



## MEMORANDUM

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

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Date: January 23, 2014

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Subject: 2013 data for CFEC Report 13-2N,  
*Overview of Permit Holdings, Harvests, and  
Estimates of Gross Earnings in the Cook Inlet  
Salmon Set Gillnet Fishery, 1975-2012*

Chairman Karl Johnstone of the Alaska Board of Fisheries requested 2013 data on permit stacking for the Cook Inlet salmon set gillnet (S04H) permit fishery. While data typically is not available for such analysis until late spring or early summer, the Alaska Department of Fish and Game (ADF&G) made an exception to provide preliminary 2013 S04H fish ticket data to the Commercial Fisheries Entry Commission (CFEC).

The figures presented in this memorandum are supplemental to the CFEC Report 13-2N, *Overview of Permit Holdings, Harvests, and Estimates of Gross Earnings in the Cook Inlet Salmon Set Gillnet Fishery, 1975-2012*.

Figure 1 displays the daily count of permit holders from 2006 to 2013. The black horizontal line shows the number of individuals who held only one permit, while the red line indicates the number of persons who held two permits. The blue vertical lines indicate the days when landings were made in the S04H fishery. The yellow background shows when permit stacking regulations are in effect.

**Figure 1. S04H Daily Permit Holdings 2006 to 2013**

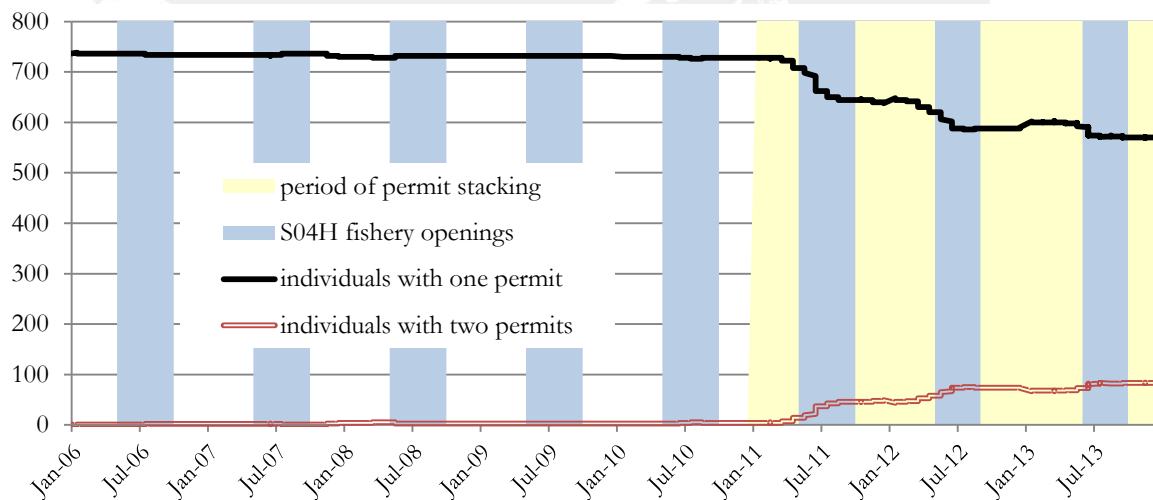


Table 1 of this document is the same as Table 10 from CFEC report 13-2 with the addition of 2013 data. New entrants are defined herein as individuals who record a landing for the first time in the permit fishery. It is important to note that all initial permit holders are considered new entrants. By 1991, all S04H permits had been issued to initial permit holders. The lowest number of individuals who fished and the lowest number of new entrants occurred in 2012, which was a year of exceptionally low harvests and earnings. Figure 2 shows that from 2004 through 2006 there was a period when the rate of new entrants was high.

