

30 Years of Limited Entry

Presented by
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Commercial Fisheries Entry Commission

Alaska Constitution
Article VIII, Section 15
No Exclusive Right of Fishery

No exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the State.

1972 Constitutional Amendment Allowing for Limited Entry

This section does not restrict the power of 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.

Limited Entry Law

- Enacted in 1973
- Permits may only be issued to natural persons who are gear operators
- Permits may not be leased
- Permits cannot be encumbered or used as collateral for loans
- Most limited entry permits are freely transferable

Transferability

- Free to transfer to family members or other individual with the ability to participate in fishery
- Transfers may occur by gift, inheritance, or sale
- Allows permits to remain in families across generations rather than revert back to the state
- Resulted in maintaining high percentages of residents in Alaska's fisheries while meeting constitutional requirement of equal access

Limited Entry Permits Held by Alaskans & Non-Alaskans

	Alaska Held	Nonresident Held	Total
Permits Issued	13,294 (82%)	2,970 (18%)	16,264 (100%)
Year-end 2005	11,171 (77%)	3,365 (23%)	14,536 (100%)

Permit Holdings at Initial Issuance & Year-end 2005

	Permits Issued		Year-end 2005	
Nonresident	2,970	(18%)	3,365	(23%)
AK Rural Local	7,528	(46%)	5,539	(38%)
AK Rural Nonlocal	678	(4%)	807	(6%)
AK Urban Local	4,227	(26%)	3,475	(24%)
AK Urban Nonlocal	861	(5%)	1,284	(9%)
State Auth. Lenders	0	(0%)	66	(<1%)
Total	16,264	(100%)	14,536	(100%)

Summary of Net Change in Permit Ownership, 1975-2005

	Permits Issued	Transfer	Migrate	Cancel	Year-end 2005
Nonresident	2,970	-99	783	-289	3,365
AK Rural Local	7,528	-605	-784	-600	5,539
AK Rural Nonlocal	678	192	-4	-59	807
AK Urban Local	4,227	224	-305	-671	3,475
AK Urban Nonlocal	861	222	310	-109	1,284
State Authorized Lenders (foreclosures)					66

Alaska Communities with Highest Number of Issued Permits

	2000 Population	Pmts. Issued	Pmts. 2005
Ketchikan	7,922	752	439
Anchorage	260,283	663	744
Juneau	30,711	663	445
Cordova	2,454	633	489
Petersburg	3,224	628	731
Kodiak	6,334	591	574
Sitka	8,835	532	591
Wrangell	2,308	367	319
Togiak	809	360	291
Dillingham	2,466	360	252

Alaska Communities with Highest Number of Year-end 2005 Permits

	2000 Population	Pmts. Issued	Pmts. 2005
Anchorage	260,283	663	744
Petersburg	3,224	628	731
Sitka	8,835	532	591
Kodiak	6,334	591	574
Homer	3,946	254	514
Cordova	2,454	633	489
Juneau	30,711	663	445
Ketchikan	7,922	752	439
Wrangell	2,308	367	319
Togiak	809	360	291

Alaska Communities with the Greatest Net Decrease in Permit Holdings

	2000 Population	Pmts. Issued	Change	Pmts. 2005
Ketchikan	7,922	752	-313	439
Juneau	30,711	663	-218	445
Cordova	2,454	633	-144	489
Dillingham	2,466	360	-108	252
Angoon	572	100	-69	31
Togiak	809	360	-69	291
Point Baker	35	86	-61	25
Kake	710	114	-55	59
Hoonah	860	169	-54	115
Metlakatla	1,375	108	-52	56

Alaska Communities with the Greatest Net Increase in Permit Holdings

	2000 Population	Pmts. Issued	Change	Pmts. 2005
Homer	3,946	254	260	514
Kasilof	471	43	112	155
Petersburg	3,224	628	103	731
Wasilla	5,469	28	100	128
Anchorage	260,283	663	81	744
Sitka	8,835	532	59	591
Nikiski	4,327	2	51	53
Palmer	4,533	33	34	67
Girdwood	260,283	4	33	37
Soldotna	3,759	111	24	135

