

Factors Affecting Local Permit Ownership in Bristol Bay and an
Evaluation of the BBEDC Permit Loan Program:
An Analysis of Based on Interviews with Local Residents

Breana Apgar-Kurtz

A thesis
submitted in partial fulfillment of the requirements
for the degree of

Master of Marine Affairs

University of Washington

2012

Committee:

David Fluharty

Gunnar Knapp

Program Authorized to Offer Degree:
School of Marine and Environmental Affairs

University of Washington

Abstract

Factors Affecting Local Permit Ownership in Bristol Bay and an
Evaluation of the BBEDC Permit Loan Program:
An Analysis of Based on Interviews with Local Residents

Breana Apgar-Kurtz

Chair of the Supervisory Committee:
Professor David Fluharty
School of Marine and Environmental Affairs

Since the first Bristol Bay Limited Entry salmon permits were issued in 1975, many have been sold to non-local residents, resulting in declining numbers of permits held by local residents and eroding the economic base for many Bristol Bay communities. The primary goal for this thesis research project is to gain insights about why people in the Bristol Bay region choose to enter or exit the fishery and what can be done to increase local permit ownership in the commercial salmon fishery. The Bristol Bay Economic Development Corporation (BBEDC) has been trying to create economic opportunities in some of these communities and has started a Permit Loan Program to assist Bristol Bay watershed residents in buying permits. This program has not been meeting its targets for the number of people assisted with buying a permit. A secondary goal for this thesis is to understand factors affecting the success of the BBEDC loan program. For this research, I interviewed 124 Bristol Bay residents, including people of a wide range of ages, with differing degrees of fishing experience and with a focus on four communities. The interview responses indicate that fishing knowledge and participation is strongly tied to family, but as permits have been leaving the region, this knowledge is being lost. The most successful fishing families are buying permits for their children to expand their “operation.” Fishing is an expensive industry and successful participants are financially savvy think of fishing in business terms rather than in traditional ways, and (perhaps most importantly), have supplemental non-fishing income. The Bristol Bay region faces a big problem of ongoing permit loss. The BBEDC

Permit Loan Program appears unable to stop the loss of permits. There are no obvious ways to expand permit ownership and retaining permits remains a big challenge for the region.

TABLE OF CONTENTS

	Page
List of Figures	vii
List of Tables	viii
I. Introduction	1
II. Literature Review	3
Background On Limited Entry	3
Allocation Issues	4
Socioeconomic Effects Of Other Limited Entry Programs	5
Limited Entry And Current Theories Of Loss Of Permits	5
Local Permit Ownership Trends in Bristol Bay	6
How Declining Local Permit Ownership Has Affected Communities	9
Bristol Bay Economic Development Corporation (BBEDC)	13
How BBEDC Has Affected Local Permit Ownership Trends	14
Efforts To Help Locals Buy Permits	17
BBEDC Permit Loan Program	18
Factors Affecting Participation By People Who Want To Use Loans To Buy Permits	19
Unanswered Questions About Local Permit Loss and Retention	20
III. Research Methodology	21
Interview Questions	23
IV. Research Results	27
People’s Experience with Fishing	28
A1. How Did You Get into the Fishery?	28
A2. Who Taught You How to Fish?	29
A6. Do Your Friends and Family Fish?	31
Youth’s Interest in the Fishery	33
L1. Do You Want to be a Commercial Fisherman?	33
L2. Have You Commercial Fished?	34
L3. Have Your Parents Encouraged You to Fish or Have They Encouraged You to Go to College or the Military?	34
L4. What Would You Rather Do Instead?	35
L5. What Makes You Want to Fish Instead of Getting Another Job?	37
L6. Do You Want to Live Here or Move Out Of the Region in the Future?	38
How Permit Holders Acquired Their Permit	41
K1. How Did You Get Your Permit?	41
Bristol Bay Residents’ Interest in Buying Permits	48
A3. Are You Interested in Buying Another or a Permit?	48
A4. What Would Make You More Interested to Buy a Permit?	51
A5. Are Any of Your Family Interested in Buying a Permit?	56
J1. Is it Important for You to Own a Permit? Better to Not Assume Risk and Be a Crewmember?	58
Permit Affordability	61
B1. What Price Would You Pay for a Permit?	61

B2. How Much Do You Think It Costs to Enter the Fishery?	62
I1. What Price Did You Pay for Your Permit?	64
F1. What Price Did You Pay for Your Boat For Drifting?	66
Residents' Experience with Loans	69
C1. Have You Heard of CFAB and Alaska State Division of Investment Loans?	69
C2. How Would You Finance this Permit Purchase?	71
C3. How Comfortable Are You with Taking Out a Bank Loan?	74
C4. Have You Taken Out Loans for Other Purchases?	76
C5. Has this Experience Made You Want to Take Out Another Loan?	78
C6. If You Had the Options of a Bank Loan, Working for 10 Years to Save Enough Money to Buy a Permit with Cash or Borrow Money From Your Family, What Would You Do And Why?	81
Residents' Thoughts on the BBEDC Permit Loan Program	84
G1. Has BBEDC Helped You or Do You Think BBEDC Has had a Positive Impact on the Region?	84
G2. Have You Heard of the BBEDC Permit Loan Program?	86
G3. What is Your Opinion of the BBEDC Permit Loan Program?	87
G4. What Changes Would You Make to the BBEDC Permit Loan Program? ...	93
G5. How Do You Think Residents Could Benefit From the BBEDC Permit Loan Program?	95
BBEDC Staff and Board Perceptions of the Goals, Strengths and Challenges of the Loan Program	99
D1. What Were the Conditions When the BBEDC Permit Loan Program was Created and How Have They Changed?	99
D2. What Has Changed?	101
D3. Were There Options Considered But Not Used?	102
D4. Why Were These Options Not Incorporated?	104
D5. Why Has the Program Not Been Meeting its Targets?	105
D6. What Changes Would You Make?	107
D7. Are There Other Ways to Help Residents Enter the Fishery?	109
D8. How Do BBEDC Staff and Board Feel Residents Perceive Their Program?	111
D9. What Would It Take Them to Enroll in the Program?	113
D10. How Do Most People Find Out About the Program?	114
D11. Are Most People Aware of the Program?	116
D12. Are There New Ways to Advertise the Program?	117
Obstacles to Fishing	119
G7. What Are Obstacles for People Wishing to Enter the Fishery?	119
I2. Fishing Drift Dual Permits Helps/Hurts Locals?	126
I3. Two Set Net Permits Helps/Hurts Local People?	129
A7. Do You Have Another Job?	132
A8. Do You Think People Can Still Make Enough Money from Salmon Fishing that They Do Not Have To Have Another Job?	135
I4. Impediment that Outside Fishermen Lease Permits to Crew/Family to Get Another 50 Fathoms of Gear?	139

