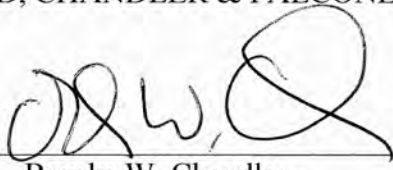




**City of Dillingham  
Responsive Brief On  
Petition to Annex THE WEARY/SNAKE RIVER TRACT, THE SNAKE RIVER  
SECTION AND IGUSHIK SECTION OF THE NUSHAGAK COMMERCIAL  
SALMON DISTRICT, AND THE IGUSHIK VILLAGE TRACT, CONSISTING OF  
118 SQUARE MILES OF WATER AND 37 SQUARE MILES OF LAND,  
Using Legislative Review Method**

**February 26, 2016**

BOYD, CHANDLER & FALCONER, LLP

By:   
Brooks W. Chandler  
Attorney for City of Dillingham

## INTRODUCTION

The City of Dillingham opposes the annexation petition filed by the City of Manokotak. Tract B of the proposed Manokotak boundary overlaps with territory the City of Dillingham wishes to annex<sup>1</sup>. Tract B is comprised of the water within the Igushik Section of the Nushagak District. Dillingham is not willing to adjust its proposed expanded boundary to avoid the area of overlap for two reasons. First, Dillingham is the local government that already provides services to the permit holders fishing within Tract B and was previously found by the Commission to be the local government that can most efficiently and effectively provide these services. Second, there is no practical method to distinguish fish harvested in Tract B from fish harvested outside Tract B. The drift fleet in the Nushagak District fishes inside and outside Tract B during a single opening. Deliveries combine fish caught inside Tract B and outside Tract B. Fish tickets do not distinguish fish caught in the Igushik Section (Tract B) from fish caught in the Nushagak Section (not in Tract B). Therefore, there is no practical way to accurately levy and collect Manokotak's proposed fish tax.

### **MANOKOTAK RESIDENTS<sup>2</sup> ARE NOT PRIMARY USERS OF TRACT B (IGUSHIK SECTION)**

There were 1,863 drift permits issued for the Bristol Bay drift permit fishery in 2014. Of those, 1,034 were issued to non-Bristol Bay residents and 829 to residents. 546 permit holders fished in the Nushagak District in 2014.<sup>3</sup> All of these drift permit holders can legally fish in the Nushagak District and all Manokotak permit holders can legally fish in districts other than the Nushagak District.<sup>4</sup>

Several statements made about Manokotak resident's participation in commercial fishing in Bristol Bay in the Manokotak Petition appear to overstate the degree of participation in Bristol Bay commercial fishing by Manokotak residents. Manokotak residents held 111 Bristol Bay permits not 150. Only one-third (38) not sixty-two of these permits were set net permits and 26 permits were for drift gill net fishing. Exhibit D.

Commercial fishing income was understated in the Manokotak petition. Updated information is set forth in Exhibit C. In 2014, 26 Manokotak residents held drift permits for

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<sup>1</sup> Exh. A (map showing area of overlap).

<sup>2</sup> In 2014, Manokotak's population was 502. Dillingham's population was 2,447. Exh. B. This exhibit is more current than Table 6 of the Manokotak petition.

<sup>3</sup> Exh. C, <https://www.cfec.state.ak.us/Publications/year.htm#list15> Gho, Marcus, CFEC. "CFEC Permit Holdings and Estimates of Gross Earnings in the Bristol Bay Commercial Salmon Fisheries, 1975-2014", CFEEC Rep. No. 15-4N, p. 4, Table 3, p.18, Table 16, p.31, Table 31.

<sup>4</sup> 5 AAC06.370(b) (48 hour notice required to change districts fished in Bristol Bay).

Bristol Bay.<sup>5</sup> Permits are not issued by District; a Bristol Bay permit holder has the ability to fish in any one of the Bristol Bay Districts.

Unlike Dillingham, Manokotak has not historically provided services to the Nushagak District permit holders. All of the new services mentioned in Manokotak's petition would primarily benefit persons holding Igushik set net permits. A significant majority of the drift fleet currently makes no use of any Manokotak services and would not be expected to make use of any of the services Manokotak wishes to extend to Tracts A or C. As explained in Dillingham's annexation petition ("Dillingham Petition")<sup>6</sup> permit holders fishing in Tract B rely on the Dillingham port and harbor to service their own vessels and to transport the processed fish they catch, rely on the Dillingham landfill to dispose of their solid waste and deliver fish for processing at the Icicle and Peter Pan Seafoods plants in Dillingham<sup>7</sup>. The Manokotak petition does not demonstrate Manokotak has the ability to provide essential services to Tract B more efficiently and effectively than Dillingham<sup>8</sup>. In fact, the LBC has previously found Dillingham does have the ability to provide essential services to drift permit holders fishing in Tract B more efficiently and effectively than any other municipality<sup>9</sup>.

**MANAKOTAK'S BOUNDARIES ARE NOT REQUIRED TO BE EXPANDED TO CONSTRUCT OR MAINTAIN IMPROVEMENTS AT IGUSHIK BEACH OR TO PROVIDE THE SERVICES MANAKOTAK IDENTIFIES AS NEEDED IN THE TERRITORY**

There is a difference between a need for government and a desire for services. There is no need for Manokotak to expand city boundaries in order to provide services to the Igushik Beach area. Manokotak's petition does not identify a single existing impediment for provision of services to Igushik Beach related to the city's existing boundary. Manokotak frankly admits it will rely heavily on funding coming to the local tribe through federal and BBEDC community grants in order to make road and boat launch improvements or build a landfill or well. BBEDC grants are only made to tribal entities "per community". There is no requirement that grant funds be spent only within the boundaries of an existing municipal corporation<sup>10</sup>.

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<sup>5</sup> Exh. D, [https://www.cfec.state.ak.us/bit/X\\_S03T.htm](https://www.cfec.state.ak.us/bit/X_S03T.htm) "S03T Basic Information Table, WWWBITP-A State of Alaska 2016-01-25". This information differs from that referenced in the Manokotak Annexation Petition ("Manokotak Petition") pp.9-10.

<sup>6</sup> Dillingham Petition pp. 7-13, 50-60.

<sup>7</sup> In addition to the onshore plants, Trident purchases fish and maintains an office/support station in Dillingham but processes fish outside of the Nushagak district. Other processors may seasonally purchase fish in the district and process them elsewhere and don't maintain an office in the Nushagak district.

<sup>8</sup> 3 AAC 110.090(b).

<sup>9</sup> Dillingham Petition p. 63, Exh. I to Dillingham petition p. 6.

<sup>10</sup> Exhibit E.

Similarly, federal funding of tribal projects is not restricted to projects within the boundaries of an existing city. This is evidenced by the referenced arrangement between the City and Tribe for maintenance of the Snake River/Weary River Road using BIA funding<sup>11</sup>. Such funding is available through the Indian Tribal Transportation program (formerly the Indian Reservation Roads program)<sup>12</sup>. This program allows funds to be spent on designated roads regardless of whether they are inside existing Manokotak boundaries<sup>13</sup>. None of the funding sources identified in Table 12 of the Manokotak petition restricts funding to municipal corporations or requires funds to be spent inside city boundaries. The City of Manokotak, the Village Council of Manokotak, and Manokotak Natives Ltd. have access to all of these revenue sources now, and have had access to these sources for years. Manokotak residents will continue to have access to all of these funding sources in the future should they decide to prioritize Igushik Beach improvements over other community needs. Nor will expansion of city boundaries without any increase in population result in an increase in state revenue sharing. Revenue sharing is based on fixed amounts not geographic area<sup>14</sup>. Because funding of improvements can occur without expanded boundaries, the claim Manokotak boundaries must be expanded to include Tracts B and C in order to extend such services or that Tract C needs city government is an exaggeration.

The claimed law and order need for city regulation of Igushik Beach is stated only in the most general terms. Manokotak mentions extending ordinances prohibiting possession of alcohol to Tract C<sup>15</sup> but does not provide evidence of the need to extend prohibition or describe how it will be enforced. Similarly, there is no evidence of existing haphazard development at Igushik that requires planning and zoning ordinances. The aerial photos included with Manokotak's petition show a fairly orderly array of cabins and shelters located in a fairly straight line off the beach. Most of the property within the proposed expanded boundaries is either restricted Native Allotments or owned by the native corporation, Choggiung Ltd. Choggiung Ltd. has its own administrative planning functions. The extent of local planning and zoning authority over Native Allotments held in trust status is an issue yet to be decided by the Alaska Supreme Court.

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<sup>11</sup> Manokotak Petition p. 33. Dillingham has twice requested a copy of the referenced agreement. It has not been provided.

<sup>12</sup> Pub. L. 112-141, 25 C.F.R. Part 170 and 25 C.F.R. Part 1000.

<sup>13</sup> 25 CFR Part 170, App. A5 [allowable uses of IRR Program Funds].

<sup>14</sup> 29 AS.60.850-879; 3 AAC 180.010-900.

<sup>15</sup> Manokotak Petition p. 28.

AS 29.35.260(c) makes planning power optional for second class cities such as Manokotak. The city's current ordinances<sup>16</sup> do not provide for any planning and zoning authority within existing city boundaries. If the city has not exercised planning and zoning powers within existing boundaries a claim that annexation is necessary to provide for planning powers on any of the land within Tracts A, B and C is not logical. Igushik is a seasonal community which as documented by Manokotak's petition has been in existence for decades. The municipality of Manokotak has been in existence for decades without exercising planning and zoning authority. There is no indication of a historical need for the exercise of such power either within Manokotak or within the territory it proposes to annex. Given this history the assertion that annexation is necessary to prevent haphazard development is a stretch too far. The need for city government at Igushik Beach has not been demonstrated.

**WITHIN TRACT B DILLINGHAM HAS THE ABILITY TO PROVIDE ESSENTIAL SERVICES MORE EFFICIENTLY AND EFFECTIVELY THAN MANOKOTAK**

In its December 2011 decision approving Dillingham's annexation petition the LBC found "no other existing municipality has the ability to provide essential municipal services to the territory to be annexed more efficiently and more effectively" than Dillingham<sup>17</sup>. The territory to be annexed included Tract B. This finding was based in part on the absence of an expressions from Manokotak that Manokotak residents wanted or were capable of providing essential municipal services within Tract B. This is not surprising. The focus of Manokotak's petition is on provision of services in Tract C the upland area adjacent to Igushik Beach. But Dillingham's long history of providing support services to the Nushagak District permit holders through existing port and harbor facilities, a landfill, roads and public utilities all of which are needed to provide a way to harvest fish, process fish and transport fish to market argues in favor of an LBC determination that Dillingham is more efficiently and effectively able to provide services within Tract B. That Manokotak has filed an annexation petition does not change the nature and value of the services actually provided by Dillingham in Tract B. A hope to provide services in the future does not diminish Dillingham's history of providing services for decades. Dillingham remains the most effective and efficient municipality to provide services to permit holders fishing in the Igushik Section of the Nushagak District.

**MANOKOTAK'S PROPOSED FISH TAX CANNOT BE FEASIBLY IMPLEMENTED.**

3 AAC 110.110[4] requires the LBC to consider the feasibility and plausibility of Manokotak's proposed operating and capital budgets. Both capital and operating budgets submitted with the Manokotak petition are premised on collection of a 2% raw fish tax on fish harvested within the proposed expanded Manokotak boundary<sup>18</sup>. Whether the fish tax is feasible to implement is integral to Manokotak's plan to extend services to Igushik Beach.

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<sup>16</sup> Exhibit G (excerpt from Manokotak code).

<sup>17</sup> Dec. 12, 2011 Decision p. 6.

<sup>18</sup> Manokotak Petition p. 65.

Manokotak has not provided a specific proposed fish tax with its petition<sup>19</sup>. Such taxes typically take two forms; 1) a version of a sales tax in which the tax is imposed on the seller of raw fish and collected by the buyer at the point of delivery<sup>20</sup>; and 2) a severance tax also based on the value of fish levied based on where fish were caught and also collected by the buyer at the point of delivery<sup>21</sup>. Neither version is feasible to implement within proposed Tract B. Understanding why requires an understanding of how fish caught within Bristol Bay by the drift fleet are sold, delivered, and identified.

The Bristol Bay fishery is managed by the Alaska Department of Fish and Game (ADF&G) in accordance with a published management plan. For management purposes, Bristol Bay is divided into 5 Districts<sup>22</sup>. A commercial drift permit is issued for the entire Bristol Bay fishery. A Bristol Bay limited entry drift permit can be fished in any one of the 5 commercial fishing districts – Togiak, Nushagak, Naknek-Kvichak, Egegik, Ugashik. A permit holder may fish in the Nushagak District or may fish on the eastern side of Bristol Bay in the Egegik District<sup>23</sup>. This election is made before starting to fish and may be changed with 48 hour notice.

The Nushagak District drift net commercial fishery is divided into three sections - the Nushagak (or “all other”), Snake River (closed), and Igushik<sup>24</sup>. Within the Nushagak District a drift permit holder may fish in either the Igushik Section or the Nushagak Section without making any formal declaration and can move between sections without advance notice. ADF&G may open the entire Nushagak District or to ensure escapement in the Igushik Section is met, will very occasionally only open the Nushagak Section<sup>25</sup>.

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<sup>19</sup> Manokotak’s Transition Plan does not provide a schedule for adoption of such a tax or implementation of collection. Should the LBC approve Manokotak’s petition such approval should be conditioned on actual adoption and implementation of a fish tax. [3 AAC 110.570(c)(1) [authority to impose conditions on annexation].

<sup>20</sup> See, for example SPCO 6.10.110(b)(City of Sand Point sales tax); UCO Chapter 6.44 (City of Unalaska raw fish tax).

<sup>21</sup> Chapter 60.40 (Aleutians East Borough severance tax). These local ordinances are attached as Exhibit H.

<sup>22</sup> See, [http://www.adfg.alaska.gov/index.cfm?adfg=CommercialByFisherySalmon.salmonmaps\\_districts\\_bristolbay](http://www.adfg.alaska.gov/index.cfm?adfg=CommercialByFisherySalmon.salmonmaps_districts_bristolbay)

<sup>23</sup> 5 AAC 06.370(a) and (b)(notice of election of district required, change in district permitted with advance notice).

<sup>24</sup> 5 AAC 06.200.

<sup>25</sup> Exh. I, (ADF&G Nov. 25, 2015 letter).

ADF&G has designated six set net areas and the two drift fishery sections as statistical areas<sup>26</sup>. Manokotak seeks to annex both the Igushik Beach set net statistical area (325-11) and the Igushik Section drift fishery statistical area (325-10).

Bristol Bay fish deliveries are made on the water to tenders and recorded using either paper or electronic fish tickets<sup>27</sup>. The Bristol Bay drift fleet reports all salmon caught in Bristol Bay by “District Caught” not by statistical area<sup>28</sup>. When the entire Nushagak District is open salmon harvested are reported as “Nushagak District” fish using the 325-00 designation. According to ADF&G “it is not possible to separate harvest by section” when both the Igushik Section and the Nushagak Section are open<sup>29</sup>. Permit holders and fish buyers are not required to estimate or separately identify in which section a particular fish was harvested.

This means Manokotak’s planned fish tax is not capable of being implemented and enforced under the current ADF&G reporting system. This greatly complicates Manokotak’s plan to collect fish tax levied on fish harvested in the Igushik Section. In fact, Manokotak told ADF&G the current reporting system “may frustrate the ability of Manokotak to determine which fish harvests are subject to the 2% raw fish tax Manokotak proposes in its annexation petition . . . Unless ADF&G’s fish tickets specifically identify salmon as being harvested from the Igushik Section, it may not be feasible to have the fish buyers collect and remit the tax payments”.<sup>30</sup>

3 AAC 110.110[4] requires the LBC to assess the “feasibility” of Manokotak’s anticipated capital and operating budgets. Those budgets are premised on an assumption of collecting raw fish tax on fish harvested from the Igushik section that, by Manokotak’s own admission is of doubtful feasibility. It is not in the best interests of the State of Alaska to encourage the expansion of municipal boundaries based on taxation schemes that are not feasible to implement. This is not simply a matter of two municipalities taxing the same delivery of the same fish at different rates. Rather, tax collection would be destined to be based on estimates not capable of verification or audit. These are standard features of a sales tax critical to its feasibility. Manokotak’s taxation plan is simply not capable of implementation given the current fish ticket reporting system used by the State of Alaska. The LBC should avoid approving a

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<sup>26</sup> Exh. J (ADF&G Nushagak Commercial Salmon Statistical Area Maps. The set net statistical areas are Ekuk, Clarks, Queens, Nushagak/Combine, Coffee Pt. and Igushik.)

<sup>27</sup> Exh. K (Series B Bristol Bay Salmon Fish Ticket).

<sup>28</sup> Id. (area highlighted).

<sup>29</sup> Exh. I (ADF&G Nov. 25, 2015 letter to James Brennan).

<sup>30</sup> Exh. L (James Brennan to ADF&G Commissioner Nov. 10, 2015).

petition based on an unworkable tax scheme destined to create annual disputes between two municipalities and taxpayers<sup>31</sup>.

There are other questionable assumptions in Manokotak's proposed post annexation budgets. Manokotak's projected revenues (Table 10.1, petition p. 65) assume sales tax receipts will increase from \$5,000 to \$25,000 in the first year post annexation. Manokotak currently levies a 2% sales tax on "all sales of goods and services" in Manokotak<sup>32</sup>. Yet the body of the petition admits no additional commercial activity resulting from annexation is anticipated. Without additional commerce it does not make sense that the value of purchases subject to city sales tax will quintuple.

### **MANOKOTAK'S PROPOSED FISH TAX WILL NOT GENERATE SUFFICIENT REVENUE TO PROVIDE SERVICES**

Putting aside the question of the sustainability of relying on future grant funding<sup>33</sup>, there is a disconnect between the cost of services Manokotak plans to extend to Igushik Beach (landfill, water well) and the amount of anticipated fish tax revenue. Ekwok recently completed a small landfill at a cost of close to \$1,000,000. It would take Manokotak many years of saving fish tax revenue to raise the funds required to build a landfill. Moreover, Manokotak does not own any property for a landfill site within the area proposed for annexation and does not explain how they would be able to acquire property for use as either a public water supply or public landfill<sup>34</sup>. The concept that realizing fish tax revenue will allow for extension of services is not accurate. Whether services can be extended will be primarily dependent on community choices regarding use of BBEDC and federal grant funds not on whether city boundaries are expanded.

### **APPROVING MANOKOTAK'S PETITION WILL NOT CREATE AN INCENTIVE FOR BOROUGH FORMATION**

Dillingham has openly supported borough formation. Manokotak opposes borough formation<sup>35</sup>. But if borough formation is ever to be supported throughout the region this will only happen when communities such as Manokotak recognize borough formation is the best way to obtain and share revenue from the Nushagak District fishery resource. Granting Manokotak's petition would ensure the village will persist in its resistance to borough formation.

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<sup>31</sup> 3 AAC 110.135(2), Alaska Constitution Art. X, Sec. 1.

<sup>32</sup> Exh. G (Manokotak City Code. Sec. 3.04(1)).

<sup>33</sup> For example, community revenue sharing may be cut more than 12%. [Manokotak Petition p. 65, Table 10.2]

<sup>34</sup> A second class city does not have the same eminent domain authority as a first class city. AS 29.35.030(a).

<sup>35</sup> LBC Meeting Transcript (Sept. 16, 2015) (Exh. M, p. 18, 23).



