



Commercial Fisheries Entry Commission 2023 Annual Report



CFEC Contact Information

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CFEC Overview

The seafood industry is Alaska's largest private sector employer and adds approximately \$5.7 billion to the Alaskan economy each year¹, benefiting communities from Ketchikan to Kotzebue. The Commercial Fisheries Entry Commission (CFEC) plays a vital role in developing and maintaining the sustainable fisheries and small businesses that underpin Alaska's fishing industry. CFEC generates approximately \$7.5 million in gross revenue for the State of Alaska per year.

In 1972, Alaskans voted to amend the constitution to pave the way for the creation of a limited entry permit system. Subsequently, the Alaska Supreme Court recognized that the limited entry program should impinge on the open fisheries clauses of the Alaska Constitution as little as possible. The limited entry program requires continuous management: CFEC is required to conduct optimum number studies and to ensure the limited entry system does not create an exclusive privilege in Alaskan fisheries and may establish voluntary buyback programs when necessary. Over the years Alaskan courts have scrutinized the limited entry program and developed an extensive body of law, comprised of more than eighty Alaska Supreme Court decisions, which guide CFEC in the administration of its important mandates.

CFEC issues annual permits and vessel licenses to qualified individuals; oversees permit transfers; conducts research and develops fisheries economic data; assesses demerit points on permits to hold violators responsible; and coordinates with state and federal managers to develop fisheries policy. The Commission is composed of two commissioners who are supported by a staff of approximately 20 people. The agency is organized into four sections overseen by an Executive Director, who is responsible for implementing policies and programs established by the Commission to carry out CFEC's mission.

Since the Limited Entry Act was adopted in 1973, CFEC has issued decisions on over 20,000 limited entry fishery applications. In 2023, CFEC recorded 13,700 limited entry permits and 3,813 permits for fisheries that are not yet subject to limitation ("open access" fisheries), for a total of 17,513 permits commercial fishing permits². In 2023, 72% of all commercial fishing permits issued by CFEC were held by Alaska residents, and 49% of all commercial fishing permits were held by rural residents.

¹ [The Economic Value of Alaska's Seafood Industry](#), McDowell 2022.

² These counts include only permits held by holders whose status at year-end was current owner/holder.

For additional information, see [Appendix H](#), pages 18-19.



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Commissioner's Office

The Commissioner's Office is staffed by two commissioners (one of whom is the chair), an executive director, a law specialist, and two administrative staff. The commissioners oversee policy direction in the Commission. The executive director oversees administrative functions. All staff in the Commissioner's Office assist in both policy and administrative functions as appropriate.

The Office works in support of the Commission's four sections: Adjudications, Data Processing/Information Technology, Licensing, and Research. There is significant interaction between these sections depending on the work product. Leadership from the four sections and the Commissioner's Office make up the Commission's Management Council which coordinates continued internal and external improvements.

The Commissioner's Office, again in coordination with the four sections, leads the Commission's external work with permit holders, fisheries leaders, state and federal agencies, the legislature, researchers/academia, and interested public, in a continuous effort to improve services, lower costs, and evolve the Commission's work to the benefit of the commercial fishing industry.

Commissioners also direct comprehensive studies on the economic health and stability of existing limited entry fisheries and open-access fisheries that may benefit from limitation by the Commission in the future; promulgate new regulations to further the purposes of the Limited Entry Act; provide input on Board of Fish proposals affecting commercial fishing; and reply to inquiries from the public, industry, and government officials. The Commissioners are supported in their adjudicative and regulatory endeavors by the agency's Law Specialist.

Five policy objectives guide the Commission. These include –

- Supporting the economic health of Alaska's commercial fisheries industry
- Advocating for increased Alaskan resident ownership in fisheries
- Providing effective service to permit holders
- Protecting individual fishing privileges
- Increasing accessibility and functionality of commercial fisheries economic information for the public and private sectors



Commissioners



2023 CFEC Commission Highlights

- ➔ Issued Final Commission Decisions on 12 other adjudicative matters over the past year.
- ➔ Attended board of fish meetings, providing information as needed to board members, attending members of the public, and ADFG staff.
- ➔ Completed and published a modified optimum numbers study examining the East Side Setnet Fishery in Cook Inlet.
- ➔ Attended ComFish Alaska in Kodiak, March 2023. Attended Pacific Marine Expo in Seattle, November 2023.
- ➔ Began implementation of new document retention schedule, which will show significant cost savings given the decrease in stored hardcopy documents.
- ➔ Continued progress on comprehensive electronic scanning project to protect CFEC licensing records and improve flow of information.
- ➔ Set permit fees in all commercial fisheries for the 2024 fishing year.
- ➔ Investigated the possibility of limitation in the Prince William Sound Shrimp Pot Fishery and voted to propose regulations towards the limitation of that fishery.