G8. What are Other Fishermen’s Situations and How is Yours Different?	141
J2. What Has Made You Stay in the Fishery?	144
J3. What Would Make You Leave the Fishery?	145
People Who Have Sold Their Permit	147
H1. Why Did You Sell/Gift Your Permit?	147
H2. What Price Did You Sell Your Permit?	149
H3. Were Any Of Your Family Members Interested in the Permit?	151
H4. To Whom Did You Give/Sell Your Permit To?	152
H5. Were You Tempted to Sell Your Permit Before You Sold It?	153
H6. Does It Matter to You to Keep Permits in the Permit (If Sold Permit)?	154
I5. Have You Ever Thought of Selling Your Permit?	156
I6. What Circumstances Would Cause You to Sell Your Permit?	158
I7. How Many Times Have You Emergency Transferred Your Permit?	161
Solutions to Get More People into the Fishery	163
E1. What Are Your Solutions to Help People Enter the Fishery?	163
Residents Thoughts on Permits to Remaining in the Region?	166
F2. What Are Your Thoughts on Keeping Permits in the Region?	166
Changes People Have Noticed As Permits Have Left the Region	171
G6. As Permits Have Left the Region, What Changes Have You Noticed?	171
Togiak District	178
N1. How Has Togiak Seafoods Changed the Fishery in the Togiak District? ..	178
M1. How Has Your Life Changed Since Togiak Seafoods Opened?	179
N2. Why Do You Fish in Togiak Instead of Another District?	181
M2. How Has Your Life Changed Since Togiak Was Made an Exclusive Fishing District?	183
M3. Should These Permits Stay in Togiak and Not be Transferred Out of the District?	185
V. Discussion	187
Interest in the Fishery Remains Strong	187
People Think Keeping Permits in the Region is Important	187
People Are Interested in Buying a Permit, But They Face Obstacles	187
People Have Heard About Government Programs but do not Have Detailed Knowledge of Them	187
The Togiak District is Experiencing New Optimism About the Fishery	189
Why People Have Sold Their Permit or Are Tempted to Sell Their Permit	189
The BBEDC Permit Loan Program	190
BBEDC Staff and Board Member’s Perceptions of the Permit Loan Program	190
Recommendations for BBEDC	191
Solutions to Help More Residents Enter the Fishery	192
Conclusions	193
VI. References	194
Appendix A Community Tables and Analysis	196
Appendix B Fishery Participant Tables and Analysis	204
Appendix C Age Tables and Analysis	212

Acknowledgements

I would like to thank all of my interview subjects for taking the time to discuss their experiences and opinions about factors influencing participation in the fishery. I could not have interviewed so many people without help from Vojtech Novak, Faith Andrew and Arline Frankline who allowed me to conduct interviews at Togiak Seafoods, New Stuyahok and Manokotak Village Council offices. Most of all, I'd like to thank my committee, Professors David Fluharty and Gunnar Knapp, for their wisdom and guidance on this topic. Finally, I would like to thank my parents, Kevin Apgar and Becky Kurtz, for their support.

LIST OF FIGURES

Figure Number	Page
1. Share of Permanent Permits Held By Local Residents, Selected Alaska Salmon Fisheries	6
2. Number of Drift Gillnet Permits Held By Location of Residence, 1975-2008	7
3. Number of Set Gillnet Permits Held By Location of Residence, 1975-2008	8
4. What Effect Does Dillingham’s Diversified Economy Have on Permit Ownership Compared to the Rest of the Bristol Bay Communities?.....	10
5. What Effect Does Dillingham’s Diversified Economy Have on Permit Ownership Compared Naknek-King Salmon and the Rest of the Bristol Bay Communities	10
6. Estimated Total Regional Income from Bristol Bay Salmon Harvesting, 2008	11
7. How BBEDC Has Affected Local Permit Ownership Trends	14
8. Permit Ownership Per 100 Residents in BBEDC Communities	15
9. Permit Ownership Per 100 Residents in Non-BBEDC Communities	15

LIST OF TABLES

Table Number	Page
1. Bristol Bay salmon fishery earnings, by community	13
2. Salmon permit holders per 100 residents, by community.....	17
3. Profile of interviewees	22
A1.1 How did you get into the fishery?	28
A2.1 Who taught you to fish?	29
A6.1 Do your friends and family fish?	32
A6.2 Do your friends and family fish?	32
L1.1 Do you want to be a commercial fisherman?	33
L2.1 Have you commercial fished?	34
L3.1 Have your parents encouraged you to fish or have they encouraged you to go to college or the military?	35
L4.1 What would you rather do instead?	36
L5.1 What makes you want to fish instead of getting another job?	37
L6.1 Do you want to live here or more out of the region in the future?	39
K1.1 How did you get your permit?	42
K1.2 How did you get your permit?	43
K1.3 How did you get your permit?	44
A3.1 Are you interested in buying another or a permit?	49
A3.3 Are you interested in buying another or a permit?	50
A4.1 What would make you more interested to buy a permit?	52
A4.3 What would make you more interested to buy a permit?	53
A5.1 Are any of your family members interested in buying a permit?	57
J1.1 Is it important for you to own a permit? Better to not assume risk and be a crewmember?	59
B1.1 What price would you pay for a permit?	61
B1.2 What price would you pay for a permit?	62
B2.1 How much do you think it costs to enter the fishery?	63
B2.2 How much do you think it costs to enter the fishery?	64
I1.1 What price did you pay for your permit?	65
I1.2 What price did you pay for your permit?	66
F1.1 What price did you pay for your boat?	67
F1.2 What price did you pay for your boat?	67
C1.1 Have you heard of CFAB and Alaska State Division of Investment Loans?	69
C2.1 How would you finance this permit purchase?	71
C3.1 How comfortable are you with taking out a bank loan?	74
C3.2 How comfortable are you with taking out a bank loan?	75
C3.3 How comfortable are you with taking out a bank loan?	75
C3.4 How comfortable are you with taking out a bank loan?	75
C4.1 Have you taken out loans for other purchases?	77
C4.2 Have you taken out loans for other purchases?	78
C4.3 Have you taken out loans for other purchases?	78
C4.4 Have you taken out loans for other purchases?	78

