report, in 1991 the value was \$106,000 and in 2012, it had dropped to 77,000 (p. 18)

Permit and site values are directly correlated to salmon prices, and the volume of your catch.

The big difference now is that we are now the old people and some of us do not want to sell our livelihoods. Despite the ex vessel value averaging \$44,000 we can still eek out a living. When I bought my site in 1999, it was \$275,000 and could only get a loan for the permit and year. We soon bought another permit in 2003 because I had 2 spots. One fished as the tide came in and swirled around and the other caught salmon racing out of the bay.

Mostly buying multiple permits make it difficult to find another location that actually catches salmon. This is self-limiting for most setnetters. I don't know of anyone who is looking for one!

My neighbors in Viekoda are all over 65. 3 sites have been for sale with no "bites." Productive, 2 permit sites. One was purchased for \$450,000 years ago. One site had a "garage sale" over the 3 months of one season. She couldn't sell her site. Nearly all of us have 2 permits and our sets are located in traditional, decades long spots. In fact, one of mine says "trap" on the chart.

I know of 3 other sites in Uganik that are potentially on the market.

When I say this is about economics, there was a site that was purchased in the mid 90s for over \$750,000 and sold last year for \$200,000. It included private land, skiffs, houses, prime gear etc.

The economics of S04K makes it easier and very possible to become an owner.

I can only speak for myself, but the stacking proposal is solely based on the economics of allowing us to fish our 2 permits. To allow our investment of the

second permit, 20 years ago, to remain fishing. The site would only make about $\frac{2}{3}$ of the income we need to survive on.

My kids are gone, have found other employment, or (returned because of my offer) the fact that I now pay the last twin, 25% to run the site. Crewshares were 50%. The expenses of travel for the crew, flights to the site, groceries, fuel were about the same as what I grossed.

With the price disaster we face and a terrible run in 2024, I respectfully ask that the Boardmembers consider ALL of the proposals that the NWSetnetters put forth today, to save our fishery. Allowing one person to hold 2 permits is only a step in the right direction.

Thank you,
Lacey J Berns
47 years, S04K