

## CHAPTER 10. REGULATIONS AND PERMITS

To operate your fish plant you will have to comply with local, state and federal regulations. These regulations require you to get permits from different agencies, pay taxes to the state and local governments and prepare various reports and plans.

Some of the regulations may seem unnecessary and arbitrary but if you do not comply with them your plant can be shut down or you may not be able to sell your fish. So creating a system for keeping your permits current, paying taxes and making up-to-date reports and plans is just as critical for your plant as getting a supply of fish, keeping your equipment working, and having markets for your products.



The regulations for fish processing plants fall into three broad categories:

- Regulations focused on food safety
- Regulations related to paying taxes
- Regulations related to fishery resource management

Food safety regulations focus on the physical aspects of your plant and how it will operate. The agencies responsible for safety want to know where the plant will get its water, the materials used in building the plant, the type of equipment and ingredients you will use, how you will process fish and store the finished product and ingredients used, and what you will do with the waste. That's why you need to start thinking about these regulations as you plan your plant.

The tax and fisheries management regulations focus more on reporting, and are less concerned with how your plant is built or how it will process fish.

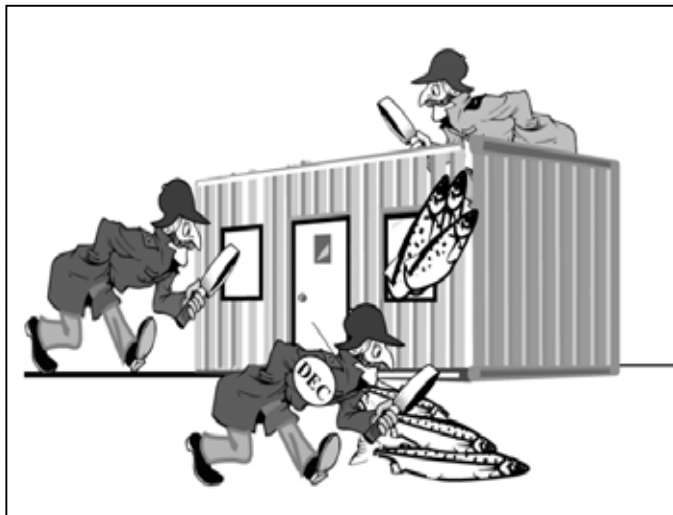
## Food Safety Regulations

Fish processing is part of the food processing business, and food processing is highly regulated. There is a good reason for this. Fish that are not processed safely can make people sick or even kill them. This not only harms the person who ate the bad fish, but it also harms the plant that produced it—and the entire Alaska seafood industry.

Because of this, the agencies responsible for food safety, the Alaska Department of Environmental Conservation (DEC) for the State of Alaska and the Food and Drug Administration (FDA) for the federal government, want a lot of information, and they will inspect your plant to check on you. Their regulations are the minimum requirements for safe fish processing.

The Alaska Department of Environmental Conservation (DEC) has the most detailed regulations affecting fish processing plants. As soon as you begin planning your plant, you should start learning and thinking about what you will need to get a permit from DEC. Otherwise you run the risk that you will not be able to get a permit, or that you will have to make expensive alterations in your plant before you are allowed to operate. The DEC Seafood Processor Permit Application is available on the DEC website at [www.dec.state.ak.us/eh/fss/seafood/applicationspermits.htm](http://www.dec.state.ak.us/eh/fss/seafood/applicationspermits.htm).

A quick look at the application instructions will show you two things. First, the application is linked to a number of other permits such as sewage, air quality, wastewater disposal, solid waste, and food service. Second, it refers often to the Seafood Processing and Inspection Regulations of the Alaska Administrative Code (18 AAC 34). A number of these regulations are the same as federal regulations. So, the good news is that if you can meet the DEC regulations you will have complied with many of the Federal regulations that apply to the operation of your plant.