C5.1 Has this experience made you want to take out another loan?	79
C5.2 Has this experience made you want to take out another loan?	79
C5.3 Has this experience made you want to take out another loan?	80
C5.4 Has this experience made you want to take out another loan?	80
C6.1 If you had the options of a bank loan, working for 10 years to save enough money to buy a permit with cash or borrow money from your family, what would you do and why?	82
G1.1 Has BBEDC helped you or do you think BBEDC has had a positive impact on the region?	84
G2.1 Have you heard of the BBEDC Permit Loan Program?	87
G2.4 Have you heard of the BBEDC Permit Loan Program?	87
G3.1 What is your opinion of the BBEDC Permit Loan Program?	88
G3.2. What is your opinion of the BBEDC Permit Loan Program?	89
G3.3 What is your opinion of the BBEDC Permit Loan Program?	89
G3.4 What is your opinion of the BBEDC Permit Loan Program?	90
G4.1 What changes would you make to the BBEDC Permit Loan Program?	94
G5.1 How do you think residents could benefit from BBEDC's Permit Loan Program?	96
D1.1 What were the conditions when the BBEDC program was created and how have they changed?	100
D2.1 What has changed?	101
D3.1 Were there options considered but not used?	103
D4.1 Why were these options not incorporated?	104
D5.1 Why has the program not been meeting its targets?	106
D6.1 What changes would you make?	108
D7.1 Are there other ways to help residents enter the fishery?	110
D8.1 How do BBEDC Staff and Board feel residents perceive their program?	112
D9.1 What would it take them to enroll in the program?	113
D10.1 How do most people find out about the program?	115
D11.1 Are most people aware of the program?	116
D12.1 Are there new ways to advertise the program?	117
G7.1 What are obstacles for people wishing to enter the fishery?	120
G7.3 What are obstacles for people wishing to enter the fishery?	121
G7.4 What are obstacles for people wishing to enter the fishery?	122
I2.1 Fishing drift dual helps/hurts locals?	127
I2.2 Fishing drift dual helps/hurts locals?	127
I3.1 Two set net permits helps/hurts local people?	130
I3.2 Two set net permits helps/hurts local people?	130
A7.1 Do you have another job?	132
A7.2 Do you have another job?	133
A8.1 Do you think people can still make enough money from salmon fishing that they do not have to have another job?	135
A8.2 Do you think people can still make enough money from salmon fishing that they do not have to have another job?	136
A8.3 Do you think people can still make enough money from salmon fishing that they do not have to have another job?	136
I4.1 Impediment that outside fishermen lease permits to crewmembers/family	

to get another 50 fathoms of gear?	140
G8.1 What are other fishermen’s situations and how is yours different?	142
J2.1 What has made you stay in the fishery?	144
J3.1 What would make you leave the fishery?	145
H1.1 Why did you sell/gift your permit?	148
H2.1 What price did you sell your permit?	150
H2.2 What price did you sell your permit?	150
H3.1 Were any of your family members interested in the permit?	151
H4.1 Who did you give/sell your permit to?	153
H5.1 Were you tempted to sell your permit before you sold it?	154
H6.1 Does it matter to you to keep permits in the region (if sold permit)?	155
I5.1 Have you ever thought of selling your permit?	156
I6.1 What circumstances would cause you to sell your permit?	159
I7.1 How many times have you emergency transferred your permit?	161
E1.1 What are your solutions to helping people enter the fishery?	164
F2.1 What are your thoughts on keeping permits in the region?	167
G6.1 As permits have left the region, what changes have you noticed?	172
G6.2 As permits have left the region, what changes have you noticed?	174
N1.1 How has Togiak Seafoods changed the fishery in the Togiak District?	179
M1.1 How has your life changed since Togiak Seafoods opened?	180
N2.1 Why do you fish in Togiak instead of another District?	182
M2.1 How has your life changed since Togiak was made an exclusive fishing District? ...	184
M3.1 Should these permits stay in Togiak and not be transferred out of the District?	185

I. INTRODUCTION

Since the first limited entry permits for Alaska's Bristol Bay salmon fishery were issued in 1975, many locally owned permits have been sold to non-locals. The number of permits held by local Bristol Bay residents has declined from 1,270 in 1975 to 735 in 2010.

The decline in locally owned permits has eroded the economic base for many communities in Bristol Bay. The state has undertaken various subsidized loan programs to help watershed residents buy permits, but these programs have not reversed net permit loss.

Many theories have been advanced about why Bristol Bay watershed residents are not buying permits. These include, for example, bad credit, lack of knowledge about government loan programs, distance and isolation from loan centers, language and cultural barriers, and lower personal wealth than non-residents.

Bristol Bay Economic Development Corporation (BBEDC), a Community Development Quota (CDQ) organization, receives annual harvest rights to a share of Bering Sea fisheries catches, the proceeds from which are required to use to promote fisheries economic development for the member villages (those located within 50 miles of the Bering Sea coast). BBEDC has been trying to create economic opportunities in BBEDC communities and has started a Permit Loan Program to assist Bristol Bay watershed residents in buying permits. This is the first loan program in the State to target Bristol Bay watershed residents specifically.

In creating the loan program, BBEDC took into account theories about the causes of permit loss by providing credit counseling and subsidies and lower interest rates to participants. However, the BBEDC Permit Loan Program has not been meeting its targets for the number of people assisted with buying a permit. One reason may be permit prices have increased dramatically since the program was started. There may also be other reasons why more people are not utilizing the Permit Loan Program.

My primary goal for this thesis research project was to gain insights about why people in the Bristol Bay region choose to enter or exit the commercial salmon fishery and what can be done to increase local permit ownership in the fishery. In particular, I wanted to understand better the factors affecting participation in the BBEDC permit loan program and how factors affecting fishery participation vary between watershed villages.

To address these questions, I conducted semi-structured interviews with 124 Bristol Bay watershed residents during the summer of 2011. I asked residents questions about their experience fishing in Bristol Bay; their interest in buying or selling their permit(s); their experience in obtaining loans and other questions related to their financial acumen; obstacles to buying permits; their opinion and knowledge of BBEDC and the BBEDC Permit Loan Program; and their thoughts about keeping permits in Bristol Bay and changes in the fishery as permits have been sold.

To learn about the experience and perspectives of different groups, I interviewed youth (18-35),

crewmembers, permit holders and retired permit holders residing in the Bristol Bay watershed. I also interviewed BBEDC Staff and Board members. I asked people in all of these groups a set of general questions, followed by sets of questions that corresponded to their specific situations.

