

Information from: Ketchikan Daily News,

<http://www.ketchikandailynews.com>

KETCHIKAN, Alaska — Federal money could reduce the commercial fishing fleet in Southeast Alaska next year.

The Magnuson-Stevens Fishery Conservation and Management Reauthorization Act, which received final approval in Congress on Dec. 9, provides up to \$25 million to purchase commercial fishing permits from purse seine fishermen.

Buyback proponents hope to retire up to half of the 415 existing limited-entry permits to improve the economics for permit-holders who want to keep fishing.

Work has begun on a plan that permit holders would have to approve in a vote.

"We'd really pushing very hard for implementation before the 2007 salmon season," said Rob Zuanich of the Purse Seine Vessel Owners Association. "By June of next year would be our hope."

The National Marine Fisheries Service is studying the legislation, said Mike Sturtevant, fish capacity reduction program team leader for the agency's Financial Services Division.

The legislation provides for the Southeast Revitalization Association, a nonprofit corporation formed in 2003, to develop a buyback plan and submit it to NMFS for approval. The association's membership includes all Southeast Alaska seine permit holders.

Two-thirds of the fishermen casting votes would have to approve a plan for it to take effect.

Repaying the federal loan would fall to remaining permit holders through a tax of up to 3 percent of the value of salmon harvested. Term of the loan would be up to 40 years.

The push to reduce the size of the fleet began in earnest around 2001 when skidding salmon prices took a toll on profits. Although competition from farmed salmon figured in the fleet's woes, there also was a sense that there were too many boats chasing fish.

In response, organizations such as the Washington-state-based Purse Seine Vessel Owners Association, United Fishermen of Alaska and Southeast Alaska Seiners Association worked for the 2002 passage of an Alaska law that set the framework to allow consolidation.

Meanwhile, the market took a toll on the number of seine permit holders. In 1998, 377 of the 415 permit holders fished for salmon in Southeast, according to the Commercial

Fisheries Entry Commission. That number dropped to 345 in 2001 before plummeting to 209 in 2004.

Permit prices, which averaged \$92,700 during 1992, plunged to an all-time low average of \$22,800 in 2002.

By 2005, Congress had approved federal participation in funding for a Southeast seine permit buyback program. However, the program did not start because of problems between federal and state laws, according to Sturtevant.

The flaws were reconciled in the 2006 legislation.

Dan Castle, president of the Southeast Alaska Seiners Association and vice president of the Southeast Revitalization Association, said the economics have improved for active seiners in the past two years in part because of fewer fishermen.

Average gross earnings rebounded from about \$74,000 in 2002 to above \$155,000 in 2005, according to state data.

"The economics of the fishery haven't changed a great deal from 2001, other than a whole bunch of people have left the business," Zuanich said. However, there has not been enough of an economic change to negate the need for a buyback program, he said.

Active seiners are concerned that more sidelined permit holders will get back into the fishery, Castle said.

"There's so many permits possible to re-enter the fishery, it would reduce profitability," Castle said. The number has increased 10 to 20 percent in two years. "Now as it becomes viable again, we don't want a bunch of latent permits to become back into the fishery and make it hard for everybody to survive."

The goal of buyback supporters is to get the number of permits down to near the current number of active participants, he said.

The federal government's rule-making process will determine how big a loan can be paid off by the remaining fishermen.

"At the end of the day we hope to have a total package of about \$25 million," Zuanich said.

If that amount were available, a range of \$100,000 to \$125,000 per permit could be used for reducing the fleet by half, Zuanich said.