Before you go very far with your planning you should call DEC and talk with fish permit staff. The DEC staff works with these regulations all the time and they can help clarify what the regulations mean, and can give you suggestions. Since DEC also has the responsibility for inspecting fish processing plants, their interpretations of the regulations are the ones that count. Running your ideas and plans by them can save you a lot of time and effort.

Before talking to DEC you should have an idea of what you want to produce and information about where you will be working and what your plant building will look like. This will help DEC's specialists focus on giving you concrete advice about your plans. At the very least, getting a seafood processing permit will require you to submit:

- ∞ A profile and floor drawing plans of your plant
- ∞ Plumbing plans for the plant that show that you meet state requirements for plumbing facilities
- ∞ Water samples
- ∞ Waste disposal plans



**Will you be able to get the permits you need to operate your plant?**



*How will you get the permits you need to operate your plant?*

*How will you make sure that your plant meets all the necessary requirements?*

*Who will do the work to apply for the permits?*

## HACCP

Both DEC and the federal Food and Drug Administration (FDA) require fish processors to file a Hazard Analysis and Critical Control Point (HACCP) plan. A HACCP plan describes how you will process fish and identifies “critical control points” at which food safety may be compromised. For each of these points, the plan describes the food safety hazard, and specifies what actions you will take to minimize them. HACCP has been adopted as the international standard for food safety, and many food quality certification programs are designed along the same lines.

DEC and FDA conduct inspections of plant compliance with their HACCP plans. Understanding HACCP will help you with these inspections, and with voluntary quality assurance certification programs. The University of Alaska's Marine Advisory Program offers classes in how to draft and use HACCP plans.



*“Your health department information is very very critical. If there’s ever a problem with your product you need to be able to prove that you were properly licensed and inspected and have a HACCP plan and that it was properly enforced with accurate records.”--An experienced Alaska village fish processor.*

## **Selected Information from the 2008 ADEC Alaska Seafood Processors Permit Application Instructions**

All fishery resources entered into commerce for human consumption must go through an Alaska Department of Environmental Conservation (ADEC) permitted seafood processing facility. If you intend to be a primary fish processor or export unprocessed fishery resources out of Alaska's jurisdiction, you must have a current ADEC Seafood Processor's Permit, and a current ADF&G code plate before you begin operating. . .

Under ***Fishery Resource*** check each resource you intend to purchase, process, or export unprocessed. . . . Identify the fishery resource utilized, the type of processing to be performed, and the package type. This will enable ADEC to determine which, if any, approvals and permits are necessary for a specific operation. In addition, the following ADEC permits may be required depending on the specific type and volume of operation.

- *Plan Review and Approval of Sewage or Sewage Treatment Works*
- *Air Quality Control Permit to Operate*
- *Wastewater Disposal Permit*
- *Solid Waste Management Permit*
- *Plan Review and Approval of Public Water Systems*
- *Environmental Protection Agency (EPA) NPDES Permit*
- *Food Service Permit*

Applications for new or recently modified operations must furnish the following plans and specifications for their facility:

- *Shore-based Facility Plans*
- *Vessel Facility Plans*
- *Plumbing Plans*
- *Water Supply and Ice Sample Results*
- *Equipment and Utensils*
- *Processing Waste Disposal*
- *Ingredients*
- *Thermal Processing*
- *Labeling*

If you discharge more than 1,000 lbs/day and more than 30,000 lbs./year of seafood processing wastes in U.S. waters, you must have an Authorization to Discharge under either an individual U.S. EPA point source discharge (NPDES) or one of the three seafood general permits.



**A fish processing plant needs a lot of different permits every year.** This is the Department of Environmental Conservation (DEC) permit obtained by the Yukon Delta Fish Marketing Coop in Emmonak in 1999.