The interview responses suggest that Bristol Bay communities, fishery participants and age groups are very diverse. It is difficult to generalize about them. There is no single approach that will help everyone who wants to buy or retain a permit. Different approaches may be better for different groups. A positive finding is interest in the fishery remains high and watershed residents feel strongly about keeping permits in the region.

II. LITERATURE REVIEW

Background on Limited Entry

Shortly after Alaska became a State in 1959, there became an increasing need to restrict access to Alaska's state fisheries to maintain the value of the resource (Pettersen, 1980). The value of the resource was declining because there were so many new non-Alaska resident participants entering the fishery and harvests were declining, causing per capita economic returns to decrease significantly (Pettersen, 1983).

At the time, restricting access to Alaska fisheries was unconstitutional due to Alaska's Constitution Section 15, which stated "no exclusive right or special privilege of fishery shall be created or authorized in the natural waters of the State." In 1972, following some of the worst salmon runs in Bristol Bay on record, a Constitutional amendment was passed, amending Section 15 to allow participation in fisheries to be restricted on the basis of resource conservation requirements or "to prevent economic distress among fishermen and those dependent on them for a livelihood" (Pettersen, 1980).

In 1973, following passage of the amendment, Alaska's Limited Entry Act was enacted. There were three main objectives of the Act: (1) to increase the economic earnings of the Alaskan fishing industry; (2) to enhance biological management of the fishery and (3) to assure resident fishermen of participation of their local fishery (Pettersen, 1983). The Commercial Fisheries Entry Commission (CFEC) was established to administer the program. The license type Limited Entry program is CFEC's only regulatory management tool (Schelle and Muse, 1989).

A point system was established to determine who would be eligible to receive permits. Points were awarded based on a combination of previous participation in the fishery and economic dependence. To help people apply for limited entry permits, CFEC employed agents to travel around the State to hand out applications. People had to demonstrate they had fished during the qualifying years to receive a permit.

People who were denied permits could appeal. Appeals sometimes lasted for many years. Many people who were denied a permit but successfully appealed are still fishing today.

After permits were issued, they were freely transferable by inheritance, gift or sale. Thus if local residents were not initially allocated permits (including today's Bristol Bay youth who were born long after Limited Entry was implemented), they could get them in the future by inheriting or by being given a permit, or by buying one.

By 1983, 44% of Alaska salmon permits (all areas) permits had been issued to Alaska Natives and the remaining 56% of permits were issued to non-Natives. 80.7% of the permits were issued to residents of Alaska and the remaining 19.3% of the permits were issued to non-Alaskans. According to the 1980 census, only 18% of the state's population was Alaska Native, indicating many Alaska Natives were very dependent on the state's fisheries. Alaska Natives who lived in rural communities local to their fishery received 73% of all permits (Kamali, 1984). In Bristol Bay, 28% or 1,270 of 2,758 set net and drift gillnet permits were allocated to watershed residents (BBEDC, 2007). Usually, each permit holder employs 2-3 crewmembers, indicating people in

Bristol Bay were very dependent on the fishery.

Allocation Issues

Although Limited Entry was intentionally designed to help rural fishermen who lived locally to the fishery get a permit, the qualification process eliminated approximately 30% of Native Alaskans from Bristol Bay who according to Langdon (1980) were unfairly denied permits. The Limited Entry Act failed to consider cultural characteristics of Native Alaskans. The application process did not conform to cultural norms in Bristol Bay native culture. Because native culture does not recognize a sense of urgency, combined with the fact that many residents did not believe they would be excluded permanently; many people did not apply at all for a permit. In Eskimo culture, there is a strong privacy ethic that made it difficult to talk about fishing habits, legal and illegal, with non-native agents who were assisting with permit applications (Petterson, 1983).

There are many reasons why residents were denied permits and many of these reasons relate to current theories about the causes of permit losses. The application process was lengthy and required a person be able to understand complex paperwork in English, a second language for many people. According to the 1970 census, 32.5% of Alaska Natives had less than four years of school. 53.8% of Alaska Natives had less than eight years of education compared to non-native Alaskans figures of 1.1% and 3.6% respectively. As a whole, Bristol Bay Native Alaskans ranked last among Alaska Natives in educational attainment (Alaska Legal Services).

Aside from understanding the paperwork, the application required documentation of participation by showing fishing licenses for qualifying years. Many participants either had not keep their licenses or had fished without licenses. It is not uncommon even today for people to fish in partnerships, fishing on one boat and sharing the profit and costs 50-50. Now the permit is in one person's name but pre-Limited Entry the license was in one person's name so only one person would be issued a permit. Fishermen saved money by not buying fishing or vessel licenses. They also avoided paying fish taxes or declaring any income to the IRS. Processors eagerly bought fish "under the table" because they did not have to pay the fish taxes either (Petterson, 1983). However, those fishermen who had fished without licenses historically did not qualify for permits once entry to fishery was restricted.

Another reason why residents who had historically fished were denied a permit was during the qualifying years of the early 70s, when fish runs were some of the worst on record, many residents chose to work on building the Trans Alaska Pipeline because it paid as much as ten times the average yearly earnings of a fisherman (Petterson, 1983). Many people took whatever work came along because they did not think of themselves as solely fishermen.

Concerns about the fairness of the initial permit allocation led to a class-action lawsuit against CFEC on behalf of Alaska Natives. *Wassille v. Simon* alleged some potential permit holders were unable to complete their application for a permit on time because of geographic location, language, cultural background or race. Although CFEC prevailed in court and the plaintiffs appealed, the parties reached a settlement where people part of the class were allowed to apply for a permit. 1,116 people applied to be class members and 275 people were accepted.

Eventually, as a result of the lawsuit, 150 additional permits were issued with the majority of the permits for Bristol Bay drift gillnet (60 permits) or set gillnet (75 permits) (CFEC Report 04-3N, 2004).

Socioeconomic Effects of Other National and Global Fishery Management Tools

I searched the literature for information on socioeconomic effects of other Limited Entry programs to see if they had dealt with the same issues as Alaska and how they resolved them. However, I found relatively little analysis of socioeconomic effects of other Limited Entry programs. Many other Limited Entry programs were not sustained very long as Limited Entry programs because they were modified to become individual fishing quota (IFQ) programs. IFQ programs are not comparable to the Limited Entry program in Alaska because participants own shares in a fishery while the Limited Entry program gives people access to the resource but does not guarantee them any catch.

