



C F E C



Commercial Fisheries Entry Commission 2015 Annual Report





**“King of the Sea”
cover art courtesy of the family
of Juneau Wildlife Artist
Ed Mills**

**Inside photo courtesy of
Andy Mills**

**Publication design and layout
Shirley Penrose**



*The Commercial Fisheries Entry Commission Annual Report
is published in accordance with AS 16.43.980*



State of Alaska Commercial Fisheries Entry Commission 2015 Annual Report

Dear Governor, Lieutenant Governor, Legislators, and Fellow Alaskans:

The Alaska Commercial Fisheries Entry Commission (CFEC or Commission) hereby submits this annual report for our operations in the 2015 calendar year pursuant to AS 16.43.980. CFEC is an independent agency created and enabled by the Limited Entry Act (AS 16.43.010 – 990). We appreciate your taking the time to review this report, and hope you will let us know your thoughts about our work and make any suggestions you have to help us better serve Alaskans.

CFEC is a fully self-supported, autonomous agency; we are funded entirely from our annual collection of limited entry permit and vessel license fees. Revenues generated by CFEC which exceed our annual budget authorization have for many years been allocated by the Alaska Legislature to help pay some of the costs of programs and projects which support Alaska's commercial fishing industry, including an annual deposit to the Alaska Fishermen's Fund, which exists to help cover medical claims for persons injured while working as commercial fishermen. Over the past few fiscal years, these contributions by Alaskan fishermen have averaged \$371,364 annually. As undesignated general fund dollars have become increasingly scarce in recent years, the Legislature has been able to use funds generated by CFEC to offset deficiencies in the vastly larger budget of the Department of Fish & Game (DFG).

Prior to Alaska achieving statehood in 1959, Alaskan fisheries were managed poorly in a manner beholden to Outside interests, which brought them to a state of crisis from which some feared they might never successfully return. Indeed, taking control of fisheries management was among the primary motivations which drove the efforts of Alaskans to transform the Last Frontier from a nearly colonial territory into a full-fledged state and member of the Union.

Even after statehood, there were further years of unsuccessful efforts to manage fisheries sustainably. Frustration with these stops and starts led the people of Alaska to amend the State Constitution in 1972 to add language to Article VIII, Section 15, which allowed for an exception to the common-ownership principle enshrined in the provisions prohibiting the creation of any Exclusive Right of Fishery. Passed by a three-quarters majority, this language allows, "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 a livelihood and to promote the efficient development of aquaculture in the State."

To give effect to Alaskans' stated desire for sensible limitation, in 1973 the Alaska Legislature passed the Limited Entry Act and created a logical, sustainable, and transparent system for limiting the numbers of fishermen in Alaska's commercial fisheries. In 1974, the Commission began implementation of this program and this essential work continues to the present day. By the end of 2015, CFEC had limited entry in 68 fisheries, considered nearly 23,000 discrete applications, and issued approximately 1.5 million cumulative annual permits and licenses.

In 2015, the Commission continued to play an essential, independent quasi-judicial and regulatory role for Alaska's commercial fishing industry by issuing annual fishing permits and vessel licenses while striving to reduce the number of outstanding adjudication decisions before the Commission. In 2015, the Commission issued 27,793 fishing permits and vessel licenses, reviewed and processed 792 emergency transfer requests and 829 permanent transfer requests, and considered and produced 50 adjudications.

Working in close conjunction with the State Legislature, the Walker Administration, and the fishing industry in 2015, the Commission also provided fisheries data, as well as information concerning options, statutory tools, and protections needed to meet the challenges facing Alaska's evolving fisheries. The Commission also diligently served individual fishermen, fishing organizations, local communities, and State and federal agencies including the Alaska Board of Fisheries and the North Pacific Fishery Management Council. CFEC provided information and policy observations on a variety of issues of vital importance to Alaska's commercial fishing industry. At the present time we have no recommendations of additional legislation relating to the regulation of entry of participants and vessels into Alaska's commercial fisheries.

One area of fishing policy of particular importance in 2015 was fleet consolidation and reduction. CFEC plays a key role in providing the information and technical assistance needed for discrete fisheries whose participants seek to bring the level of fishing activity in line with ever-changing market conditions so that it is possible for fishermen to earn an appropriate return on their investments of time and money, currently the primary means by which we are making progress on the reduction of entry permits to optimum levels. Keeping permits in the hands of as many Alaskan fishermen as possible, while obeying the mandates of the Alaska Constitution and United States Constitution, is a separate, fundamentally important part of our mission and daily work.

CFEC remains committed and dedicated to our constitutional and statutory duties to promote conservation and sustained-yield management of Alaska's unique fishery resources, and to boost and solidify economic stability among fishermen and their dependents, while ensuring that no fishery becomes too exclusive. We are proud to be part of an internationally-renowned fishery management system that produces food for the world and supports the economic health of a vibrant industry that is a cornerstone of Alaska's economy now and for future generations.

Sincerely,

ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

Benjamin Brown, Commissioner
Bruce Twomley, Chairman

OEO/ADA Compliance Statement

The Commission is administratively attached to the Alaska Department of Fish & Game (DFG).

DFG administers all programs and activities free from discrimination based on race, color, national origin, age, sex, religion, marital status, pregnancy, parenthood, or disability. DFG also administers all programs and activities in compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and Title IX of the Education Amendments of 1972.

If you believe you have been discriminated against in any program, activity, or facility please write:

- DFG ADA Coordinator, PO Box 115526, Juneau, AK 99811-5526
- U.S. Fish & Wildlife Service, Office for Diversity & Civil Rights Programs
4040 North Fairfax Drive, Room 300, Webb Building, Arlington, VA 22203
- Office of Equal Opportunity, U.S. Department of the Interior, 1849 'C' Street, NW, MS 5230,
Washington, DC 20240

DFG's ADA Coordinator can also be reached by telephone at the following numbers:

- VOICE 907-465-6077
- Statewide Telecommunication Device for the Deaf (TDD) 1-800-478-3648
- Juneau TDD 907-465-3646
- FACSIMILE 907-465-6078

For information on alternative formats and questions on this publication, please contact the Commercial Fisheries Entry Commission at (907) 789-6160, or email dfg.cfec.questions@alaska.gov.

Photo Courtesy of the Alaska
Seafood Marketing Institute (ASMI)





**State of Alaska
Governor**

Bill Walker

Commissioners

Bruce Twomley, Chairman
Benjamin Brown, Commissioner
Frank Homan, Commissioner
until 1/23/2015
Verne Rupright, Commissioner
from 1/23/2015 until 4/23/2015

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2015 – Beginning a Transition for the Commercial Fisheries Entry Commission

In 2014, Representative Paul Seaton of Homer wrote to the Legislative Budget and Audit Committee to request that the Division of Legislative Audit undertake a performance audit of the Alaska Commercial Fisheries Entry Commission (CFEC or Commission). The Legislative Budget & Audit Committee met and granted Representative Seaton's request, directing the Division of Legislative Audit to conduct a performance audit, to determine whether, "efficiencies and cost savings could be achieved by consolidating CFEC within existing state agencies, while still meeting legislative intent for limited entry."

*Bruce Twomley
CFEC Chairman*



*Benjamin Brown
Commissioner*

The CFEC Commissioners met with the Legislative Auditor and audit staff on January 26, 2015 which began a year of co-operation between CFEC and the Division of Legislative Audit.

Over the course of the first half of 2015, Legislative Audit staff conducted an extensive study of the Commission's structure and activities, which included interviews with all current CFEC staff and numerous other State of Alaska employees, and a survey of stakeholders for their views of the Commission, its work, and its future.

After a preliminary report, to which the Commissioners responded, an audit report was approved by the Legislative Budget and Audit Committee and released to the public on October 21, 2015.

The audit concluded:

CFEC should continue to operate as an independent, regulatory, and quasi-judicial agency.

* * *

CFEC has not limited a fishery since 2004; however, it may be necessary in the future. Maintaining CFEC's organizational structure allows the agency to expand as necessary **without changing statutes or regulations.**

Additionally, the audit concluded:

1. Significant efficiencies could be achieved; however, efficiencies were not predicated on eliminating the agency and merging its functions with other state agencies. The audit recommends merging only CFEC's administrative functions with the Alaska Department of Fish & Game (DFG). There was no compelling reason to move its other functions. Alternately, the audit noted that some \$1.2 million of annual savings could be achieved by reorganizing CFEC and maintaining its status as an independent agency; and
2. In general, the commissioners have not adequately managed CFEC's daily operations. Two projects, the licensing system upgrade and the archival of agency documents, have not been prioritized or properly managed. Finishing these agency-wide projects would greatly

improve workflow and allow for significant reductions in staff. Furthermore, the audit found that the agency's workload no longer justifies full-time commissioner positions.

The audit recommended the following specific steps to improve CFEC's operations: 1) hiring an executive director to manage daily operations and facilitate an agency-wide restructuring; (2) prioritizing the completion of CFEC's licensing system upgrade; and (3) properly managing the archival project.

Although the Commissioners did not agree with all of the determinations and observations that supported the conclusions reached by the auditors, the Commission is moving forward to implement the core recommendations made in the audit.

TWO CHANGES OF CIRCUMSTANCE SINCE THE AUDIT CREATE AN UNANTICIPATED OPPORTUNITY TO SAVE MONEY FOR THE STATE.

Since the Audit, there have been two changes of circumstance: (1) the Governor's Office declined to approve CFEC's request to hire a new Executive Director consistent with the Audit's recommendation, and (2) the Governor declined to appoint a third commissioner to the vacant seat on the Commission (left by the Legislature's April 2015 failure to confirm Governor Walker's appointee Vern Rupright).

While these developments leave the two current commissioners spread thinly, they also serve as an opportunity to save money for the state.

RESTRUCTURING OF CFEC

The Commission has been active in making the changes recommended in the audit. We are progressing with streamlining the agency for better efficiency; the appointment of an acting Executive Director was one of the first steps the commissioners took to implement an agency-wide restructuring. Other steps include assessing the potential to the transfer of some CFEC administrative functions to DFG and changing the commissioners' positions from full-time to part-time. Our overall goal is to improve CFEC while it continues as an independent agency that fulfills the original mandates of the Limited Entry Act.