## **THE PROPOSED BOUNDARIES CREATE AN IGUSHIK BEACH ENCLAVE**

Manokotak's proposed expanded boundary meets the literal definition of "contiguous". But 3 AAC 110.130(b) also references "creating enclaves" and requires the commission to presume a proposed annexation which creates an enclave "does not include all land and water necessary to allow for the development of essential municipal services on an efficient, cost-effective level." The regulations do not define enclave. A common definition is a small distinct area enclosed within a larger one<sup>36</sup>. Manokotak's proposed boundary creates an enclave centered on Igushik Beach. The uplands between Igushik Beach and Manokotak are not proposed to be included in the enlarged city. Tract C and most of Tract B would be distinct from the existing city and surrounded by uplands which Manokotak proposes remain in the unorganized borough.

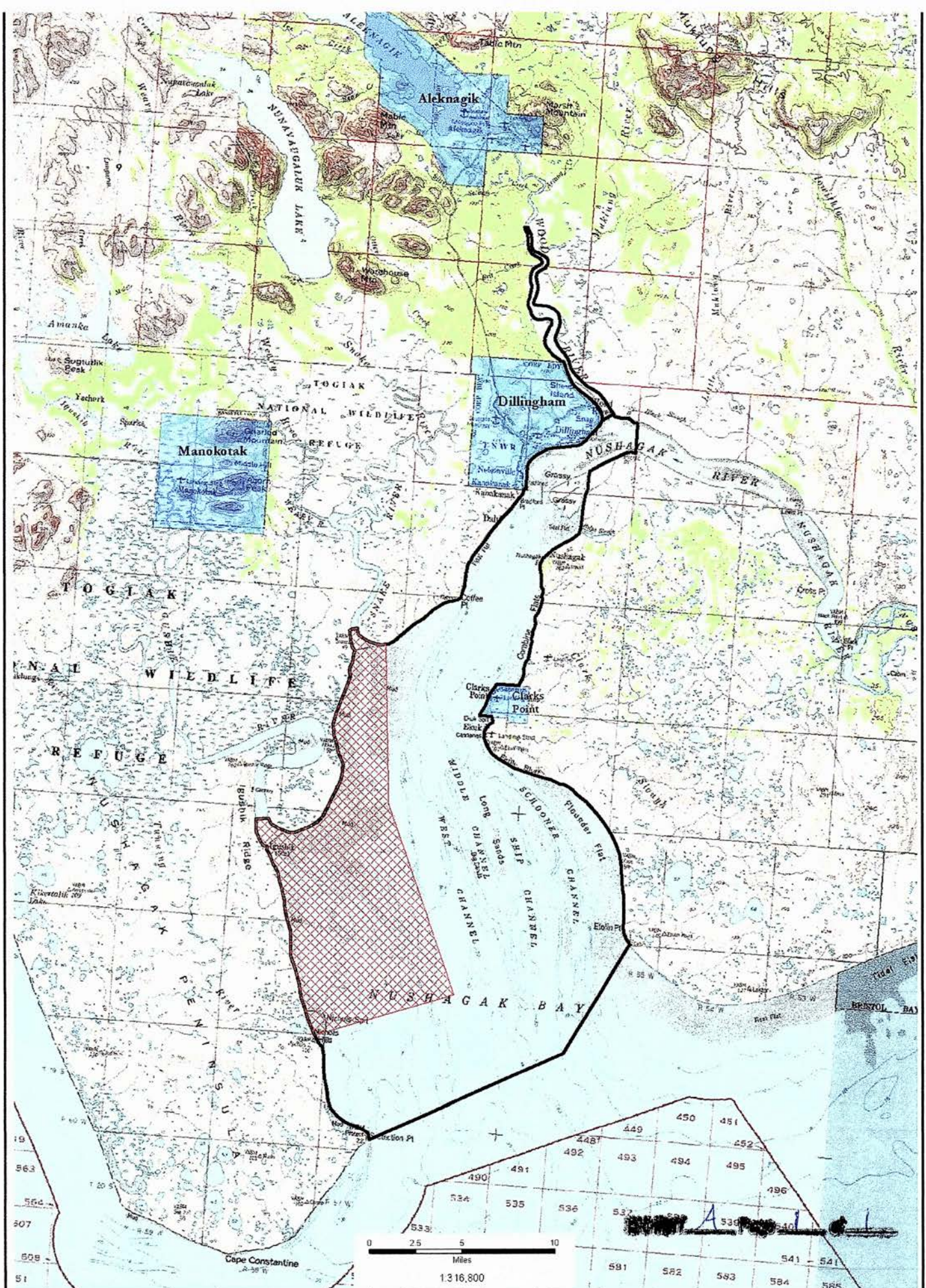
## **CONCLUSION**

For all of the reasons set forth in this responsive brief Manokotak's petition does not meet annexation standards set forth in 3 AAC 110.090-135 and does not meet the circumstances for legislative review annexation set forth in 3 AAC 110.140. Granting Manokotak's petition is not in the best interests of the State of Alaska.



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<sup>36</sup> Webster's College Dictionary (Random House 2010 ed.).





**Area Included in Both Dillingham & Manokotak Annexation Petitions**

-  Manokotak Annexation (Tract B)
-  Dillingham Annexation Boundary

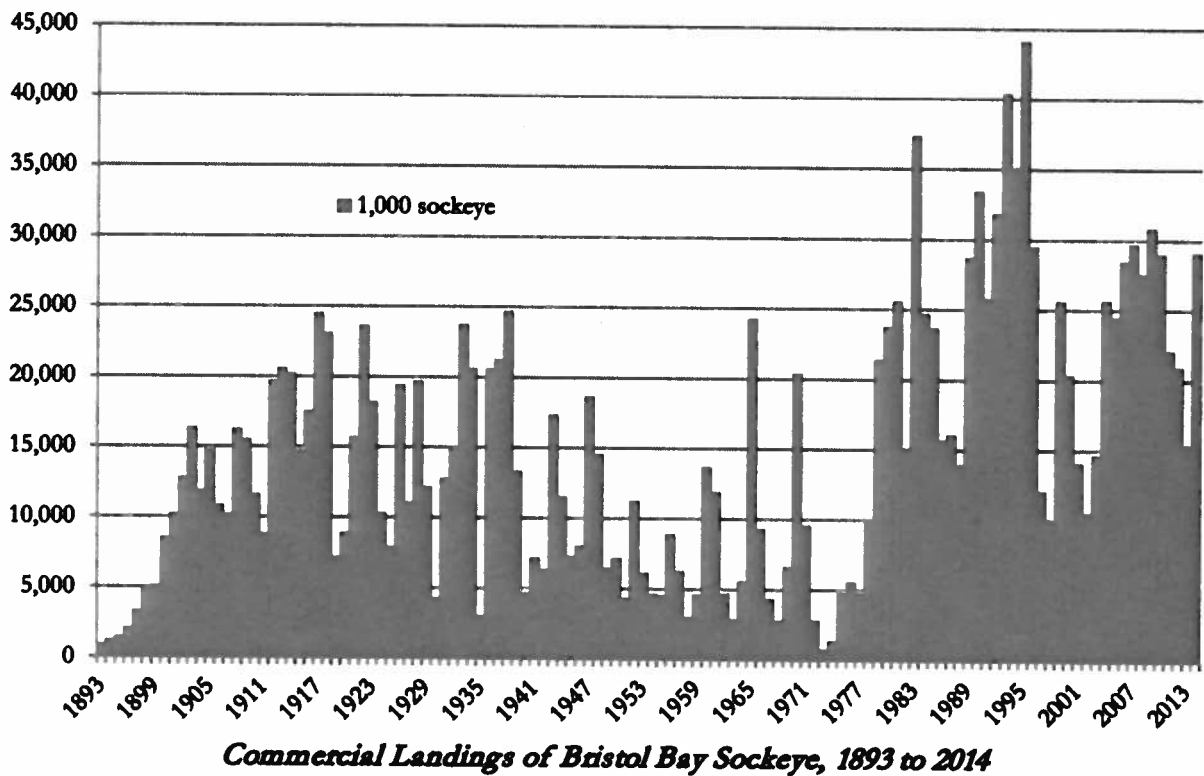




	<b>April 2000</b>	<b>April 2010</b>	<b>July 2014</b>	<b>% change 2000- 2014</b>	<b>% change 2010- 2014</b>
Aleknagik city	223	219	197	-11.7%	-10.0%
Clark's Point city	75	62	48	-36.0%	-22.6%
Dillingham city	2,466	2,329	2,447	-0.8%	5.1%
Ekwok city	130	115	120	-7.7%	4.3%
Koliganek CDP	182	209	232	27.5%	11.0%
Manokotak city	399	442	502	25.8%	13.6%
New Stuyahok city	471	510	501	6.4%	-1.8%
Togiak city	809	817	879	8.7%	7.6%
Twin Hills CDP	69	74	87	26.1%	17.6%
Balance	62	68	49	-21.0%	-27.9%
Dillingham Census Area	4,922	4,847	5,063	2.9%	4.5%

Source: Alaska Department of labor and Workforce Development, Research and Analysis  
Section

## CFEC Permit Holdings and Estimates of Gross Earnings in the Bristol Bay Commercial Salmon Fisheries, 1975-2014



CFEC Report Number 15-4N  
November, 2015

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Commercial Fisheries Entry Commission  
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## Abstract

Limited entry permit holdings in both of the Bristol Bay salmon fisheries are examined: The Bristol Bay salmon drift gillnet fishery is first, followed by a separate examination of the Bristol Bay salmon set gillnet fishery. This report includes summary statistics on the number of permits held, permanent and emergency transfers of permits, permit value, permit latency, new entrants in the fisheries, permit holder median age, estimated gross earnings, dual permit operations, permit stacking, and Department of Natural Resource shore fishery leases in Bristol Bay. Some summary statistics are also broken out by resident type. A description of the computer files and methods used to generate the statistics are provided.

The figure on the cover depicts number of commercially landed sockeye salmon (*Oncorhynchus nerka*) from two sources: 1893 – 1974 data figures are from the ADF&G Regional Information Report No. 5J99-05 for 1893 to 1974, and ADF&G fish tickets provided the 1975 – 2014 numbers.

Prepared by Marcus Gho

## Acknowledgements

Special thanks to Craig Farrington for his insights and contributions to this document.

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## **Introduction**

This report was prepared by the Commercial Fisheries Entry Commission to provide an overview of limited entry permit holdings and estimated gross earnings in the Bristol Bay commercial salmon fisheries.

Commercial fishing in Bristol Bay has been documented as far back as 1884.<sup>1</sup> Historically, many gear types have been employed to commercially catch salmon, including fish traps, set gillnets, and drift gillnets.

In 1972, Alaskan voters amended the state constitution to allow limited entry in the state's commercial fisheries. Following the amendment, in 1973 the Alaska State Legislature enacted the Limited Entry Act (AS 16.43), giving the Commercial Fisheries Entry Commission (CFEC) the authority to administer the program. Permit fisheries are defined by CFEC as a specific gear type for a fishery resource within a defined administrative area.

The Bristol Bay salmon permit fisheries were part of the original group of 19 salmon fisheries that were limited in 1974. For Bristol Bay, limited entry salmon permits were first issued in 1975 for drift gillnet (S03T), and set gillnet (S04T).

The majority of ex-vessel value for the Bristol Bay salmon fisheries comes from sockeye salmon, as illustrated in Table 1.

**Table 1. Percent of Total Ex-vessel Value of Bristol Bay Salmon Fisheries by Species, 1975-2014**

<b>Species</b>	<b>Drift Gillnet</b>	<b>Set Gillnet</b>
<i>Chinook</i>	1.6%	0.9%
<i>sockeye</i>	95.1%	96.1%
<i>coho</i>	0.7%	1.5%
<i>pink</i>	0.6%	0.5%
<i>chum</i>	2.1%	1.0%

<sup>1</sup> See *Alaska's Commercial Salmon Catches, 1878-1997*. ADF&G RIR No. 5J99-05.

## Description of the Data Files Used to Generate This Report

Five data files were used to generate the statistics in this report: the CFEC gross earnings file, the CFEC permit file, the CFEC Census file, Alaska Department of Fish and Game (ADF&G) Bristol Bay vessel registration file, and the Alaska Department of Natural Resources (DNR) shore fishery lease file. CFEC datasets were created from the ADF&G and DNR datasets. In addition to these files, a shape file from the DNR was combined with geographic information systems to create a map depicting set gillnet sites that have active DNR shore fishery leases. The most recent updated data is included in this report. The following is a brief description of each file. Please contact CFEC for more detail about these files if you are interested.

### CFEC Gross Earnings File

The CFEC gross earnings file is based on ADF&G fish tickets and is enhanced with CFEC permit holder data. The ex-vessel value for salmon in the CFEC gross earnings file largely come from the Commercial Operators Annual Report, ADF&G fish tickets, and was enhanced by additional information provided by processors.

### CFEC Permit File

The CFEC permit file contains data on persons who hold or have held CFEC permits. It originates from CFEC permit renewal and permit transfer forms. The permit data file contains a field indicating the declared residency of permit holders as well as their addresses.

In this report, resident status is broken into three resident types:

- *Alaska Locals* – permits held by persons residing locally to the Bristol Bay ADF&G management area
- *Alaska Nonlocals* – permits held by persons who reside in Alaska outside of Bristol Bay ADF&G management area
- *Nonresidents* – permits held by nonresidents of Alaska

### CFEC Census File

CFEC maintains a computer file of places within Alaska where permit holders reside. Each community is annotated with information on its rural or urban status using U.S. Census Bureau criteria. Table 2 shows the places that are currently designated as local to the Bristol Bay salmon fisheries in the 2010 CFEC Census File.

**Table 2. Communities Local to the Bristol Bay Salmon Fisheries, as Indicated in the CFEC Census File**

Aleknagik	Igiugig	Kvichak	Nunachuak	South Naknek
Cape Newenham	Igushik	Levelock	Nushagak	Togiak
Clarks Point	Iliamna	Manokotak	Pedro Bay	Twin Hills
Dillingham	Kashigamiut	Nakeen	Pilot Point	Ugashik
Egegik	King Salmon	Naknek	Pope-Vannoy Ldg	Ungalikthluk
Eluk	Koglung	New Stuyahok	Port Alsworth	
Elwuk	Kolkhanok	Newhalen	Port Heiden	
Hallersville	Koliganek	Nondalton	Portage Creek	

## *Introduction*

### **ADF&G Bristol Bay Vessel Registration Data**

Bristol Bay drift gillnet permit holders have registration requirements per 5 AAC 06.370 for much of the fishing season. These registration records indicate if the permit holder is fishing by themselves, or jointly with another permit holder on the same vessel as a dual permit operation. Registration data was provided to CFEC from ADF&G which was used to determine which permits were used in dual permit operations for what date. Because registration requirements do not include dates that fully encompass the entire fishing season in Bristol Bay, counts of dual permit operations may not be complete in every instance.

### **DNR Shore Fishery Lease Data File**

The DNR Land Administration System contains records used to maintain the DNR Shore Fishery Lease program. These records were merged with the CFEC permit file to create a dataset. Creation of the dataset is described in CFEC Report Number 14-4N, *CFEC Salmon Set Gillnet Permits and DNR Shore Fishery Leases in Prince William Sound, Cook Inlet, Kodiak, Alaska Peninsula, and Bristol Bay 1975-2013*.

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## Bristol Bay Salmon Drift Gillnet Fishery

### S03T Permit Holdings

With the advent of limited entry, Bristol Bay salmon drift gillnet (S03T) permits were issued starting in 1975. Table 3 indicates the initial distribution and historical net changes in permit holdings for the drift gillnet fishery. CPEC has issued 1,875 S03T permits. Of this total, Alaska Locals received 38.0% (712) of the permits. Nonlocal Alaskans received 22.3% (418) of the permits, and Nonresidents received the remaining 39.7% (745). Every Bristol Bay salmon drift gillnet permit issued are transferable permits.

**Table 3. Initial Issuance and Year-end 2014 Totals of Bristol Bay Drift Gillnet Permits, With Net Changes Due to Permit Transfers, Migrations, and Cancellations, by Resident Type**

Fishery	Residency	Total Initially Issued		TRANSFERS		MIGRATIONS		CANCELLED		2014 YEAR-END	
		Issued	Percent Issued	Change	Percent Change from Initial	Change	Percent Change from Initial	Change	Percent Change from Initial	Year-End Total	Percentage of Year-End Total
Drift Gillnet	Local	712	38.0%	-288	-40.2%	-74	-10.4%	-3	-0.4%	349	18.7%
	Nonlocal	418	22.3%	118	28.2%	-53	-12.7%	-3	-0.7%	480	25.8%
	Nonresident	745	39.7%	168	22.6%	127	17.0%	-6	-0.8%	1,034	55.5%
Total		1,875	100.0%	0	0.0%	0	0.0%	-12	-0.6%	1,863	100.0%

The number of permits held by each resident type can change for three reasons: permits can be transferred to other resident types (transfer); permit holders can move from one location to another (migration); or permits can be cancelled (such as when a permit holder does not pay the renewal fee for two consecutive years). Table 3 indicates the extent to which these factors have contributed to net changes in permit holdings in this fishery. Transfers have had the largest impact on the changes in permit holders among resident types. Migrations have also had a large impact. By the end of 2014, nine of the 12 cancelled permits were closed out due to nonpayment. All of the Bristol Bay salmon drift gillnet permits were issued as transferable permits.

*Bristol Bay Salmon Drift Gillnet Fishery (S03T)*

**Table 13. Earnings of S03T Permit Holders by Resident and Operation Type**

Year	Residency	Operation Type	Permit Holders with Landings	Total Gross Earnings	Average Gross Earnings	Pct. Of Total Permit Holders with Landings	Pct. Of Total Gross Earnings
2004	Local	Dual	40	\$1,076,879	\$26,922	2.7%	1.3%
		Single	316	\$12,535,174	\$39,668	21.5%	15.2%
		Combined	356	\$13,612,053	\$38,236	24.2%	16.5%
	Nonlocal	Dual	52	\$2,733,885	\$52,575	3.5%	3.3%
		Single	280	\$16,527,490	\$58,991	19.7%	20.1%
		Combined	342	\$19,261,375	\$56,320	23.2%	23.4%
	Nonresident	Dual	129	\$6,828,984	\$53,713	8.8%	8.4%
		Single	646	\$42,497,048	\$65,785	43.9%	51.6%
		Combined	775	\$49,426,032	\$63,776	52.6%	60.1%
	Total	Dual	231	\$10,739,748	\$46,506	15.0%	13.0%
		Single	1,252	\$71,859,712	\$57,196	68.0%	67.0%
		Combined	1,473	\$82,598,460	\$55,872	100.0%	100.0%
2005	Local	Dual	52	\$2,052,258	\$39,467	3.3%	2.1%
		Single	313	\$14,196,744	\$45,357	20.1%	14.5%
		Combined	365	\$16,248,002	\$44,518	23.5%	16.6%
	Nonlocal	Dual	92	\$4,710,130	\$51,197	5.9%	4.8%
		Single	276	\$17,233,241	\$62,439	17.7%	17.6%
		Combined	368	\$21,943,370	\$59,629	23.7%	22.5%
	Nonresident	Dual	198	\$10,787,757	\$54,484	12.7%	11.0%
		Single	625	\$48,671,136	\$77,874	40.2%	49.8%
		Combined	823	\$59,458,893	\$72,247	52.9%	60.9%
	Total	Dual	342	\$17,850,145	\$51,316	22.0%	18.0%
		Single	1,214	\$60,101,121	\$66,981	78.0%	62.0%
		Combined	1,556	\$77,951,266	\$62,758	100.0%	100.0%
2006	Local	Dual	60	\$2,315,013	\$38,584	3.8%	2.1%
		Single	303	\$15,603,396	\$51,496	18.9%	13.8%
		Combined	363	\$17,918,409	\$49,362	22.7%	15.9%
	Nonlocal	Dual	83	\$6,187,758	\$74,551	5.2%	5.5%
		Single	304	\$21,708,411	\$71,409	19.0%	19.2%
		Combined	387	\$27,896,170	\$72,083	24.2%	24.7%
	Nonresident	Dual	186	\$12,657,521	\$68,051	11.6%	11.2%
		Single	663	\$54,334,523	\$81,953	41.5%	48.2%
		Combined	849	\$66,992,045	\$78,907	53.1%	59.4%
	Total	Dual	329	\$21,160,293	\$64,317	20.6%	18.6%
		Single	1,270	\$81,846,330	\$72,162	79.4%	61.3%
		Combined	1,599	\$112,006,623	\$70,548	100.0%	100.0%
2007	Local	Dual	64	\$2,262,106	\$35,345	3.9%	2.0%
		Single	280	\$14,821,419	\$52,934	16.9%	13.2%
		Combined	344	\$17,083,525	\$49,661	20.8%	15.2%
	Nonlocal	Dual	135	\$8,395,400	\$62,188	8.2%	7.5%
		Single	278	\$18,930,805	\$68,096	16.8%	16.9%
		Combined	413	\$27,326,205	\$66,185	25.0%	24.4%
	Nonresident	Dual	298	\$19,036,681	\$63,881	18.0%	17.0%
		Single	597	\$48,577,549	\$81,369	38.1%	43.4%
		Combined	895	\$67,614,230	\$75,547	54.2%	60.4%
	Total	Dual	497	\$29,694,187	\$69,747	30.1%	26.6%
		Single	1,155	\$68,329,774	\$71,281	69.9%	73.6%
		Combined	1,652	\$112,023,960	\$87,011	100.0%	100.0%

\* Adjusted for inflating using the 2014 U.S. Department of Labor Consumer Price Index.