The Commercial Fisheries Entry Commission (CFEC) has produced regular transfer studies that represent a rare opportunity to study these trends through time and socioeconomic impacts, particularly on rural residents. In contrast, other Limited Entry programs have not had regular socioeconomic reporting.

The only other Limited Entry program to have data on any socioeconomic effects was the Maine Limited Entry lobster fishery. Established in 1997, the program is trying to protect lobster populations and Maine's fishing communities by issuing non-transferable permits to fishermen. To be eligible for a permit, a crewmember has to complete a 2 year apprenticeship and then put his name on a waiting list. Permits become available as current permit holders retire. To encourage youth to enter the fishery, children who finish their apprenticeship before turning 18 can qualify for a permit when they are 17 (Canfield, C, May 29, 2012).

Limited Entry and Current Theories of Permit Loss

As soon as permits were issued, people began to sell them. By design, the Limited Entry Act established free transferability. Since Limited Entry was enacted, the number of locally owned permits has declined in many of the State Limited Entry fisheries (Knapp, 2011).

As early as 1980 in a report to the Legislature, Langdon noted "the outflow of permits that has occurred and that potentially can occur must be regarded as a significant threat to the rural Alaskan economic base and the well-being of rural Alaskans (Langdon, 1980). CFEC is aware of this problem and has noted this too in their transfer rates studies but by law. However, CFEC is charged with administering the law and is not allowed to change the Limited Entry Act to favor local residents.

The biggest decline in the number of locally owned permits has been in the most lucrative fisheries (Knapp, 2011). In one of the most lucrative fisheries, the Bristol Bay drift gillnet fishery, the average local permit holder is at a severe disadvantage compared to non-Alaskan residents and other Alaskans. In general, Bristol Bay residents have less personal wealth than other non-Alaskan and other Alaskan residents. According to a study on the fishery in Bristol

Bay, average horsepower of permit holders' vessels was 287 for local residents, 350 for other Alaskans and 373 for non-Alaskan residents. Average revenue per permit fished was \$21,794 for local residents, \$25,626 for other Alaskans and \$29,426 for non-Alaskans (Northern Economics, 2009). Langdon hypothesized if rural residents have lower average net earnings than other groups, they will be more willing to sell permits than other groups (Langdon, 1980).

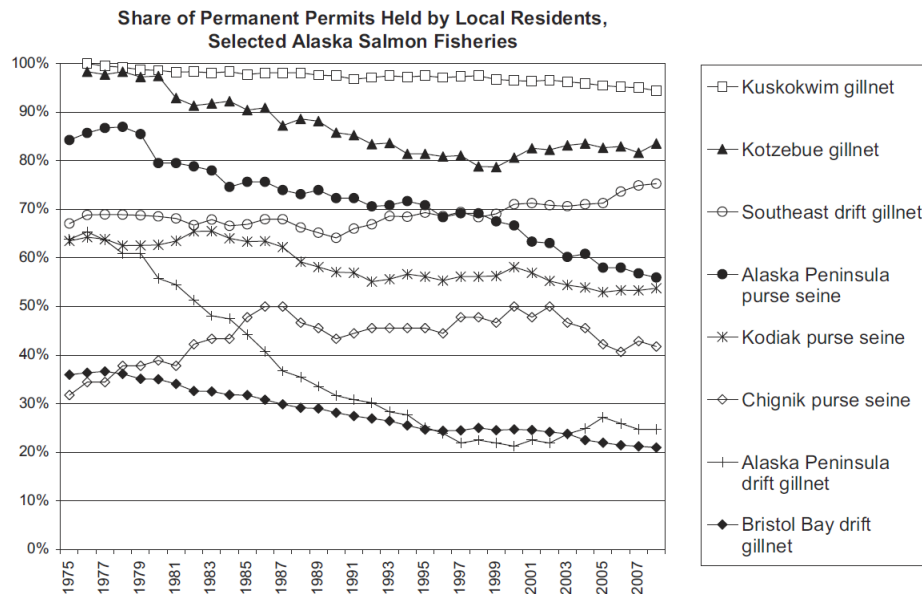


Figure 1. The share of permits held by local residents in selected Alaska salmon fisheries (Free-Sloan, Tide and Iverson, 2009). The share initially allocated to local residents varied widely between Alaska salmon fisheries. The share of locally owned permits has declined significantly in many but not all fisheries (Knapp, 2011).

The most valuable fisheries in Figure 1 are Chignik purse seine, Bristol Bay drift gillnet, Alaska Peninsula drift gillnet and Alaska Peninsula purse seine. Each of these fisheries has experienced a significant loss in the percentage of locally owned permits. The Kuskokwim and Kotzebue gillnet fisheries occur in a region similar to Bristol Bay where residents are dependent on the fishery, have limited local employment and most residents are Alaska Native. Unlike Bristol Bay, the Kuskokwim and Kotzebue fisheries are some of the least lucrative fisheries and local permit loss has not been as big of a problem. Other fisheries that have not experienced severe permit loss include the Southeast drift gillnet and Kodiak purse seine fisheries. These fisheries are located in regions where there is access to other employment and the majority of the residents are not Alaska Native, factors that could explain why local permit ownership has not declined as severely as the Chignik purse seine, Bristol Bay drift gillnet and Alaska Peninsula drift gillnet and purse seine fisheries.

Local Permit Ownership Trends in Bristol Bay

In Bristol Bay, the number of locally owned permits has declined significantly over the years. In 1980, the population of Bristol Bay was 5,068 people and had grown to 7,020 people in 2010 (US Census 1980 and 2010). Since permits were issued in 1975, local ownership of all permits in

the watershed has declined 43% to 26% currently. Originally 28% of watershed residents held permits but today the number has dropped to 11%. By 2005, there had been a loss of 535 permits (230 set gillnet and 305 drift gillnet) or an average of 17 permits lost per year since 1975. Originally there were 1,270 permits out of 2,758 permits total that were issued to locals, but now only 735 permits are under local ownership (BBEDC, 2007).