ACTING EXECUTIVE DIRECTOR APPOINTED



*Shirley Penrose
Acting Executive Director*

The Commissioners appointed Shirley Penrose, longtime CFEC Operations Manager, to act as CFEC's Executive Director managing the daily operations during the transition to a new Commission structure. Ms. Penrose brings to the position a wealth of experience in administrative management, in conjunction with her familiarity with CFEC's staff and historical operations. In addition to ample private sector management experience with several well-known businesses, Ms. Penrose worked at the Alaska Marine Highway System processing payroll prior to taking an administrative assistant position with DFG's Division of Commercial Fisheries. During her time at Commercial Fisheries, Ms. Penrose managed payroll processing for the division, and reviewed and processed performance evaluations and position descriptions for all Commercial Fisheries employees statewide. Ms. Penrose was promoted to an Administrative Manager II and was subsequently further promoted to the position of Administrative Officer at CFEC. Ms. Penrose

was promoted to Operations Manager in July 2011 and since that time she has performed and supervised accounting, budget, payroll, human resources, purchasing, and facilities management functions and tasks at CFEC.

OTHER ACTIVITIES

In October 2015, after the public release of the audit report, the commissioners were invited to meet with the Board of Directors of the United Fishermen of Alaska (UFA) at their annual fall meeting in Petersburg. At this meeting, the commissioners were able to have an in-depth conversation with the UFA leadership about many subjects, including the means of calculation of limited entry permit renewal fees and the ways in which the funds generated by the payment of these fees are allocated and expended by the State Legislature. The UFA Board also considered the recommendations of the audit, and went on to vote unanimously to support the implementation of the audit's recommendations. The UFA Board subsequently communicated in writing its position in support of CFEC's continued independence and autonomy to the Governor and the Legislature.

In November 2015 the commissioners and other key CFEC staff went to the annual Pacific Marine Expo ("Fish Expo") in Seattle, Washington. CFEC has for years shared a booth at this important commercial fishing industry trade show with staff from the Alaska Division of Economic Development, which administers several loan funds for the Alaska Department of Commerce, Community & Economic Development (DCCED). The Alaska Commercial Fishermen's Revolving Loan Fund is one of only two State-authorized financing entities that is legally able to use a limited entry permit as collateral for loans, and CFEC and Economic Development work together to ensure that as many limited entry permits as possible are held and fished by Alaskan fishermen. This has the beneficial effect of keeping permits in the hands of Alaskans and contributing to the economic and social well-being of rural Alaskan communities.

On the first day of Fish Expo the commissioners participated in a panel discussion with Andy Hall of the Kenai Peninsula Fishermen's Association and Bobby Thorstenson of the Southeast Alaska Seiners Association. This panel discussion was an opportunity for the commissioners and these industry leaders to share their thoughts and perspectives on the past, present, and future of CFEC and the best ways to implement the recommendations of the legislative audit. Many fishermen and other interested parties joined members of the Alaska Legislature in attending this presentation and in a robust dialogue about the practical effects of CFEC's possible restructuring to reflect the audit's observations and recommendations. Fish Expo 2015 further provided many opportunities for one-on-one informal conversations with individual fishermen about issues and matters of concern to them.

The commissioners were approached by many groups interested in possible fleet consolidation or reduction measures over the course of 2015 with different levels of formality. 2015 also saw a great deal of interest in the possible innovative ways and means to try to make limited entry permits more accessible and retainable by younger residents of rural Alaska. The commissioners responded to each of these overtures as appropriate to help explain the constitutional, statutory, and factual challenges involved in the consideration and pursuit of implementation of these concepts with laudable if hard-to-achieve goals.

REGULATION CHANGES

In July 2015, the Commission provided public notice of changes in regulations to 1) update references to federal poverty level regulations used to determine eligibility for reduced permit fees; 2) make clear that a fee mistakenly paid for a wrong interim-use permit may be applied to fee charged to issue the correct interim-use permit; and 3) that emergency transfers of a second salmon entry permit may be allowed in anticipation of a good-faith permanent transfer. Following the public comment period, the Commission adopted the regulation changes at a public meeting held on August 24, 2015, and the changes were effective on November 4, 2015.

In May 2015, at the request of the Board of Fisheries and the Department of Law, the Commission agreed to develop and propose regulations to exclude Sitka Sound from the Northern Southeast herring spawn-on-kelp pound administrative area, in contemplation of the Board's subsequent consideration of its Proposal 126 to allow Southeast roe herring purse seine operators to employ open pounds to harvest herring spawn-on-kelp in the Sitka Sound area. In September 2015, the Commission provided extensive public notice, and on November 6, 2015, the Commission held a public hearing on its proposal, during which numerous permit holders testified with the large majority of the testimony in opposition to the proposal. Similarly, the written public comments received were overwhelmingly negative. The public comment period closed on November 13, 2015. After due consideration and deliberation, in January 2016, the Commission decided to take no further action on the proposal, but allowed that should the Board of Fisheries take positive action on its Proposal 126, the Commission would reconsider the matter. The Commission shared with the board copies of all public comment received (letters and emails), as well as a transcript of the Commission's public hearing.



Photo Courtesy of the Alaska
Department of Fish and Game

Organization By Function

Commercial Fisheries Entry Commission

Commissioners

Bruce Twomley, Chairman
 Benjamin Brown, Commissioner
 Frank Homan, Commissioner (until 1/23/2015)
 Verne Rupright, Commissioner (1/23/2015 - 4/23/2015)

Shirley Penrose
 Operations Manager

Personnel, Payroll, Travel, Accounting,
 Purchasing, Document Archiving,
 Facilities/Property/Supply Management,
 and Budget Development

Adjudications	Licensing	Research	Information Technology
Frank Glass Project Leader • Application Processing & Classification • Administrative Hearings • Case Management • Decisions on Claims • Preparation of Official Record in Judicial Appeals • Residency & Fraud Investigations • Archiving & Records Management	Yvonne Fink Project Leader • Entry and Interim-use Permit Renewal • Vessel Licensing • Permanent & Emergency Transfers • Permanent File Management • Collecting & Entering Licensing Revenue • Demerit Point Assessment	Craig Farrington Project Leader • New Limitations Research • Priority Hardship ("Point" System) Development and Testing • Optimum Number Research • Fisheries Data Collection & Database Enhancement • Standard & Custom Reports on Fisheries Economics, Participation, and Performance	Ty McMichael Project Leader • Licensing Systems • Fisheries Database • Technology Development for Adjudications & Research • Agency Technical Support • Website Design & Maintenance

Adjudications



Frank Glass
Adjudications Project
Leader

The Adjudications Section evaluates, classifies, and adjudicates applications for limited entry permits. Permit applications are classified and ranked against each other under point systems that measure each applicant's past participation and economic dependence on a fishery. Entry permits are issued first to applicants shown by their point levels to be most dependent on a fishery, and then to applicants at successively lower classification levels until the maximum number of permits for the fishery has been issued.

Adjudication functions are performed by paralegals, hearing officers, and the commissioners. Paralegals evaluate entry permit applications and make the initial determination accepting, denying, or classifying each application. An applicant may challenge the denial or classification of an entry permit application by requesting a hearing. Commission hearing officers conduct administrative hearings and issue decisions based on the record.

Hearings may also be requested if the Commission's Licensing Section denies requests for emergency transfers or permanent transfers of entry permits. Emergency transfer hearings are typically held and decided by paralegals. Permanent transfer hearings and other miscellaneous hearings are held and decided by hearing officers.

The commissioners review every paralegal and hearing officer decision and may order further review and hearings on their own motion or upon the request of an affected party. Commissioners may also take formal action to modify, reverse, or affirm the decisions.

Hearing officers also preside over hearings that arise from enforcement proceedings, where the Commission may impose fines, revoke permits, or suspend permits of those who attempt to mislead the Commission with false information. These hearings are held in the presence of the commissioners.

ADMINISTRATIVE PROCEEDINGS & DECISIONS

During calendar year 2015, the hearing officer and paralegal issued a total of 45 decisions: 4 on permit applications, 36 on permit transfers, and 5 on miscellaneous matters such as the assessment of demerit points. At the end of 2015, 3 permit application cases remained pending before the adjudications staff.

The commissioners issued 5 decisions during calendar year 2015: 3 decisions on entry permit applications¹ and 2 on miscellaneous matters. At the end of 2015, 23 permit application cases remained pending before the commissioners².

Commissioners and hearing officers have made substantial progress reducing the Commission's adjudication caseload from the 68 originally limited fisheries. Looking back to 1990, as the result of the *Wassillie* settlement (authorizing hundreds of new applications in the salmon fisheries) and a series of Alaska Supreme Court cases during the 1980s, the Commission's caseload had risen to nearly 900 cases. These decisions on entry permit applications represent only a portion of the Commission's caseload. As of the end of 2015, from the 68 originally limited fisheries, 3 permit application cases remained pending before the hearing officers and 23 permit application cases remained pending before the commissioners.

¹ One of which was not appealed and completed all adjudications for the Southeast Brown King Crab Pot Fishery. A second left only three cases to complete the Southeast Red/Blue King Crab Pot Fishery.

² More than 45 miscellaneous cases (including, for example, forfeiture, reinstatement, suspension & transfer cases) are before the Commission at this time.



Additionally, since 1990, the Commission has been required by statute to limit 26 additional fisheries generating thousands of new applications for entry permits. From 1990 through 2015, the Commission issued nearly 2,400 final decisions, thereby deciding cases at a rate faster than applicants filed new appeals and reducing its overall caseload to the current total of just 26.

Commission decisions implementing the Limited Entry Act and their review by the Alaska Courts have generated a unique body of law characterized by one Alaska Supreme Court Justice as “arcane.”

CLOSING OUT & LIMITING FISHERIES

The Commission’s goal is to issue final decisions in all cases from the originally limited 68 fisheries by the end of 2016. This is an aggressive goal given the fact that judicial appeals, remands, and reversals of Commission decisions may prolong the process of closing out fisheries.

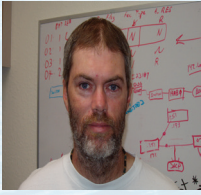
In 2013, the Commission decided the two *Kuzmin* cases, denying two applicants who did not appeal to the courts. These complex cases illustrate where the Commission is in the adjudication process and the fact that few easy cases are left before the commissioners at this point. Nearing the end of the process, cases like *Kuzmin* can have much more impact than the denial of two applicants. The Commission had previously completed the cases of 13 other applicants for the same fishery who remained pending at the same 6-point level. Whether they would be issued permits depended on the outcome of other cases like *Kuzmin*. Denial of the *Kuzmin* applications allowed the Commission to issue permits at 6 points, but 13 exceeded the maximum number for the fishery, which normally would have compelled the Commission to conduct a lottery creating winners and losers among the applicant group. Thankfully, the Legislature had the foresight to assign the Commission a statutory duty to issue all 13 permits when doing so would not exceed the maximum number by more than 5% or 10 permits – whichever is greater. All 13 were awarded permits, and CFEC closed out the adjudication of the entire fishery.