STATE OF ALASKA  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
Division of Environmental Health  
**PERMIT TO OPERATE**

The permit is granted to  
Yukon Delta Fish Mkt. Coop., Inc.  
1715 N.V. Westport Street  
Seattle, WA 98107

Doing business as  
Yukon Delta Fish Mkt. Coop., Inc.  
A large seafood processing facility, as required  
in operation of a by AS 03.05 and AS AAC 24.000200 TO IMPLANT INSPECTION

Located at  
Emmonak, Alaska

This permit is Annual and may be revoked at any time

December 31, 1999

May 5, 1999  
DATE ISSUED

2F 745  
PERMIT NUMBER

*William Jacobs*  
Environmental Conservation Manager

*Michael J. Costas*  
Seafood Permit Coordinator

Fish-Fish  
 Smoking  
 Canning  
 Pickling  
 Curing  
 Shellfish



**A health inspection report for a village fish processing plant.** Inspectors check for many details. In observation #2, the inspector wrote: “Observed the firms processing water (from a city source). Was checked 3 times in different areas in the processing building and observed no residual chlorine.” The inspector was concerned because regulations require that processing water be chlorinated.

4 K. ACCEPT  
7 D.1

Address to Compliance Officer, Seafood

DEPARTMENT OF HEALTH AND HUMAN SERVICES PUBLIC HEALTH SERVICE FOOD AND DAIRY ADMINISTRATION	DISTRICT ADDRESS AND PHONE NUMBER 22201 23 <sup>rd</sup> Dr SE Bothell, WA 98021 (425) 486-3788
NAME OF INDIVIDUAL TO WHOM REPORT ISSUED	PERIOD OF INSPECTION 7/07/99
TO:	C.F. NUMBER 3014493
TITLE OF INDIVIDUAL	TYPE ESTABLISHMENT INSPECTED Seafood Fresh Frozen Processor
FIRM NAME	NAME OF FIRM, BRANCH OR UNIT INSPECTED Same
STREET ADDRESS	STREET ADDRESS OF PREMISES INSPECTED Same
CITY AND STATE (Zip Code)	CITY AND STATE (Zip Code) Same

DURING AN INSPECTION OF YOUR FIRM I OBSERVED:

1. Observed a basket of King Salmon roe sitting on the processing room deck which had blood, viscera, and other filth in flowing water. Also observed all roe baskets in the egg room stacked on the floor.
2. Observed the firm's processing water (from a city source) was checked 3 times in different areas in the processing building and observed no residual chlorine. Checked in the afternoon when water usage



## **Regulations can shut down your business.**

Even though it was already a successful business, Dainty Island Seafoods faced a major new hurdle in the early 1990s when new health regulations banned commercial sale of traditional strips, as described in this 1993 newspaper article:

*A cold-smoke processing plant that cures fish the Native way is the target of state health codes regulating the time and temperature at which fish may be preserved. Sidney Huntington, an Athabascan Indian and veteran member of the state Board of Game, said he was seeking a way around rules that bar the sale of smoked salmon known as "squaw candy" that is dried and smoked for weeks. New guidelines enforced by the Department of Environmental Conservation require fish sold commercially to be smoked in 24 hours or less.*

*Manny Soares, a state seafood program development manager, said traditional cold-smoking never produces temperatures hot enough to kill bacteria. He said bacteria found in cold-smoked fish include listeria, which can be lethal to the elderly and children. Huntington encountered a problem in February when the state refused to renew his processing permit. Officials called for upgrades and adherence to the processing standards. . . "I think the common sense factor is what we need to get to people like that," he said.*

*After improvements that he says cost thousands of dollars, Huntington was granted a limited permit in August too late to take advantage of summer sales of smoked salmon. Huntington may sell only to a cannery which does further processing that destroys any remaining bacteria, Soares said. Huntington may not sell to stores or retail customers.*

*Huntington's process, his own invention, injects smoke into the fish and uses an oil furnace. He says he consulted a doctor, who Huntington claimed has opposed cold-smoke processing, and asked for an inspection. No bacteria was found, Huntington said. "We wanted it done to prove the Native fish was safe food to eat," he said.*

*Soares said the new guidelines affect few smoke-dried processors since most have switched to techniques that meet the standards and produce a similar product. Regulations do not cover cold-smoke processed fish that is for home consumption.*

*"There are bootleggers out there," said Patsy Perkins, a state environmental health officer in Fairbanks. Smokehouses caught selling their wares at stores or fairs will be advised they must have permits, Perkins said.*

(From an Associated Press article reprinted in the *Anchorage Daily News*, 1993).