Number of Drift Gillnet Permits Held By Location of Residence, 1975-2008

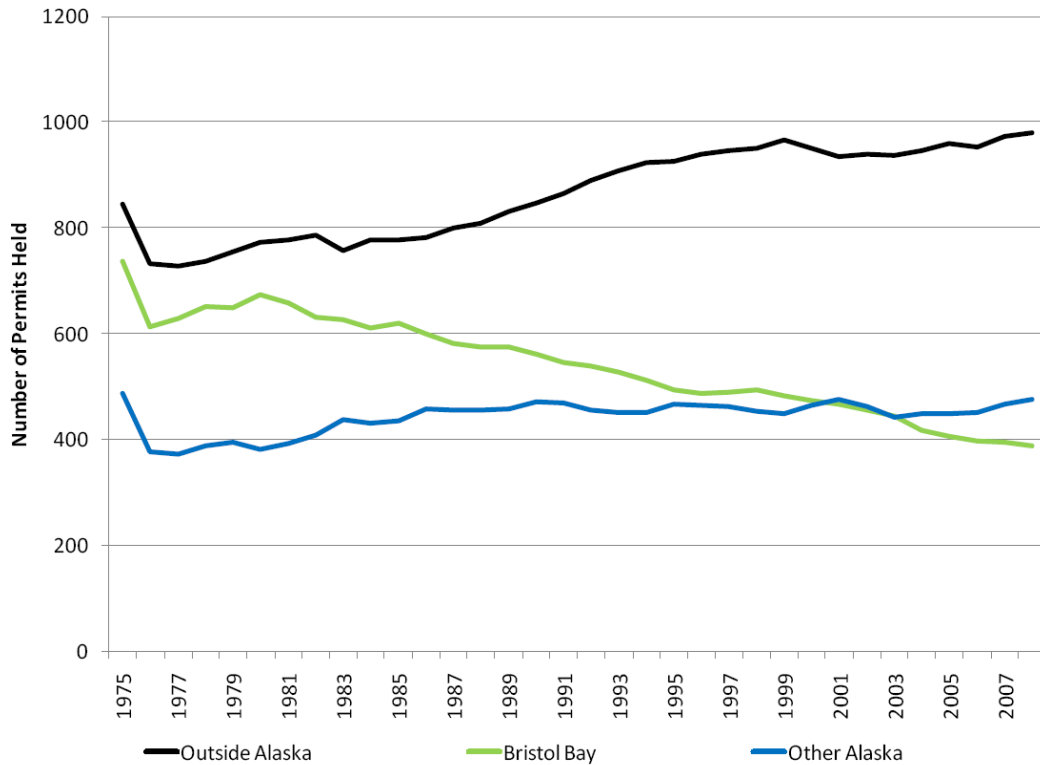


Figure 2. While non-Alaskan residents and other Alaskan residents have steadily increased the number of permits owned in the drift net fishery, local ownership declined precipitously (graph from Northern Economics based on data from Commercial Fisheries Entry Commission (CFEC, 2009) and (CFEC, 1980-2008)).

Number of Set Gillnet Permits Held By Location of Residence, 1975-2008

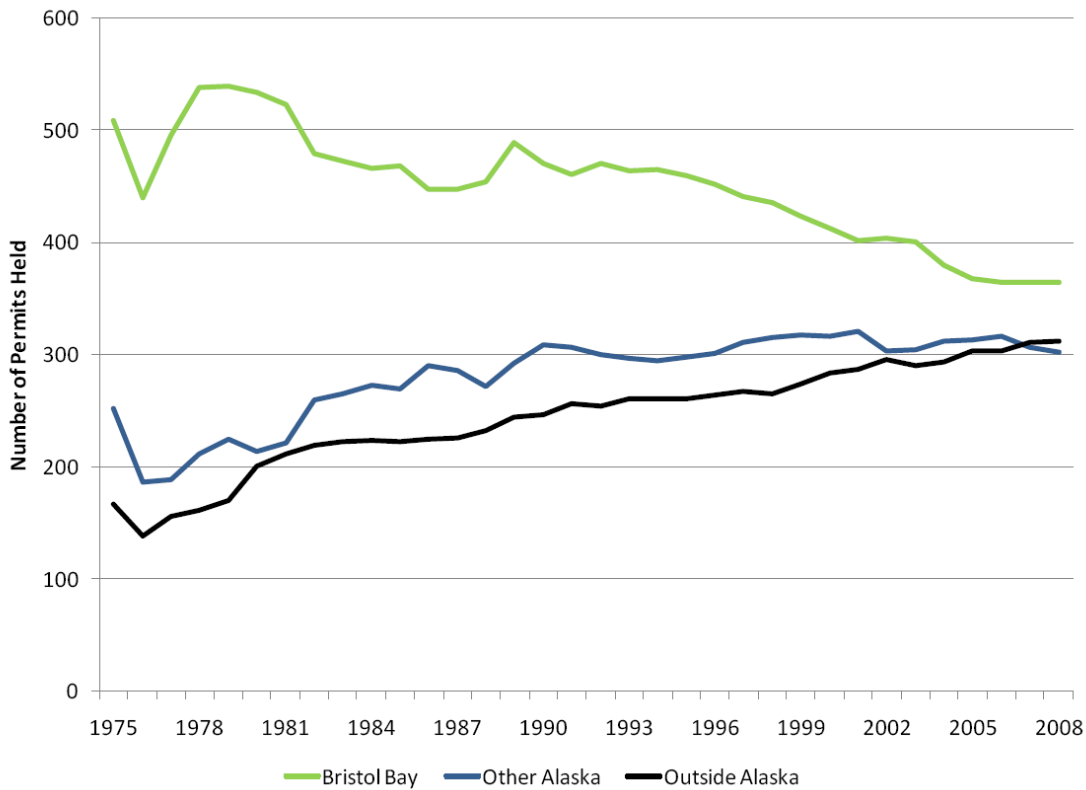


Figure 3. While non-Alaskan residents and non-local Alaskan residents have steadily increased the number of permits owned in the set net fishery, local ownership declined precipitously (graph from Northern Economics based on data from Commercial Fisheries Entry Commission (CFEC, 2009) and (CFEC, 1980-2008)).

Historically, permits have left the Bristol Bay watershed in three ways. Sales of permits from local residents to non-residents have accounted for 62% of permit losses. Watershed residents moving out of the region have accounted for 28%. The remaining 11% of losses have been due to foreclosures, forfeits and revocations (BBEDC, 2007).

There are many theories on why watershed residents sell their permits. A study by BBEDC, RedPoint Associates and Alaska Growth Capital proposed a theory that the average local drift permit owner harvests an average of 25% less than non-residents and statewide residents so non-residents may view a drift permit as having a greater economic value (BBEDC, 2007) than the economic value locals place on drift permits. Other theories include: residents may face greater needs for cash for current consumption, have less personal wealth that they could invest in the purchase of permits and boats, have less collateral for loans to purchase permits and boats, have less access to financing from family and friends, have less access to banks or other potential lenders to finance permits and boats; have less knowledge of government programs intended to assist individuals in financing permits and boats; or face higher costs in accessing these programs (Knapp, 2011).