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*Bristol Bay Salmon Drift Gillnet Fishery (S03T)*

**Table 13. Earnings of S03T Permit Holders by Resident and Operation Type (Continued)**

Year	Residency	Operation Type	Permit Holders with Landings	Total Gross Earnings	Average Gross Earnings	Pct. Of Total Permit Holders with Landings	Pct. Of Total Gross Earnings
2008	Local	Dual	59	\$2,447,023	\$41,475	3.5%	2.2%
		Single	282	\$13,048,625	\$46,272	16.9%	11.9%
		Combined	341	\$15,495,647	\$45,442	20.5%	14.1%
	Nonlocal	Dual	153	\$8,989,153	\$58,818	9.2%	8.2%
		Single	275	\$18,012,055	\$65,498	16.5%	16.4%
		Combined	428	\$27,011,208	\$63,110	25.7%	24.5%
	Nonresident	Dual	313	\$19,647,847	\$62,772	18.8%	17.8%
		Single	584	\$47,953,912	\$82,113	35.1%	43.6%
		Combined	897	\$67,601,559	\$75,364	53.8%	61.4%
	Total	Dual	505	\$31,083,833	\$61,338	31.5%	30.2%
		Single	1,141	\$78,014,892	\$68,250	68.5%	71.8%
		Combined	1,646	\$110,100,414	\$66,991	100.0%	100.0%
2009	Local	Dual	58	\$3,386,503	\$58,388	3.5%	2.5%
		Single	248	\$13,825,722	\$56,152	15.1%	10.3%
		Combined	306	\$17,312,225	\$56,576	18.6%	12.9%
	Nonlocal	Dual	133	\$10,320,282	\$77,596	8.1%	7.7%
		Single	253	\$20,671,912	\$81,707	15.4%	15.4%
		Combined	386	\$30,992,204	\$80,291	23.5%	23.0%
	Nonresident	Dual	377	\$29,587,883	\$78,482	23.0%	22.0%
		Single	573	\$56,737,915	\$99,019	34.9%	42.1%
		Combined	950	\$86,325,799	\$90,869	57.9%	64.1%
	Total	Dual	568	\$43,294,670	\$76,233	34.6%	32.3%
		Single	1,074	\$81,335,849	\$85,042	65.4%	67.8%
		Combined	1,642	\$124,630,519	\$80,992	100.0%	100.0%
2010	Local	Dual	83	\$4,950,888	\$59,649	4.7%	3.4%
		Single	240	\$14,756,114	\$61,484	13.6%	10.1%
		Combined	323	\$19,707,001	\$61,012	18.3%	13.5%
	Nonlocal	Dual	182	\$12,482,288	\$77,051	9.2%	8.6%
		Single	268	\$22,392,101	\$84,181	15.1%	15.4%
		Combined	428	\$34,874,390	\$81,482	24.3%	23.9%
	Nonresident	Dual	458	\$36,857,476	\$80,038	28.0%	25.2%
		Single	552	\$54,388,858	\$98,531	31.3%	37.3%
		Combined	1010	\$91,046,333	\$90,145	57.4%	62.5%
	Total	Dual	703	\$54,090,652	\$76,943	39.9%	37.1%
		Single	1,058	\$81,537,073	\$88,519	60.1%	62.9%
		Combined	1,761	\$135,627,725	\$82,696	100.0%	100.0%
2011	Local	Dual	65	\$3,065,923	\$47,168	3.6%	2.2%
		Single	265	\$14,591,158	\$55,061	14.8%	10.5%
		Combined	330	\$17,657,081	\$53,506	18.5%	12.8%
	Nonlocal	Dual	168	\$12,084,896	\$71,934	9.4%	8.7%
		Single	275	\$20,799,279	\$75,634	15.4%	15.0%
		Combined	443	\$32,884,175	\$74,231	24.8%	23.8%
	Nonresident	Dual	424	\$32,429,420	\$76,484	23.7%	23.4%
		Single	590	\$55,487,828	\$94,047	33.0%	40.1%
		Combined	1014	\$87,917,049	\$86,703	56.7%	63.5%
	Total	Dual	657	\$47,580,239	\$72,420	36.8%	34.4%
		Single	1,130	\$80,878,085	\$80,423	63.2%	65.6%
		Combined	1,787	\$128,458,324	\$77,481	100.0%	100.0%

\* Adjusted for inflating using the 2014 U.S. Department of Labor Consumer Price Index.

*Bristol Bay Salmon Drift Gillnet Fishery (S03T)*

**Table 13. Earnings of S03T Permit Holders by Resident and Operation Type (Continued)**

Year	Residency	Operation Type	Permit Holders with Landings	Total Gross Earnings	Average Gross Earnings	Pct. Of Total Permit Holders with Landings	Pct. Of Total Gross Earnings
2012	Local	Dual	64	\$2,408,600	\$37,603	3.6%	2.0%
		Single	282	\$12,531,752	\$47,831	14.9%	10.3%
		Combined	326	\$14,938,352	\$45,823	18.5%	12.3%
	Nonlocal	Dual	153	\$9,525,324	\$62,257	8.7%	7.8%
		Single	279	\$19,096,410	\$68,446	15.8%	15.7%
		Combined	432	\$28,621,734	\$66,254	24.5%	23.5%
	Nonresident	Dual	431	\$29,147,615	\$67,628	24.4%	24.0%
		Single	575	\$48,904,929	\$85,052	32.6%	40.2%
		Combined	1006	\$78,052,545	\$77,587	57.0%	64.2%
2013	Local	Dual	42	\$2,326,621	\$55,396	2.4%	1.8%
		Single	275	\$13,983,547	\$50,886	15.8%	10.8%
		Combined	317	\$16,320,167	\$51,483	18.2%	12.6%
	Nonlocal	Dual	163	\$10,510,474	\$64,481	9.4%	8.1%
		Single	285	\$21,689,557	\$76,104	16.4%	16.7%
		Combined	448	\$32,200,031	\$71,875	25.7%	24.9%
	Nonresident	Dual	420	\$32,345,417	\$77,013	24.1%	25.0%
		Single	555	\$48,705,406	\$87,757	31.9%	37.6%
		Combined	975	\$81,050,822	\$83,129	56.0%	62.6%
2014	Local	Dual	54	\$3,436,700	\$63,643	3.0%	1.9%
		Single	268	\$17,824,938	\$66,511	15.0%	9.8%
		Combined	322	\$21,261,638	\$66,030	18.0%	11.7%
	Nonlocal	Dual	144	\$14,580,801	\$101,254	8.1%	8.0%
		Single	322	\$33,204,277	\$103,119	18.0%	18.2%
		Combined	466	\$47,784,878	\$102,543	26.1%	26.2%
	Nonresident	Dual	423	\$41,793,838	\$98,803	23.7%	22.9%
		Single	573	\$71,369,294	\$124,554	32.1%	39.2%
		Combined	996	\$113,163,132	\$113,618	55.8%	62.1%
2015	Total	Dual	631	\$88,611,138	\$85,314	34.5%	32.8%
		Single	1,163	\$122,398,510	\$105,244	65.2%	67.2%
		Combined	1,794	\$211,009,648	\$117,125	100.0%	100.0%

\* Adjusted for inflating using the 2014 U.S. Department of Labor Consumer Price Index.

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## Participation and Earnings

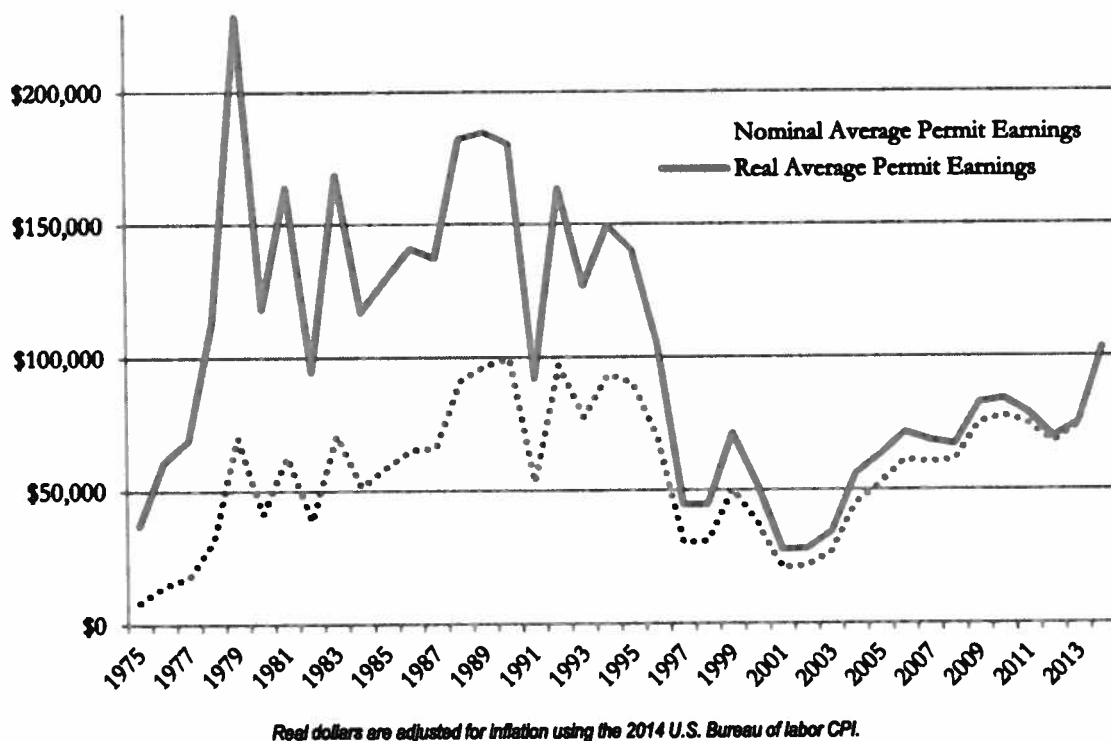
Table 14 reports the number of permits, permits with landings, number of vessels with landings, and estimated gross earnings in the Bristol Bay drift gillnet salmon fishery from 1975 to 2014. Ex-vessel prices used in this table come from the CFEC Gross Earnings file. Note that the figures by permit in this table span the entire year, regardless of who held the permit or however many times the permit was transferred.

Earnings are estimated from weighted average ex-vessel prices, and as noted earlier, largely stem from the ADF&G Commercial Operators Annual Report and fish ticket values. Earnings are shown in Figure 5 for both nominal and real (inflation-adjusted) dollars using the 2014 consumer price index from the U.S. Bureau of Labor.

Permit counts include interim-entry permits and permanent permits. Interim-entry permits are issued to individuals during the period when their applications for permanent permits are in adjudication. The last interim-entry permit issued in the Bristol Bay drift gillnet salmon fishery was in 2005. Some individuals made landings on both an interim-entry permit and subsequently on their adjudicated permanent permit in these same year; for these instances only the permanent permit is counted.

Landings made by permits used in dual permit operations are counted as being used even if all the fish tickets were recorded on the other permit in the dual permit operation.

Figure 5. Estimated Nominal and Real Average Ex-vessel Earnings Per Bristol Bay Drift Gillnet Permit



*Bristol Bay Salmon Drift Gillnet Fishery (S03T)*

**Table 14. Estimated Total Ex-vessel Earnings (Real and Nominal) for the Bristol Bay Salmon Drift Gillnet Fishery, With Average Real Earnings by Permit and Vessel**

Year	Viable Permits	Nominal Total Value	Real <sup>a</sup> Total Earnings	Permits With Landings	Average Permit Real <sup>a</sup> Earnings	Vessels With Landings	Average Vessel Real <sup>a</sup> Earnings
1975	1,832	\$10,529,539	\$46,333,102	1,248	\$37,126	1,371	\$33,795
1976	1,707	\$19,859,648	\$82,627,306	1,355	\$60,980	1,428	\$57,862
1977	1,725	\$24,058,389	\$93,984,930	1,359	\$69,157	1,452	\$64,728
1978	1,772	\$49,183,042	\$178,579,704	1,575	\$113,384	1,587	\$112,527
1979	1,800	\$120,196,589	\$391,940,216	1,714	\$228,670	1,750	\$223,966
1980	1,827	\$72,583,988	\$208,534,502	1,764	\$118,217	1,848	\$112,843
1981	1,827	\$112,487,059	\$292,956,396	1,785	\$164,121	1,816	\$161,320
1982	1,825	\$69,074,998	\$169,456,359	1,792	\$94,563	1,842	\$91,996
1983	1,822	\$127,608,313	\$303,308,047	1,797	\$168,788	1,826	\$166,105
1984	1,819	\$92,757,369	\$211,347,531	1,804	\$117,155	1,863	\$113,445
1985	1,834	\$106,696,595	\$234,748,375	1,815	\$129,338	1,851	\$126,822
1986	1,839	\$118,928,486	\$256,885,530	1,823	\$140,914	1,852	\$138,707
1987	1,839	\$120,369,596	\$250,843,456	1,826	\$137,373	1,862	\$134,717
1988	1,840	\$167,443,171	\$335,078,839	1,838	\$182,306	1,869	\$179,282
1989	1,867	\$178,466,290	\$342,630,094	1,855	\$184,706	1,895	\$180,807
1990	1,878	\$186,085,765	\$337,055,850	1,869	\$180,340	1,908	\$176,654
1991	1,883	\$99,230,409	\$172,477,313	1,873	\$92,086	1,896	\$90,969
1992	1,885	\$182,217,012	\$307,464,908	1,879	\$163,832	1,919	\$160,221
1993	1,888	\$145,375,898	\$238,170,994	1,877	\$126,889	1,922	\$123,918
1994	1,888	\$174,569,899	\$278,859,512	1,865	\$149,523	1,890	\$147,545
1995	1,888	\$170,029,398	\$284,121,258	1,882	\$140,341	1,917	\$137,778
1996	1,892	\$130,612,195	\$197,072,075	1,884	\$104,603	1,921	\$102,588
1997	1,900	\$56,691,067	\$83,618,794	1,875	\$44,597	1,901	\$43,987
1998	1,903	\$57,202,946	\$83,079,733	1,858	\$44,715	1,889	\$44,451
1999	1,900	\$92,895,948	\$132,003,692	1,847	\$71,469	1,873	\$70,477
2000	1,891	\$68,412,338	\$94,051,471	1,823	\$51,592	1,841	\$51,087
2001	1,885	\$32,414,815	\$43,330,061	1,566	\$27,869	1,570	\$27,599
2002	1,878	\$25,432,417	\$33,467,308	1,184	\$28,266	1,176	\$28,459
2003	1,868	\$37,999,418	\$48,890,381	1,424	\$34,333	1,407	\$34,748
2004	1,860	\$65,669,641	\$82,299,460	1,465	\$56,177	1,373	\$59,941
2005	1,862	\$80,559,324	\$97,651,266	1,542	\$63,328	1,387	\$70,405
2006	1,860	\$96,064,034	\$112,806,623	1,577	\$71,532	1,464	\$77,054
2007	1,862	\$98,114,659	\$112,023,960	1,633	\$68,600	1,404	\$79,789
2008	1,863	\$100,139,700	\$110,108,414	1,645	\$66,935	1,396	\$78,874
2009	1,863	\$122,005,800	\$134,630,228	1,628	\$82,697	1,356	\$99,285
2010	1,863	\$134,136,756	\$145,827,725	1,731	\$84,129	1,404	\$103,723
2011	1,862	\$131,558,667	\$138,458,304	1,758	\$78,759	1,444	\$95,885
2012	1,862	\$117,943,745	\$121,612,631	1,743	\$69,772	1,433	\$84,866
2013	1,862	\$127,502,687	\$129,571,020	1,723	\$75,201	1,408	\$82,025
2014	1,863	\$182,209,648	\$182,209,648	1,762	\$103,411	1,463	\$124,545

<sup>a</sup> Adjusted for inflation to 2014 dollars using U.S. Bureau of Labor Consumer Price Index.

o Counts will differ from CFEC on-line Basic Information Tables where the on-line data does not account for dual permit operations, as well as the combination of interim-entry permits that were issued as permanent permits in the same year.

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Table 16 describes both estimated real earnings by district and the number of permits with commercial landings in each of the districts. Please note that some permits recorded landings in more than one district.