Based on the principle that all applicants should be treated alike, the *Byayuk* case required the Commission to apply a Supreme Court reversal retroactively to reopen previously closed applications. Subsequently, the *Cashen* case applied the same principle to require the Commission to accept new applications for the first time long after original deadlines. The *Byayuk* retroactive principle required more adjudication and left the Commission without a margin for error in its decisions. A reversible error by the Commission could undo the limitation of a fishery upon which Alaskan fishermen rely for their livelihood. It is paramount in adjudicating individual cases, the Commission is unable to embrace quantity at the expense of quality.

The risk of retroactive application has been present since 1984, but the potential for far-reaching adverse outcomes has increased with the approaching completion of cases from the 68 originally limited fisheries.

In addition to the possibility of reversals and remands from the courts, CFEC continues to monitor fisheries that may require limited entry. When the record of a fishery shows that its limitation would serve conservation and prevent economic distress among fishermen, CFEC has an affirmative statutory duty to limit entry. Once limited, cases requiring adjudication all arise at nearly the same time thereby creating an instant new case-load that requires a great deal of time to process and decide.

Information Technology



Ty McMichael
*Information Technology
Project Leader*

The Information Technology Section (IT) is responsible for all technology infrastructure at CFEC. IT maintains a small, skilled, and responsive staff that must be flexible and proficient in several disciplines. This includes the installation and maintenance of all network hardware such as switches, routers, servers, printers, cabling and storage area networks. The IT Section is also responsible for the installation and maintenance for all desktop hardware including personal computers, printers, embossers and other desktop equipment. IT maintains all technical support for local staff and customers. IT staff is responsible for data integrity, all application development and maintenance of a wide array of software centered on CFEC's core mission, and the reliable and timely distribution of data to other agencies

and the general public. IT maintains several local resources such as web services, network operating system, network topology, file services, digital security, database services, IP telephony, and all other IT related tasks. IT solutions at the Commission are organic, modern, efficient, and are all provided internally by IT staff.

CFEC's IT staff has spent considerable time over the last several years in an effort to modernize and standardize the Commission's technology and services while continuing to support an environment with some unique challenges. The Commission's IT deliverables can be categorized as follows:

- ***Infrastructure***

CFEC's infrastructure is very modern, secure, industry standard and fault-tolerant. IT maintains all aspects of the agency's Network and Server room including, but not limited to, hardware and software setup, OS management, switch management, rack management, environmental controls, uninterrupted power sources, physical security, updates, patches, cabling and troubleshooting.

- ***Software***

The CFEC IT staff is responsible for installing and maintaining all software, both commercial and custom. This includes all desktops, laptops and servers. IT is also charged with OS updates and patches as well as all software service level agreements with vendors.

- ***Application Development***

CFEC's IT staff is also charged with all application development. CFEC utilizes a very modern Integrated Development Environment (IDE) that includes secure source control and testing environments. Languages and technologies include Java, SAS, SQL, PL/SQL, .Net, Javascript, Oracle, various frameworks and Cobol. Software development includes web applications, desktop/client applications, production jobs, reports, and tables.

- ***Security***

Security is a full time job and CFEC's IT staff work to maintain all State and industry standards for digital and physical security. CFEC is PCI/DSS compliant for payment card processing and passes internal and external security audit scans. IT staff maintains all security related updates and patches for servers and desktop computers. IT staff also remain abreast of industry trends and security related alerts.

- ***Oracle Database Administration***

CFEC IT staff is responsible for the licensing, installation, maintenance, tuning, security and all other database related administrative tasks for the Commission's Oracle servers.

- ***Service / Technical Support***

CFEC IT staff is responsible for service and technical support for IT related functions at the Commission. This includes the setup and installation of all hardware and software. IT staff also provides technical support to customers for web based applications.



- ***Backup and Recovery***

IT staff is responsible for all of CFEC's data backup and recovery. IT utilizes a disk-to-disk methodology for data backups and recovery from Storage Area Networks (SAN). Backup times and file restoration have significantly decreased and are more reliable and secure. CFEC also stores critical files securely and in a cost-effective manner by partnering in off-site storage with another State agency.

- ***Legacy Application Services***

Those efforts continued in 2015 with projects such as increased server virtualization, enhanced security, new application development, enhanced desktop utilities, digital conversion for taped hearings, a new network OS cluster for file sharing, printing and Desktop / LDAP authentication, Web services high-availability as well the normal day-to-day functions to support CFEC's core mission as detailed above.

- ***Server Virtualization***

CFEC added an additional server node to our virtualization cluster. The majority of CFEC's server farm now exists as virtual machines running collectively within a clustered group of physical hosts. The physical hosts are capable of live migration and resource expansion for the pool of virtual machines, which allows for a high level of availability and fault tolerance. Having multiple machines running in a single computer helps reduce power consumption, rack space, and total cost of ownership while providing important failsafe features. Virtual hardware can be provisioned quickly and easily. This allows for the isolation of applications and provision of continuing support for custom software developed for this unique program.

- ***Enhanced Security***

CFEC IT staff has physical and digital security responsibilities, and spend considerable time each year maintaining security standards that are both State and industry standards for the protection of personally identifiable information (PII) and payment card information (PCI DSS). The agency currently meets and/or exceeds both State and industry standards and passes internal and external security audit network penetration tests. Security is a full time job and CFEC works diligently to protect sensitive data and keep abreast of potential industry liabilities and security measures.

- ***New Application Development***

IT staff completed the development and deployment of a new desktop application that will provide quick access to all material relating to Commission decisions and judicial appeals. The application quickly searches through all years for any piece of information related to case decisions. Materials included in the search are database records, PDF content and audio files.

IT staff completed the development and deployment of a new web-based application for the searching and printing of material related to actual landing reports by fishery, permit number or permit holder. This is an in-house application utilized for discovery purposes for drill-down details on particular fish tickets.

IT staff completed the development and deployment of a new web-based application to survey participants of any targeted fishery for analytical results that will enhance our abilities to make decisions on permit management and economics of the fishery.

- ***Enhanced Desktop Utilities***

The CFEC IT team continues to advance desktop utilities providing agency staff with custom applications designed to make their respective jobs easier and more efficient.

- ***Digital Conversion of Hearing Tapes***

IT staff continues to convert aging audio tapes of recorded hearings into a digital format. This process is somewhat slow and tedious, as each tape must be played through in its entirety, then analyzed and



adjusted for quality. Over 3,200 tapes have been converted to date and are now accessible through a simple search engine.

- ***New network OS cluster for file sharing, printing and Desktop / LDAP authentication***

CFEC IT staff is in the final stages of deploying a new network OS cluster, which will remove the agency's dependency for application hosting, file sharing services, printing, authentication and LDAP from Novell Netware. This has been a major goal for some time now as nearly all of the basic authentication and communication between applications and hardware took place in an aging OS with significant multi-tier dependencies.

- ***Web Server High-Availability***

CFEC IT staff configured and deployed a high-availability web cluster that allows for multiple virtual servers to share the production load and fail-over should technical difficulties arise. Aside from an improved uptime and performance, this also allows IT staff to temporarily disable a node from the cluster for routine maintenance with no down time.

- ***Current CFEC Web-Based Applications***

CFEC's web-based permit and vessel license renewal system continues to evolve with additional updates and modifications. The application is very stable, secure and available to anyone with an Internet connection. IT also continues to play an active role in the development of the Bristol Bay District Management and Registration web application. Regulatory updates and application enhancements provided CFEC an opportunity to continue to partner with DFG to maintain and deploy this application, which is unique to Bristol Bay. Originally developed by CFEC's IT staff, the application provides real-time information for fishery managers, processors, agents, and participating permit holders.

CFEC's web-based permit and vessel license database continues to be a very popular application for public, State, and federal use. The application offers a general public interface as well as a secure interface for partnering agencies who have a need to query for confidential information. Permit, vessel, and intent-to-transfer information can be easily accessed based on a wide array of criteria. Results can be downloaded, printed or simply viewed online. All years of data are available to search. Providing reliable and easy access to CFEC data has always been a very important goal and will continue to be so.

- ***Gross Earnings***

Gross Earnings refers to a database and reporting system created, maintained, and operated by staff at CFEC. The Gross Earnings Database is built by combining DFG and International Pacific Halibut Commission (IPHC) fishery harvest data with data from the CFEC Licensing System. The data is also enhanced with CFEC estimates of ex-vessel fish and shellfish prices. The result is a database that can be queried using a wide range of qualifiers. The database is maintained for all fishing years from 1975 to the year immediately previous to the current calendar year. The Gross Earnings Database is an important file used by CFEC for both internal and external needs. It is also shared and used by other State and federal entities for a wide range of fishery-related topics. One important feature of the database is the Gross Earnings Reporting System, which generates a large number of web pages, PDF reports, and downloadable data on the CFEC Public Web Site (see "Fishery Participation and Earnings").

CFEC WEBSITE

IT also maintains CFEC's website. The site, located at <http://www.cfec.state.ak.us>, provides many useful links to commercial fisheries information for both fishermen and the general public. The data CFEC collects are available in various non-confidential formats and combinations, located under easy-to-understand headers. Along with the data, CFEC also makes available all of its forms in easy-to-download formats, including links to current pertinent public informational statements, proposed regulations, judicial appeals of Commission decisions and CFEC annual reports. CFEC's website is regularly updated and reviewed for accuracy, and reflects the Commission's dedication and commitment to being available and responsive to the public.



2016 PROJECTS (AS CURRENTLY KNOWN AND ASIDE FROM NORMAL DUTIES)

- ***IP Telephony Services and Fax Integration***

CFEC IT staff will be integrating fax services with IP telephony services for the continued service of desktop faxing (send and receive) to staff in a more secure environment while phasing out an existing piece of hardware.

- ***New Active Directory Services***

CFEC IT staff will be finalizing and implementing a new network OS cluster for local services such as file sharing, printing, application hosting, LDAP, user authentication and DNS.

- ***Continued Security Enhancements***

CFEC IT staff will continue to comply with State and industry standards for digital and payment card requirements. In 2016, two major updates will occur. The first being the recently announced end-of-life (EOL) for a product we currently use for credit card processing to our bank. A new service is being offered, but will require significant development time for writing the interface, processing and report functionality that currently exists. The second, being the required PCI DSS data security standard version 3.x compliance. This will bring further enhancements and requirements to the industry standard for payment card processing and security.

- ***New Licensing Data Entry Tools***

CFEC IT staff will be continuing our agency system upgrade by developing new interface tools for the licensing and management of commercial vessels and permits. This will be a phased project that will necessitate early time spent with licensing personal while putting together a requirements document.