Licensing

The CFEC Licensing Section is staffed with six employees who are committed to serving the licensing and transfer needs of Alaska's commercial fishing industry. Licensing staff are on the front lines at CFEC, assisting commercial fishermen who are confronted by an ever-changing array of complex issues, ranging from biological and economic variables to medical and personal emergencies. Staff members strive to make timely and accurate determinations regarding eligibility, transfers, and renewals, consistent with extensive governing fishery statutes and regulations. Licensing staff works closely with the CFEC Commissioners and Law Specialist to ensure compliance with the Limited Entry Act.

Licensing staff interact with the public daily via telephone, facsimile, email, and written correspondence. They are a source of information for commercial fishermen, answering questions about permitting and licensing regulations affecting the fishing industry. Licensing staff works closely with ADF&G, the Department of Commerce, Community and Economic Development (DCCED), the United States Coast Guard (USCG), the National Marine Fisheries Service (NMFS), Child Support Enforcement Division, and other agencies to help track changes to the rules and regulations that impact the issuance of Limited Entry Permits.

Core Licensing Statistics

- ➔ 17,540 Commercial Fishing Permits
- ➔ 7,767 Vessel Licenses
- ➔ 3,813 Interim-Use Permits in Open Access Fisheries
- ➔ 650 Permanent Transfer Requests Processed
- ➔ 753 Emergency Transfer Requests Processed
- ➔ 13 Interim-Entry Permits in Limited Fisheries

For additional information, see [Appendix B](#), page 8



Adjudications

The CFEC Adjudications Section is staffed by one Hearing Officer and one Paralegal. In 2023, the Adjudications Section issued a total of 12 decisions based on administrative hearings: 8 on permanent and emergency transfers; three on limited entry permit applications; and one on miscellaneous matters, such as permit fee refund requests. Decisions issued by the Hearing Officer are reviewed by the commissioners, who either adopt, modify, or reverse the decisions. As of the end of 2023, no CFEC cases were pending before any court. The Adjudication Section also serves as the lead controller of records in the Commission. Along with tracking cases, the records function includes managing archived material, maintaining confidentiality agreements with partner agencies, and establishing processes for engagement with partner agencies.

Core Functions of the Adjudications Section:

- ➔ Schedule, research, and conduct administrative hearings;
- ➔ Write decisions based on those administrative hearings on issues including emergency transfers, permanent transfers, permit fee refund requests, reinstatement of forfeited permit requests, appeals of the assessment of demerit points, and fee arrearages based on residency;
- ➔ Assess demerit points and suspend fishing privileges for convicted violators of salmon fishing laws under AS 16.43.850-895;
- ➔ Receive, record, and prepare for archiving all commercial fish tickets filed within the state;
- ➔ Maintain historic Commission records, manage active cases, and manage CFEC records retention and associated budget;
- ➔ Collaborate with other agencies (Child Support Enforcement, Wildlife Troopers, Department of Revenue) to facilitate lien and collection activity, coordination and manage protected data sharing;
- ➔ Record and assist with record requests from the public or other government agencies;
- ➔ Classify, adjudicate, and maintain a tracking system for limited entry permit applications;
- ➔ Research legal or historical information for the commissioners or for the commercial fishing public when appropriate.

For additional information, see [Appendix C](#), page 11



Data Processing

The Data Processing (DP) consists of a small, highly skilled and responsive staff that must be flexible and proficient in several disciplines. This includes the installation and maintenance of network hardware, such as switches, routers, servers, printers, cabling and storage area networks. The DP Section is also responsible for the installation and maintenance of desktop hardware including personal computers, printers, embossers and other equipment. DP maintains technical support for office staff and customers. DP staff is responsible for data integrity; application development; maintenance of a wide array of software centered on CFEC's core mission; and the reliable and timely distribution of data to other agencies, fishing organizations and the general public. DP maintains local resources such as web services, network operating systems, shared storage, network topology, file services, digital security, database services, IP telephony, and performs all other DP related tasks.

Core Services Provided by Data Processing:

- ➔ Technology Infrastructure & Networking
- ➔ Software & Updates
- ➔ Application Development
- ➔ Security
- ➔ Oracle Database Management
- ➔ Technical Support & Service
- ➔ Legacy Application Services
- ➔ Server Virtualization
- ➔ Enhanced Desktop Utilities
- ➔ Website Design & Maintenance
- ➔ High Availability of Computer Services

For additional information, see [Appendix D](#), page 13



Research and Planning

The Research & Planning Section provides the Commission with estimates of the economic value of all fisheries statewide, tracks permit transfers and shifting demographics in state and federal fisheries, responds to inquiries for data from the public, studies fishery limitation in open access fisheries, prepares optimum numbers reports as needed, and maintains data sets and databases to answer all of questions for all these issues. The Research Section issues many standard and specialized reports that are used by a variety of people and organizations to address a range of issues related to commercial fishing. Much of the data is in turn shared with ADF&G, NMFS and the North Pacific Fishery Management Council. This data allows CFEC and others to provide services to local, State and Federal government agencies and policymakers, the Alaska Legislature, researchers, consultants, and other nongovernmental organizations.