Alaska Communities with the Greatest No. of Permits Per Capita

	2000 Population	Pmts. 2005	Pct. of pop.
Elfin Cove	32	25	78%
Point Baker	35	25	71%
Meyers Chuck	21	13	62%
Ugashik	11	6	55%
Togiak	809	291	36%
Kasilof	471	155	33%
Nelson Lagoon	83	27	33%
South Naknek	137	43	31%
Yakutat	680	194	29%

	2000 Population	Pmts. 2005	Pct. of pop.
Manokotak	399	111	28%
Port Alexander	81	22	27%
Chignik Lagoon	103	26	25%
Edna Bay	49	12	24%
Platinum	41	10	24%
Petersburg	3,224	731	23%
Pelican	163	38	23%
Mekoryuk	210	46	22%
Egegik	116	26	22%
Cordova	2,454	489	20%
Goodnews Bay	230	46	20%

Transfer Rates

Year	#Transferable permits	# Transfers from initial issues / #Transferable permits	#Transfers / #Transferable permits
1975	6,762	0.08	0.09
1980	10,040	0.05	0.11
1985	11,173	0.03	0.10
1990	11,911	0.02	0.08
1995	12,461	0.02	0.08
2000	13,400	0.01	0.07
2005	13,653	0.01	0.08

Transfer Acquisition Method by Resident Type of Recipient

	Gift	Sale	Trade	Other	Total
Nonresident	29%	67%	1%	3%	7,162
AK Rural Local	49%	45%	2%	4%	8,019
AK Rural Nonlocal	29%	65%	2%	5%	1,654
AK Urban Local	28%	67%	2%	3%	5,866
AK Urban Nonlocal	27%	67%	1%	5%	2,798

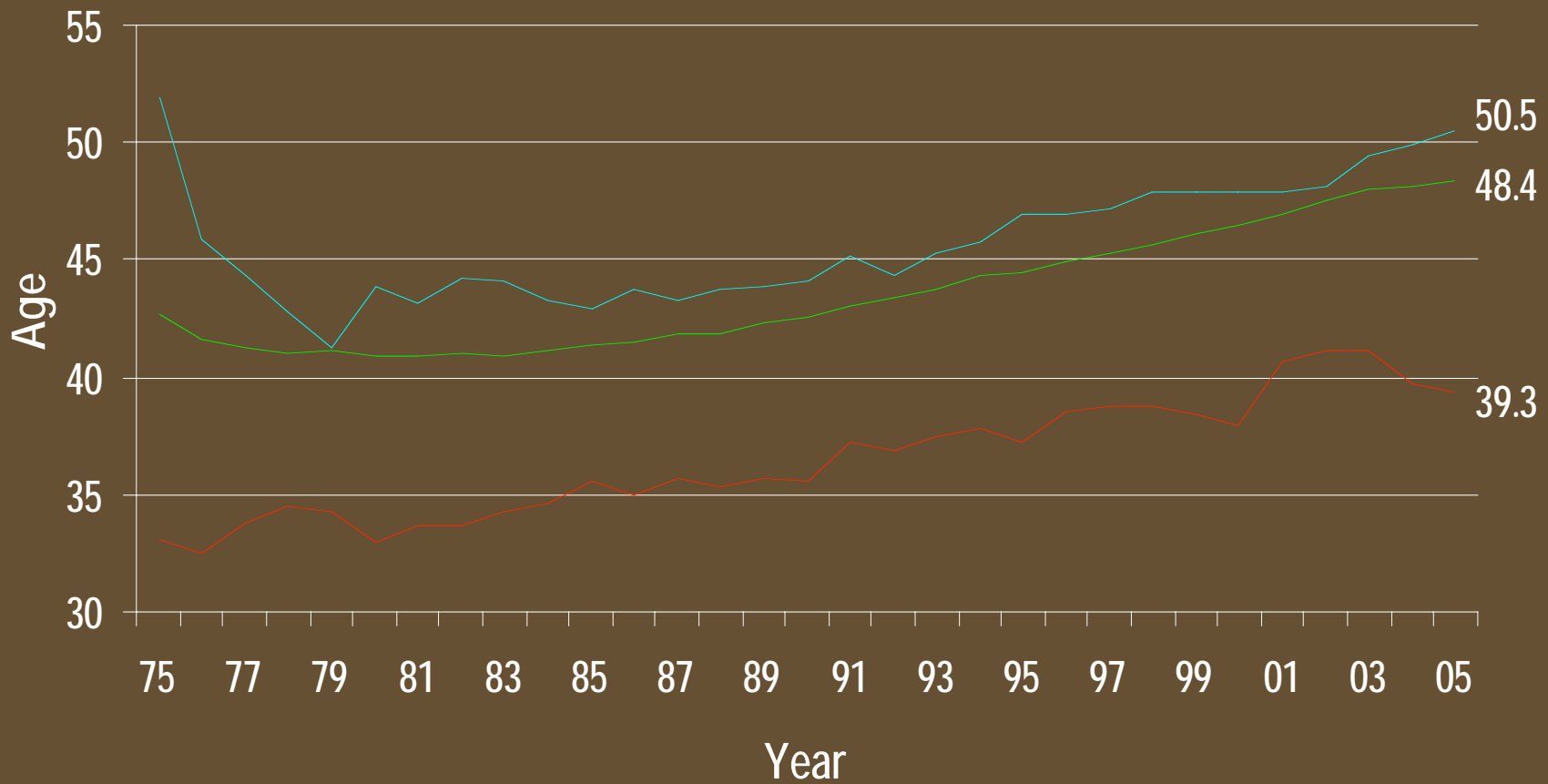
Relationship in Transfers by Resident Type of Recipient