### Table 15. SOST Earnings by District

Year	Toughlik			Mudanglik			Naluvath-Kuruvath			Engath			Uppudath			Other			Total	Total Earnings*						
	Permits	Reser* Value	Permits	Reser* Value	Permits	Reser* Value	Permits	Reser* Value	Permits	Reser* Value	Permits	Reser* Value	Permits	Reser* Value	Permits	Reser* Value										
1975	159	12.7%	\$3,397,927	7.3%	\$7,484,175	18.2%	742	59.5%	\$28,403,919	57.0%	243	10.5%	\$8,789,717	18.0%	39	3.1%	\$187,970	0.4%	6	0.5%	\$79,495	0.2%	1,249	\$46,333,102		
1976	147	10.6%	\$9,624,172	8.0%	\$28,765,559	32.4%	712	62.6%	\$32,307,840	39.1%	254	18.7%	\$14,981,975	17.6%	77	5.7%	\$2,143,877	2.6%	11	0.9%	\$114,282	0.1%	1,355	\$92,992,308		
1977	148	10.5%	\$9,769,197	10.4%	\$25,737,353	27.4%	635	49.7%	\$32,255,920	35.4%	327	24.1%	\$14,388,474	24.9%	49	3.6%	\$1,488,591	1.5%	15	1.2%	\$304,085	0.3%	1,359	\$93,994,930		
1978	184	11.7%	\$14,968,333	8.6%	\$27,305,230	40.7%	829	62.6%	\$72,995,978	40.7%	395	24.1%	\$17,328,924	9.7%	53	3.4%	\$919,055	0.3%	27	1.7%	\$874,188	0.5%	1,575	\$178,579,704		
1979	188	10.6%	\$11,163,960	2.6%	\$93,978,668	18.6%	1,074	62.7%	\$289,894,798	68.3%	333	19.4%	\$35,689,997	9.1%	118	8.6%	\$7,208,771	1.8%	912	47.4%	\$12,034,072	3.1%	1,714	\$391,940,216		
1980	254	14.4%	\$9,889,163	4.7%	\$52,767,629	25.3%	1,023	59.0%	\$115,789,291	55.5%	286	16.2%	\$21,455,175	10.3%	267	11.7%	\$8,125,285	3.6%	24	1.4%	\$577,946	0.3%	1,764	\$268,534,532		
1981	277	15.6%	\$9,675,015	3.3%	\$97,483,700	33.3%	964	56.7%	\$242,823,659	47.1%	398	20.1%	\$41,073,409	14.0%	268	16.0%	\$23,879,838	8.0%	18	1.0%	\$416,715	0.1%	1,785	\$292,968,396		
1982	288	16.0%	\$10,531,709	6.2%	\$106,635,938	45.2%	851	47.5%	\$48,872,848	27.7%	422	23.5%	\$17,973,261	13.6%	222	14.9%	\$11,807,394	7.2%	22	1.2%	\$735,209	0.4%	1,792	\$189,458,358		
1983	287	16.0%	\$7,618,078	2.5%	\$46,575,653	15.4%	1,071	59.5%	\$168,395,694	55.5%	457	27.1%	\$52,880,418	17.4%	354	19.7%	\$27,981,035	9.2%	18	1.0%	\$395,278	0.1%	1,797	\$333,393,947		
1984	288	16.0%	\$7,480,042	3.6%	\$81	49.4%	\$27,535,083	13.0%	1,122	62.2%	\$110,145,470	52.1%	579	32.1%	\$42,888,141	20.2%	341	18.6%	\$22,821,222	10.7%	44	2.4%	\$877,582	0.4%	1,804	\$211,347,531
1985	195	8.6%	\$4,648,833	2.0%	\$12,392,139	8.1%	1,172	64.6%	\$74,702,172	31.8%	921	50.7%	\$74,982,028	31.9%	769	42.1%	\$67,484,280	29.7%	44	2.4%	\$488,315	0.2%	1,815	\$234,748,375		
1986	157	8.6%	\$6,629,659	2.6%	\$42,459,589	16.5%	735	40.2%	\$38,629,442	15.1%	835	45.8%	\$80,431,353	31.5%	823	45.1%	\$88,213,722	34.9%	37	2.0%	\$327,804	0.1%	1,823	\$255,885,530		
1987	147	8.1%	\$6,984,519	2.6%	\$47,494,024	18.6%	1,081	58.1%	\$74,218,023	29.6%	927	50.6%	\$84,790,199	33.6%	829	34.4%	\$38,388,400	14.5%	48	2.6%	\$1,010,282	0.4%	1,828	\$250,943,468		
1988	321	17.5%	\$21,867,371	6.5%	\$37,805,322	11.3%	1,015	55.2%	\$90,383,969	24.0%	998	54.3%	\$155,989,884	46.6%	571	29.4%	\$36,980,520	11.0%	99	3.2%	\$2,251,282	0.7%	1,858	\$305,078,838		
1989	148	6.0%	\$2,128,128	0.6%	\$25,252,684	7.4%	1,214	65.4%	\$185,494,073	48.6%	985	53.1%	\$119,334,139	32.6%	555	31.6%	\$37,441,329	10.5%	94	3.5%	\$1,048,743	0.3%	1,855	\$342,830,284		
1990	126	6.7%	\$2,249,232	0.7%	\$28,591,128	9.9%	1,394	74.1%	\$175,278,207	52.0%	987	61.7%	\$107,283,724	31.8%	421	22.5%	\$22,769,443	6.7%	63	3.4%	\$938,117	0.3%	1,868	\$337,055,860		
1991	205	8.0%	\$3,393,853	2.0%	\$30,281,162	17.6%	1,087	58.0%	\$72,238,688	41.9%	888	56.7%	\$45,882,078	28.0%	445	23.8%	\$20,075,293	11.6%	68	3.6%	\$928,583	0.4%	1,873	\$172,477,313		
1992	278	14.8%	\$5,177,341	2.6%	\$22,880,128	7.4%	974	51.6%	\$91,494,739	29.6%	946	50.3%	\$152,884,531	48.7%	515	27.4%	\$33,257,785	19.6%	192	5.4%	\$778,958	0.3%	1,879	\$337,484,988		
1993	193	8.3%	\$2,685,242	1.1%	\$25,828,922	18.2%	798	40.2%	\$53,175,487	27.0%	930	48.4%	\$73,818,288	37.4%	624	33.1%	\$32,050,599	18.3%	33	1.8%	\$338,428	0.1%	1,877	\$238,170,994		
1994	175	9.3%	\$3,360,865	1.2%	\$25,220,971	9.9%	1,133	60.4%	\$126,338,357	44.6%	948	50.6%	\$53,804,597	64.3%	475	25.3%	\$10,281,589	12.3%	42	2.2%	\$288,014	0.1%	1,875	\$93,818,794		
1995	169	9.0%	\$3,070,361	1.2%	\$24,777,329	9.2%	1,189	62.1%	\$119,735,157	45.3%	930	49.4%	\$67,557,571	33.2%	745	39.6%	\$29,278,471	11.5%	81	4.3%	\$281,388	0.1%	1,882	\$284,121,258		
1996	140	7.4%	\$2,201,016	1.1%	\$23,008,822	18.2%	798	40.2%	\$53,175,487	27.0%	930	48.4%	\$73,818,288	37.4%	624	33.1%	\$32,050,599	18.3%	33	1.8%	\$338,428	0.1%	1,884	\$197,072,075		
1997	64	3.4%	\$549,417	0.7%	\$549,417	0.7%	550	29.3%	\$3,482,512	4.2%	948	50.6%	\$53,804,597	64.3%	475	25.3%	\$10,281,589	12.3%	42	2.2%	\$288,014	0.1%	1,875	\$93,818,794		
1998	62	3.5%	\$1,378,068	1.7%	\$22,995,254	27.6%	1,553	56.7%	\$21,482,514	25.6%	948	50.6%	\$53,804,597	64.3%	385	21.3%	\$8,448,229	7.8%	69	3.2%	\$270,112	0.3%	1,858	\$93,079,733		
1999	120	6.5%	\$1,658,586	1.3%	\$28,977,347	22.0%	1,082	89.1%	\$48,998,352	37.9%	787	42.6%	\$38,688,712	29.3%	454	24.6%	\$12,887,427	8.6%	21	1.1%	\$17,265	0.0%	1,847	\$132,003,682		
2000	187	10.3%	\$3,009,405	3.2%	\$27,854,825	28.6%	798	43.8%	\$21,738,980	23.1%	817	44.6%	\$33,510,403	35.6%	520	28.5%	\$7,882,339	8.4%	27	1.5%	\$75,540	0.1%	1,823	\$94,051,471		
2001	164	10.5%	\$2,359,710	5.4%	\$25,518,989	34.3%	953	35.3%	\$15,518,989	35.0%	843	41.1%	\$9,167,589	18.1%	294	18.1%	\$1,426,232	3.3%	4	0.3%	\$1,255	0.0%	1,586	\$43,330,061		
2002	94	7.9%	\$683,141	2.1%	\$9,727,081	23.8	28.5%	\$3,887,843	11.0%	423	35.7%	\$15,016,012	44.9%	378	31.9%	\$5,383,039	18.0%	2	0.2%	\$393	0.0%	1,184	\$33,487,308			
2003	137	9.6%	\$2,000,287	4.1%	\$24,184,941	49.5%	908	35.7%	\$9,129,744	18.7%	557	39.1%	\$7,309,803	15.0%	439	30.6%	\$8,282,355	12.6%	4	0.3%	\$3,250	0.0%	1,424	\$48,880,381		
2004	102	7.0%	\$1,247,433	1.5%	\$21,747,189	28.4%	436	32.6%	\$14,822,233	18.0%	614	41.9%	\$34,041,853	41.4%	357	24.4%	\$9,448,076	12.7%	1	0.1%	\$731	0.0%	1,455	\$82,259,480		
2005	88	5.6%	\$1,584,976	1.6%	\$30,017,072	30.7%	688	43.3%	\$25,913,819	26.5%	817	40.0%	\$30,793,889	31.5%	369	23.9%	\$9,308,741	9.6%	12	0.6%	\$32,825	0.0%	1,542	\$97,851,268		
2006	79	5.0%	\$2,121,159	1.9%	\$44,208,981	38.2%	774	48.1%	\$23,813,127	24.1%	525	33.3%	\$28,801,358	25.5%	243	15.4%	\$9,809,267	8.7%	6	0.4%	\$64,734	0.0%	1,577	\$112,868,823		
2007	109	6.7%	\$2,849,077	2.5%	\$30,389,472	27.1%	716	42.8%	\$32,735,353	29.2%	497	30.4%	\$24,988,024	22.3%	426	26.7%	\$21,882,794	19.6%	0	0.0%	\$0	0.0%	1,533	\$112,023,980		
2008	132	8.0%	\$2,542,898	2.3%	\$28,708,737	24.3%	804	48.0%	\$41,305,494	37.5%	401	24.4%	\$29,320,818	28.5%	287	17.4%	\$10,320,877	8.4%	0	0.0%	\$0	0.0%	1,845	\$110,108,414		
2009	125	7.7%	\$2,311,559	1.7%	\$22,883,828	24.0%	688	41.0%	\$38,175,549	28.9%	588	34.6%	\$51,330,170	38.1%	286	17.6%	\$17,676,167	13.9%	0	0.0%	\$0	0.0%	1,828	\$134,630,228		
2010	98	5.1%	\$3,129,559	2.7%	\$40,797,946	28.0%	889	51.9%	\$54,022,987	37.1%	674	38.6%	\$24,988,529	17.1%	382	20.9%	\$22,787,853	15.6%	0	0.0%	\$0	0.0%	1,731	\$145,627,725		
2011	137	7.8%	\$4,211,153	3.0%	\$29,189,968	21.1%	922	52.4%	\$57,881,833	41.6%	712	40.5%	\$30,188,819	21.6%	397	22.6%	\$17,228,533	12.4%	0	0.0%	\$0	0.0%	1,768	\$138,468,304		
2012	119	6.8%	\$4,116,883	3.4%	\$13,408,110	11.0%	891	51.1%	\$80,765,218	50.0%	488	27.9%	\$23,331,528	23.3%	336	19.3%	\$14,980,081	12.3%	0	0.0%	\$0	0.0%	1,743	\$121,612,631		
2013	111	6.4%	\$3,672,527	2.8%	\$25,887,277	20.8%	891	51.7%	\$40,044,145	40.4%	746	43.3%	\$40,082,128	30.6%	391	21.6%	\$19,949,943	15.4%	0	0.0%	\$0	0.0%	1,723	\$128,571,680		
2014	114	6.4%	\$2,785,924	1.9%	\$35,005,413	21.3%	1,010	57.3%	\$55,988,489	47.2%	738	41.6%	\$45,470,846	25.0%	284	16.1%	\$9,179,265	5.0%	0	0.0%	\$0	0.0%	1,762	\$182,209,848		

Adjusted for inflation to 2014 dollars using U.S. Bureau of Labor Consumer Price Index

\*Adjusted for inflation to 2014 dollars using U.S. Bureau of Labor Consumer Price Index.

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## Bristol Bay Salmon Set Gillnet Fishery

### S04T Permit Holdings

With the advent of limited entry, Bristol Bay salmon set gillnet (S04T) permits were issued starting in 1975. Table 16 indicates the initial distribution and historical net changes in S04T permit holdings. CFEC has issued 1,041 S04T permits. Of this total, Alaska Locals received 63.4% (660) permits. Nonlocal Alaskans received 227 permits, and nonresidents received 154 permits.

**Table 16. Initial Issuance and Year-end 2014 Totals of Bristol Bay Set Gillnet Permits, With Net Changes Due to Permit Transfers, Migrations, and Cancellations, by Resident Type**

Residency	Total Initially Issued		TRANSFERS		MIGRATIONS		CANCELLED		2014 YEAR-END	
	Issued	Percent Issued	Change	Percent Change from Initial	Change	Percent Change from Initial	Change	Percent Change from Initial	Total	Percentage of Year-End Total
Local	660	63.4%	-152	-23.0%	-139	-21.1%	-32	-4.8%	337	34.5%
Nonlocal	227	21.8%	42	18.5%	48	20.3%	-23	-10.1%	292	29.9%
Nonresident	154	14.8%	110	71.4%	93	60.4%	-9	-5.8%	348	35.6%
<b>Total</b>	<b>1,041</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>-64</b>	<b>-6.1%</b>	<b>977</b>	<b>100.0%</b>

The number of permits held by each resident type can change for three reasons: permits can be transferred to other resident types (transfer); permit holders can move from one location to another (migration); or permits can be cancelled (such as when a permit holder does not pay the renewal fee for two years in a row).

Table 17 provides counts of interim-entry and permanent permits for the Bristol Bay salmon set gillnet fishery. Among the permanent permits, included are counts of both transferable and non-transferable permits.

**Table 17. Year-end Counts of Interim Entry and Permanent Permits in the Bristol Bay Salmon Set Gillnet Fishery**

Year	Interim Entry	Permanent	Transferable	Not Transferable	Total Permits	Year	Interim Entry	Permanent	Transferable	Not Transferable	Total Permits
1975	211	716	716	0	927	1995	8	1,011	907	104	1,019
1976	5	759	746	13	764	1996	6	1,011	913	98	1,017
1977	16	824	766	59	840	1997	7	1,012	916	97	1,019
1978	19	891	814	77	910	1998	6	1,009	915	94	1,015
1979	24	910	825	85	934	1999	6	1,008	918	90	1,014
1980	34	913	826	88	947	2000	6	1,007	919	88	1,013
1981	42	914	826	88	956	2001	2	1,008	921	87	1,010
1982	43	916	823	93	959	2002	2	1,004	921	83	1,006
1983	40	929	827	102	969	2003	1	999	920	79	1,000
1984	32	931	828	103	963	2004	1	988	917	71	989
1985	28	931	832	99	959	2005	0	988	919	69	988
1986	28	940	838	102	966	2006	0	985	917	68	985
1987	19	942	840	102	961	2007	0	983	916	67	983
1988	17	941	840	101	958	2008	0	979	916	63	979
1989	18	1,007	868	139	1,025	2009	0	982	918	64	982
1990	16	1,012	881	131	1,028	2010	0	982	919	63	982
1991	13	1,012	887	125	1,026	2011	0	981	919	62	981
1992	10	1,017	900	117	1,027	2012	0	979	919	60	979
1993	9	1,014	904	110	1,023	2013	0	978	920	58	978
1994	7	1,012	905	107	1,019	2014	0	977	920	57	977

## Transfers of S04T Permits

Under the Limited Entry Act's terms of free transferability, permits may be sold, traded, given away, or inherited. CFEC requires the completion of a survey with each transfer.<sup>4</sup> The transfer surveys provide information such as transfer acquisition methods, the relationship between individuals in the transaction, and the sale amount for instances when the permit is sold.

**Table 18. Transfer Acquisition Methods for Permits in Select Fisheries, 1980-2014**

Transfer Type	Bristol Bay Salmon Set Gillnet		Combined Bristol Bay Salmon Fisheries		All Fisheries Statewide	
Gift	1,631	49.5%	3,476	40.6%	12,641	35.9%
Sale	1,527	46.3%	4,666	54.5%	20,928	59.4%
Trade	26	0.8%	63	0.7%	486	1.4%
Other	114	3.5%	357	4.2%	1,175	3.3%
<b>Total</b>	<b>3,298</b>		<b>8,562</b>		<b>35,230</b>	

o Bristol Bay Salmon Fisheries includes set gillnet and drift gillnet.

Table 18 presents acquisition methods for transfers in the Bristol Bay salmon set gillnet fishery between 1980 and 2014. During the 1980 – 2014 period, almost half (49.5%) of all transfers were gifts, most of the other half were sales (46.3%), and the remaining transfers were either in the trade or 'other' category. The annual acquisition methods for the limited Bristol Bay salmon permits have not changed substantially throughout the time period.<sup>5</sup> When contrasted with the combined Bristol Bay salmon fisheries or all fisheries statewide, the percent of gifted transfers is higher and the rate of permit sales is lower. A higher rate of gifts is typical of set gillnet permit fisheries statewide.

**Table 19. Relationships of Transferor to Transfer Recipients for Permits in Select Fisheries, 1980-2014**

Transfer Type	Bristol Bay Salmon Set Gillnet		Combined Bristol Bay Salmon Fisheries		All Fisheries Statewide	
Business Partner/Friend	705	21.4%	1,571	18.3%	6,497	18.4%
Member of Immediate Family	1,344	40.8%	3,116	36.4%	11,853	33.6%
Other Relative	231	7.0%	468	5.5%	1,653	4.7%
Other	1,018	30.9%	3,407	39.8%	15,227	43.2%
<b>Total</b>	<b>3,298</b>		<b>8,562</b>		<b>35,230</b>	

o Bristol Bay Salmon Fisheries includes set gillnet and drift gillnet.

Table 19 shows the relationships between the transferors and transfer recipients for permits in the Bristol Bay salmon set gillnet fishery between 1980 and 2014. Statistics are also provided for the combined Bristol Bay salmon fisheries (drift gillnet and set gillnet), and all fisheries statewide. Permit transfers between family members, immediate and non-immediate, total between 38.3% and 47.8% for the three classes of permit holders.

<sup>4</sup> CFEC implemented the transfer survey in 1980.

<sup>5</sup> See *Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975-2014*, CFEC Report No. 15-3.

## S04T Permit Value

Many permit transfers are non-monetary transactions (Table 18). This section considers solely arms-length market transactions where permits are sold. Average values are expressed in both nominal and real (adjusted for inflation) terms. Estimated permit values are calculated with at least four permit sale transactions; because of the low number of sales in this fishery, the average for one year may include permit sales that span multiple years.