Core Functions of the Research and Planning Section:

- ➔ Economic Reporting
- ➔ Permit Value Reports
- ➔ Fishery Limitation Research and Optimum Number Analyses for Limited Entry Fisheries
- ➔ Gross Earnings Estimates for each Fishery
- ➔ Buyback Consultations & Implementation
- ➔ Publishing Reports ([page 15](#))
- ➔ Data Collection and Integrity
- ➔ Regulatory Proposal Review and Comment
- ➔ Data Sharing with Agencies and Private Sector
- ➔ Permit Holder Surveys & Ex-Vessel Price Estimates
- ➔ Fisheries Monitoring

For additional information, see Research Supplemental [Appendix E](#), page 14



Appendix A: Agency Information

2023 Commission Employees

Commissioner's Office

Glenn Haight	Commissioner, Chair
Mike Porcaro	Commissioner
Fred Harmon	Commission Assistant
Roel Yadao	Administrative Assistant
Misha Holley-Kline, J.D.	Law Specialist
Alysha Guthrie	Executive Director*

Licensing

Mele Maake	Lead
Suzanne Rumfelt	Transfer Officer
Leonita Tupou	Transfer Clerk
Marissa Tanuvasa-Tuvaifale	Permit Clerk
Mechelle Moore	Permit Clerk
Mary Jo Barry	Permit Clerk
Mahina Tuotaiolepo	Permit Clerk*
Mariah Tanuvasa	Permit Clerk*

Adjudications

Robin Loreth, J.D.	Lead
Nicole Lynch, J.D.	Lead*
Randy Lippert	Paralegal

Data Processing

Brant Oliphant	Analyst Programmer
Ty McMichael	Lead*
Joe Kollar	Analyst Programmer*
David Pearce	Network Specialist*

Research and Planning

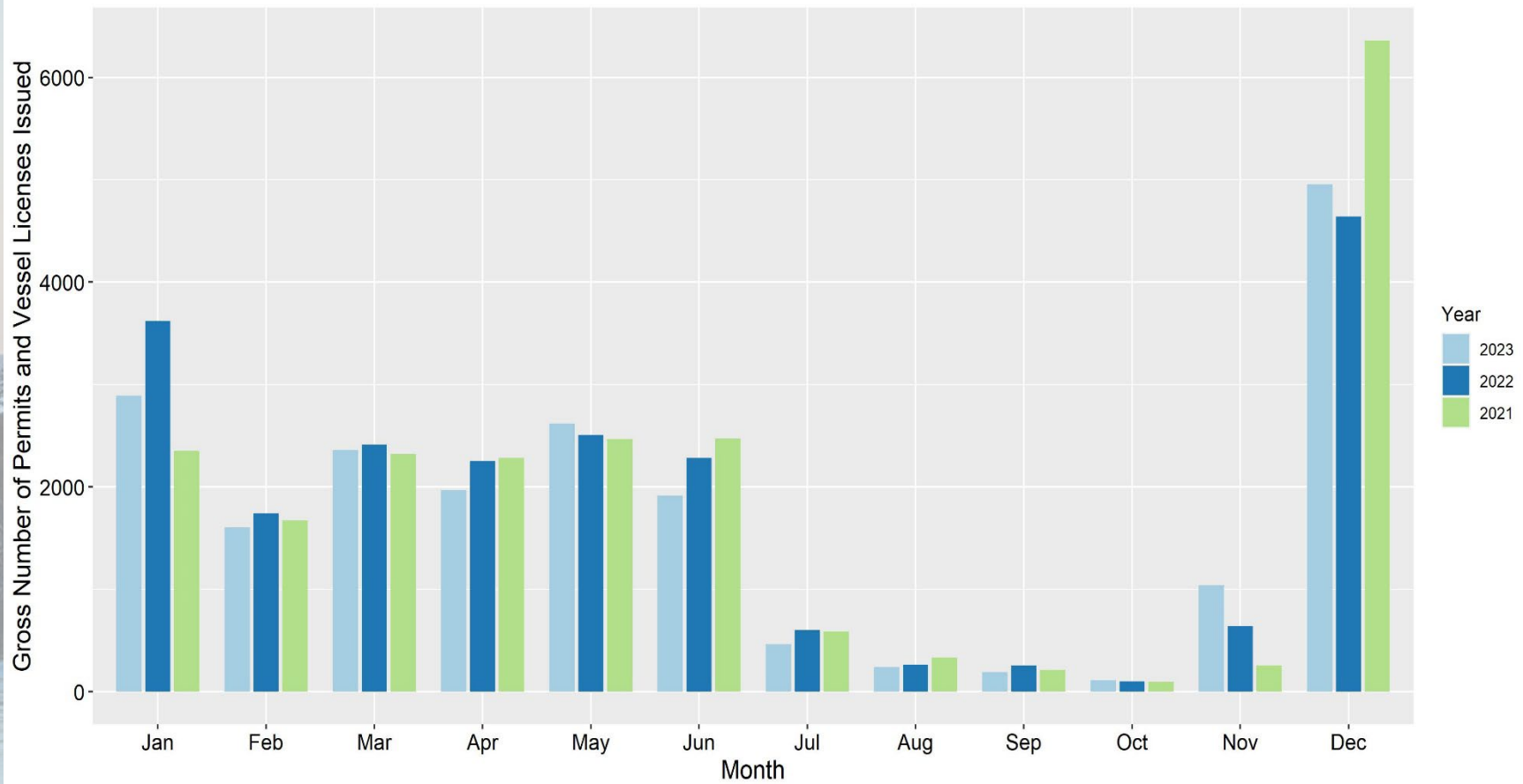
Reid Johnson	Lead
Daniel Strong	Fisheries Analyst
Parrish Ballard	Research Analyst
Brad Robbins	Lead*