Licensing



Yvonne Fink
Licensing Project Leader

The Licensing Section is responsible for collecting fees and issuing limited entry, interim-entry and interim-use permits, as well as issuing vessel licenses required for participation in Alaska's commercial fisheries. Licensing staff expedite the issuance of licenses to ensure that fishermen do not lose fishing time during the season, a paramount goal of the Licensing section and the Commission. Licensing employs procedures that specifically address the circumstances relating to immediate fishing, including specific forms for the issuance of duplicate licenses, changes to vessel information, and processing both permanent and emergency transfers. Licensing is also responsible for tracking salmon net area vessel registrations and assessing demerit points which may result in suspensions.

Licensing staff are committed to assisting Alaska's commercial fishing industry. Licensing staff interact on a daily basis via telephone, facsimile, e-mail and through written correspondence as a direct source of information for commercial fishermen, fielding questions about permitting and regulations affecting the fishing industry. Besides keeping current with licensing requirements and the actions of the Commission, Licensing staff maintains a close working relationship with DFG, DCCED, United States Coast Guard (USCG), the National Marine Fisheries Service (NMFS), and other agencies to track changes in the fishing industry and relevant laws and regulations. Some of these changes include actions by the Commission and the Legislature to bring fisheries under entry limitation or moratoria, to implement new types of licensing mechanisms, to accommodate regulatory changes by the Board of Fisheries, and federal agency actions relating to restricted access programs, such as License Limitation Program (LLP), Individual Fishing Quota (IFQ), and Community Development Quota (CDQ).

Licensing is continually streamlining procedures, automating processing wherever possible, and looking for innovative ways to efficiently meet ever-increasing informational demands.

Demerit Points for 2015

In 1998, the Alaska Legislature enacted legislation which established a demerit point system for suspending commercial fishing privileges based on convictions for fishing violations in the salmon fisheries. Under this law, the Commission must suspend a salmon permit holder's commercial fishing privileges for a period of one to three years if certain threshold levels of demerit points are accumulated in a three-year period.

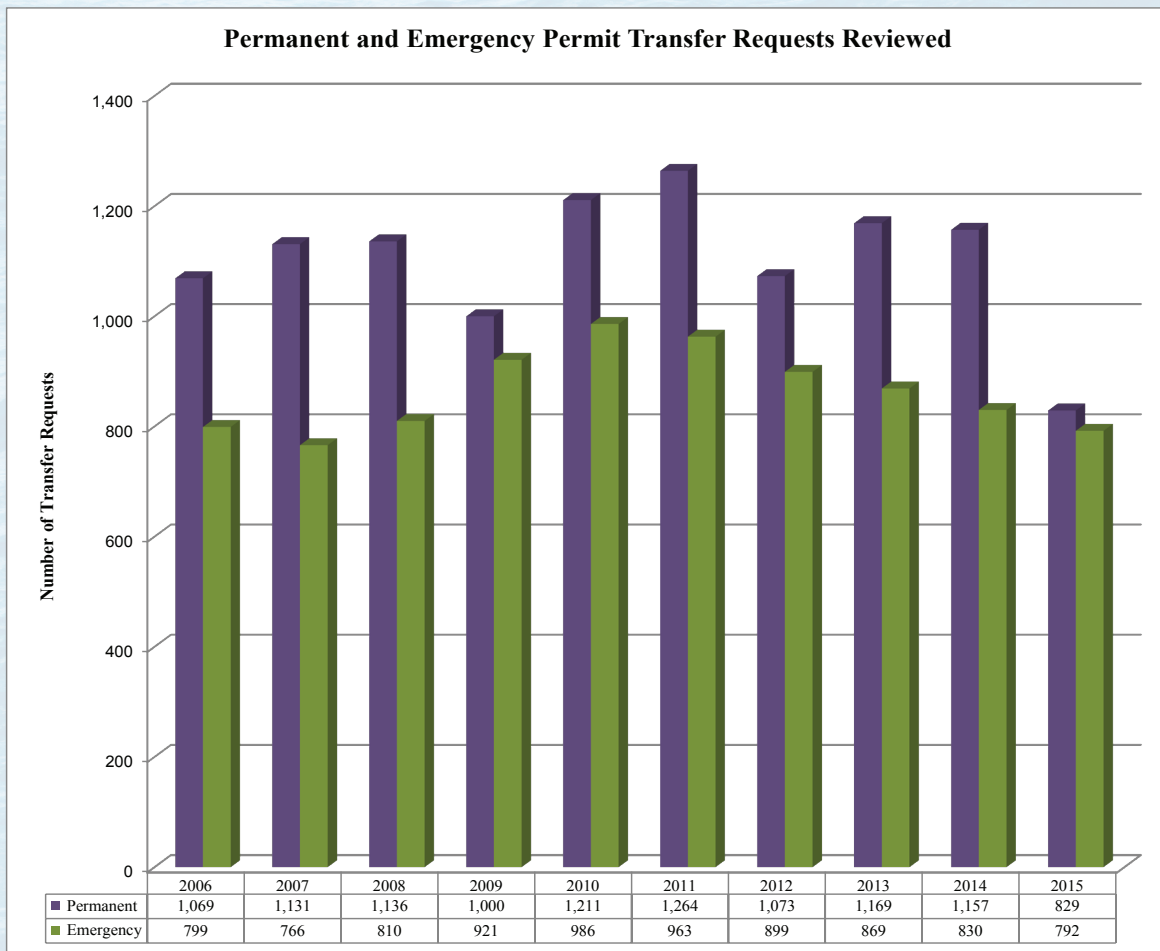
From 1998 through 2015, the Commission issued demerit points to 2,633 fishermen. The total number of suspended fishermen from 1998 through 2015 is 19. A total of 283 permit holders were assessed demerit points in 2015, as illustrated below:

Fishery Area	Number of permit Holders Assessed in 2015	Suspensions 1998 through 2015
Alaska Peninsula, Aleutian Island	2	0
Bristol Bay	146	7
Chignik	11	0
Cook Inlet	10	0
Prince William Sound	25	5
Kodiak	9	0
Kotzebue	3	0
Kuskokwim	5	2
Norton Sound	0	0
Southeast	31	5
Statewide	40	0
Yakutat	1	0
TOTALS	283	19



Permit Transfer Requests for 2015

During 2015, Licensing staff reviewed 1,621 requests for permanent and emergency transfers of permits. These included 792 emergency transfer requests and 829 permanent transfer requests. A breakdown of transfer requests over the last ten years by type of transfer is shown in the following graph.



(From CFEC reports B1420P-A and B1425P-C, E, J)

Permanent Transfer Requests for 2015

Standard transfers approved.....	772
Survivorship transfers to spouse approved	15
Foreclosure transfers by loan agencies approved	0
Administrative transfers approved	1
Total permanent transfers approved.....	788
Transfers denied.....	31
Withdrawn transfer requests	10
Total permanent transfer requests reviewed	829

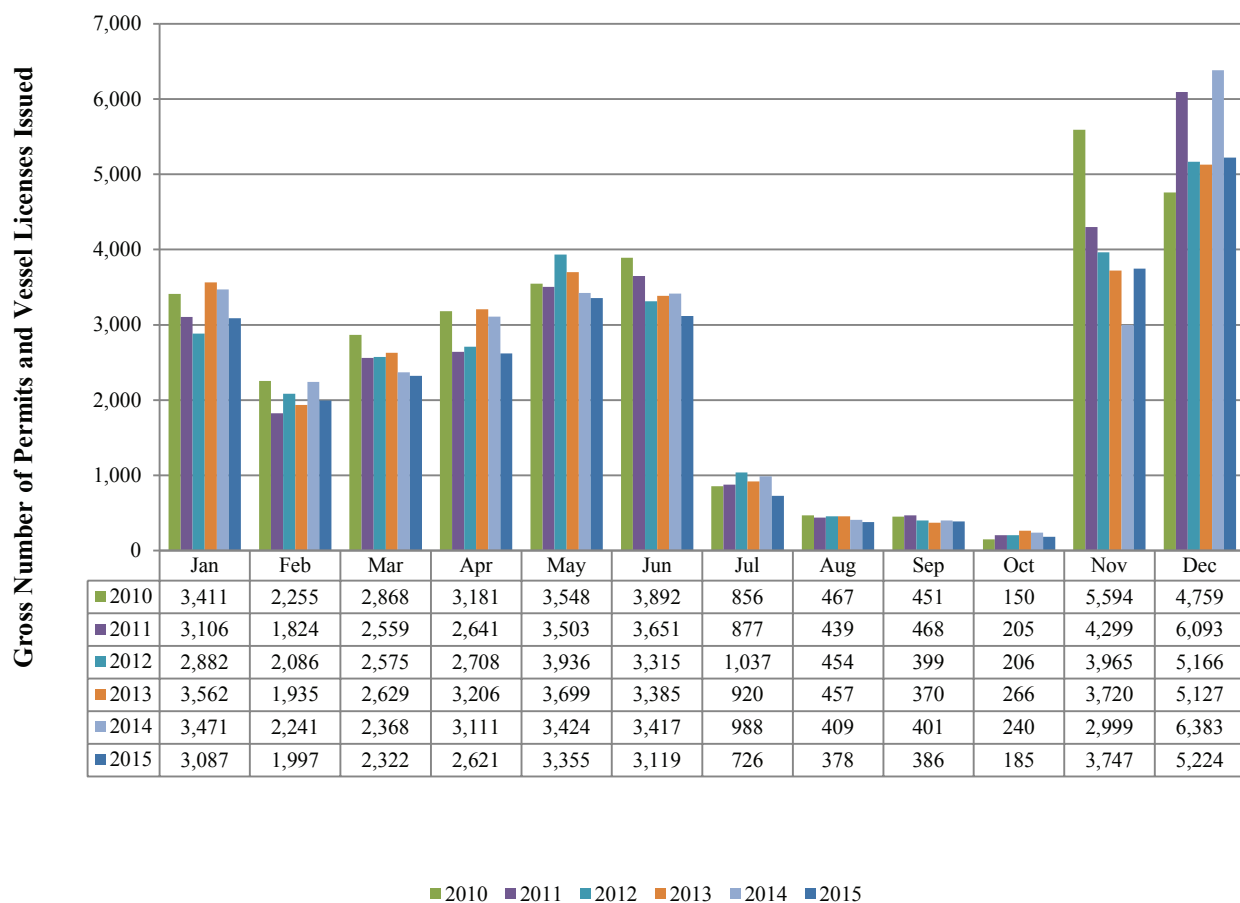
Emergency Transfer Requests

Transfer requests approved	740
Transfer requests denied	42
Transfer requests withdrawn.....	10
Total emergency transfer requests reviewed	792

Permits and Licenses Issued

The following graphs provide data on the number of fishermen issued permits in a year, and permits and vessel licenses by year and by month.