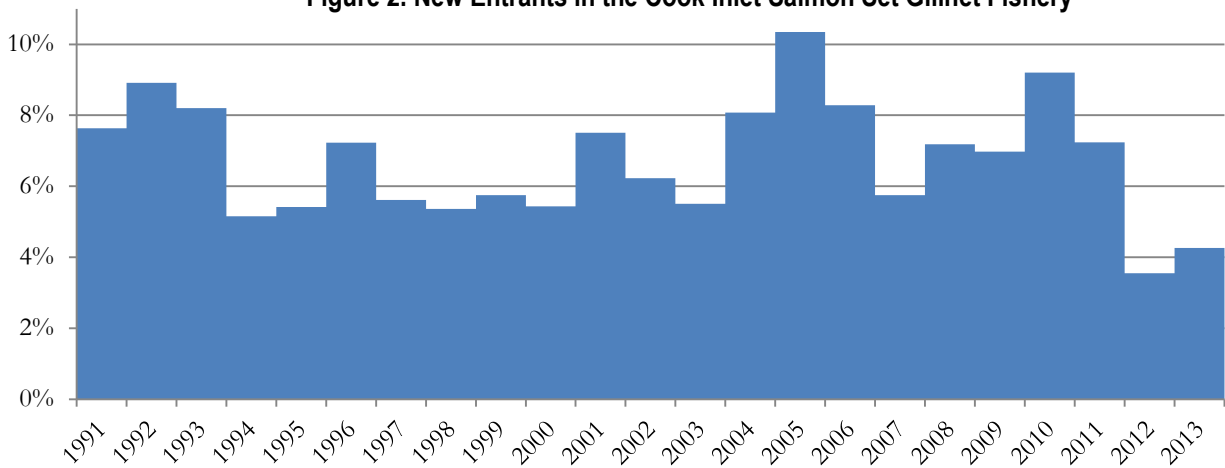
In some cases, permits might be active in the fishery but might not be used to record landings. This can occur when permit holders fish in a group, especially among family or friends, and the group records all of their landings on only one or some of the group's permits. Although this practice is unlawful,<sup>1</sup> it allegedly occurs in the set gillnet fisheries at a higher rate than in other fisheries. The effect would be to under-count the number of individuals active in the fishery, and therefore affect the rate of new entrants.

**Table 1. New Entrants into the Cook Inlet Set Gillnet Salmon Fishery**

Year	Set Gillnet			Difference from Mean
	People With Landings	New Entrants	Rate New Entrants	
1991	655	50	7.6%	0.9%
1992	662	59	8.9%	2.1%
1993	646	53	8.2%	1.4%
1994	621	32	5.2%	-1.6%
1995	628	34	5.4%	-1.4%
1996	609	44	7.2%	0.4%
1997	606	34	5.6%	-1.2%
1998	560	30	5.4%	-1.4%
1999	557	32	5.7%	-1.0%
2000	534	29	5.4%	-1.3%
2001	506	38	7.5%	0.7%
2002	498	31	6.2%	-0.6%
2003	472	26	5.5%	-1.3%
2004	483	39	8.1%	1.3%
2005	501	53	10.6%	3.8%
2006	483	40	8.3%	1.5%
2007	487	28	5.7%	-1.0%
2008	487	35	7.2%	0.4%
2009	473	33	7.0%	0.2%
2010	489	45	9.2%	2.4%
2011	511	37	7.2%	0.5%
2012	423	15	3.5%	-3.2%
2013*	446	19	4.3%	-2.5%

1991 - 2013 average 6.8%  
 \* preliminary data

**Figure 2. New Entrants in the Cook Inlet Salmon Set Gillnet Fishery**



<sup>1</sup> See AS 16.05.680 (b) and AS 16.05.690 (b).

Table 2 of this document is similar to Table 7 of CFEC Report 13-2 with the addition of 2013 data. Please note that 2013 data is preliminary. A stacked permit operation is when a single permit holder uses two permits to fish two full complements of gear. The column for individuals represents the total number of people who made landings during the year. “Effort” describes the number of fishable permits used to make landings. Ex-vessel values are estimated total and average gross earnings for commercial landings.

The total number of individuals who stacked permits rose from 37 in 2011 to 70 individuals in 2013. Stacked permits account for 14.0% of the total effort in 2011 and 16.4% of the total effort in 2013.