* No longer with CFEC



Appendix B: Licensing Statistics

Permits and Vessel Licenses Processed by Month





Appendix B: Licensing Statistics

Counts of Permits by Fee Range

<i>Fee Range (in dollars)</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Waived	2,093	2,327	1,530	483
\$75 to \$375	10,406	10,324	10,322	9,712
Over \$375 to \$750	3,850	3,391	3,956	1,825
Over \$750 to \$1,125	460	665	115	1,972
Over \$1,125 to	97	41	6	78
Over \$1,500 to	271	208	227	187
\$3,000 Fee Cap	433	362	332	306
Total	17,610	17,318	16,488	14,563

There are 40 separate categories for CFEC permit fees, ranging from \$75 to \$3,000 in increments of \$75 dollars. The table above displays the number of permits issued by category. Renewal fees are calculated using the estimated permit value as of June of a given year. The final fee is calculated by multiplying the permit value by four-tenths of one percent, then rounding to the nearest fee class, with a fee cap of \$3,000. For open access fisheries or fisheries with inadequate data, fees are calculated using the most recent 3 years of gross earnings, then applying the weighted average to the same formula.

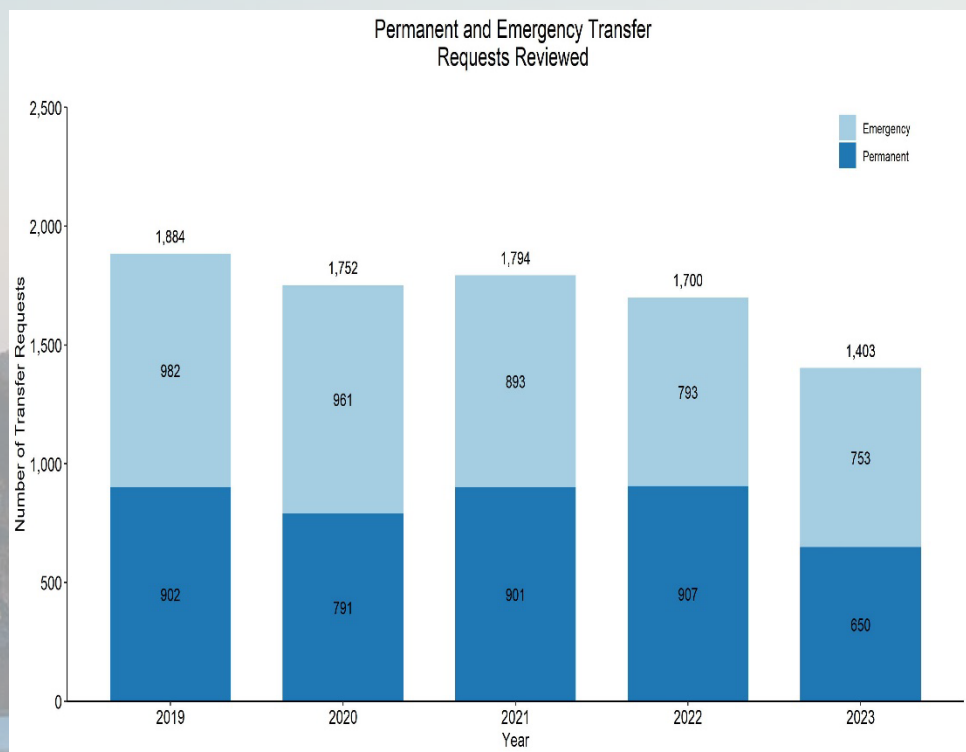
Vessel Fee Categories

<i>Fee Category (in vessel length)</i>	<i>License Fee</i>	<i>Number of Vessels Licensed</i>
Vessels to 25'	\$24	1,946
Over 25' to 50'	\$60	4,565
Over 50' to 75'	\$120	778
Over 75' to 100'	\$225	199
Over 100' to 125'	\$300	145
Over 125' to 150'	\$375	50
Over 150' to 175'	\$450	32
Over 175' to 200'	\$525	17
Over 200' to 225'	\$600	4
Over 225' to 250'	\$675	3
Over 250' to 275'	\$750	13
Over 275' to 300'	\$825	5
Over 300'	\$900	10
2023 Total		7,767

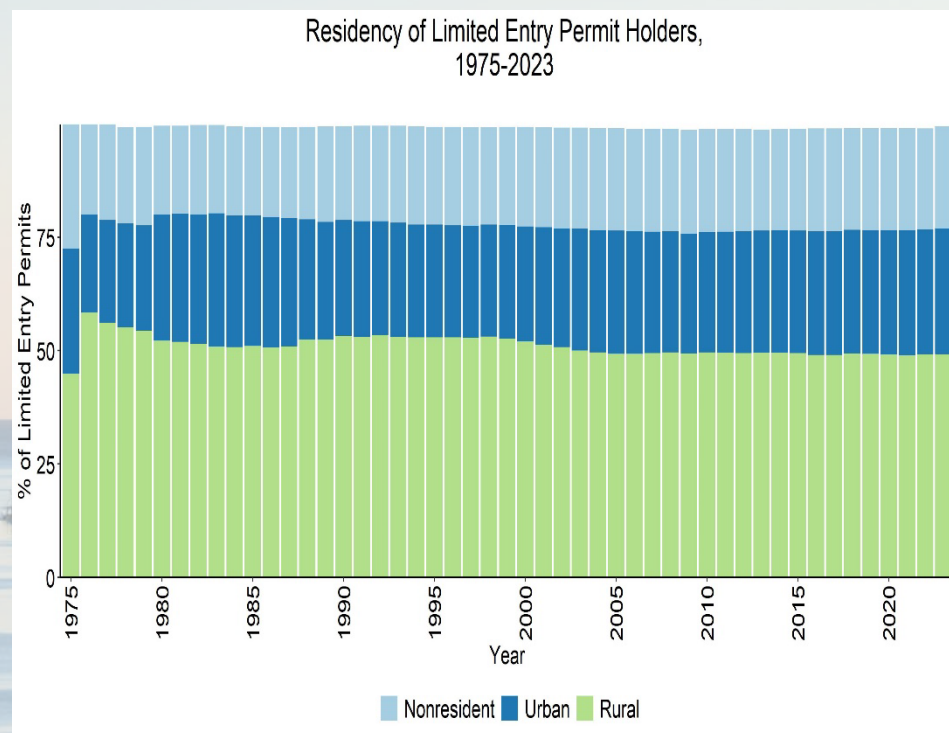
There are 13 separate categories for CFEC vessel fees determined by vessel length ranging from 25 feet to 300 feet and up in increments of 25 feet. The vessel license fee is based on the United States Coast Guard definition of overall length, as stated in [46 USC 2101 28\(b\)](#).