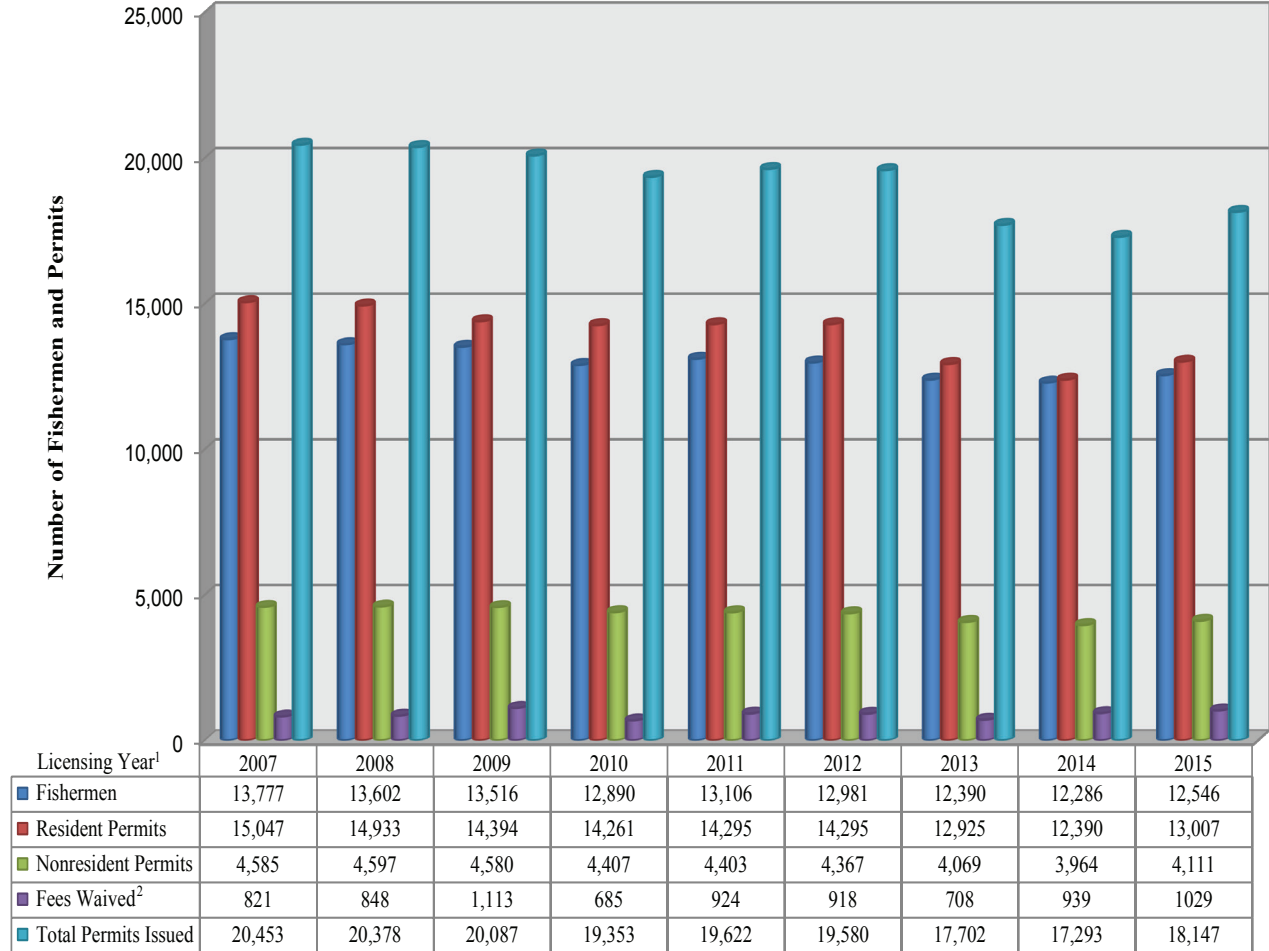
Permit and Vessel Licenses Issued by Month



(From CFEC reports B1430P-A and B2430P-A)



Permits Issued by License Year



(From CFEC report B1440P-C. Includes Interim-Use, Interim-Entry³, Entry and Vessel Entry Permits)

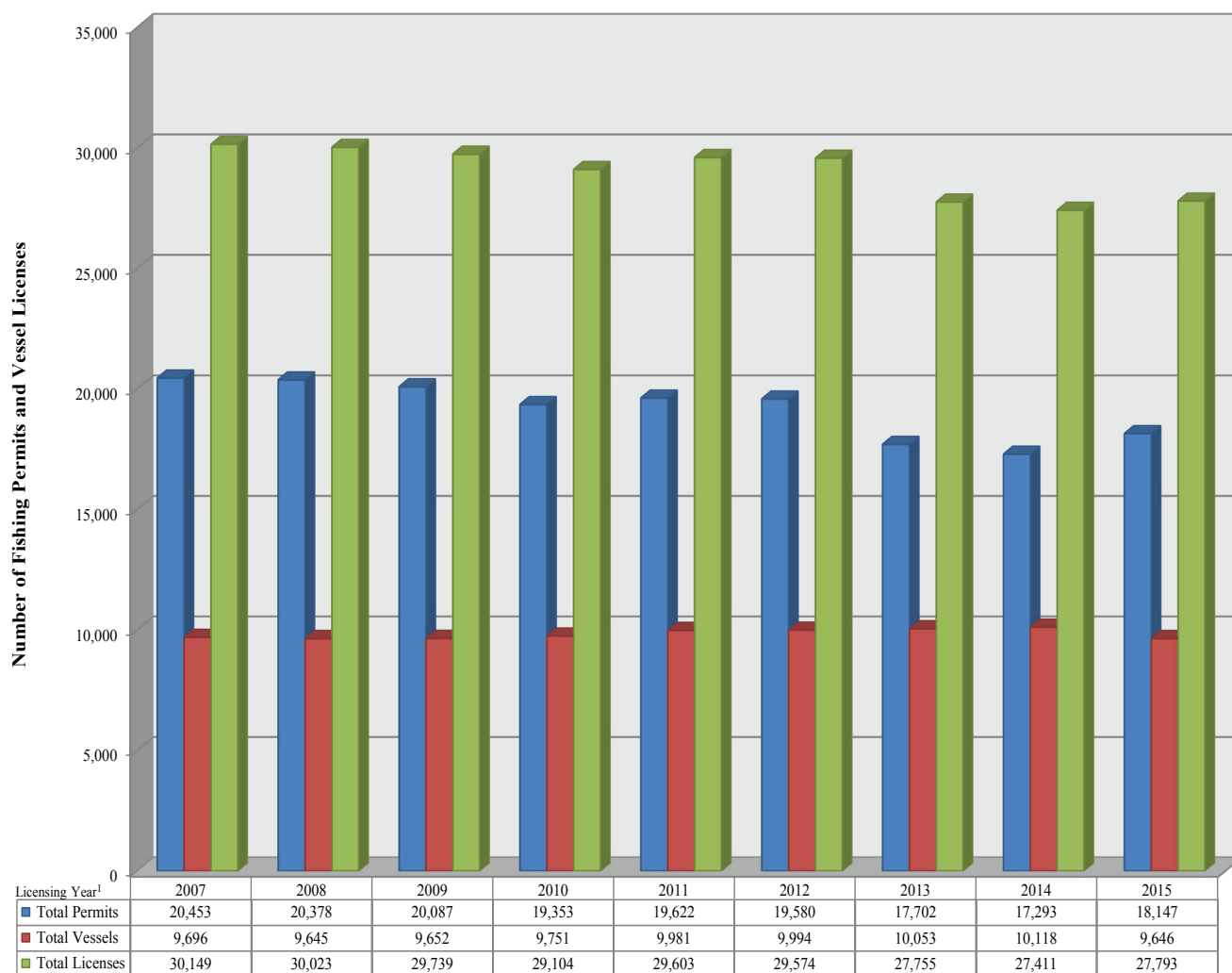
The figures in the table on the preceding page are current as of the publication date and may increase slightly due to late renewals of entry permits. The number of permits is higher than the number of fishermen, as some individuals hold permits in more than one fishery. Annual renewal fees for entry permits must be paid unless waived by the Commission. Failure to renew an entry permit for a period of two consecutive years can result in forfeiture of the entry permit.

¹ License year refers to the fishing year for which the license or permit is issued, regardless of when the fees were paid. Resident/nonresident status is determined by the type of permit fees that were paid by the permit holder.

² Data include permits issued in both open-access fisheries and limited fisheries where fees were paid or waived as of the publication date.

³ “Interim-Entry” permit refers to an interim-use permit issued to an applicant for a permanent limited entry permit in a limited fishery.

Fishing Permits and Vessel Licenses Issued by License Year



(From CFEC report B1440P-C. Includes Interim-Use, Interim-Entry², Entry and Vessel Entry Permits)

The figures in this table are current as of the publication date and may increase slightly due to late renewals of entry permits. The number of permits is higher than the number of fishermen, as some individuals hold permits in more than one fishery. Annual renewal fees for entry permits must be paid unless waived by the Commission. Failure to renew an entry permit for a period of two consecutive years can result in forfeiture of the entry permit.

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Data include permits issued in both open-access fisheries and limited fisheries where fees were paid or waived as of the publication date.

² “Interim-Entry” permit refers to an interim-use permit issued to an applicant for a permanent limited entry permit in a limited fishery.



Summary of Permitting Activity for 2015

Limited Entry Permits Renewed.....	12,158
Limited Entry Permits Not Renewed.....	913
Limited Entry Permits with Fees Waived ¹	1,016
Limited Entry Permits Forfeited or Lapsed.....	0
Interim-Use Permits Issued in Limited Fisheries ²	36
Interim-Use Permits Issued in Open-access Fisheries.....	4,924
Special Harvest Area (Hatchery) Permits Issued.....	23
Educational Entry Permits Issued.....	1
Mariculture Permits Issued.....	1
Vessel Entry Permits Renewed.....	0
Vessel Entry Permits Not Renewed.....	0
Vessel Entry Permits with Fees Waived ³	13

(From CFEC reports B1440P-A and B)

¹ Fees for limited entry permits may be waived in the event of season-long closures.

² Sometimes referred to as Interim-Entry Permits; these permits are available to applicants awaiting final point classification and to applicants who have been finally classified but who may or may not receive a permanent permit when the Commission ultimately determines a final issuance level for their fisheries.