Table 20. CFEC Estimated Value of S04T Permits

Year	S04T Permit Sales	Nominal		Real	
		Permit Value	Standard Deviation	Permit Value	Standard Deviation
1982	72	\$37,394	-	\$91,736	-
1983	50	\$41,248	-	\$98,036	-
1984	47	\$41,533	-	\$94,833	-
1985	48	\$35,974	-	\$79,148	-
1986	61	\$33,054	-	\$71,397	-
1987	64	\$35,254	-	\$73,467	-
1988	50	\$46,508	-	\$93,069	-
1989	38	\$61,125	-	\$116,697	-
1990	29	\$65,179	-	\$118,056	-
1991	39	\$59,500	\$8,150	\$103,420	\$15,904
1992	46	\$49,800	\$6,250	\$84,030	\$10,546
1993	30	\$49,100	\$6,900	\$80,441	\$11,304
1994	28	\$37,800	\$5,450	\$60,382	\$8,706
1995	35	\$42,200	\$4,850	\$65,553	\$7,534
1996	48	\$41,100	\$5,700	\$62,013	\$8,600
1997	33	\$39,000	\$6,050	\$57,525	\$8,924
1998	29	\$30,400	\$4,000	\$44,152	\$5,809
1999	31	\$31,300	\$5,450	\$44,477	\$7,744
2000	33	\$32,400	\$3,450	\$44,543	\$4,743
2001	31	\$25,300	\$5,600	\$33,819	\$7,486
2002	26	\$12,100	\$2,980	\$15,923	\$3,882
2003	31	\$12,600	\$3,150	\$16,211	\$4,053
2004	34	\$14,300	\$3,100	\$17,921	\$3,885
2005	44	\$15,100	\$2,400	\$18,304	\$2,909
2006	41	\$22,400	\$4,200	\$26,304	\$4,932
2007	29	\$24,000	\$3,200	\$27,402	\$3,654
2008	28	\$27,400	\$2,600	\$30,128	\$2,859
2009	44	\$28,200	\$2,250	\$31,118	\$2,483
2010	47	\$28,700	\$3,000	\$31,159	\$3,257
2011	38	\$36,900	\$4,950	\$37,783	\$6,210
2012	28	\$40,300	\$2,500	\$41,554	\$2,578
2013	23	\$39,900	\$2,500	\$40,547	\$2,541
2014	36	\$35,900	\$4,960	\$37,783	\$5,210

- o Permit values represent averages of all arms-length sale transactions over the year. Beginning in 1991, additional data from recent months in the preceding year may be included until at least four observations can be averaged.
- o Real permit values were calculated using the 2014 Consumer Price Index from the U.S. Bureau of Labor Statistics.
- o The Standard Deviation was not calculated prior to 1991.

Real permit values reached a high in 1990 before declining. The value of Bristol Bay salmon set gillnet permits bottomed out in 2002. Likewise, the value of many other salmon limited entry permits around the state have experienced similar trajectories.



## Emergency Transfers of S04T Permits

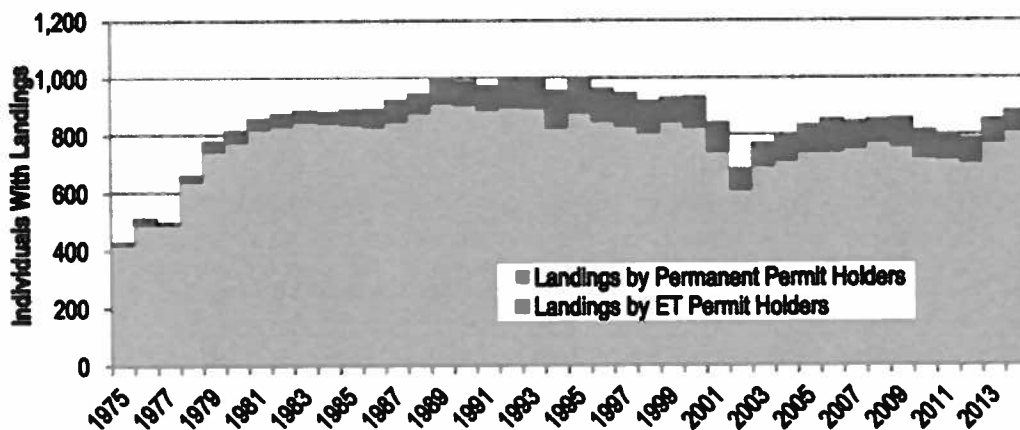
Commercial landings can be made with either permanently-held permits or with permits held temporarily through emergency transfers. Emergency transfer (ET) permits are granted if illness, disability, death, required military or government service, or other unavoidable hardship of a temporary, unexpected, and unforeseen nature prevents the permit holder from participating in the fishery. "Hardship" does not include the results of a permit holder's own economic decisions, nor the results of economic, biological or regulatory variables which are normally part of the risk of doing business as a fisherman. At the end of the year, ET permits automatically revert back to the permanent permit holder.

Table 21 and Figure 6 show the total number of unique individuals who recorded landings in the S04T permit fishery each year, and of that group, the number of individuals who made landings with permits held through emergency transfer. Some individuals who made landings with emergency transfer permits also made landings with permanent permits in the same year.

**Table 21. Use of Emergency Transfer Permits in the Bristol Bay Set Gillnet Fishery**

Year	Individuals With Landings	Landings by ET Permit Holders	Rate ET	Year	Individuals With Landings	Landings by ET Permit Holders	Rate ET	Year	Individuals With Landings	Landings by ET Permit Holders	Rate ET
1975	429	10	2.3%	1989	994	88	8.7%	2003	769	82	10.7%
1976	512	25	4.9%	1990	991	88	8.9%	2004	799	93	11.6%
1977	488	9	1.8%	1991	988	84	8.7%	2005	834	98	11.8%
1978	680	22	3.3%	1992	998	103	10.3%	2006	855	118	13.8%
1979	778	37	4.8%	1993	996	105	10.5%	2007	848	97	11.5%
1980	814	40	4.9%	1994	951	128	13.5%	2008	854	83	9.7%
1981	856	38	4.4%	1995	996	122	12.2%	2009	858	104	12.1%
1982	873	44	5.0%	1996	962	119	12.4%	2010	816	101	12.4%
1983	884	38	4.3%	1997	947	120	12.7%	2011	796	83	10.4%
1984	879	38	4.3%	1998	918	114	12.4%	2012	787	87	11.1%
1985	887	54	6.1%	1999	931	89	9.6%	2013	855	87	10.2%
1986	888	61	6.9%	2000	934	111	11.9%	2014	884	74	8.4%
1987	920	75	8.2%	2001	842	105	12.5%				
1988	942	67	7.1%	2002	684	79	11.5%				

**Figure 6. Use of Emergency Transfer Permits in the Bristol Bay Set Gillnet Fishery**



## DNR Shore Fishery Leases in the Bristol Bay Set Gillnet Fishery

The Alaska Department of Natural Resources (DNR) administers a shore fishery lease program for the use of state owned and managed tidelands by CFEC set gillnet permit holders in Bristol Bay. A shore fishery lease grants permit holders the first right of priority to fish a tract of tidelands. Many permit holders obtain shore fishery leases, although a lease is not required in order to fish.

In Bristol Bay, the DNR shore fishery lease program allows a permit holder to maintain up to two tracts per permit.<sup>6</sup> While some tracts are adjacent to one another, other tracts may be scattered miles apart. Additional information regarding DNR shore fishery leases can be found in CFEC publication 14-4N.<sup>7</sup>

In Table 22, the total number of Bristol Bay set gillnet permits, permits with landings, and permits with a DNR shore fishery lease as of December 31 is reported by district. The total permits by district include permits that either had landings documented within the fishing district or had a DNR lease. While there are no restrictions as to which district an S04T permit can be used to make landings, generally speaking, S04T permit holders typically did not make landings in more than one district.

Please see Appendix B for Bristol Bay DNR shore fishery lease site maps as of October 16, 2015.

**Table 22. Bristol Bay Set Gillnet DNR Shore Fishery Leases by District**

Year	Total Permits	Permits with Landings	Permits with DNR Lease	Togalak With DNR Lease	Togalak Total Permits	Mushagak With DNR Lease	Mushagak Total Permits	Nahnek-Kvichak With DNR Lease	Nahnek-Kvichak Total Permits	Egegik With DNR Lease	Egegik Total Permits	Ugashik With DNR Lease	Ugashik Total Permits
1987	960	889	402	1	67	91	289	153	333	121	211	38	80
1988	959	922	441	1	122	105	288	169	360	129	197	39	72
1989	1,026	971	451	0	96	110	294	168	366	133	224	42	75
1990	1,028	971	441	1	75	121	347	149	442	125	223	48	71
1991	1,024	950	504	3	103	132	317	179	367	141	221	51	74
1992	1,026	968	536	4	116	136	301	196	358	149	212	52	70
1993	1,022	965	545	4	108	136	299	197	344	157	233	52	75
1994	1,019	939	514	4	115	124	302	183	338	156	231	47	73
1995	1,019	967	544	4	103	134	297	201	355	161	218	44	72
1996	1,017	941	555	4	111	137	285	213	357	157	215	44	61
1997	1,019	921	546	5	84	135	289	209	315	153	255	45	66
1998	1,016	901	560	12	63	132	286	206	317	160	222	42	61
1999	1,014	925	544	12	78	132	298	201	327	158	219	41	58
2000	1,012	921	524	11	88	128	302	189	334	159	216	37	58
2001	1,010	834	508	11	62	122	285	181	287	159	210	36	57
2002	1,006	680	481	10	60	115	236	167	283	155	192	34	46
2003	1,001	761	479	11	77	114	242	168	291	153	205	33	55
2004	989	795	479	11	73	118	248	166	298	162	203	33	50
2005	988	829	478	11	72	119	248	164	309	151	199	33	59
2006	985	844	475	12	77	118	241	161	318	150	203	34	60
2007	983	836	470	13	76	113	245	165	307	153	199	36	54
2008	979	850	476	14	74	114	255	159	297	153	201	36	57
2009	982	843	485	16	71	118	257	158	286	153	201	40	55
2010	982	868	502	17	78	128	277	162	280	163	203	41	56
2011	981	889	530	19	83	147	290	172	279	151	201	41	55
2012	979	893	542	18	86	154	283	175	279	152	205	43	58
2013	978	847	552	19	81	159	275	178	273	163	202	43	61
2014	977	875	563	19	81	161	283	185	280	153	207	45	79

<sup>6</sup> See 11 AAC 24.0331(b)(1)(D).

<sup>7</sup> See *CFEC Salmon Set Gillnet Permits and DNR Shore Fishery Leases in Prince William Sound, Cook Inlet, Kodiak, Alaska Peninsula, and Bristol Bay 1975-2013*. CFEC Report No. 14-4N.



## Latent S04T Permits

CFEC regulations require individuals to renew their limited entry permits annually, regardless of whether they actually fish. Permits that are not used to record landings in a given year are referred to herein as "latent" for that year.

Table 23 indicates the total number of Bristol Bay salmon set gillnet permits issued each year, and reports the number of permits with commercial landings, and the rate of permit latency. Both interim and permanent permits are included. Note that for this table, in years when a single individual held an interim-entry permit and was also issued a permanent permit, only the permanent permit is counted.

Several complications make it difficult to accurately count the number of latent permits therefore the figures should be viewed with caution. In some cases, permits might be active in the fishery but might not be used to record landings. This can occur when permit holders fish in a group, especially among family or friends, and the group records their landings on only one, or some, of the group's permits. Although this practice is not legal,<sup>8</sup> it allegedly occurs in the set gillnet fisheries at a rate higher than in other fisheries. The effect would be to under-count the number of permits active in the fishery, and over-estimate the latency rate.

Individuals who hold a DNR Shore Fishery Lease are required by regulation to fish at least four openings in years when they hold a lease, unless they refrain for no more than one year from using the site.<sup>9</sup> The 'Landings and/or DNR lease' column counts permits that either held a DNR Shore Fishery Lease or made a commercial landing. The actual annual rate of latency is likely lies between the rates given in this table.

There are many reasons why an individual might not fish in any given year. This table does not explain any of these reasons, but simply estimates the rate of permit latency.

<sup>8</sup> See AS 16.05.680 (b) and AS 16.05.690 (b).

<sup>9</sup> See 11 AAC 64.180.

**Table 23. Bristol Bay Set Gillnet Permit Latency**

Year	Total Fishery Permits	Permits With Count	Landings Latency	Landings and/or DNR Lease	Latency Rate
1976	791	426	48.1%	449	43.2%
1976	761	502	34.0%	522	31.4%
1977	836	497	40.6%	619	37.9%
1978	906	656	27.6%	674	25.6%
1979	934	770	17.6%	779	16.6%
1980	947	807	14.8%	820	13.4%
1981	956	841	12.0%	853	10.8%
1982	958	859	10.3%	870	9.2%
1983	960	866	9.9%	882	8.1%
1984	962	869	9.7%	880	8.5%
1985	959	872	9.1%	877	8.6%
1986	963	870	9.7%	884	8.2%
1987	960	899	6.4%	914	4.8%
1988	959	922	3.9%	931	2.9%
1989	1,026	971	5.3%	976	4.8%
1990	1,028	971	5.5%	981	4.6%
1991	1,024	950	7.2%	967	5.6%
1992	1,026	988	5.6%	979	4.8%
1993	1,022	965	5.6%	979	4.2%
1994	1,019	939	7.9%	956	6.2%
1995	1,019	967	5.1%	966	3.3%
1996	1,017	941	7.5%	967	4.9%
1997	1,019	921	9.6%	953	6.5%
1998	1,016	901	11.2%	940	7.4%
1999	1,014	925	8.8%	957	5.6%
2000	1,012	921	9.0%	943	6.8%
2001	1,010	834	17.4%	891	11.8%
2002	1,008	680	32.4%	800	20.5%
2003	1,001	761	24.0%	848	15.3%
2004	989	796	19.6%	857	13.3%
2005	988	829	16.1%	874	11.5%
2006	985	844	14.3%	884	10.3%
2007	983	836	15.1%	872	11.3%
2008	979	850	13.2%	878	10.3%
2009	982	843	14.2%	860	12.4%
2010	982	868	11.6%	889	9.6%
2011	981	889	9.4%	905	7.7%
2012	979	893	8.8%	905	7.6%
2013	978	847	13.4%	886	9.5%
2014	977	875	10.4%	905	7.4%

- o When an individual with an interim-entry permit is issued a permanent permit in the same year, only the permanent permit is counted.
- o 'Permits with Landings' is the number of CFEC permits that were used to record commercial landings in that year.
- o 'Permit Landings and/or DNR Lease' is the number of CFEC permits that were used to record a landing, or were associated with a DNR shore fishery lease.

**Table 31 describes both estimated real earnings by district and the number of permits with commercial landings in each of the districts. Please note that some permits recorded landings in more than one district.**