Appendix B: Licensing Statistics



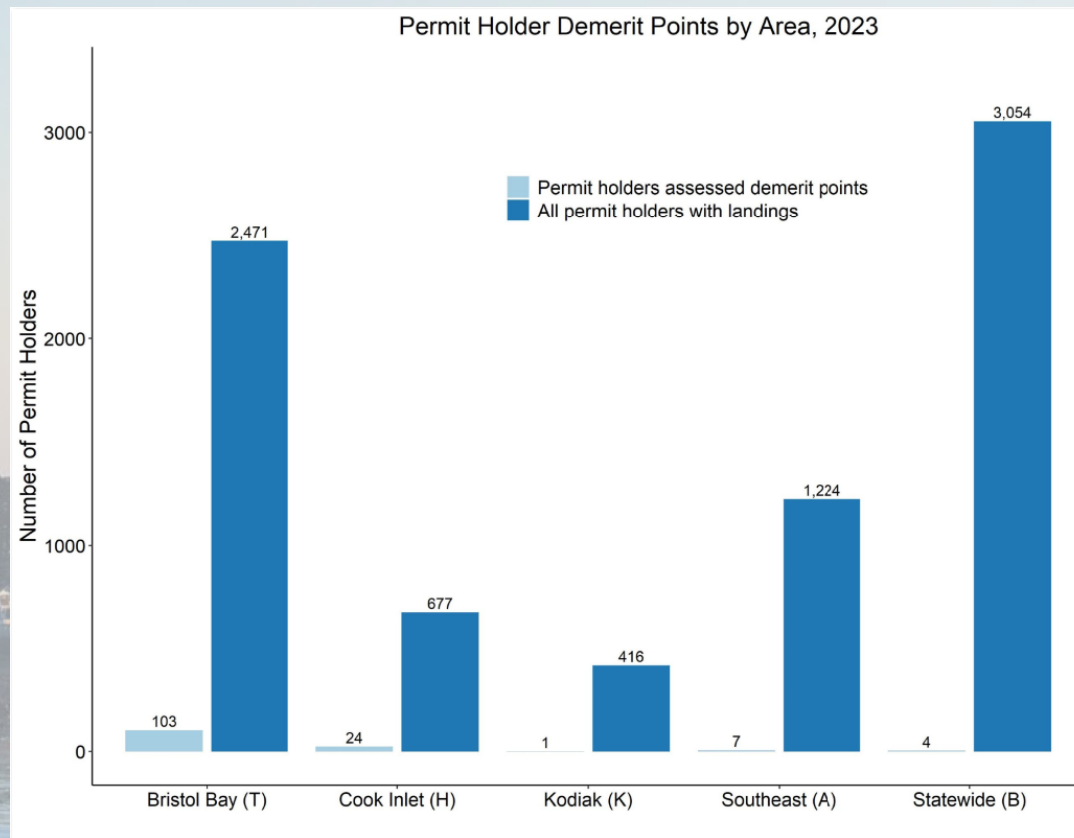
In 2023, Licensing staff reviewed 1,403 requests for permanent and emergency transfers of permits. This included 753 emergency and 650 permanent transfer requests.



Urban and rural community designations are based on information from the 2020 U.S. Census. Many regions of Alaska have no urbanized areas. For example, every Bristol Bay region community is considered rural. In 2023, of 13,794 limited entry permits, 6,774 were held by Rural Alaskans (49%), 3,794 by Urban Alaskans (28%), 3,077 by Non-residents (23%), and 75 by Alaskans of unknown residence (1%).



Appendix C: Adjudications Statistics