	Friend/ Partner	Immed. Family	Other Relative	Other	Total
Nonresident	21%	26%	5%	49%	7,162
AK Rural Local	18%	49%	6%	28%	8,019
AK Rural Nonlocal	14%	29%	4%	52%	1,654
AK Urban Local	22%	28%	4%	47%	5,866
AK Urban Nonlocal	18%	27%	4%	51%	2,798

Sources of Permit Financing by Resident Type of Recipient

	Self/ Other	Bank	AK Auth. Lenders	Trans- feror	Proc- essor	Comb- ination
Non- resident	3,612 75%	421 9%	26 1%	502 11%	86 2%	149 3%
AK Rural Local	2,068 57%	220 6%	933 26%	220 6%	46 1%	129 4%
AK Rural Nonlocal	532 50%	45 4%	405 38%	59 6%	8 1%	24 2%
AK Urban Local	2,423 62%	235 6%	909 23%	228 6%	40 1%	86 2%
AK Urban Nonlocal	1,025 55%	81 4%	589 32%	120 6%	5 <1%	46 3%

Mean Ages for Permit Transferors, Transfer Recipients, and All Holders



Evidence of Success

- Protected Alaska's fisheries from influx of new fishermen from West Coast fisheries reduced by court decisions and stock conditions
- Fisheries are generating positive economic benefits that may not exist under open access
- Has survived constitutional challenges despite severe constitutional constraints

Efforts Toward Restructuring Salmon Fisheries

- Experimental Board regulations for a Chignik cooperative
- Board allowed 2 permit holders to fish a single operation with additional gear in Bristol Bay
- Board now may consider allowing a person who holds 2 permits to fish additional gear
- Southeast seine private buyback enabling legislation

Explore Refinements

- Designed for Alaska's salmon fisheries, characterized by owner/operator participants and escapement goal management
- Less useful in fisheries managed through guideline harvest levels or quota
- Legislation will be needed to allow the state to implement any other programs

Legal Constraints on Options

Alaska Supreme Court Decisions

- State v. Ostrosky (1983) and Johns v. CFEC (1988)
 - “[T]o be constitutional, a limited entry system should impinge as little as possible on the open fishery clauses consistent with the constitutional purposes of limited entry, namely, prevention of economic distress to fishermen and resource conservation.”
- Grunert v. State (2005)
 - Allowing persons who are not actually fishing to benefit from the fishery resource is “inconsistent with the Limited Entry Act’s purpose and policy”
- State v. Enserch (1989)
 - Statute providing a 50% hiring preference to residents of economically distressed zones violates Alaska’s equal protection clause
- McDowell v. State (1989)
 - Rural preference in times of limited resource violates the equal access clauses of Article VIII of the Alaska Constitution

Commercial Fisheries Entry Commission

Visit www.cfec.state.ak.us

for detailed fishery participation information
and summary reports