### Table 31. S04T Earnings by District

Year	Tegash			Hatchegash			Middletown-Riverview			Essex			Upchurch			Other			Total Earnings*						
	Permits	Roof* Value	Roof* Volume	Permits	Roof* Value	Roof* Volume	Permits	Roof* Value	Roof* Volume	Permits	Roof* Value	Roof* Volume	Permits	Roof* Value	Roof* Volume	Permits	Roof* Value	Roof* Volume							
1975	35	8.2%	\$268,231	143	33.6%	\$1,441,822	158	37.1%	\$1,850,488	40.6%	63	21.6%	\$688,087	21.6%	14	3.3%	\$28,685	0.6%	1	0.2%	\$358	0.0%	428	\$4,573,589	
1976	36	7.2%	\$577,168	178	35.6%	\$3,093,748	30.9%	197	39.2%	\$2,737,088	32.6%	97	19.3%	\$1,888,687	20.1%	20	4.0%	\$383,348	3.1%	6	1.2%	\$32,888	0.4%	502	\$8,380,088
1977	37	7.4%	\$873,770	178	35.4%	\$1,982,276	19.0%	198	37.8%	\$3,977,500	37.4%	92	18.5%	\$3,383,473	32.5%	9	1.8%	\$43,891	0.4%	8	1.6%	\$43,891	0.4%	497	\$19,431,782
1978	38	7.6%	\$1,881,128	228	34.6%	\$8,469,883	41.6%	273	41.6%	\$7,733,815	31.3%	131	20.6%	\$3,487,584	15.3%	6	0.9%	\$16,161	0.1%	8	1.2%	\$101,240	0.4%	688	\$22,789,919
1979	39	8.2%	\$1,888,347	250	32.6%	\$10,333,689	18.8%	302	39.2%	\$28,120,581	31.9%	189	20.6%	\$3,267,785	18.7%	28	3.6%	\$1,228,420	2.3%	337	43.8%	\$3,280,345	6.9%	868	\$54,884,088
1980	40	7.8%	\$1,752,389	250	32.6%	\$7,788,589	23.5%	348	43.2%	\$14,985,747	45.3%	184	22.6%	\$7,218,883	21.6%	31	3.6%	\$1,085,882	3.3%	16	2.6%	\$226,182	0.7%	877	\$38,078,082
1981	73	8.7%	\$2,213,689	283	31.2%	\$18,887,882	35.6%	351	41.7%	\$18,087,383	30.2%	173	20.2%	\$12,800,377	23.7%	53	8.3%	\$3,216,321	8.1%	21	2.5%	\$131,823	0.2%	841	\$53,127,088
1982	72	8.4%	\$1,578,587	283	30.6%	\$8,387,881	32.9%	349	40.6%	\$7,278,419	28.7%	175	20.2%	\$8,371,889	24.2%	57	6.7%	\$2,750,342	9.3%	18	2.1%	\$404,203	1.6%	869	\$26,200,337
1983	69	8.0%	\$1,489,485	285	30.6%	\$8,285,277	22.8%	382	41.6%	\$15,380,888	40.8%	183	20.2%	\$8,371,889	24.2%	61	8.4%	\$2,772,343	8.6%	7	0.8%	\$38,554	0.1%	885	\$35,887,378
1984	76	8.7%	\$1,445,317	284	30.4%	\$5,319,847	21.0%	348	39.8%	\$11,734,840	48.3%	188	21.6%	\$4,453,189	17.6%	63	7.2%	\$2,239,889	8.6%	15	1.7%	\$171,080	0.7%	889	\$29,383,841
1985	86	7.6%	\$1,010,588	282	28.2%	\$3,084,318	22.1%	354	40.6%	\$10,880,342	38.8%	191	20.6%	\$8,970,074	22.6%	81	9.4%	\$3,124,288	11.8%	18	2.1%	\$301,827	0.7%	872	\$27,114,442
1986	103	11.8%	\$2,417,588	282	28.2%	\$1,228,340	38.8%	383	40.6%	\$1,228,340	38.8%	190	21.6%	\$8,180,074	19.4%	82	9.4%	\$2,383,189	8.7%	7	0.8%	\$35,381	0.1%	870	\$47,027,813
1987	68	7.3%	\$2,722,194	282	31.4%	\$12,880,680	31.6%	317	38.3%	\$12,631,413	31.8%	208	22.6%	\$8,112,889	23.0%	78	8.7%	\$2,383,189	8.7%	9	1.0%	\$142,887	0.4%	888	\$39,554,881
1988	121	13.1%	\$8,539,814	282	30.6%	\$11,787,237	22.0%	363	38.3%	\$13,142,973	24.6%	193	20.6%	\$15,420,284	28.8%	70	7.6%	\$4,388,088	8.2%	14	1.5%	\$345,327	0.6%	922	\$53,631,703
1989	96	8.9%	\$9,085,873	288	28.2%	\$17,545,578	28.4%	384	37.5%	\$20,573,438	35.8%	217	22.3%	\$13,882,425	22.8%	68	7.5%	\$3,473,088	9.5%	18	1.5%	\$81,153	0.2%	971	\$57,782,888
1990	96	7.7%	\$1,027,791	342	35.2%	\$13,434,701	28.4%	438	45.3%	\$23,687,508	45.8%	215	22.1%	\$10,208,148	20.1%	64	8.6%	\$2,344,598	4.6%	15	1.6%	\$180,814	0.7%	871	\$84,894,487
1991	103	10.8%	\$2,170,548	311	31.2%	\$9,588,840	33.6%	357	37.6%	\$9,114,222	32.2%	212	22.3%	\$4,771,282	18.8%	63	8.6%	\$2,625,889	8.3%	12	1.3%	\$80,000	0.3%	880	\$28,348,288
1992	108	12.0%	\$2,677,132	293	30.7%	\$10,881,164	24.6%	349	35.3%	\$11,825,585	28.1%	228	23.2%	\$10,372,881	22.5%	67	8.5%	\$3,741,181	8.4%	18	1.5%	\$211,193	0.5%	983	\$44,611,772
1993	116	11.2%	\$2,077,132	297	30.4%	\$10,310,075	28.6%	333	34.3%	\$9,882,585	27.6%	228	23.6%	\$10,513,881	28.6%	71	8.5%	\$2,787,819	7.8%	11	1.1%	\$138,180	0.5%	985	\$35,630,423
1994	115	12.2%	\$2,447,891	285	31.4%	\$8,940,284	24.3%	322	34.3%	\$15,008,935	40.4%	224	23.6%	\$7,388,884	28.1%	68	7.2%	\$2,768,078	7.5%	9	1.0%	\$183,289	0.6%	889	\$38,723,081
1995	103	10.7%	\$2,618,987	282	30.2%	\$11,588,955	28.3%	347	35.6%	\$15,170,888	38.1%	207	21.6%	\$8,288,487	25.6%	53	8.6%	\$1,754,047	5.4%	6	0.6%	\$37,280	0.1%	941	\$32,248,915
1996	111	11.6%	\$2,395,418	277	29.4%	\$8,507,948	28.4%	348	37.6%	\$11,288,735	35.0%	203	21.6%	\$8,288,487	25.6%	53	8.6%	\$1,754,047	5.4%	6	0.6%	\$37,280	0.1%	941	\$32,248,915
1997	84	8.1%	\$880,881	277	30.4%	\$8,278,700	34.6%	288	32.6%	\$1,325,891	7.3%	242	24.6%	\$8,128,042	44.6%	58	8.6%	\$1,512,817	8.3%	9	1.0%	\$83,027	0.3%	921	\$1,180,814
1998	82	8.1%	\$1,455,882	276	30.6%	\$8,381,187	40.4%	288	33.3%	\$4,384,881	21.8%	209	23.2%	\$5,158,132	25.2%	52	5.8%	\$1,288,554	6.3%	7	0.8%	\$38,148	0.1%	971	\$28,085,884
1999	86	8.3%	\$1,815,577	286	31.6%	\$11,382,048	37.6%	308	33.4%	\$8,888,387	28.8%	204	22.6%	\$7,281,134	23.7%	50	8.4%	\$1,588,883	8.2%	1	0.1%	\$373	0.0%	925	\$30,581,184
2000	77	8.3%	\$2,175,022	285	31.6%	\$7,604,883	34.6%	322	35.0%	\$4,888,888	22.6%	204	22.6%	\$8,227,109	28.3%	54	8.6%	\$1,312,809	7.4%	1	0.1%	\$2,242	0.0%	828	\$21,080,111
2001	82	8.6%	\$1,147,884	277	33.2%	\$3,880,048	38.7%	289	30.6%	\$4,388,484	38.2%	183	21.6%	\$1,822,881	14.2%	51	6.1%	\$338,581	5.1%	3	0.3%	\$2,083	0.0%	934	\$21,988,074
2002	79	8.7%	\$421,784	215	29.2%	\$2,888,785	35.2%	280	33.6%	\$1,882,473	22.6%	147	21.6%	\$2,724,307	31.4%	35	6.1%	\$783,351	8.6%	0	0.0%	\$0	0.0%	880	\$8,880,870
2003	78	10.0%	\$1,282,058	212	31.2%	\$4,712,888	35.2%	245	32.2%	\$4,834,801	34.6%	181	21.6%	\$1,988,121	14.4%	82	8.4%	\$888,883	8.6%	0	0.0%	\$0	0.0%	781	\$13,401,970
2004	72	9.1%	\$970,080	231	29.1%	\$4,088,884	27.8%	277	34.6%	\$3,383,348	24.8%	178	22.6%	\$5,082,088	34.2%	44	5.5%	\$1,444,883	9.5%	0	0.0%	\$0	0.0%	785	\$14,617,128
2005	71	8.6%	\$1,122,182	238	28.8%	\$5,087,501	24.0%	288	34.7%	\$7,031,287	33.3%	194	22.6%	\$8,304,389	28.8%	67	8.6%	\$1,882,881	7.4%	1	0.1%	\$2,242	0.0%	828	\$21,080,111
2006	75	9.0%	\$5,988,984	311	27.4%	\$5,988,984	31.6%	303	35.0%	\$4,823,570	25.7%	185	21.6%	\$5,028,988	28.8%	58	8.6%	\$1,312,809	7.4%	0	0.0%	\$0	0.0%	845	\$21,784,785
2007	76	8.6%	\$1,773,888	235	28.1%	\$7,588,888	31.6%	289	34.6%	\$7,488,888	32.8%	185	22.6%	\$4,325,488	18.8%	54	8.4%	\$1,581,316	7.2%	0	0.0%	\$0	0.0%	855	\$22,788,888
2008	73	8.6%	\$1,882,483	282	28.6%	\$8,878,882	28.8%	283	33.3%	\$8,883,448	38.8%	188	22.6%	\$4,882,791	21.1%	63	8.2%	\$888,888	3.7%	0	0.0%	\$0	0.0%	880	\$23,041,784
2009	70	8.3%	\$1,400,889	253	30.6%	\$9,381,883	32.0%	275	32.6%	\$8,880,183	28.8%	184	23.6%	\$8,170,288	23.6%	54	8.4%	\$1,887,837	8.6%	2	0.2%	\$2,880	0.0%	843	\$28,984,148
2010	76	8.6%	\$1,983,389	275	31.7%	\$12,381,047	38.8%	283	32.6%	\$12,388,788	38.8%	191	22.6%	\$4,570,288	23.6%	53	8.4%	\$2,488,152	7.8%	0	0.0%	\$0	0.0%	888	\$28,685,238
2011	83	8.3%	\$2,488,078	288	32.4%	\$8,533,388	28.6%	278	31.0%	\$10,281,585	35.7%	187	22.2%	\$5,288,082	18.4%	53	8.0%	\$2,238,152	7.8%	0	0.0%	\$0	0.0%	889	\$28,685,238
2012	87	8.2%	\$1,782,538	281	31.5%	\$7,088,433	27.6%	275	30.8%	\$9,688,882	37.1%	202	22.6%	\$5,300,842	21.1%	57	8.4%	\$1,770,585	6.9%	0	0.0%	\$0	0.0%	883	\$25,500,032
2013	78	9.2%	\$1,983,888	287	31.6%	\$7,788,885	27.6%	257	30.8%	\$8,188,888	38.8%	188	22.6%	\$4,488,888	21.1%	57	8.4%	\$1,770,585	6.9%	0	0.0%	\$0	0.0%	887	\$28,281,775
2014	78	8.9%	\$1,811,281	276	31.4%	\$12,874,184	32.6%	270	30.9%	\$18,982,882	43.3%	188	22.6%	\$5,583,788	14.1%	74	8.6%	\$1,938,882	8.0%	0	0.0%	\$0	0.0%	875	\$39,280,775

\* Adjusted for inflation to 2014 dollars using U.S. Bureau of Labor Consumer Price Index.

\*\*\*Other includes landings made in area M per 5 AAC 39.120 (d), as well as some landings in 1979 that were recorded as having been made in the Kuskokwim district.

## Appendix A. Dual and Stacking Regulations

Dual Permits:					
Fishery and Fishery Code	First Season In Effect	Basic Regulation	Identification	Special Considerations	Regulations
Bristol Bay Salmon Drift Gillnet S03T	2004	Two permit holders may fish from a single vessel; the vessel's total allowable gear increases from 150 to 200 fathoms	Vessels display a 'D' adjacent to the license plate when fishing 2 permits. Otherwise, the 'D' is to be covered.	Dual-permit operations are not allowed in certain restricted fishing areas	5 AAC 06.333 5 AAC 06.370
Cook Inlet Salmon Drift Gillnet S03H	2008	Two permit holders may fish from a single vessel; the vessel's total allowable gear increases from 150 to 200 fathoms	Vessels display a 'D' adjacent to the license plate when fishing 2 permits. Otherwise, the 'D' is to be covered.	Dual-permit operations are not allowed in certain restricted fishing areas	5 AAC 21.333
Southeast Herring Gillnet G34A	2008	Two permit holders may fish from a single vessel; the vessel's allowable gear increases from a single 50-fathom net to a 75-fathom net.	Vessels display the letter 'D' adjacent to the license plate when fishing 2 permits. Otherwise, the 'D' is to be covered.		5 AAC 27.131(f)

Stacked Permits					
2002: AS 16.43.140 (c) was amended to allow individuals to hold two salmon limited entry permits in the same fishery.					
2008: AS 16.05.281 (i) gives the BOF the authority to grant fishing privileges to the second permit held by an individual.					
Fishery and Fishery Code	First Season In Effect	Basic Regulation	Identification	Special Considerations	Regulations
Kodiak Salmon Set Gillnet S04K	2 regulations: (a) 2008  and (b) 1985  then 2010:	(a) Permit holders may own and fish 2 permits simultaneously. Their allowable gear doubles from 2 nets and 150 fathoms to 4 nets and 300 fathoms.  (b) Two permit holders may fish in a joint venture; the operation's total allowable gear increases from 2 nets and 150 fathoms to 3 nets and to 300 fathoms  Board of Fish allowed stacked permit regulation to sunset	In 2008 persons who fished 2 permits were issued 2 permit cards: a standard card and a white-colored (non-functioning) card. In 2009, the non-functioning card was yellow-colored. In 2010, persons were issued 2 standard cards, and either could be used to record a landing.  Gillnet buoys must be marked with a 'D' and with both permit numbers when the operation fishes 2 permits.	(a) Unless reauthorized, this regulation expire December, 2010  Was not Reauthorized	5 AAC 18.331

# **PERMIT & FISHING ACTIVITY BY YEAR, STATE, CENSUS AREA, OR CITY**

<a href="#">Link to Different Year...</a>	<a href="#">Alaskan Community &amp; Census Areas List</a>					<a href="#">Table Description</a>	
Year: 2014	State or Census Area: DILLINGHAM CA			City: Manokotak (070133 )			
Fishery Group	<a href="#">Fishery Code</a>	Permit Activity <a href="#">(1)</a>		Fishing Activity <a href="#">(2)</a>			
		Number of Permit Holders	Number of Permits Issued	Number of Fishermen Who Fished	Number of Permits Fished	Total Pounds Landed	Estimated Gross Earnings
Herring	G 34T	2	2	1	1	X	X
	G 34W	2	2	0	0	0	0
	L 12T	43	43	0	0	0	0
	<b>Group Total <a href="#">(3)</a></b>	45	47	1	1	X	X
Salmon	S 03T	26	26	21	21	839,220	995,593
	S 04T	38	38	36	36	1,582,431	2,067,602
	<b>Group Total <a href="#">(3)</a></b>	64	64	57	57	2,421,651	3,063,195
<b>All Fisheries Combined</b>	<b>Group Total <a href="#">(3)</a></b>	92	111	57	58	X	X

Link to...

DILLINGHAM

## **Bristol Bay Economic Development Corporation**

### **Community Block Grant Program Policies**

#### **1.0 Purpose**

- 1.1 Provide BBEDC communities with the opportunity to fund projects that promote sustainable community and regional economic development.
- 1.2 Community Block Grant (CBG) funds are for the purpose of accomplishing a tangible outcome and are not meant to fund processes. Examples of tangible outcomes are a building, a road, a piece of equipment, a report, a study, a phase of a larger multi-phase project (feasibility study, business plan, construction design, etc.) where the other requirements under this program are also accomplished.

#### **2.0 Available Funding**

- 2.1 The BBEDC Board of Directors each year determines the amount of funding available for the CBG.
- 2.2 CBG funds allocated but not awarded will expire on December 31<sup>st</sup> of the year that they are allocated.
- 2.3 Funding does not obligate BBEDC to any additional future funding. Changes to an award to adjust funding or extend the period of performance are at the sole discretion of BBEDC.
- 2.4 As a part of an eligible Community Block Grant project, if any funding is used to influence local, state or federal elections, the grant recipient shall comply with federal and state campaign contribution laws and provide copies of all required reports to BBEDC.

#### **3.0 Eligible Recipients**

- 3.1 The recipient will be the Tribal entity, which is the governing community member for each community according to the BBEDC bylaws. The City government may participate in a manner approved by the Tribal entity.
- 3.2 The Tribal entities and City governments may cooperatively receive funds so that multiple projects or a single project can be carried out by the entities during the same funding cycle provided that the total amount of available CBG funds are not exceeded and the allocation is confirmed by the Tribal entity.
- 3.3 A borough, private profit or non-profit company, other organizations or individuals are not eligible recipients.

#### **4.0 Process**

- 4.1 The Board determines the annual amount of funding that will be available during the budget process as well as any policy/program changes.
- 4.2 BBEDC notifies the Tribal entities of grant availability via letter as soon as possible after adopted by the Board. BBEDC shall also advise applicable City governments of such grant availability as appropriate.
- 4.3 Recipient(s) must complete the grant packet and return it to BBEDC.



- 4.4 BBEDC reviews the grant packet for approval, follow-up, technical assistance or rejection
- 4.5 Once approved, grant projects may begin with grant payments to communities as stipulated in the policies.
- 4.6 Within 30 days after the end of each quarter, the recipient must submit a report that demonstrates accomplishments for the quarter.
- 4.7 Quarterly reports are not required during periods of inactivity. But a report must accompany any payment request.
- 4.8 Within 30 days after project completion, the recipient must submit a final report.
- 4.9 BBEDC will close the grant and perform project inspection.

**5.0 Criteria/Metrics for eligible projects**

- 5.1 Projects must be fishery related either directly or in a support service capacity.
- 5.2 Projects must operate within the region and maintain local ownership
- 5.3 Projects must be non-discriminatory and equally available to all residents of the community.
- 5.4 Projects may involve planning, design, engineering, construction, acquisition, relocation, demolition, renovation/remodel or upgrade of community infrastructure, whether equipment or buildings.
- 5.5 Projects to be funded with BBEDC CBG funds must result in feasible and sustainable development in the community or region.
- 5.6 Projects must demonstrate one or more of the following BBEDC tax exempt purposes (in the grant packet and close-out report) :
  - 5.6.1 Must demonstrate that the project(s) will lead to economic growth that is sustainable by and within the community or region.
  - 5.6.2 Must demonstrate that the project(s) contributes to the reduction of poverty.
  - 5.6.3 Must demonstrate that the project(s) will contribute to employment and/or long term income generating opportunities for the residents. The project must identify the number of short-term and long-term jobs that will be created and/or retained.
  - 5.6.4 Must demonstrate that the project(s) provide economic and social benefits for residents.
- 5.7 Up to \$25,000 per year may be used to fund the operations and maintenance of community owned ice machines provided that the machine is primarily fishery related (commercial, subsistence or recreational).
- 5.8 Funds can be used for developing a single or multiple projects.
- 5.9 A recipient is encouraged to submit one application that contains all of the projects desired to be accomplished in that year; however a recipient may choose to apply more than once to qualify for the full sum of funds available in that year.
- 5.10 Insurance requirements for the project or property and the responsible party will be identified. In all cases, BBEDC shall be named as the additional insured for the duration of the project as identified in the grant application. The recipient will provide proof of insurance prior to receipt of the first disbursement.

- 5.11 A project that duplicates existing infrastructure must demonstrate and support the need for the additional infrastructure.
- 5.12 If consultants or subcontractors are involved, their work products must be defined in a manner that can be evaluated to determine whether they have completed their assigned tasks.
- 5.13 On an annual basis the Board of Directors may authorize the use of Block Grant funds to assist eligible resident households in the respective BBEDC communities to purchase home heating fuel and/or electricity. This program shall not be available unless authorized by BBEDC Board action. Administrative Guidelines will apply
- 5.14 Block Grant funds may be used to fund the operations and maintenance of infrastructure and equipment to which the community owns title. Project management, administrative costs and/or project overhead (Section 7.2) may not be applied.

## **6.0 Ineligible Projects**

- 6.1 CBG funds cannot be used to directly fund a permanent employment position in part or in whole
- 6.2 CBG funds can be used to fund a temporary position only if the position is associated with a project being funded under a CBG grant such as laborers for a construction project.
- 6.3 CBG funds cannot be used for projects that have already been completed.
- 6.4 CBG funds cannot be used for business working capital.
- 6.5 CBG funds cannot be used for maintenance and operation of existing programs or facilities, except the special provision for a community ice machine (Section 5.7) and community owned infrastructure (Section 5.14).

## **7.0 Grant/Project Management**

- 7.1 The recipient may assign all or part of the responsibility for management of the grant and/or the project to an organization other than the recipient; however, BBEDC will hold the recipient responsible for requirements to be met under the terms of the award and disbursement of the funds.
- 7.2 The recipient may apply up to twenty percent (20%) of the CBG grant to project management, administrative costs and/or project overhead (in total). The limitation applies whether the project is managed in-house or by contract with a separate party.
- 7.3 CBG grants are not subject to an established Indirect Rate, if such exists for the recipient.
- 7.4 BBEDC reserves the right to request an audit at the recipient's expense. In such a case, BBEDC will entertain a budget amendment to allow the recipient to absorb the expense in the CBG budget if appropriate.
- 7.5 BBEDC staff will have access to the physical project site at any time upon reasonable request for the purpose of assessing the project.
- 7.6 BBEDC staff will make periodic site visits, as well as photograph and review progress of the project based on the project timeline.

## **8.0 Project Funds/Match Requirement**

- 8.1 CBG funds do not require a match.

**8.2 CBG may be used to match other grant programs.**

**9.0 Technical Assistance**

**9.1 BBEDC's Technical Assistance Program is available to recipients for assistance in completing the BBEDC Block Grant application. Technical Assistance means private consulting assistance providing guidance in developing plans, forecasts, budgets, and proper application packages. The entity or individual must provide basic information and insight to the Technical Assistance team as requested. There is a separate application for Technical Assistance.**

**10.0 Documents Required**

**10.1 Recipient shall submit a grant packet that includes:**

**10.1.1 A resolution that indicates acceptance/acknowledgement of the program requirements (BBEDC shall provide a template).**

**10.1.2 A written description of each project that includes the project title, project manager, brief project description, project timeline, description of the outcomes envisioned and how the project will meet the program criteria.**

**10.1.3 A budget that indicates the total grant amount and an itemized budget for each project within the grant (BBEDC shall provide a template). The application must be supported with copies of price estimates, contracts or letters of interest from vendors, sellers, contractors and/or consultants that contains the rate and charge for their products or services.**

**10.1.4 A resolution or letter of support from the Tribal entity and, where appropriate, the City government.**

**10.2 The grant packet MUST be complete in order to be considered.**

**10.3 BBEDC will not assume construction or project management responsibilities.**

**11.0 Energy Efficiency**

**11.1 Recipients are encouraged to design projects to be as energy efficient ("green") as possible.**

**12.0 Assessment**

**12.1 An inaccurate or incomplete grant packet will delay assessment. BBEDC shall notify recipients of deficiencies in packets within 30 days of receipt of the application.**

**12.2 An Assessment Team will be established by BBEDC made up of staff and/or third party unbiased evaluator(s). The Assessment Team may be made up of one staff person for most grant applications. A larger Assessment Team may be created for more complex applications.**

**12.3 The Assessment Team shall review the packet based on the requirements outlined in BBEDC's CBG Program Policies.**

**12.4 The Assessment Team may contact and discuss the packet and supporting documentation with the recipient and may request additional information.**

**12.5 If all requirements are adequately met, a favorable decision will be issued.**



- 12.6 Grant packets that do not meet the required criteria will be further assisted by BBEDC staff and/or the Assessment Team (at BBEDC's direction) to obtain further information that will allow for a positive review.
- 12.7 If the grant packet is deficient and/or if the community needs complex assistance with the grant packet and project in general that cannot be provided in the Assessment Process, the recipient will be referred to BBEDC's Technical Assistance Program.
- 12.8 If all requirements are not adequately met through cooperation with the Assessment Team or Technical Assistance, the Assessment Team will provide a written outline of the deficiencies. The written outline will be provided to the recipient with a request to correct the deficiencies.