Focht and Schelle (1984) hypothesized rural residents have higher costs of borrowing than do urban residents. Distance and isolation from capital markets, language barriers and paucity of credit histories may all be contributing factors to such capital costs differentials. As permit prices rise, the problem is exacerbated (Focht and Schelle, 1984).

How Declining Local Permit Ownership Has Affected Communities

Two of the main theories of local permit loss are Bristol Bay people have less personal wealth and difficulty accessing financing. Most communities rely heavily on commercial fishing and there are few other jobs. By contrast, Dillingham, Naknek and King Salmon are the economic hubs of the region and there are many opportunities for residents who fish to have a job during the winter. Therefore, according to this theory, fewer residents in Dillingham, King Salmon and Naknek should have sold their permits than residents in other Bristol Bay watershed communities.

I approached this issue by tracking how the percentage of residents who are permit holders has changed over time. I used the CFEC database and 1980 and 2010 US Census data. When permits first began being issued in 1974, some residents gifted or sold their permits immediately and many people were appealing to have a permit allocated to them. By 1980, most permits had been allocated and it was the first US Census done since permits had been allocated. There is no one year that represents a time when all permits allocated to residents were still owned by these residents. 2010 is the most recent US Census and is the most recent data on what percentage of residents own permits.

One way to measure and compare permit ownership trends in Bristol Bay villages is per capita permit ownership, or the number of permits owned by the residents of a village divided by the population of a village. This can also be expressed in terms of the number of permits held per 100 residents, or alternatively a “percentage ownership” of permits.

For example, suppose a village has 100 residents, and these residents collectively own 20 permits. This could be described in the three ways:

Permit ownership per 100 residents = 20

Permit ownership per capita = .2

Permit ownership percentage = .2

In the graphs shown below, I use the third measure (permit ownership percentage) which is the same as permit ownership per resident.

What effect does Dillingham’s diversified economy have on permit ownership compared to Naknek-King Salmon and the rest of the Bristol Bay communities?

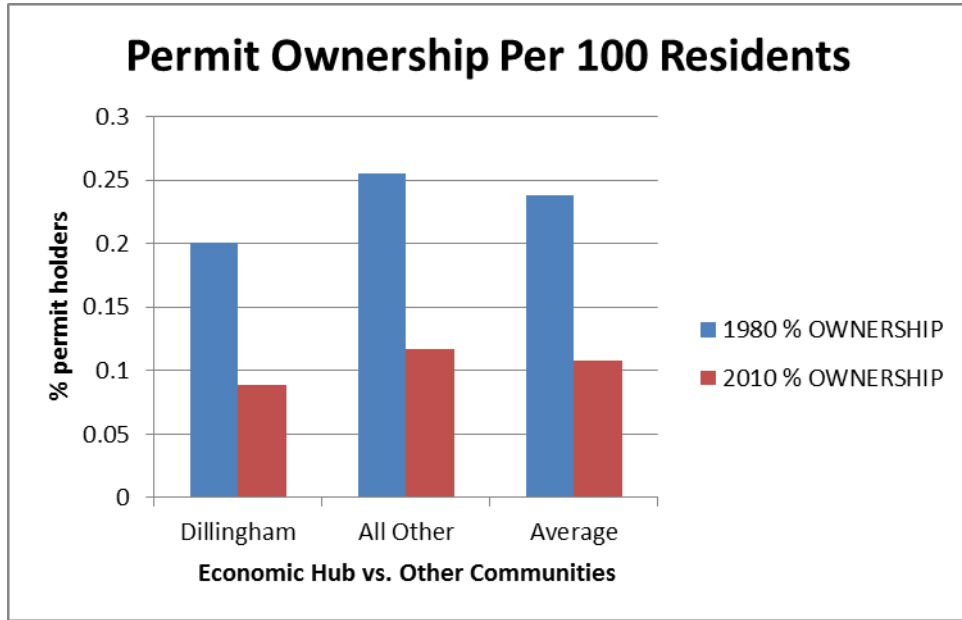


Figure 4. Fewer Dillingham residents are permit holders, but fewer residents have sold their permit compared to the average Bristol Bay community (Alaska Department of Labor, 1979 and the United State Census 2010).

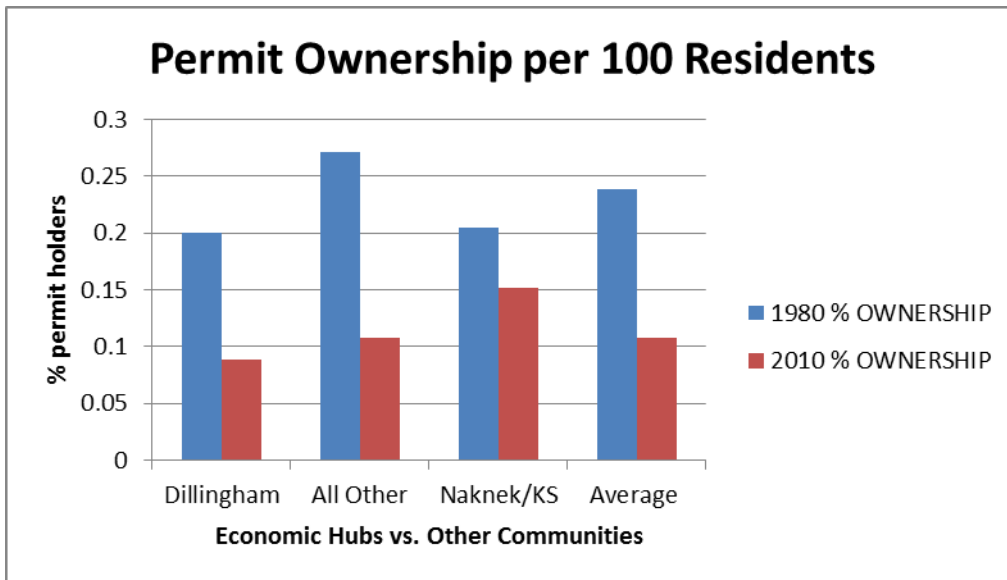


Figure 5. In 1980, about the same percentage of people in Dillingham, Naknek and King Salmon owned permits, but in 2010 a higher percentage of people in King Salmon and Naknek retained their permits compared to Dillingham. Dillingham, Naknek and King Salmon have lost fewer permits per capita compared to the loss of permits per capita in the average Bristol Bay community (Alaska Department of Labor, 1979 and the United State Census 2010).