## **Taxes and Fisheries Management**

The Alaska Department of Revenue and Alaska Department of Fish and Game are the State agencies responsible for collecting fisheries taxes and managing fish resources. They have combined their applications for permits and licenses in the *Alaska Fisheries Business License Application and Intent to Operate*. You can get this permit at these agencies' websites. These permits require that you report the results of your operation at the end of the year. You need to make sure that you have a system in place to collect the information you will need to make these reports.

### **Fish Taxes**

The Alaska State Department of Revenue is responsible for collecting fish taxes for the state. Processors are responsible for paying the Fisheries Business Tax, and are responsible for collecting landing taxes and salmon enhancement taxes from the fishermen who deliver to them. Not only must processors pay these taxes but the Department of Revenue also requires that they provide guarantees that they will pay. You will also have to provide a surety or guarantee that you will pay fishermen and your employees. In the Fisheries Business License Application and Intent to Operate, you provide the Department of Revenue with the information about your guarantee. You can find more information about fish taxes at the Department of Revenue website: [www.tax.state.ak.us/programs/fisheries/faq.asp](http://www.tax.state.ak.us/programs/fisheries/faq.asp).

Depending on where your plant is located you may also have to pay local taxes. You should contact both the borough and village governments to find out about local taxes and how they are collected.

### **Fisheries Management**

Anyone who has fished commercially in Alaska knows that processors have to provide fishermen and the Alaska Department of Fish and Game with fish tickets. You need to submit the *Alaska Fisheries Business License Application and Intent to Operate* in order to receive fish ticket books from the Department of Fish and Game, and also the code plates for the fish ticket imprinting machine.

If your plant will be processing fish caught under individual fishing quota or community development quota programs you will need to comply with National Marine Fisheries Service (NMFS) regulations for these programs.

## Other Regulations

There are a number of other licenses and permits that all businesses including fish processing plants must have to operate. You will need to have an Alaska Business License, have a social security number or taxpayer id number, arrange for federal withholding of your employee taxes, get worker compensation insurance, and comply with the Alaska Department of Labor and Workforce Development (DLWD) regulations for employees. DLWD has a helpful handbook for employers available at its website. All of the scales you use in your plant must be registered with the Division of Measurements and Standards.

### A Partial List of Permits You Will Need to Operate A Fish Processing Plant

	<b>Type of Permit or License</b>	<b>Agency</b>
State permits	<u>Seafood Processor Permit Application</u>	AK Department of Environmental Conservation
	Hazard Analysis and Critical Control Point plan	DEC
	Alaska Fisheries Business License and Intent to Operate	AK Department of Revenue AK Fish and Game
	Scale inspection	Division of Measurements and Standards
	Business License	Department of Community and Economic Development
	Hazard Analysis and Critical Control Point plan	Food and Drug Administration
	Food Facilities Registration	Food and Drug Administration
	Nutrition Labeling	FDA for retail packaging
	Registered Buyers Permit	NMFS for IFQs (Halibut and Sablefish)
Federal permits	Taxes	Borough, city governments
	Land use permit	Borough, city governments
	Utilities use (electricity, water, sewer, landfill)	Borough, city governments
Local permits	Taxes	Borough, city governments
	Land use permit	Borough, city governments
	Utilities use (electricity, water, sewer, landfill)	Borough, city governments

## **Certification Programs**

More and more consumers in the United States and other countries are looking for guarantees that the food they are buying is wholesome and is sustainably harvested. A number of independent, voluntary certification programs have sprung up to offer fish buyers and consumers additional guarantees of quality, traceability and sustainability. These types of certification programs are becoming increasingly important to small processing plants focused on high value markets. Meeting their regulations, inspection standards and reporting requirements will be easier if you have a good system for complying with government regulations.