### **13.0 Approval**

- 13.1 If approved, BBEDC will issue a letter of approval that will contain any covenants required as part of its approval.

### **14.0 Fiscal/Budget Management**

- 14.1 If the scope of work/project changes from the original intent, then the recipient must resubmit a written revised scope of work, budget and supporting resolution(s) with information relative to the portion of the project to be revised.
- 14.2 If funds of less than 25% of a line item are moved within an approved project budget, the recipient must inform BBEDC prior to the change and no approval is required.
- 14.3 If a new budget line is added or a line item amount within an approved project changes by more than 25%, a budget revision is required and will require approval by BBEDC staff.
- 14.4 Over expenditure of a grant or grant funds are the recipient's responsibilities.

### **15.0 Quarterly Reports/Payment Requests/Disbursement**

- 15.1 Quarterly reports shall be filed on a regular basis using the forms provided by BBEDC.
- 15.2 Quarterly reports are not required for periods of inactivity but payments requests will not be processed without a current quarterly report.
- 15.3 Quarterly reports are not required to include a payment request if no expenditures or progress was accomplished.
- 15.4 Quarters shall be January 1 to March 31, April 1 to June 30, July 1 to September 30, October 1 to December 31.
- 15.5 Payment requests must include documentation to support the request (check copies, invoices, etc.).
- 15.6 Grant payments shall be made on a reimbursement basis or by direct payment to a vendor; provided that support documentation is provided.
- 15.7 Advance payments of grant funds may total no more than 10% of the total grant except in the case where the recipient can demonstrate and document a need for additional funds (i.e. deposit needed to gain commitment on a purchase, down-payment for a purchase or other). Documentation must include copies of an invoice, purchase agreement, sales agreement or other that has been executed by the recipient and the vendor/contractor.

15.8 Projects are expected to be completed in a timely manner consistent with the nature of the project.

**16.0 BBEDC Accountability Policy**

16.1 To be eligible to receive funds, the recipient must agree that the funds will be used for the approved project(s) and as approved in the grant packet.

16.2 By applying for the funds, the recipient acknowledges and agrees to the BBEDC policies relating to CBG.

16.3 Failure to comply with the accountability requirements and other policies of the CBG program can result in denial of payment and the recipient may become ineligible for funding of later phases of the current fund and/or subsequent funds in the current year or future years.

**17.0 Appeal**

17.1 Any community applicant may submit a written request for an audience with the Board of Directors

17.2 It is the responsibility of the applicant to present information as to why a grant that was denied should be reconsidered.

17.3 The decisions of the Board are final.

**18.0 Project/Grant Expiration**

18.1 A project that does not meet these policies shall be considered to be in non-compliance and funds may be withheld until compliance is accomplished or grant funding is withdrawn.

**19.0 Grant Closure**

19.1 The recipient shall provide BBEDC with a final report that contains the following:

19.1.1 A report of expenditure of funds.

19.1.2 A report on project completion.

19.1.3 A report as to whether the project(s) did or did not achieve the outcomes envisioned in the application.

19.2 Pictures will be required for projects that result in added infrastructure.

19.3 BBEDC shall inspect the final project and may prepare a project closure report.

**20.0 Definitions**

Administrative/Overhead Costs – the costs associated with managing the project. No "Indirect Cost" allocations are allowed in CBG projects.

Covenants – contractual promises that the recipient will agree to fulfill in return for receiving the BBEDC CBG funds.

Fishery Related – for the purpose of this program, defined as an activity that can provide services to fishing related activities.

Sustainable – is supported through revenue derived from the project or supported by existing revenue source.

Demonstrate – a written description, explanation or illustration using data and actual results.

**Operations and Maintenance** – Expenses incurred in carrying out day to day responsibilities such as heating oil, gasoline, electricity, telephone service, internet service, minor repairs to facility and equipment, parts and supplies that are related to maintaining/repairing property and equipment.

# **CITY OF MANOKOTAK, ALASKA**

**Ordinance No. \_\_\_\_\_**

**AN ORDINANCE adopting a Code of Ordinances for the City of Manokotak, Alaska.**

**BE IT ENACTED BY THE MANOKOTAK CITY COUNCIL AS FOLLOWS:**

**Section 1. Purpose**

We, the elected officials of the City of Manokotak Alaska, mindful of the responsibilities for the welfare of our community which we hold as the City Council of a second class city incorporated under the Constitution and laws of the State of Alaska, and in order to provide local government of service to our people to meet their needs, do establish this ordinance to be the Code of Ordinances for the City of Manokotak.

**Section 2. Classification**

This ordinance is of general and permanent nature.

**Section 3. Prior ordinances superseded**

This Code supersedes any and all ordinances adopted prior to this Code and not included within this Code at the time of this Code's adoption.

**Section 4. Severability**

If any provision of this ordinance or application thereof to any person or circumstance is held invalid, the remainder of the ordinance shall be not affected thereby.

**Section 5. Titles and chapters adopted**

The following titles and chapters constitute the Code of Ordinances for the City of Manokotak, as adopted.

**Title I. GENERAL PROVISIONS**

Chapter 1.01	General Provisions
Chapter 1.02	Ordinances
Chapter 1.03	Resolutions and Technical Codes
Chapter 1.04	City Information
Chapter 1.05	Reserved

**Title II. CITY ADMINISTRATION**

Chapter 2.01	Mayor
Chapter 2.02	City Council
Chapter 2.03	City Administrator
Chapter 2.04	City Clerk
Chapter 2.05	Police Department
Chapter 2.06	Volunteer Fire Department
Chapter 2.07	Search and Rescue Team
Chapter 2.08	Reserved
Chapter 2.09	Reserved
Chapter 2.10	Council Meetings
Chapter 2.11	Council Procedures
Chapter 2.12	Responsibility of Officers and Employees
Chapter 2.13	Reserved
Chapter 2.14	Reserved

**Title III. BUDGET AND FINANCE**

Chapter 3.01	Fiscal Policies
Chapter 3.02	Budget Form and Scope
Chapter 3.03	Budget Procedures
Chapter 3.04	Sales Tax
Chapter 3.05	Reserved
Chapter 3.06	Reserved

**Title IV. ELECTIONS**

Chapter 4.01	City Elections
Chapter 4.02	Election Equipment and Materials
Chapter 4.03	Election Procedures
Chapter 4.04	Absentee Voting
Chapter 4.05	Review of Election Returns
Chapter 4.06	Contest of Election
Chapter 4.07	Reserved
Chapter 4.08	Reserved

**Title V. HEALTH AND WELFARE**

Chapter 5.01	Intoxicating Liquors and Beverages
Chapter 5.02	Protective Custody Reimbursement
Chapter 5.03	Dog Control
Chapter 5.04	Disposal of Garbage and Trash
Chapter 5.05	Motor Vehicles
Chapter 5.06	Gambling
Chapter 5.07	Reserved
Chapter 5.08	Reserved
Chapter 5.09	Reserved

**Title VI. ACQUISITION, MANAGEMENT AND DISPOSAL OF LAND**

Chapter 6.01	Real Property Acquisition
Chapter 6.02	Eminent Domain; Adverse Possession
Chapter 6.03	Real Property Sales by City
Chapter 6.04	Lease of City Lands
Chapter 6.05	Disposition of City-owned Personal Property
Chapter 6.06	Extraterritorial Jurisdiction
Chapter 6.07	Reserved
Chapter 6.08	Reserved
Chapter 6.09	Reserved

**Title VII. WATER AND SEWER**

Chapter 7.01	Organization and regulation
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**TITLE. VIII SOLIDWASTE DISPOSAL**

**Section 6.** **Effective Date**

Chapters 1.01 to 7.01 of this ordinance become effective upon their adoption by the Manokotak City Councils and signature of the mayor.

DATE INTRODUCED: March 20, 2014

FIRST READING: September 4, 2014

PUBLIC HEARING: November 19, 2014

PASSED AND APPROVED BY THE MANOKOTAK CITY COUNCIL THIS 11 DAY OF December,  
2014.

Melvin Andrew  
MAYOR

ATTEST: Laura John  
CITY CLERK

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## **TITLE I**

### **GENERAL PROVISIONS**

#### **Chapters:**

- 1.01 General Provisions**
- 1.02 Ordinances**
- 1.03 Resolutions**
- 1.04 City Information**

## **CHAPTER 3.04**

### **SALES TAX**

#### **Sections:**

- 1.) Tax levied insert tobacco sales tax by vote for elections
- 2.) Obligation to pay tax
- 3.) Custody, reporting, and remittance
- 4.) Exemptions
- 5.) Definitions
- 6.) Rules and regulations
- 7.) Seller not to assume tax
- 8.) Tax schedule
- 9.) Confidential material
- 10.) Duty to keep books
- 11.) Omissions and civil penalties
- 12.) Lien
- 13.) Extensions

#### **Section 1. Tax levied**

A sales tax of two percent (2%) is levied on all sales, rents and services made or provided within the city, measured by the total sale price.

#### **Section 2. Obligation to pay tax**

The buyer pays the sales tax, and the seller shall collect the tax at the time of sale. Collection is enforceable by the seller.

#### **Section 3. Custody, reporting and remittance**

- A. All sales taxes collected are city monies, and the seller is at all times accountable to the city for such monies.
- B. Taxes collected by a seller shall be paid on the last day of every month unless an agreement has been issued by local seller. Every seller liable for collection of taxes shall file a tax return with the city, upon forms furnished by the city. The return will show:
  - 1.) Gross sales;
  - 2.) Taxes collected;
  - 3.) Any other information required by the city.

The complete return, together with the amount of the taxes due, must be submitted on or before the last day of every month.

- C. Any person who filed or should have filed a sales tax return for the prior month shall file a return, even though no tax may be due. This return shall show the amount of tax due and if the business is sold, the name of the person to whom it was sold.

**TITLE V**

**GENERAL WELFARE**

**Chapters:**

- 5.01 Intoxicating Liquors or Beverages**
- 5.02 Protective Custody Reimbursement**
- 5.03 Dog Control**
- 5.04 Disposal of Garbage and Trash**
- 5.05 Motor Vehicles**
- 5.06 Gambling**

**TITLE 60  
REVENUE**

**CHAPTER**

**60.20   SALES TAX**

**60.40   SEVERANCE TAX**

## TITLE 60

### REVENUE

#### Chapter 60.20 - Sales Tax

##### **Sections:**

60.20.010	Tax Levied.
60.20.020	Obligation to Pay Tax.
60.20.030	Computation of Tax.
60.20.040	Tax Funds Held in Trust.
60.20.050	Payment and Remittance.
60.20.060	Sale or Transfer of Business.
60.20.070	Exemptions.
60.20.080	Rulings and Regulations.
60.20.090	Registration-Authority to Enforce Collection.
60.20.100	Statement of Tax.
60.20.110	Protest of Tax.
60.20.115	Protest of Tax by Buyer.
60.20.118	Refund of Excess Payment.
60.20.120	Disposition of Tax Information.
60.20.130	Record—Investigation and Audits.
60.20.140	Penalties and Interest.
60.20.150	Records Submitted.
60.20.160	Forced Filing.
60.20.162	Lien.
60.20.170	Accelerated Returns.
60.20.180	Time Extensions.
60.20.185	Liability of Responsible Persons
60.20.220	Use Tax Levied.
60.20.250	Definitions.
60.20.260	Authority to Contract Collections.
60.20.300	Enforcement and Penalties.

##### **60.20.010 Tax Levied.**

There is levied and shall be collected a tax of two percent on all sales of raw fish in the Borough. The tax applies to the sale of raw fish whether delivered directly or indirectly by the seller to the buyer in the Borough.

(Ord. 88-2(s), Sec. 60.20.010)

##### **60.20.020 Obligation to Pay Tax.**

## **Chapter 60.40 SEVERANCE TAX**

### **Sections:**

60.40.010	Definitions
60.40.020	Resources subject to tax
60.40.030	Exemption
60.40.040	Collection and administration
60.40.050	Enforcement and penalties
60.40.060	Severance tax return verification
60.40.070	Confidentiality
60.40.080	Liability for and collection of severance tax
60.40.090	Penalties and interest

### **60.40.010 Definitions.**

A. "The gross production value" means the value per unit at the point of severance multiplied by the number of recovered units of the natural resources sold during the calendar quarter.

B. "Severer or harvester" means a person, company, corporation or other entity engaged in the business of severing or harvesting natural resources. This includes offshore processors of fish products who process, deliver, catch, or receive fish products within the boundaries of the Aleutians East Borough if those activities are not already subject to the Borough's Sales and Use Tax. It also includes fish harvesters who harvest fish within the boundaries of the Borough and transport the fish themselves to locations outside the Borough for sale and/or processing provided that these harvesters are not already subject to the Borough Sales and Use Tax.

C. "Calendar quarter" means any one of the following three-month periods beginning July 1<sup>st</sup>: July 1<sup>st</sup> to September 30<sup>th</sup>; October 1 to December 31<sup>st</sup>; January 1 to March 31<sup>st</sup>; and April 1 to June 30<sup>th</sup>.

D. "Recovered units" means all units mined, extracted, or removed whether produced directly or contractually during the period of production.

E. "Point of severance" for purposes of computing the tax is defined as:

1. Prepared for transport at the mine site in the case of resources as defined in 60.40.020 (A);
2. The scale at the pit or quarry in the case of resources as defined in 60.40.020 (B);
3. The dock in the case of resources defined in 60.40.020 (C).

F. "Commercial Products of Borough Waters" means any raw finfish or bottomfish, shellfish, mollusks or other invertebrates and all other commercial products of the sea harvested in Borough Waters, whether fresh, estuarine or salt, for sale, profit or commercial use.

**60.40.020 Resources subject to tax.**

There is levied in the Borough, on any severed or harvester of certain natural resources, an excise tax, denominated as a severance tax. The tax rate shall be the Borough-wide mill levy as determined annually by the assembly which will be multiplied by the gross production value for the calendar quarter resulting from the following activities:

- A. Mining, extracting, harvesting, removing or producing for sale, profit or commercial use, any copper, gold, silver, zinc, lead, molybdenum, or other metallic mineral product, compound, or combination of mineral products;
- B. Gravel mining, quarrying, or producing for sale, profit, or commercial use, any sand, gravel, rock or coal; and
- C. Harvesting and processing Commercial Products of Borough waters.

**60.40.030 Tax rates for resources subject to tax.**

The tax levied by this section shall be at the following rates:

- A. For metal ores and coal extracted from the ground, 1.5% times the gross production value per ton;
- B. For gravel extracted 10 cents per cubic yard;
- C. For Commercial Products of Borough Waters, 2% of purchase price;
- D. For resources not included herein: as may be considered and approved by the Borough Assembly.

**60.40.040 Exemption.**

- A. If the annual gross production value of severed or harvested natural resources within the Borough does not equal or exceed the amount of \$5,000 annually, the severer or harvester shall be exempt from taxation under this chapter. This exemption does not apply to 60.40.020(C).
- B. Local governments are exempted from payment of this tax for resources that the local government owns before severance which are to be used after severance exclusively in public works projects undertaken by that local government within the local government's jurisdiction or as a local match for



public works projects undertaken by that local government within the local government's jurisdiction.

**60.40.050 Collection and administration.**

A. Every severer or harvester of resources subject to taxation under this chapter, shall register with the Borough prior to beginning a severance or harvesting activity. Registration shall take place on forms provided by the Borough.

B. Except regarding resources described in 60.40.20 (C), every severer or harvester shall submit to the Borough a severance tax return, under oath, at the time the tax is paid, containing the following information:

1. A description of the property from which the resource was severed or harvested by legal description or Borough assigned account number.
2. The gross amount of recovered units severed or harvested during the calendar quarter.
3. The gross sales value of all recovered units severed or harvested during the calendar quarter.

C. With regards to resources described in 60.40.20 (C), every severer or harvester shall submit to the processor or purchaser of such resource an Aleutians East Borough severance tax return, under oath, containing the following information:

1. A description of the waters from which the resource was severed or harvested by longitude and latitude or such description of location as may be approved by the Borough.
2. The gross amount of recovered units severed or harvested during the calendar quarter.
3. The gross sales value of all recovered units severed or harvested during the calendar quarter.

After receipt of the Aleutians East Borough severance tax return, the receiving processor shall withhold the applicable percentage of the gross production value of the resource, remitting 95% to the Borough along with the Aleutians East Borough severance tax return completed by the severer or harvester as the applicable Aleutians East Borough severance tax on that resource, retaining 5% as a tax collection fee, but not to exceed \$300.00. It is the responsibility of the severer or harvester in every instance to insure that the Aleutians East Borough severance tax is paid.

Handwritten: H 5 7

D. The return or tax statement along with all taxes due to the Borough for the calendar quarter must be received by the Borough on or before the last business day of the month following the end of the calendar quarter for which the return or statement is required.

E. This tax constitutes a lien chargeable against the property owned by the severer. The lien may be foreclosed by the Borough in the same manner as any other lien against real or personal property.

**60.40.060 Enforcement and penalties.**

A. The superior court, upon the request of the finance director, shall issue an injunction requiring compliance with the provisions of this chapter. In the alternative, the finance director may determine the severance tax on parties who have not filed a return in an amount based on historical data and the best information available.

B. A person who fails, refuses, or neglects to file a severance tax return in compliance with this chapter shall, in addition to any other penalties provided by law, be liable for a penalty of 10 percent of the tax.

**60.40.070 Severance tax return verification.**

Except for those harvesters who have filed under and fully complied with 60.40.50 (D) and have paid all taxes when due, the finance director, or his designee, may:

A. Require a person engaged in natural resource extraction, production, or transportation, any agent or employee of the person, or the purchaser of natural resources taxed under this chapter to furnish any additional information reasonably necessary to compute the amount of the tax or to determine if a tax is due;

B. Examine the books, records, and files of any such person;

C. Conduct hearings and compel the attendance of witnesses and the production of books, records, and papers of any person; and

D. Make an investigation or hold any inquiry reasonably necessary to a disclosure of facts as to:

1. The amount of extraction or production of a natural resources of an extractor, producer, or seller;
2. The purchaser of the natural resource; and
3. Transportation of the resource.

RECEIVED H. 6. 7

**60.40.080 Confidentiality.**

Information and materials in the possession of the Borough which disclose the particulars of the business or affairs of the payer of taxes under this chapter will be kept confidential by the Borough except in connection with an official investigation by the Borough or other agency enforcing the laws of the Borough or of the state. The Borough may publish statistics in a manner which prevents identification of particular returns and may publish tax lists showing the names, taxes, penalties, and interest with respect to taxpayers who are delinquent to assist in the collection of taxes.

**60.40.090 Liability for and collection of severance tax.**

The severer or harvester or, in the case of 60.40.20 (C) the purchaser or processor of the resources assessed under this chapter is liable for the amount of taxes, interest and penalties due. The tax, together with penalties and interest, may be collected in a personal action brought in the name of the Borough.

**60.40.100 Penalties and Interest.**

All taxes due under this chapter but not timely paid as required are subject to a penalty of 10 percent of the tax due. Interest shall accrue on the tax due including penalties and interest at the rate of 12 percent per year from the date such taxes are due. Partial payments shall be applied first to accrued penalties, then to interest and then to principal. A payment is timely paid when mailed to the Borough postage prepaid bearing a postmark date no later than the due date.