Fishing Areas with No Demerit Points Assigned

Area
Southern Southeast (C)
Yakutat (D)
Federal Waters (FW)
Gulf of Alaska (G)
Westward (J)
Chignik (L)
Alaska Peninsula (M)
Aleutian Islands (O)
Bering Sea (Q)
State Waters (SW)
Nunivak Island (U)
Kuskokwim (W)
Kotzebue (X)
Yukon, Lower (Y)
Norton Sound (Z)

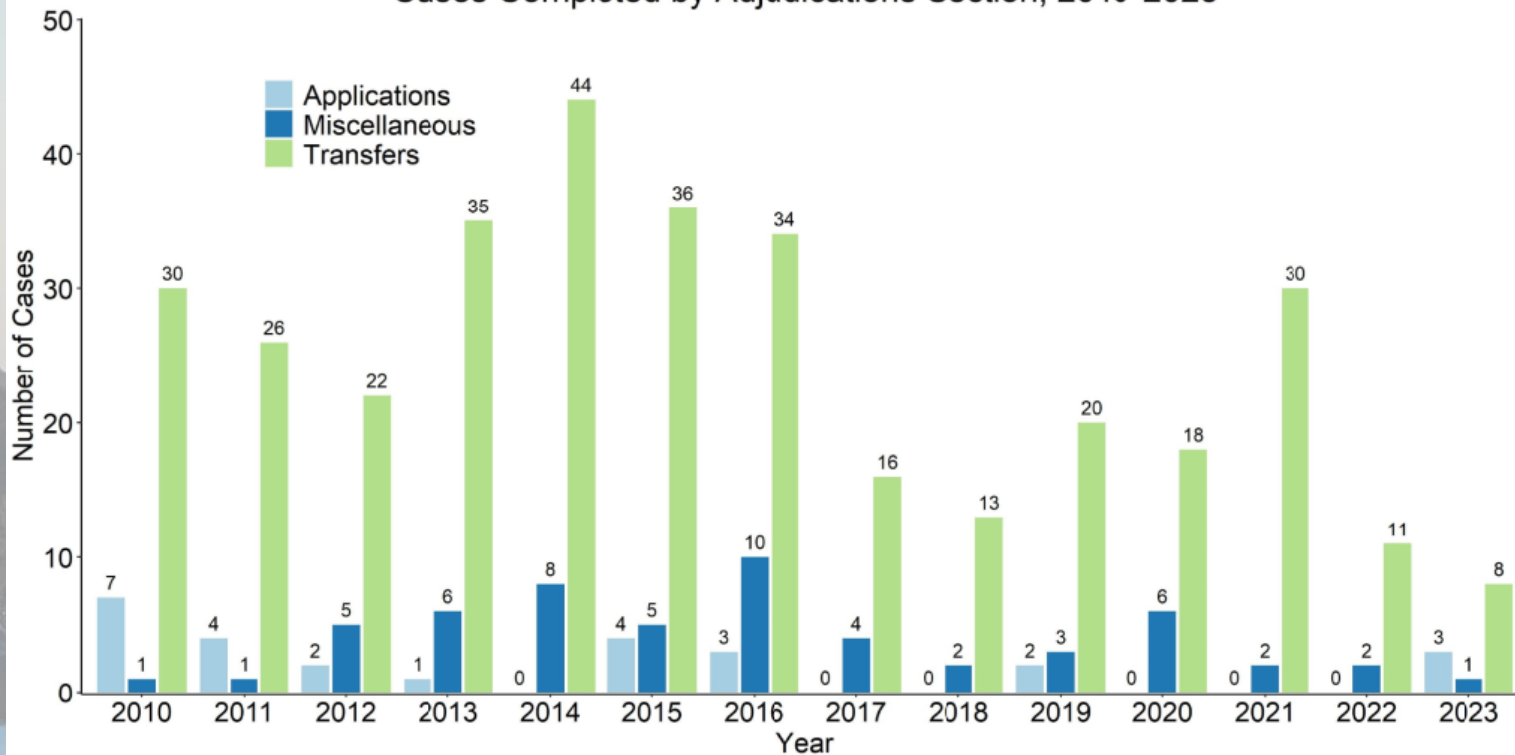
In 1998, the Alaska Legislature established a demerit point system for suspending commercial salmon fishing privileges based on convictions for fishing violations in the salmon fisheries. Under this law, the Commission must suspend a salmon permit holder's commercial fishing privileges for a period of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