State and federal regulations are the minimum requirements for fish processors. However, your customers may require that you meet additional requirements—or you may want to meet them in order to gain a marketing advantage. These include quality certification programs like the ISO 9000 and the Alaska Quality Seafood (AQS) program, environmental programs like the Marine Stewardship Council and ISO 1400 certification programs, and traceability standards. In the future, it is likely that these standards will spread throughout the industry.

Quality certification programs are concerned with “quality management”: ensuring that your products conform to the customer's requirements. These programs normally use a process based approach similar to HACCP plans. To become certified you need to develop a plan, and then have a private auditor, like the AQS, review and certify your plant.

Several large retailers in the U.S. and the European Union have initiated programs that will require producers to be able to trace their products from its point of origin to the consumer. New radio frequency identifiers (RFID) are already used by some larger seafood producers to track their products and provide inventory control. New RFIDs can track both the fish and log its temperature from harvest to final sale. Given the importance of temperature in quality control and safety, this technology is a natural fit with HACCP and quality management plans.

The seafood industry has seen a rapid growth in voluntary quality, environmental and traceability programs. Participating in these programs could give your processing plant a competitive edge now, while giving you experience developing and working with system that will increasingly become required rather than simply voluntary.

## **Selected Sources of Information about Fish Processing Regulations, Permits and Certification**

### **Alaska Department of Environmental Conservation**

Division of Environmental Health, Seafood Section

555 Cordova St.

Anchorage, AK 99501-2617

Tel: (907) 269-7640

Fax: (907) 269-7510

[www.state.ak.us/dec/](http://www.state.ak.us/dec/)

Seafood Processors Permit Information (907) 269-7501

### **Alaska Department of Fish and Game**

Division of Commercial Fisheries

P.O. Box 25526

Juneau, AK 99802-5526

Tel: (907) 456-3210

Fax: (907) 456-2604

[www.cf.adfg.state.ak.us](http://www.cf.adfg.state.ak.us)

Intent to Operate Information (907) 456-6131

### **Division of Measurements and Standards**

Section of Weight and Measures

12050 Industry Way , Building O

Anchorage, AK 99515

[www.dot.state.ak.us](http://www.dot.state.ak.us)

### **Alaska Department of Revenue**

Tax Division

P.O. Box 110420

Juneau, AK 99811-0420

Fisheries Business License Information (907) 465-2371

Fax: (907) 465- 2375

[www.revenue.state.ak.us](http://www.revenue.state.ak.us)

### **Alaska Department of Community and Economic Development**

Business Licensing

PO Box 110806

Juneau, AK 99811-0806

(Office Hours Mon-Fri - 8am to 5pm)

Business License Staff: (907) 465-2550

Business License Fax: (907) 465-2974

[businesslicense@alaska.gov](mailto:businesslicense@alaska.gov)

Business Licenses application on line at:

[http://www.commerce.state.ak.us/occ/apps/BLEC\\_Start.cfm](http://www.commerce.state.ak.us/occ/apps/BLEC_Start.cfm)

### **Alaska Department of Labor and Workforce Development**

Employers Handbook available at:

<http://jobs.alaska.gov/handbook/AERM.pdf>

Food and Drug Administration

Food Processor Registration application

available at:

<http://www.cfsan.fda.gov/seafood1.html>

### **National Marine Fisheries Service, Sustainable Fisheries**

PO Box 21668

Juneau, AK 99802-1668

PH: 1-800-304-4846 - option #3, or (907) 586-7228

[www.fakr.noaa.gov](http://www.fakr.noaa.gov)

### **Marine Advisory Program**

HACCP

<http://seagrant.uaf.edu/map/haccp/index.html>

### **Alaska Quality Seafood**

700 West 41st Ave

Suite 205

Anchorage, Alaska 99503

Phone: 907-565-5655

Fax: 907-565-5646

<http://www.alaskaqualityseafood.com/>