**Table 2. Permit Stacking in the Upper Cook Inlet Salmon Set Gillnet Fishery**

Year	Residency	Operation Type	Individuals	Effort	Ex-Vessel Value	Average Ex-Vessel Value	% of Total Individuals	% of Total Effort	% of Total Ex-Vessel Value
<b>2011</b>	<i>Local</i>	Stacked	26	52	\$1,996,891	\$76,804	5.3%	9.8%	10.0%
		Single	360	360	\$14,137,635	\$39,271	73.3%	68.2%	71.0%
		<b>Combined</b>	<b>386</b>	<b>412</b>	<b>\$16,134,526</b>	<b>\$41,799</b>	<b>78.6%</b>	<b>78.0%</b>	<b>81.1%</b>
	<i>Nonlocal</i>	Single	18	18	\$858,194	\$47,677	3.7%	3.4%	4.3%
		<b>Combined</b>	<b>18</b>	<b>18</b>	<b>\$858,194</b>	<b>\$47,677</b>	<b>3.7%</b>	<b>3.4%</b>	<b>4.3%</b>
	<i>Nonresident</i>	Stacked	11	22	\$641,964	\$58,360	2.2%	4.2%	3.2%
		Single	76	76	\$2,266,157	\$29,818	15.5%	14.4%	11.4%
		<b>Combined</b>	<b>87</b>	<b>98</b>	<b>\$2,908,122</b>	<b>\$33,427</b>	<b>17.7%</b>	<b>18.6%</b>	<b>14.6%</b>
	<b>Total</b>	<b>Stacked</b>	<b>37</b>	<b>74</b>	<b>\$2,638,855</b>	<b>\$71,320</b>	<b>7.5%</b>	<b>14.0%</b>	<b>13.3%</b>
		<b>Single</b>	<b>454</b>	<b>454</b>	<b>\$17,261,986</b>	<b>\$38,022</b>	<b>92.5%</b>	<b>86.0%</b>	<b>86.7%</b>
<b>Combined</b>		<b>491</b>	<b>528</b>	<b>\$19,900,841</b>	<b>\$40,531</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>2012</b>	<i>Local</i>	Stacked	44	88	\$308,105	\$7,002	10.8%	18.7%	12.7%
		Single	290	290	\$1,706,111	\$5,883	71.1%	61.7%	70.3%
		<b>Combined</b>	<b>334</b>	<b>378</b>	<b>\$2,014,216</b>	<b>\$6,031</b>	<b>81.9%</b>	<b>80.4%</b>	<b>83.0%</b>
	<i>Nonlocal</i>	Single	18	18	\$180,662	\$10,037	4.4%	3.8%	7.4%
		<b>Combined</b>	<b>18</b>	<b>18</b>	<b>\$180,662</b>	<b>\$10,037</b>	<b>4.4%</b>	<b>3.8%</b>	<b>7.4%</b>
	<i>Nonresident</i>	Stacked	18	36	\$63,616	\$3,534	4.4%	7.7%	2.6%
		Single	38	38	\$168,198	\$4,426	9.3%	8.1%	6.9%
		<b>Combined</b>	<b>56</b>	<b>74</b>	<b>\$231,813</b>	<b>\$4,140</b>	<b>13.7%</b>	<b>15.7%</b>	<b>9.6%</b>
	<b>Total</b>	<b>Stacked</b>	<b>62</b>	<b>124</b>	<b>\$371,720</b>	<b>\$5,995</b>	<b>15.2%</b>	<b>26.4%</b>	<b>15.3%</b>
		<b>Single</b>	<b>346</b>	<b>346</b>	<b>\$2,054,970</b>	<b>\$5,939</b>	<b>84.8%</b>	<b>73.6%</b>	<b>84.7%</b>
<b>Combined</b>		<b>408</b>	<b>470</b>	<b>\$2,426,691</b>	<b>\$5,948</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>2013</b>	<i>Local</i>	Stacked	53	53	\$3,063,670	\$57,805	10.8%	12.4%	15.4%
		Single	304	304	\$8,413,622	\$27,676	61.9%	71.0%	42.3%
		<b>Combined</b>	<b>357</b>	<b>357</b>	<b>\$11,477,291</b>	<b>\$32,149</b>	<b>72.7%</b>	<b>83.4%</b>	<b>57.7%</b>
	<i>Nonlocal</i>	Single	20	20	\$718,975	\$35,949	4.1%	4.7%	3.6%
		<b>Combined</b>	<b>20</b>	<b>20</b>	<b>\$718,975</b>	<b>\$35,949</b>	<b>4.1%</b>	<b>4.7%</b>	<b>3.6%</b>
	<i>Nonresident</i>	Stacked	17	17	\$758,708	\$44,630	3.5%	4.0%	3.8%
		Single	34	34	\$1,089,479	\$32,043	6.9%	7.9%	5.5%
		<b>Combined</b>	<b>51</b>	<b>51</b>	<b>\$1,848,187</b>	<b>\$36,239</b>	<b>10.4%</b>	<b>11.9%</b>	<b>9.3%</b>
	<b>Total</b>	<b>Stacked</b>	<b>70</b>	<b>70</b>	<b>\$3,822,377</b>	<b>\$54,605</b>	<b>14.3%</b>	<b>16.4%</b>	<b>19.2%</b>
		<b>Single</b>	<b>358</b>	<b>358</b>	<b>\$10,222,076</b>	<b>\$28,553</b>	<b>72.9%</b>	<b>83.6%</b>	<b>51.4%</b>
<b>Combined</b>		<b>428</b>	<b>428</b>	<b>\$14,044,453</b>	<b>\$32,814</b>	<b>87.2%</b>	<b>100.0%</b>	<b>70.6%</b>	

\* preliminary data

## Latent Permits

Each year, the number of permits renewed is greater than the number used to record landings. CFEC regulations require persons to renew their limited entry permits annually, irrespective of whether the person actually fishes.