³ Fees for vessel entry permits may be waived in the event of season-long closures.



The brochures shown above are on our website in PDF format. To view or download, go to <http://www.cfec.state.ak.us/Publications/brochures.htm>

2015 Vessel Statistics

Fee Category based on overall length of vessel	Licensing Fee	Number of Vessels Licensed
Vessels to 25'	\$24.00	2,960
Over 25' to 50'	\$60.00	5,308
Over 50' to 75'	\$120.00	862
Over 75' to 100'	\$225.00	208
Over 100' to 125'	\$300.00	157
Over 125' to 150'	\$375.00	50
Over 150' to 175'	\$450.00	37
Over 175' to 200'	\$525.00	26
Over 200' to 225'	\$600.00	6
Over 225' to 250'	\$675.00	4
Over 250' to 275'	\$750.00	11
Over 275' to 300'	\$825.00	4
Over 300'	\$900.00	13
Totals		9,646

Data as of publication date



Photos Courtesy of the Alaska Seafood Marketing Institute (ASMI)

Research



*Craig Farrington
Acting Research
Project Leader*

The Research & Planning Section provides the Commission with fishery limitation studies and optimum number studies, fishery economic analyses, permit reports, and any necessary support specific to cases before the Commission. In addition, the Research Section issues many standard and specialized reports that then get used by outside users to address a wide range of issues related to commercial fishing.

The foundation for much of the work produced by the Research Section resides in several large electronic databases built and maintained cooperatively by the CFEC Research and IT sections. Research Section puts much effort into monitoring and maintaining the integrity of data in those databases. Much of the data is in turn shared with DFG, NMFS and the North Pacific Fishery Management Council through the Alaska Fisheries Information Network. These data allow CFEC staff and others to provide services to local, State and federal government agencies, the Alaska Legislature, researchers, consultants, and other non-governmental organizations.

Among the tasks routinely accomplished by Research staff to support the day-to-day functions of CFEC in 2015 were monthly reports of estimated permit values, estimation of ex-vessel prices and gross earnings of statewide fish and shellfish harvests, permit transfer reports, and analyses used to determine fees levied for the annual renewal of limited entry permits.

In 2015, the Alaska Board of Fisheries (Board) took up several statutory and regulatory issues that had implications for Alaska's limited entry program. Analysts from the Research Section prepared reports, and memos for the Board at the 2015 February (Sitka) and December (Anchorage) meetings. Board proposals involved considerations for restructuring some salmon fisheries - the Bristol Bay drift and set gillnet fisheries and the Yakutat set gillnet fishery - as well as considerations for allowing permit holders in the Southeast sac roe herring purse seine fishery to instead utilize pounds for herring roe-on-kelp.

A Research Section member also attended the 2015 meeting of the North American Association of Fisheries Economists and did a presentation on CFEC's fishery license limitation program.

In several instances in 2015, the Alaska Legislature made special requests for information which Research Section provided. In addition to the large number of standard reports available on CFEC's web site, Research analysts provided legislators and their staff with specific *ad hoc* information on a wide range of topics, such as patterns of permit holdings, permit fees and revenues from permit renewals, including an analysis of revenues from a potential statutory change to the cap on CFEC permit fees.

The Research Section began a baseline data survey of permit holders in the Cook Inlet salmon set gillnet fishery. The survey is designed to verify individual permit holder fishing participation and to determine the extent of family fishing practices in the fishery in the years from 2011 - 2015. Research will use survey results to report basic economic conditions current to the fishery. Depending on the how the economic health of the fishery is portrayed by the report, additional attention and research may be needed for this fishery.

The Research Section produces ex-vessel price estimates for all species of fish harvested in Alaska fisheries. The CFEC ex-vessel price estimates for groundfish species continue to be used by NMFS, and utilized for the 2015 NMFS Groundfish Observer Fee Program.

Along with the normal tasks of supporting the statutory and daily activities of the Commission, Research staff issued 13 published reports in 2015, nearly all of which are available on the CFEC web site. The information typically includes basic economic data on Alaska's fisheries, patterns of permit holdings, permit transfer statistics, and basic characteristics of Alaska's fishing fleets and permit holders, including



data on residency of the permit holders. Some of the reports issued contain confidential earnings and fishing participation data, and are therefore not available to the public. As mentioned above, CFEC analysts also generated some 26 other, specialized ad hoc reports requested by fishermen's groups, legislators, municipalities, non-governmental agencies, private research firms, or academics in 2015. The enumerated public reports are listed below.

CFEC Permit Holdings and Estimates of Gross Earnings in the Arctic-Yukon-Kuskokwim Commercial Salmon Fisheries, 1976 – 2014. CFEC Report No. CFEC Rpt 15-6N by Marcus Gho

Super 8 Vessels for CFEC in-house Use. CFEC Rpt 15-5N by Craig Farrington

CFEC Permit Holdings and Estimates of Gross Earnings in the Bristol Bay Commercial Salmon Fisheries, 1975-2014. CFEC Rpt 15-4N by Marcus Gho

Changes in the Distribution of Alaska's Commercial Fisheries Entry Permit, 1975-2014. CFEC Rpt 15-3N by Marcus Gho, Kurt Iverson, and Craig Farrington

CFEC Permit Holdings and Estimates of Gross Earnings in the Yakutat and Southeast Alaska Salmon Fisheries, 1975-2013. CFEC Rpt 15-1N by Marcus Gho

Non-confidential reports are available on CFEC's web site (<http://www.cfec.state.ak.us>) or upon request from the Commercial Fisheries Entry Commission, Research Section, PO Box 110302, Juneau, AK 99811-0302.



Photos Courtesy of the Alaska
Department of Fish and Game



Photo Courtesy of the Alaska
Department of Fish and Game

Revenue

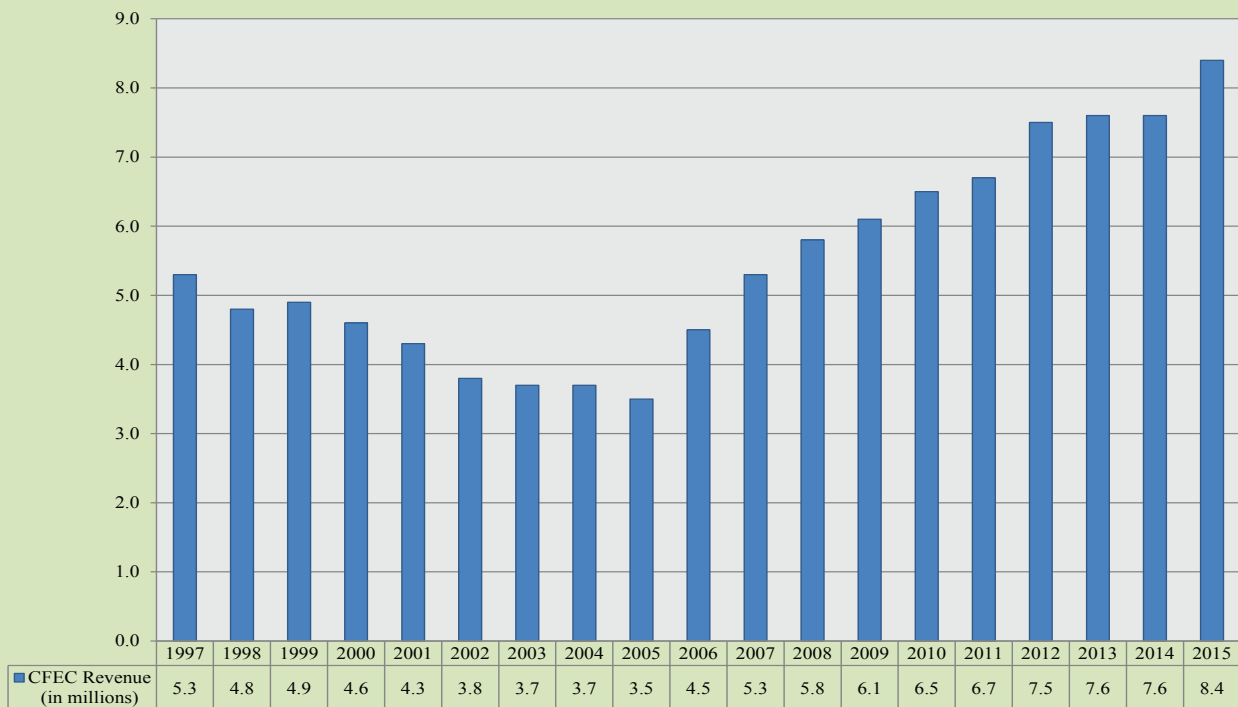
Revenue collected by the Commercial Fisheries Entry Commission comes largely from fees paid for commercial fishing permits and vessel licenses. Additional revenues come from various research and information technology services and reports requested by the public, fishing organizations, fisheries research groups, and other agencies.

Legislation passed in 2005 made two significant changes that increased CFEC revenues collected for the State, beginning with the 2006 licensing year (calendar year). The first was to raise the base cap on annual fishing permit fees from \$300 to \$3,000, thereby partially conforming permit rates with the statute that requires fees to reflect the economic returns in a fishery. Raising the permit fee cap mainly affected higher-value fisheries that had benefitted in the past from the lower cap. The second legislative change was a modification to annual commercial fishing vessel license fees. The fee structure was expanded from five to thirteen fee classes, based upon 25-foot vessel length increments.

Under 20 AAC 05.245, permit renewal fees are based on a formula of 0.4% of the estimated market value of the permit for limited fisheries and 0.4% of the estimated average gross earnings for open-access fisheries. Permit renewal fee categories for 2015 ranged from \$75 to \$3,190 with the majority being \$375 or less.

Total revenue for fiscal year 2015 (July 1, 2014 – June 30, 2015) was nearly \$8.4 million, which more than funded the Commission's \$4,405.8 authorized budget, as well as CFEC's contribution to the Fishermen's Fund. The legislature applied the remaining CFEC revenues to DFG and DCCED programs that support Alaska's commercial fisheries.