See [Appendix H](#), Page 18 for a discussion of the Demerit Point System.



Appendix C: Adjudications Statistics

Cases Completed by Adjudications Section, 2010-2023



The Adjudications Section is made up of one Hearing Officer and one Paralegal.

As detailed in this graph, miscellaneous cases include requests for reinstatement or refunds, demerit point assessment appeals; and enforcement proceedings. Transfer cases refer to appeals of the denials of emergency and permanent transfers of permits. Application cases refer to original Limited Entry Permit applications.



Appendix D: Data Processing

Data Processing Opportunities and Active Projects

The Data Processing (DP) Section consists of four CFEC staff who are responsible for maintaining and improving CFEC's databases, proprietary applications, and agency hardware. The DP team continues to automate and alter long-standing methodologies to improve efficiency, enabling the agency to function under resource constraints. DP staff continue to refine CFEC systems and explore opportunities for improvement.

Maintenance and Operations

CFEC DP maintains systems, both hardware and software, that is considerably old for information technology systems. Before it can conduct a complete modernization of its IT system (discussed below), it must maintain the existing system.

The internal licensing system used by staff was programmed in the 1980's, and exists on hardware almost two decades old on operating systems designed by companies no longer in business. In order to get out from under this antiquated soft- and hardware, the internal licensing system is undergoing a short-term rewrite that will allow it to migrate to more secure platforms. This will also allow the Commission to produce a newer generation of permit cards that will provide much greater flexibility for permit holders.

Modernization Effort

Initially envisioned as an effort to modernize three of its external facing applications, the Commission realizes its entire system must be redesigned and redeveloped. With \$450.0K earmarked for this modernization effort, the Commission will lay out its business processes and determining the appropriate technology to conduct the redesign. Spearheading this effort will be outreach to permit holders and partner agencies to inform what functionality is desired to improve CFEC service. This work will information the Commission of a realistic timeline and cost for the modernization conversion.



Appendix E: Research Activities

The Research Section provided the Alaska Board of Fisheries economic reports for the Alaska Peninsula, Chignik, and Kodiak salmon fishing areas. Monthly and annual permit value reports for all limited entry permits in the state were also published. These are used by the Alaska Commercial Fishing and Agriculture Bank; the Department of Commerce, Community, and Economic Development's Commercial Fishing Loan Program; fishermen; and brokers of fishing permits to understand the value of limited entry permits for loan and sale purposes. The annual report of Limited Entry transfer activity was published for 2022 as well.

The Research section also published a modified optimum numbers study addressing permits in the East Side Set Net fishery in Cook Inlet.

Research produced preliminary and final ex-vessel price and earnings estimates for all species of fish harvested in Alaska fisheries in 2022. The estimates are performed in the following year (done in 2023 for the 2022 season), due to the time lag to obtain fish ticket data and adjustments made by fish processors after the end of the season. Research's ex-vessel price and earnings estimates are essential to understanding the basic economics of Alaska's fisheries and are used in the NMFS Groundfish Observer Fee Program to calculate fees fishermen pay into that system.