(Ord. 11-05, Chapter 60.40)



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of  
Fish and Game**

DIVISION OF COMMERCIAL FISHERIES  
Headquarters Office

1255 West 8th Street  
P.O. Box 115526  
Juneau, Alaska 99811-5526  
Main: 907.465.4210  
Fax: 907.465.2604

November 25, 2015

James T. Brennan  
Law Offices of Brennan and Heideman  
619 E. Ship Creek Ave #310  
Anchorage, AK 99501

Dear Mr. Brennan:

Commissioner Cotten asked me to respond on his behalf to your recent letter on fish ticket reporting in Nushagak Bay. I understand why your client is interested in more detailed reporting as it could bolster tax revenues for the City of Manokotak if the annexation request is successful.

On October 20, 2015, Assistant Attorney General Seth Beausang with the Department of Law provided you with the following guidance:

*The Nushagak District drift gillnet fishing area may be opened by individual section (the Nushagak section (325-30) or Igushik section (325-10)), or as a whole (the Nushagak and Igushik sections together (325-00)). The regulation at 5 AAC 39.130(c)(7) refers to statistical area, district, and subdistricts. The Nushagak District does not have any subdistricts. When the entire district is open harvests are reported as 325-00 and that is all the regulation and department require. There is no requirement to list the section where fish are harvested when the entire district is open (reporting is different when only one section is open). Furthermore it is not possible to separate harvest by section when both are open.*

Mr. Beausang reviewed your November 10, 2015 memorandum and has not changed his position that our reporting practices in Nushagak Bay are consistent with Alaska's statutes and regulations. He did, however, ask me to respond to your assertion that our use of statistical areas for purposes of fish ticket reporting conflicts with the definition of the "Igushik Statistical Area" in 5 AAC 06.370(I). Mr. Beausang pointed out that this regulation defines statistical areas in the Nushagak District "[f]or purposes of this section" only, and the regulation pertains to registration and not reporting. I would also like to add there are other areas of the state (e.g., Upper Cook Inlet) where reporting on fish tickets is handled in a similar manner.

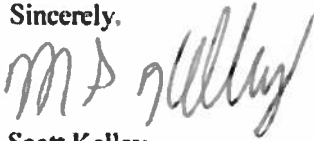
As there are several reasons why your request is impractical for the department and fishermen, I am unable to accommodate your request. If you have any further questions on this issue, please contact Mr. Beausang directly.

James T. Brennan

- 2 -

November 25, 2015

Sincerely,



Scott Kelley  
Director

Cc: Sam Cotten, Commissioner  
Seth Beausang, Department of Law

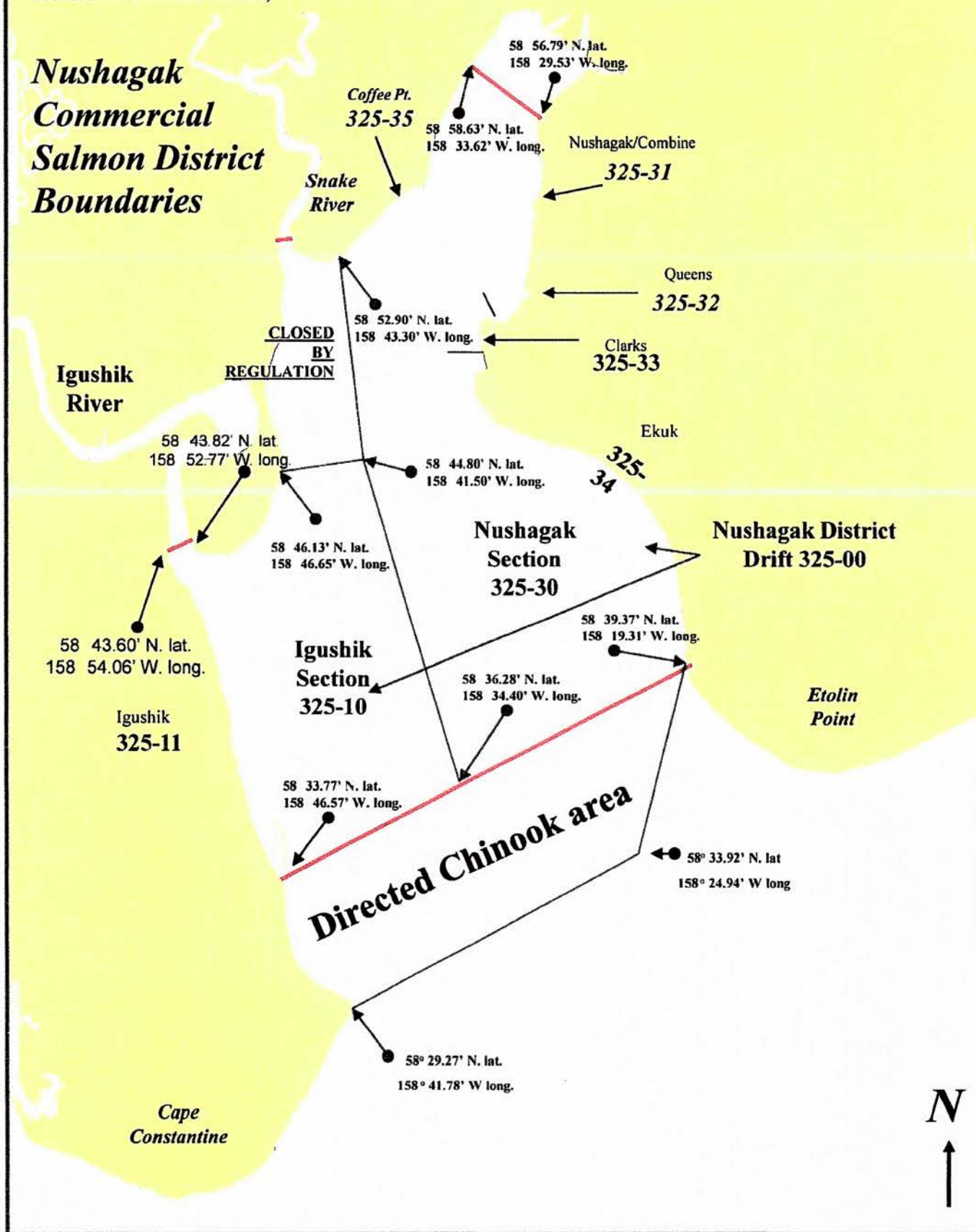
# Alaska Department of Fish and Game

Division of Commercial Fisheries

(For Illustration Purposes Only)

BBSAL325.PPT. Revised 04/22/2011

## Nushagak Commercial Salmon District Boundaries



All Fish buyers receive these instructions.

## ALASKA DEPARTMENT OF FISH AND GAME DIVISION OF COMMERCIAL FISHERIES



### Fish Ticket Guidelines for Tender Operators

Remember, false information on fish tickets, whether accidental or deliberate, can be traced back to the company and to the tender operator.

Each fish ticket must include the following:

- ❖ A legible and clear **impression of the permit card**.
- ❖ The **ADF&G number** for the harvesting vessel (for D fishermen, at least one of the cards must have the correct ADF&G, the other permit holder should have the correct ADF&G written on the fish ticket.)
- ❖ **Legible signatures** from buyer or buyer's agent and the permit holder. Tickets missing signatures will be returned for completion!
- ❖ Gear code must correspond with **stat code**. Make sure you know in exactly which stat area the fish were caught.
- ❖ **Permit number** on ticket must belong to the **actual harvester**.
- ❖ Ask about fish retained for **personal use** and enter on ticket if any.
- ❖ **Date of catch and date and time of delivery** on ticket should be accurate and clearly marked.
- ❖ Everything must be **legible**.





WHITE - PURCHASER      YELLOW - FISH & GAME      PINK - SELLER      GREEN - PURCHASER

FISH & GAME

**Vessel  
Name**

Fishery  
Name  
Permit  
Number

Initial or Sign

**B15**

Date Caught

Stat.  
Char  
No.

District Caught ▶

I HEREBY ATTEST THAT THESE FISH WERE CAUGHT IN COMPLIANCE WITH ADF&G REGULATIONS.

Quality ☐ RSW  
☐ Ice

K 2 3

# **SERIES B**

## **FISH TICKETS Bristol Bay Salmon**

### **DEFINITIONS AND CODES**

**DATE CAUGHT:**

The date of permit holder's first harvest for this delivery.

**DATE LANDED:**

The date the catch off-load is completed to a land-based processor or floating processor.

**DISTRICT CAUGHT:**

Abbreviations to be used for district caught:

Togiak	TOG
Osviak Section	OSV
Kulukak Section	KUL
Matogak Section	MAT
Ugashik	UGA
Kvichak	KVI
Naknek Section	NAK
Egegik	EGK
Nushagak	NUS
Igushik Section	IGUS

**DUAL PERMIT:**

Dual permit information is required on the fish ticket when two permit holders jointly operate gear while both are present on the same vessel. On the Dual Permit No. line write in the CFEC permit information including all 10 figures as they appear on the card (ex: S03N99999X). On the second line, write in the information that appears on the last line of your permit card, which includes the two digit year, two-digit sequence number and alpha check figure (ex: 1301X).

Permit No. K 3 3

LAW OFFICES  
**BRENNAN ■ HEIDEMAN**  
A PROFESSIONAL CORPORATION

**FROM THE DESK OF:**  
**JAMES T. BRENNAN**  
**ATTORNEY AT LAW**  
[jbrennan@law-alaska.com](mailto:jbrennan@law-alaska.com)

November 10, 2015

**Via U.S. Mail & Email**

**Sam Cotten, Commissioner**  
**Alaska Department of Fish and Game**  
**PO Box 115526**  
**Juneau, AK 99811-5526**

[sam.cotten@alaska.gov](mailto:sam.cotten@alaska.gov)

**Re: Compliance with Requirement of Statistical Area Reporting by**  
**Fish Buyers in Nushagak Bay**

**Dear Commissioner Cotten:**

I represent the City of Manokotak, which requests Department of Fish and Game enforcement in Nushagak Bay of the statutory and regulatory requirement that fish buyers designate on each fish ticket the statistical area wherein the selling fishermen harvested the fish. For reasons which are not clear, this is not presently being required by the department in Nushagak Bay. Manokotak believes this is contrary to law and to good fishing management. This is addressed in the accompanying memorandum, which is regrettably but necessarily lengthy in its discussion of those subjects. But let me first explain my client's primary motive for this request.

Manokotak has filed a petition for annexation of land and waters on the southwest side of Nushagak Bay, which is now pending before the Local Boundary Commission. One of the territories Manokotak seeks to annex are the waters of southwestern Nushagak Bay encompassed by ADF&G's Igushik Section, which is statistical area 325-10, as shown by the ADF&G statistical area map attached to my accompanying letter. Contemporaneously, the City of Dillingham has filed a petition to annex all of the waters of Nushagak Bay, including the Igushik Section and the other sections delineated by ADF&G. Both cities are proposing to impose a raw fish tax - - a combination sales and severance tax - - on salmon (sockeye) and other species harvested in the respective fisheries sections they have proposed for annexation. It is our expectation that the outcome will include annexation to Manokotak of the Igushik Section, with authority to levy a tax on fish harvests in that Section. It is possible

that Dillingham may be partly successful in its effort to annex Nushagak Bay, minus the Igushik Section.

However, a tax collectability issue has arisen, in that ADF&G does not ordinarily require fish ticket reporting that fish have been harvested in the Igushik Section, even though it is a statistical area identified in ADF&G regulation and mapping. According to Area Management Biologist Tim Sands, fishermen and their buyers in the Nushagak region are required to report that their catches were taken from the Igushik Section only in those infrequent instances in which only the Igushik Section, and not the entire Nushagak District<sup>1</sup>, is open to commercial fishing. This practice may frustrate the ability of Manokotak to determine which fish harvests are subject to the 2% raw fish tax Manokotak proposes in its annexation petition. As you may know, municipal raw fish taxes are typically required to be collected by the fish buyers based upon the monetary value of the fish purchases within municipal boundaries, with the tax collection remitted to the municipality.<sup>2</sup> Unless ADF&G's fish tickets specifically identify salmon as being harvested from the Igushik Section, it may not be feasible to have the fish buyers collect and remit the tax payments. This issue is now ripe in the Manokotak annexation petition before the LBC, because the feasibility of collecting the tax to support proposed expanded municipal functions is one the matters the LBC will consider in reviewing the petition.

Our preliminary discussions with the department's Bristol Bay Area Manager and the agency's legal counsel have indicated a difference with Manokotak's views of the requirements of the applicable statute and department regulations. It is therefore necessary to address the requirements of these laws in some detail in the accompanying memorandum.

However, it would be unfortunate if what is essentially a technical issue regarding fish ticket reporting escalates into a larger issue outside the department. Manokotak recognizes that facilitation of municipal tax functions is not a central goal of ADF&G and its statistical area reporting requirement, and that the department's paramount interest is in effective management of Alaska's salmon fisheries. However, reporting of the statistical area in which fish are taken clearly serves this purpose, in creating useful data from which good management

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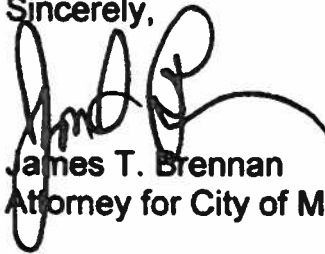
<sup>1</sup> The Nushagak District encompasses seven sections (which are also statistical areas), one of which (the Snake River Statistical Area), is permanently closed to fishing.

<sup>2</sup> A municipal raw fish tax is different from the fisheries business tax imposed directly on the processor companies by the State, and then shared 50% with the city or borough where the processor is located. By contrast, a municipal fish tax is imposed directly on fishermen who sell or "sever" fish within a municipal boundary. The fish buyer calculates the tax and remits payment to the municipality in a manner analogous to a city sales tax.

decisions (including closures to protect escapement up particular rivers) may be timely made. In this connection, I do not profess to have training or experience as a fishery biologist or manager, but I am a former commercial fisherman who was raised in an Alaska fishing town and have some experience in observing the methods and purposes of salmon escapement management. More importantly, I have discussed this matter with persons with greater fisheries knowledge and experience than my own. I suspect that you and the department's managers are fully aware of the considerations I have raised in the accompanying memorandum concerning fishery management techniques and goals, but I have restated the obvious to underscore the importance of enforcement of area reporting.

My client, the City of Manokotak, would appreciate it if you and the department would give this matter your earliest consideration. I request the opportunity, on behalf of myself and other representatives of Manokotak, to meet with you and any appropriate agency personnel you designate, to discuss this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'James T. Brennan', with a stylized flourish extending to the right.

James T. Brennan  
Attorney for City of Manokotak

JTB;mb  
3854/016

cc: Melvin Andrew, Mayor, City of Manokotak  
Manokotak City Council Members  
Seth Beausang, Department of Law  
Tim Sands, ADF&G Bristol Bay Area Manager



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STATE OF ALASKA

**THE LOCAL BOUNDARY COMMISSION**

**BEFORE COMMISSIONERS:**

Lynn Chrystal - Chair  
(By telephone)  
John Harrington  
(By Telephone)  
Robert Harcharak (By  
Telephone)  
Darroll Hargraves

**PUBLIC MEETING**

**ANCHORAGE, ALASKA**

September 16th, 2015

ANCHORAGE TRANSCRIPTIONS

P.O. Box 100464  
ANCHORAGE, ALASKA 99501

(907) 764-3227

EXHIBIT M Page 1 of 4





1 materially effect the feasibility for the creation of a borough  
2 and believe that this sort of sets the stage. There are a lot  
3 of questions, of course. I agree with Mr. Brennan there are a  
4 lot of questions about how this process is going to work. I  
5 think that with all the brain power that's associated here, Mr.  
6 Brennan being foremost with his recent experience with the  
7 creations of the Petersburg Borough, there's bound to be a way  
8 to work through the formalities and get to the borough  
9 question, if that's where we're headed. So that's -- what I  
10 say, Mr. Chairman, is we offer our cautious support for them.

11 CHAIRMAN CHRYSTAL: Okay. Thank you. Anybody else?  
12 Any further -- I'm sorry. What was that?

13 MS. RUBY: I'm sorry. This is Alice Ruby in  
14 Dillingham.

15 CHAIRMAN CHRYSTAL: Okay.

16 MS. RUBY: We just wanted to say that our counsel  
17 looked at it and the city has long been supportive of a borough  
18 incorporation. And in fact we participated in just about every  
19 feasibility effort that's occurred out here for the last 20  
20 years. And in fact, most recently the City of Dillingham has  
21 pledged money towards a grant match to try to get funds to  
22 continue that. The grant was prepared and submitted by BBNA.  
23 Anyway, in our opinion, assuming the person designated, was  
24 ready, willing and able to prepare a petition the city would  
25 not oppose that and would be more than happy to cooperate and

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EXHIBIT M Page 2 of 4 17

1 provide information because we continue to think that, you  
2 know, the borough should be looked at. Our only concern would  
3 be that we would hope this wouldn't be indicating that the  
4 commission determine -- or has pre determined that borough  
5 formation should be instead of our annexation petition. The  
6 city's position is that both of those can occur and both can  
7 exist at the same time, and the commission itself previously  
8 agreed with that when you, you know, approved our petition the  
9 first time. At any rate, in this case we have no problem with  
10 looking at this -- the borough petition and looking at the  
11 feasibility of the same.

12 CHAIRMAN CHRYSTAL: Okay. Thank you. Anybody else out  
13 there?

14 MR. SEDOR: My name is John Sedor, here in Anchorage.  
15 I just have -- this is all new to me. I'm here to listen and  
16 learn. But my question, having just read the motion, is  
17 whether it would preclude a vote of the people that will be  
18 impacted and effected by any decision by the LBC. And so as I  
19 understand it the process that the Department just proposed  
20 would avoid a vote, and I just simply don't know whether that  
21 would -- whether that is a process that you can't get off that  
22 track or whether it's a process that you can get off that track  
23 and allow for a vote of the very people that we're all  
24 discussing. Thank you.

25 CHAIRMAN CHRYSTAL: Okay. You might talk to Brent

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ANCHOR M 3 4 18

1 MR. TOYUK: Yeah. City of Manokotak we're opposed to  
2 the petition to form a borough. We still stand on that the  
3 last 20 years so it will.....

4 CHAIRMAN CHRYSTAL: Could you speak up just a little  
5 bit. It's kind of hard to hear.

6 MR. TOYUK: Yeah. How now?

7 CHAIRMAN CHRYSTAL: That's much better. Thank you.

8 MR. TOYUK: Yeah. City of Manokotak is opposed to  
9 formation of a borough. For the last 20 years we've opposed  
10 it. So we will still stand on that opposition.

11 CHAIRMAN CHRYSTAL: Okay. Thank you. Anybody else?  
12 Any further comments from commissioners?

13 MR. BRENNAN: Mr. Chairman, I -- I was a little slow on  
14 that. This is Jim Brennan. Could I respond to that last, keep  
15 it very brief, by Brent Williams?

16 CHAIRMAN CHRYSTAL: Well, we're really not in a debate  
17 situation here. Could you make it really short?

18 MR. BRENNAN: I will. And I realize you don't want to  
19 get into a debate. And I know all these citations, statutes  
20 and regulations put you at a disadvantage in listening to this.  
21 But Brent said this would actually not come under the Title 29  
22 statute that I had referred to, which I thought is what I had  
23 discussed with him yesterday. I thought that's what he  
24 indicated it would come under. Instead he says it'd be under  
25 Title 44. The only Title 44 statute I'm aware of is 44.33.802,

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