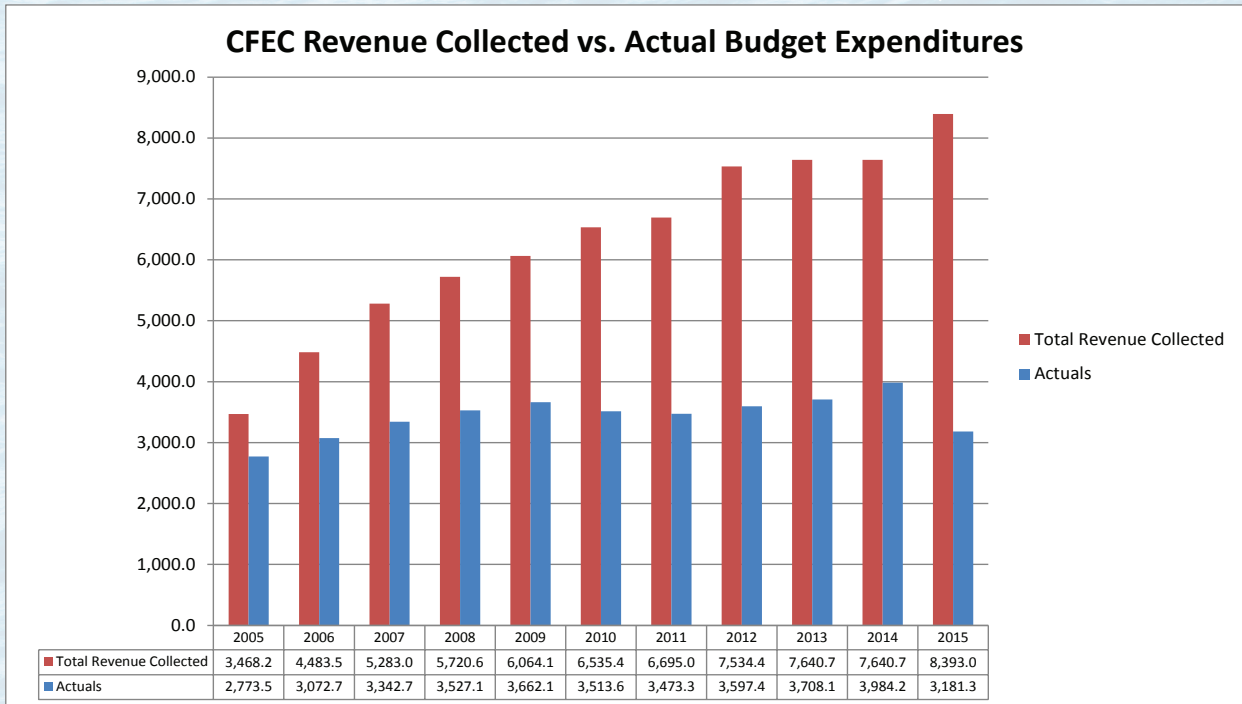
Revenue Collected by the Commission by Fiscal Year *



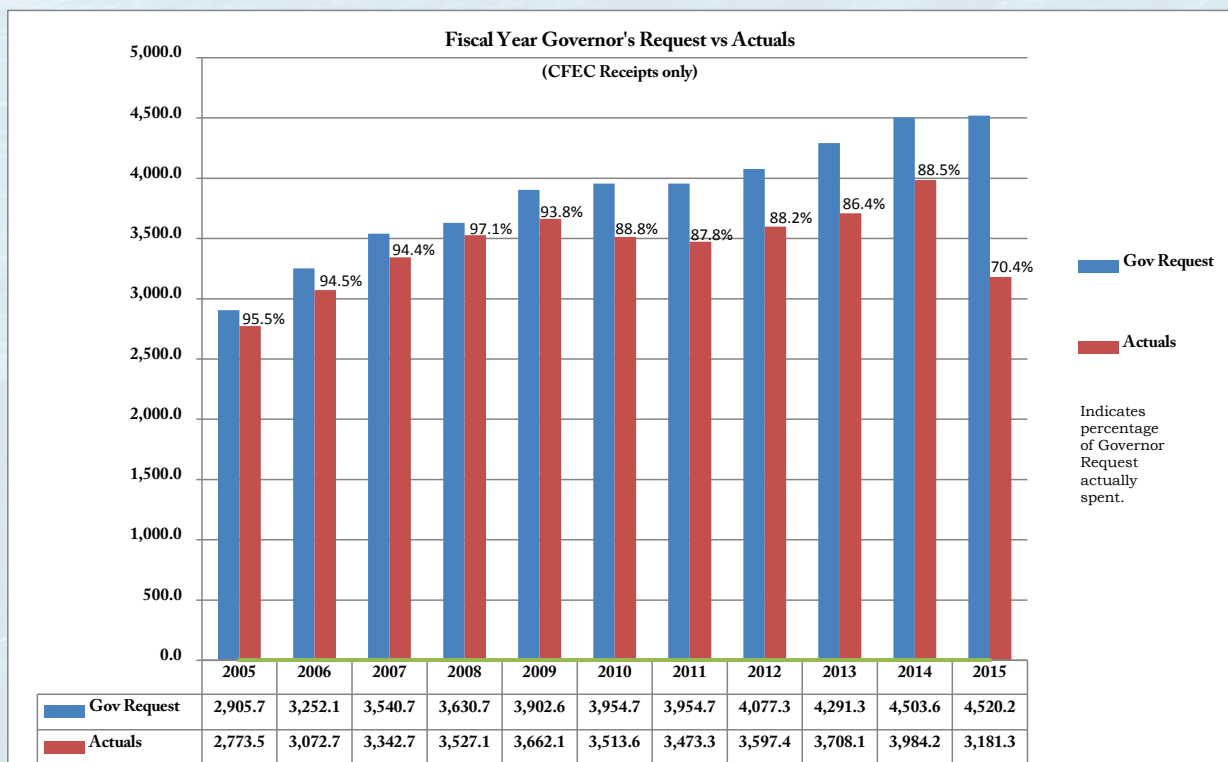
Note: These data reflect permit fees, vessel license fees, limited entry application fees, refunds, and miscellaneous revenue.

*Revised from earlier annual reports

The Commission is one of the few agencies in State government who generates more than 100% of the revenue that makes up its budget expenditures each year.



Since 1986, budget cuts have reduced the Commission's full time positions from 41 to 26 – a loss of nearly 37%. Budget increases over the years have been the result of legislated exempt salary increases and personal services employer rate increases (PERS, Health Insurance, and so on). Commission managers have listened to the growing economic concerns over the last several years with regard to State spending and have looked for ways to reduce expenses.



The following graph compiled by the Legislative Finance Division depicts how CFEC's budget (Management Plan scenario) has remained relatively constant over the years in relation to other department entities.

CF Special Projects
FY06 -- \$850.0 Federal Receipts to support the King Crab Observer Program

FY07 -- Consolidated \$3,261.9 CIP Receipts and positions from CIP Position Costs into Special Projects -- \$600.0 CFEC Receipts to increase funding for statewide ground fish and shellfish projects

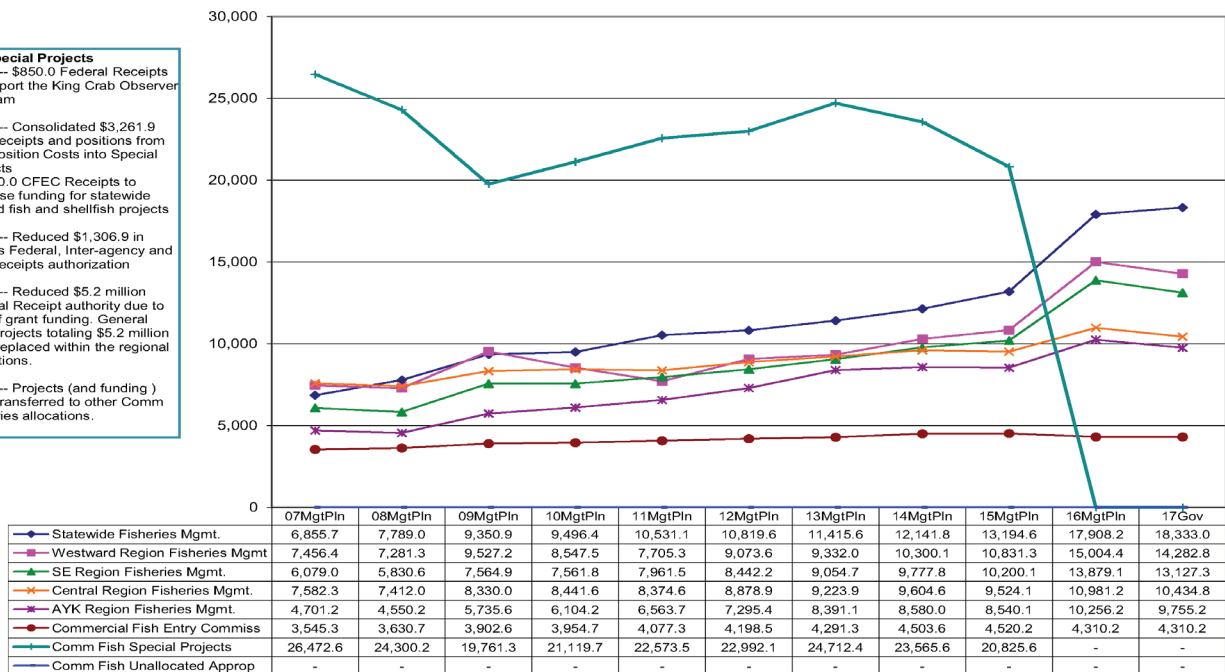
FY08 -- Reduced \$1,306.9 in excess Federal, Inter-agency and CIP Receipts authorization

FY09 -- Reduced \$5.2 million Federal Receipt authority due to loss of grant funding. General fund projects totaling \$5.2 million were replaced within the regional allocations.

FY16 -- Projects (and funding) were transferred to other Comm Fisheries allocations.

Department of Fish & Game
Allocations within the Commercial Fisheries Appropriation
(All Funds)
(\$ Thousands)

The Commercial Fisheries budget grew by \$7.6 million between FY07 and FY17 Governor's Request -- an increase of 12%.