Appendix E: Research Activities

Reports Published in 2023

In 2023, Research published the following broad-based informational reports intended to inform the Alaska Legislature, Alaska Board of Fisheries, ADF&G fishery managers, other agencies and regulatory bodies, and the fishing community at large. Previous year's reports are available on the CFEC web site, <https://www.cfec.state.ak.us/Publications/year.htm>.

[CFEC Permit Holdings and Estimates of Gross Earnings in the Kodiak Commercial Salmon Fisheries, 1975-2022. CFEC Report No. 23-06N](#)

[CFEC Salmon Set Gillnet Permits and DNR Shore Fishery Leases in Prince William Sound, Cook Inlet, Kodiak, Alaska Peninsula, and Bristol Bay, 1975-2022. CFEC Report No. 23-05N](#)

[Mean and Quartile Estimated Gross Earnings for Alaska's Limited Commercial Fisheries, 1975-2022. CFEC Report No. 23-04N](#)

[Findings and Results from a Modified Optimum Numbers Study on the Cook Inlet Eastside Set Gillnet Fishery, 1975-2022. CFEC Report No. 23-03N](#)

[Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975-2022. CFEC Report No. 23-02N](#)

[CFEC Permit Holdings and Estimates of Gross Earnings in the Chignik and Alaska Peninsula Commercial Salmon Fisheries, 1975 - 2022. CFEC Report No. 23-01N](#)



Appendix F: Statutory Requirements

Limited Entry and Optimum Levels of Permits

CFEC performs multiple functions that benefit the economic well-being of commercial fisheries, including monitoring the health of the 200+ open access commercial fisheries, adjudicating permit applications for limited entry permits, issuing commercial fishing permits and vessel licenses to qualified applicants, enforcing statutory requirements governing permanent and emergency permit transfers, suspending salmon fishing privileges for frequent violators of commercial fishing rules, and promulgating regulations to further the purposes of the Limited Entry Act.

To date, CFEC has limited entry for 68 fisheries (two have since been statutorily rescinded). The last limited fishery was done in 2004. While more fisheries will likely be limited in the future, the level of effort required to manage this function is much reduced. CFEC continues to receive requests to limit fisheries and conducts internal reviews, and communicates with interested permit holders.

CFEC has statutory direction to conduct optimum number studies on its limited fisheries. The Commission has done just three such studies to date. In conducting an optimum number study, the commission would determine if the number of permits in a fishery is appropriate, too few, or too many. If it was determined too few existed, CFEC would issue additional permits. If there were too many permits, the Commission would implement a buyback program to buyout the appropriate number of permits. The requirement to do optimum number studies is an important legal construct, however in practice they will be done only when a fishery is distressed, there is support among permit holders, and there may be additional benefits from the work.

CFEC may also conduct buyback programs, but none have been done to date. There are obvious challenges in implementing such a program including identifying a fishery with too many permits, determining the appropriate mechanisms for conducting the buyback (this would likely require additional statutory direction), and obtaining the resources necessary to conduct the buyback.



Appendix G: Recommended Legislation

Business Transition Transfers

In its 2022 Annual Report to the Legislature, the Commission spoke in favor of gaining the ability to work with a buyer and seller of a fishing operation to allow for a business transition transfer. Envisioned in this transfer platform is a process that would allow a permit to be transferred from prospective seller to buyer over the course of multiple years under a contractual relationship. The buyer would have an opportunity to increase annual revenues and the seller would maintain some security should the transition fail. There are potential legal issues to review including whether this would run afoul with statutes prohibiting leasing or encumbrances.

House Bill 19 – Reducing Redundant Vessel Registration Requirements

In 2018, the Legislature passed the Derelict Vessel Bill to provide harbormasters, DNR and others, with a state-run database of all documented vessels. Vessels of a larger size that enter into commerce will register with the U.S. Coast Guard and become a “documented vessel”. Otherwise, the smaller vessels register with the Division of Motor Vehicles. Harbormasters reported they were no longer able to receive ownership information from the Coast Guard on documented vessels; therefore, they were unable to track down owners of derelict vessels in their jurisdiction.

The derelict vessel bill required all documented vessels to sign up with the Division of Motor Vehicles. A large group of documented vessels in Alaska are those that commercial fish and already register with CFEC in a publicly available database. This created duplicative registration for this class of documented vessels.

All HB19 attempts to do is remove this duplicative registration. It is a simple change that solves a simple problem. The first bill on this subject started in 2020. The current version removes earlier complexities and does what it intends to do – removes duplicative registration for documented vessels that commercial fish.