**Table 3. Cook Inlet Salmon Set Gillnet Permit Latency**

Year	Total Permits	Fished Permits	Calculated Latency Rate	Fished, DNR	Calculated Latency Rate
1975	1,029	561	45.5%	615	40.2%
1976	719	549	23.6%	567	21.1%
1977	734	547	25.5%	567	22.8%
1978	747	605	19.0%	624	16.5%
1979	749	609	18.7%	624	16.7%
1980	747	593	20.6%	616	17.5%
1981	747	600	19.7%	624	16.5%
1982	748	602	19.5%	627	16.2%
1983	745	626	16.0%	653	12.3%
1984	744	620	16.7%	647	13.0%
1985	745	625	16.1%	655	12.1%
1986	743	645	13.2%	672	9.6%
1987	743	650	12.5%	675	9.2%
1988	743	655	11.8%	689	7.3%
1989	743	658	11.4%	685	7.8%
1990	743	662	10.9%	695	6.5%
1991	745	648	13.0%	687	7.8%
1992	745	654	12.2%	691	7.2%
1993	745	641	14.0%	692	7.1%
1994	745	617	17.2%	672	9.8%

Year	Total Permits	Fished Permits	Calculated Latency Rate	Fished, DNR	Calculated Latency Rate
1995	745	625	16.1%	687	7.8%
1996	745	604	18.9%	677	9.1%
1997	745	603	19.1%	669	10.2%
1998	745	559	25.0%	641	14.0%
1999	745	556	25.4%	647	13.2%
2000	745	533	28.5%	629	15.6%
2001	744	505	32.1%	609	18.1%
2002	743	496	33.2%	589	20.7%
2003	742	472	36.4%	572	22.9%
2004	739	481	34.9%	576	22.1%
2005	737	499	32.3%	590	19.9%
2006	738	482	34.7%	578	21.7%
2007	738	483	34.6%	571	22.6%
2008	738	484	34.4%	573	22.4%
2009	738	472	36.0%	565	23.4%
2010	736	488	33.7%	571	22.4%
2011	736	548	25.5%	612	16.8%
2012	736	485	34.1%	575	21.9%
2013	736	493	33.0%	579	21.3%

*'Total Fishery Permits' is the number of S04H permits issued in the year.*

*'Permits with Landings' is the number of CFEC permits that were used to record commercial landings in that year, and includes both permits that were part of stacked permit operations.*

*'Permit Landings and/or DNR Lease' is the number of CFEC permits that were used to record a landing (including the second permit in stacked permit operations), or were associated with a DNR shore fishery lease. This assumes that all CFEC permits with DNR leases were used.*

Table 3 enumerates the total number of permits in the S04H fishery, and shows the rate of permit latency. Several complications make it difficult to accurately count the number of latent permits. The figures should be viewed with caution.

Note that data for 2013 in this memo is preliminary at this time.

In some cases, permits might be active in the fishery but might not be used to record landings. This can occur when permit holders fish in a group, especially among family or friends, and the group records their landings on only one, or some, of the group's permits. Although this practice is unlawful,<sup>2</sup> it allegedly occurs in the set gillnet fisheries at a rate higher than in other fisheries. The effect would be to under-count the number of permits with landings, and over-estimate the latency rate.

Individuals in stacked permit operations who record their landings on only one permit could have a similar effect on the figures by under-counting the actual number of permits used in the fishery. However, in Table 3 and throughout this memorandum, the second permit in a stacked permit operation has been accounted

<sup>2</sup> See AS 16.05.680 (b) and AS 16.05.690 (b).

for, irrespective of whether the permit was actually used to record landings. In this fashion, permit records of stacked permit operations should not adversely affect the calculations. Recall that stacked permits have been allowed in the fishery since 2011.

There are many reasons why an individual may choose to not fish in any given year. This table does not explain any of the reasons, but rather simply estimates the rate of permit latency.

**Figure 3. Rate of Permit Latency in the S04H Fishery**

