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Commercial Fisheries Entry Commission

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To: Glenn Haight, Executive Director
Alaska Board of Fisheries
Alaska Department of Fish & Game

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From: Fate Putman, Chair *Fate Putman*
Dale Kelley, Commissioner *Dale Kelley*

Subject: 2019 Alaska Peninsula Proposal 157

The Commercial Fisheries Entry Commission (Commission) supports efforts by the Alaska Board of Fisheries (BOF) and commercial fishing industry to craft regulatory packages that improve the economics of a fishery while helping to sustain fishery resources. We appreciate the opportunity to offer the following background and perspectives on Alaska Peninsula/Aleutian Islands/Chignik Proposal 157, which seeks to allow multiple units of gear to be operated from one vessel.

Background

In 1972, Alaska voters approve the Constitutional amendment that allowed Limited Entry.

In 1973, the Alaska Legislature passed the Limited Entry Act and formed the Commercial Fisheries Entry Commission (CFEC or Commission).

The Commission is a quasi-judicial body whose statutory purpose is controlling entry into Alaska's commercial fisheries to further the goals of conservation and sustained yield management of fishery resources and prevent economic distress among fishermen and those who rely upon them.

The Limited Entry Act (Act) restricted fishermen to one permit per fishery (AS 16.43).

In 2002, the Alaska Legislature enacted 16.43.140(c)(5), which allowed individuals to concurrently hold two salmon limited entry permits in the same fishery. Because the purpose of the legislation was fleet consolidation, dual permit holders were originally prevented from fishing the second permit.

In 2006, the Alaska Legislature passed AS 16.05.251(i), which granted the BOF authority to allow dual permit holders to fish both permits under specific circumstances.

Alaska Peninsula Set Gillnet Fishery

The Alaska Peninsula set gillnet fishery (S04M) was one of the original 13 fisheries deemed to have reached levels of participation that required limitation under the Act. The fishery was limited in 1974 and a total of 114 limited entry permits were issued; 111 S04M permits remain today and 85%

are held by Alaska residents. In 2017, a total of 87 S04M permits were fished, with average gross earnings of \$101,109 per permit holder.¹

Proposal 157

Proposal 157 would amend 5 AAC 09.331 and allow two legal limits of set gillnet gear to be operated and/or transported on one vessel, so long as both limited entry permit holders are onboard the vessel.

CFEC defers to the expertise of Alaska Department of Fish and Game in assessing the proposer's assertions that this regulatory change would result in improved safety and fishing access for permit holders.

In general, CFEC supports Board of Fisheries regulations that allow dual permit operations, whereby two permit holders combine efforts and fish less than two full complements of gear (e.g. Bristol Bay 'D' boats²). Such fishing configurations have the potential to reduce overall effort and achieve specific conservation goals, while assisting fishermen who seek creative ways to address shrinking economic margins. However, Proposal 157 does not call for a reduction in gear and may increase individual and fleet efficiency over time.

Alaska's limited entry system is an 'input control' program; a limited number of licenses are issued to individual participants in each fishery. If permit holders are allowed to gain fishing capacity or efficiencies after the fishery is limited, the intent of the program is undermined and it can become ineffective.

In addition, as written, it is not clear that Proposal 157 would prevent a single individual with two S04M permits from 'stacking' and fishing both permits at once. Permit stacking is contrary to the original purpose of dual permits, which was focused in large part on effort reduction. In 2018, no S04M fishermen held more than one permit, but this fishery has seen dual permit holders in the past, and regulations of this nature might encourage a doubling up of permits in future years.

Any use of permit stacking must be carefully done, as this fishing strategy appears to create new markets for limited entry permits, with a subsequent increase in demand and price.³ Moreover, obtaining a second permit for a stacked operation tends to favor individuals who have easier access to financial capital and might make it more difficult for young fishermen to enter the fishery, or could result in permit migration away from Alaska Peninsula communities.

Proposal 157, as written, could lead to increased harvest capacity for select individuals; and, if permit stacking is allowed, has the potential to impinge on the integrity of effort limitation in the fishery. Should the BOF choose to enact this proposal; care should be taken to draft an enforceable rule that avoids unanticipated consequences.

Don't hesitate to contact us if we can provide additional information to assist in your analysis.

¹ Table 4-11 in *CFEC Permit Holdings and Estimates of Gross Earnings in the Chignik and Alaska Peninsula Commercial Salmon Fisheries, 1975-2017*, [CFEC 19-1N](#), January 2019.

² [5 AAC 06.333](#)

³ *Bristol Bay Set Gillnet Permit Stacking*, [CFEC 12-02-N](#), November 2012.