

**Support for Proposal #133**

Submitted by: Robert Merchant; March 3, 2017

**Subject: Allow Dual Permit Owners to Fish Both Permits with Reduced Net Length****1. Background:**

- a. House Bill 286 was passed in 2002 allowing an individual to own two commercial salmon permits in the same fishery.
- b. House Bill 251 was passed in 2006 allowing the Alaska Board of Fish (BOF) to authorize additional fishing gear with the ownership of a second permit.
- c. In 2008, the BOF authorize drift gillnetters in Upper Cook Inlet the option to have a second permit holder on board the vessel (D-Boat) and fish one additional shackle (300') of fishing gear. This "D-Boat" option results in a two shackle (600') reduction of fishing gear per vessel.

**2. Problem:**

- a. Currently a drift fisherman can own 2 permits, but cannot fish additional gear unless the second permit is in the name of a separate individual (deckhand) that must be on board the vessel.
- b. In most cases, the vessel owner provides the funding for the purchase of the second permit. Transferring the permit into the name of the deckhand creates significant financial risk as CFEC regulation prohibits liens or restrictions on transfers.
- c. Since authorized in 2008 the number of "dual permit" operations has been low, averaging about fifty per season (table 26, CFEC Report #16-5N). Most of these are within family members or close friends to minimize risk of losing economic control of the permit.
- d. Having two individual permit holders on board can be problematic. Because they are both responsible for when, where, and how the gear is fished, and both are cited if a violation occurs. Having "co-skippers" on board a vessel can create disharmony and increase potential of safety hazards while fishing.

**3. Solution:**

- a. Adopting Proposal #133 would allow one individual that owns two Drift Permits to fish one additional shackle (300') of gear from the same vessel.
- b. The vessel remains limited to a maximum of 4 shackles (1,200') of gear as currently allowed under 5AAC 21.333.

**4. Benefits of Adopting Proposal # 133:**

- a. CFEC supports this proposal (see RC115) as a tool to: "potentially achieve some amount of fleet consolidation and a net reduction in fishing effort." This would also reduce the administrative burden of in-season permit

transfers as permits are transferred between deckhands for medical or other reasons.

- b. During Group “B” committee work, there was support by all users groups present that Proposal #133 is a useful tool that is a voluntary, market based, approach to reducing drift fleet fishing effort and improving economic viability of the fishery.
- c. Proposal #133 provides for built-in flexibility to “right-size” the drift fleet fishing effort based upon biological and economic circumstances. Other methods of fleet reduction such as “buy-back” programs are time consuming and expensive to implement and inflexible once in place.
- d. For every 10 fishing permits used as a “dual-permit” fishing operation, there is a reduction of one nautical mile (1.14 statute miles) of fishing gear in the water.
- e. Each “dual permit” fishing operation reduces net length by 33% (600’ length reduction from the normal 1,800’ for two permits).
- f. A voluntary, market based, reduction in the size of the drift fleet improves the efficiency and economic viability of the commercial fishery. This would reduce the cost per pound of fish harvested and lower the “carbon footprint” of the fishery on the environment.

**5. Effect on New Entrants into the Fishery:**

- a. The greatest threat to new and/or younger fishermen entering the Cook Inlet Drift fishery is the economic viability of the fishery as a business. If the Cook Inlet Drift fishery is allowed to be regulated into the economic position of being a “hobby fishery” there will be no incentive for young fishermen to enter this fishery.
- b. According to table 18 of CFEC Report number 16-5N, between the years of 1980 to 2015 approximately 55 percent of the Cook Inlet Drift permits (S03H) are transferred between family members or business partners/friends. Historically this is the most common path for new entrants into the fishery.
- c. Access to capital for new entrants to enter the fishery is provided by various State of Alaska loan programs and the Alaska Commercial Fishing and Agriculture Bank (CFAB).
- d. According to table 17 of CFEC Report number 16-5N, between the years of 1980 to 2015, approximately 34 percent of the Cook Inlet Drift permits (S03H) transfers were done as a Gift to the recipient.