1/20/2016

Legislative Finance Division

13



Photo Courtesy of the Alaska
Department of Fish and Game

Appendices

2015 Commission Employees

COMMISSION

Bruce Twomley	Chairman
Benjamin Brown	Commissioner
Frank Homan **	Commissioner (retired 1/23/2015)
Verne Rupright **	Commissioner (appointed 1/23/2015 - separated 4/23/2015)
Kristen Bomengen	Commission Decision Drafter
Beccy Charles	Executive Secretary
Mele Maahe	Executive Secretary
Doug Rickey	Law Specialist

ADJUDICATIONS

Frank Glass	Adjudications Project Leader
Jill Wood	Managing Paralegal

ADMINISTRATION

Shirley Penrose	Operations Manager
Randy Lippert	Clerk
Sheri Paddock	Administrative Clerk
Bob Reiersen	Clerk

INFORMATION TECHNOLOGY SERVICES

Ty McMichael	Info. Technology Services Leader
Mykel George	Analyst Programmer
Fred Harmon	Data Systems Technician
Don Huntsman	Analyst Programmer
Joe Kollar	Analyst Programmer
Brant Oliphant	Analyst Programmer
David Pearce	Network Specialist

LICENSING

Yvonne Fink	Licensing Project Leader
Rissa Teske	Assistant Licensing Project Leader
Kim Andrews	Transfer Officer
Patricia Boone	Commercial Fish Permit Clerk
Kayla Loob	Commercial Fish Permit Clerk
Ronda Stevenson	Commercial Fish Permit Clerk
Jennifer Pegues	Commercial Fish Permit Clerk

RESEARCH

Kurt Iverson **	Research & Planning Project Leader (separated 5/11/15)
Craig Farrington	Acting Research & Planning Project Leader (appointed 5/12/15)
Marcus Gho	Economist



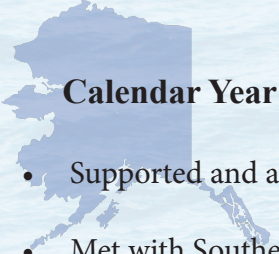
Decisions and Activities in Prior Years



Calendar Year 2013-2014

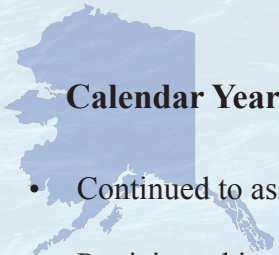
- Assisted the claims administrator and heard appeals from a number of claimants after a Judgement was issued in the lengthy Carlson v. State class action lawsuit.
- Won a suit brought against CFEC in January 2013, by an applicant who unsuccessfully applied for permits in both the Northern and Southern Southeast Inside sablefish fisheries and lost his appeal in the Alaska Supreme Court.
- Continued to support permit holders having issues with disability benefits through the Social Security Administration.
- Advocated for the introduction of federal legislation to ensure that maritime liens would not be imposed upon Alaska limited entry permits and federal individual fishing quota to deprive fishermen of their means of earning a living, nor to deprive the two State-authorized loan programs of security for their loans.
- Formally determined and instructed the Research Section to look at three optimum numbers that need to be established (Southeast herring purse seine, Northern Southeast Inside sablefish longline, and Bristol Bay salmon drift gillnet).
- Chairman Twomley, Commissioner Brown, and Research Project Leader Iverson, appeared before a convening of fishermen sponsored by the Aleutians East Borough at the Pacific Marine Exposition ("Fish Expo") in Seattle, Washington, in November 2014.
- In November 2014, at the Pacific Marine Expo, Chairman Twomley participated in a panel discussion addressing the topic Permit Buy Back: Right Choice for Bristol Bay Drift Fleet?
- Adopted regulations implementing the creation of a separate gear code ("80"); gillnet permits for Area T (Bristol Bay); and the use of electronic imaging (e.g., e-mail attachments).
- Adopted a new regulation relating to the circumstances under which a permit may be reinstated which became effective June 1, 2013.
- Adopted changes to regulations concerning scallop administrative areas, the maximum number of Norton Sound gillnet herring permits, reduced permit fees, and the emergency transfers of non-transferable dive fishery permits in December 2013.
- Updated regulations in November 2014, which reference federal guidelines used to determine eligibility for reduced permit fees, re-designation of Salmon Net Permit Areas, Western Alaska CDQ Halibut Fishermen and Statewide Weathervane Scallop Vessel Permits.





Calendar Year 2012

- Supported and assisted the fleet reduction program for the Southeast purse seine fishery.
- Met with Southeast longliners and reported on the status of the limitation program for the Southeast sablefish fisheries.
- Supported and testified in favor of House Bill 261 to raise the limit on “Section B” loans from the Commercial Fishing and Agriculture bank to \$200,000.
- Offered public comment critical of the proposal by the National Marine Fisheries Service to strip the regional offices (including Alaska) of their administrative appeal functions and to centralize them in Silver Springs, Maryland.
- Adopted regulations.



Calendar Year 2011

- Continued to assist the fleet consolidation program for the Southeast Alaska purse seine fleet.
- Participated in meetings of the Alaska Board of Fisheries dealing with statewide finfish issues.
- Assisted the Department of Law in its briefing of issues in the Carlson class action lawsuit before the Alaska Supreme Court.
- Assisted Department of Law in the successful conclusion of three permit application appeals in the Juneau and Ketchikan Superior Court.
- Attended and participated in meeting of the North Pacific Fishery Management Council and the University of Alaska’s Sea Grant Symposium.
- Assisted Alaska’s congressional delegation in drafting legislation that would make clear federal maritime liens may not be enforced against fishing permits, including entry permits and individual fishing quotas (IFQs).



Calendar Year 2010

- Supported legislation to allow sharing of CFEC information with National Marine Fisheries Service in order to facilitate fleet consolidation in Southeast salmon purse seine fishery.
- Participated in meetings of the Board of Fisheries dealing with statewide finfish issues.
- Assisted Department of Law in successful conclusion of two permit application appeals in the Alaska Supreme Court and six appeals in various superior courts.
- Participated in meetings with Bristol Bay Development Corporation to work on strategies for keeping more Bristol Bay entry permits in local hands.
- Assisted Department of Law in furthering interests of the State in the *Carlson* class action decision



Calendar Year 2009

- Legislation allowing CFEC to freely share non-confidential information with Alaska Regional Development Organizations (ARDORS).
- Renewed 3,485 permits and 1,696 vessel licenses through the Commission's new online licensing system.
- Online licensing renewal kiosk service expanded to DFG offices at Cordova, Craig, Ketchikan, and Homer.
- Participated in the Board of Fisheries meeting at Sitka, concentrating on restructuring proposals for Southeast Alaska finfish management.
- Participated in the ComFish Expo in Kodiak and the "Fish Expo" in Seattle, meeting and conferring with permit holders at space shared with DCC&ED.
- Participated in the Board of Fisheries meeting at Anchorage, concentrating on several restructuring proposals for finfish management in Bristol Bay.



Calendar Year 2008

- Advocated for extension of the sunset date for limitation of the statewide weathervane scallop and Bering Sea hair crab fisheries to 2013.
- Participated as a member of the DFG, Sport Fish Division's Sport Fish Guide Task Force.
- Launched the new online permit and vessel license renewal service, and established online renewal kiosks in Anchorage, Sitka, and Kodiak.
- Presented a report on the status of permit applications at the DFG's Northern Southeast Inside sablefish longline fishery industry meeting.
- Met with representatives of Alaska congressional delegation and the State of Alaska office in Washington, D.C., to discuss federal legislation affecting Alaska's commercial fisheries.
- Attended a Board of Fisheries meeting in Anchorage addressing ecotourism issues.
- Participated in the Board of Fisheries Restructuring Committee meeting in Anchorage to address restructuring proposals affecting commercial salmon fisheries.
- Appeared before the Joint Cook Inlet Salmon Task force to report on buy-back of limited entry permits under the Limited Entry Act.
- Presented "Commercial Fishing: Overview of the Industry" at the 2008 Southeast Alaska Native Summit in Juneau.



Photo Courtesy of the Alaska
Seafood Marketing Institute (ASMI)



Calendar Year 2007

- Participated in meetings with DFG, Sport Fish Division's Sport Fish Guide Task Force to discuss issues regarding limited entry and the sport fish guide industry.
- Continued to work with the SRA to structure a fleet consolidation plan for the Southeast Alaska purse seine salmon fishery.
- Presented "State of Alaska Limited Entry System" at the *Alaska's Young Fishermen's Summit: Weaving a Network of Future Fishing Leaders*.
- Adopted regulations implementing the Application for Immediate Fishing.
- Met with representatives of the U.S. Congressional delegation to discuss federal legislation affecting Alaska's commercial fisheries.
- Reported to the Southeast Alaska King and Tanner Crab Task Force on the status of commission adjudications for those fisheries.
- Participated on an advisory panel for a study commissioned by the BBEDC to explore ways to increase the number of limited entry permits held by local Bristol Bay residents.
- Continued to maintain a professional relationship with the Internal Revenue Service (IRS) to help Alaska fishermen protect their fishing privileges.
- With the Alaska Attorney General, CFEC continued to defend the State against elimination of nonresident fee differential in the *Carlson* case.



CFEC staff photo





Calendar Year 2006

- Launched new web site which includes a searchable permit holder database, information on permit renewals and transfers, and links to standard data tables and Commission reports.
- Presented “30 Years of Limited Entry” at the NOAA National Marine Fisheries Service sponsored conference, *Alaska’s Fishing Communities: Harvesting the Future*, in Anchorage, Alaska.
- Participated in a meeting with the Alaska Department of Fish and Game Sport Fish Division and sport charter guides to discuss issues regarding limited entry and the sport fish guide industry.
- HB 484 (Chapter 91 SLA 2006) authorized the legislature to appropriate revenue from the sale (re-issuance) of entry permits by the State in order to reimburse a qualified Salmon Association for its expenses in retiring permits under a buyback program.
- HB 251 (Chapter 11 SLA 2006) authorized the Board of Fisheries to adopt regulations allowing a person who holds two limited entry permits for a single salmon fishery to obtain greater fishing privileges such as additional gear.
- Continued to maintain a professional relationship with the IRS to help Alaska fishermen protect their fishing privileges.
- With the Alaska Attorney General, continued to defend the State nonresident fee differential in the *Carlson* case.



2005 and prior years

Information on 2005 and prior years can be found in previous annual reports or on the internet at the Commission website: <http://www.cfec.state.ak.us>.





CFEC Commissioners - 1973 to Present

<u>Commissioner</u>	<u>Service</u>
Rickey, Roy	1973 - 1977
Stovall, Charles	1973 - 1977
Jackman, David	1973 - 1974
Carter, Harry	1974 - 1974
Hansen, Harold	???? - 1975
Garner, John	1975 - 1976
Adaisiak, Allan	1977 - 1979
Simon, Robert	1977 - 1982
Garner, John	1977 - 1979
Riley, Burke	1979 - 1982
Williams, John	1979 - 1983
Whitehead, Michael	1982 - 1983
Smith, Philip	1983 - 1991
Listowski, Richard	1983 - 1993
Twomley, Bruce	1982 - Present
Homan, Frank	1991 - 1996
Anderson, Dale	1993 - 1997
Johnson, Marlene	1996 - 2003
McDowell, Mary	1997 - 2005
Homan, Frank	2003 - 2010
Froehlich, Peter	2005 - 2012
Brown, Benjamin	2011 - Present
Homan, Frank	2014 - 2015
Rupright, Verne	2015