Since 1980 Dillingham has lost more permits per capita on average than other communities in

Bristol Bay’s watershed. Some of the permit holders who have moved out of other Bristol Bay communities have moved to Dillingham. Since 1980, Dillingham has diversified its economy to tourism, government services and healthcare. Dillingham residents still fish, but they are much more likely to have full time year round jobs than residents in other communities. In 1980, Aleknagik and Dillingham were connected by a rough road and few residents commuted to Dillingham for work. In 2010, the road was paved and many more residents commuted to Dillingham, but because the road was not paved in 1980, these communities had separate economies, not as intertwined as in King Salmon-Naknek which were connected by a paved road in 1980 and 2010. By contrast, Naknek and tther communities still rely heavily on commercial fishing for its economic base. In 1980, there was an Air Force base in King Salmon that had closed by 2010. It is doubtful that any of these airmen were permit holders so closing the air force base caused the percentage of permit holders to increase in Naknek-King Salmon.

Figure 6 shows the decline of estimated total regional income from salmon harvesting. This decline in total income is attributed to the decline of locally owned permits and to the declining value of the fishery. Since 2002, the value of the fishery has been increasing as the industry has been focusing on increasing the quality of salmon harvesting and processing.

Estimated Total Regional Income from Bristol Bay Salmon Harvesting, 2008

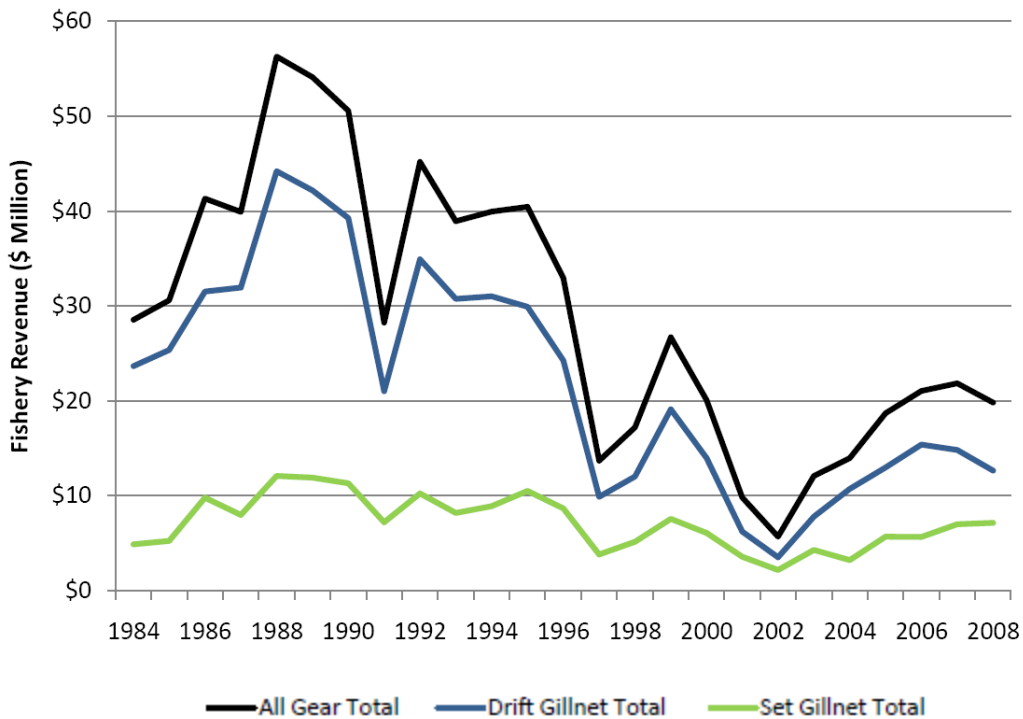


Figure 6. As permits have been sold to people who reside outside of the region, less money has stayed in the region, but drift gillnet and set gillnet fisheries declined in value in the 1990s and early 2000s because of low salmon prices (Northern Economics, 2009 and CFEC, 1980-2008).

Table 1 shows how the declining number of permits and the focus on increasing the quality of the salmon harvest and processing has affected Bristol Bay communities differently in the past

10 years. As a whole, salmon fishery earnings per capita increased from \$2,587 in 2000 to \$3,819 in 2010 in the region. In some communities, salmon fishery earnings rose dramatically. Naknek and Iliamna permit holders experienced their earnings increase \$5,960 and \$4,462 per capita, respectively while Egegik permit holders experienced declining fishery earnings of \$962 per capita.

Bristol Bay Salmon Fishery Earnings, by Community

Table 1

Bristol Bay Salmon Fishery Per Capita Earnings, by Community, 2000 and 2010

	Drift gillnet fishery per capita earnings		Set gillnet fishery per capita earnings		Total salmon fishing per capita earnings	
	2000	2010	2000	2010	2000	2010
BRISTOL BAY BOROUGH	\$1,542	\$4,240	\$1,198	\$3,172	\$2,740	\$7,411
King Salmon	\$1,334	\$3,232	\$657	\$2,004	\$1,991	\$5,236
Naknek	\$1,652	\$4,954	\$1,357	\$4,015	\$3,009	\$8,969
South Naknek	\$1,675	\$4,093	\$2,154	\$2,892	\$3,829	\$6,986
DILLINGHAM CENSUS AREA	\$2,090	\$2,252	\$793	\$1,289	\$2,882	\$3,540
Dillingham Region	\$2,244	\$2,623	\$716	\$1,160	\$2,960	\$3,783
Aleknagik	\$2,399	\$3,435	\$591	\$794	\$2,990	\$4,229
Clarks Point	\$4,385	\$0	\$901	\$1,882	\$5,286	\$1,882
Dillingham	\$2,200	\$2,620	\$733	\$1,177	\$2,933	\$3,798
Ekuk						
Portage Creek						
Togiak-Manokotak Region	\$2,285	\$2,417	\$1,418	\$2,410	\$3,703	\$4,828
Manokotak	\$2,123	\$1,576	\$1,619	\$3,500	\$3,742	\$5,075
Togiak	\$2,560	\$3,091	\$1,440	\$2,039	\$4,000	\$5,131
Twin Hills	\$0	\$0	\$0	\$0	\$0	\$0
Upper Nushagak Region	\$1,384	\$1,002	\$109	\$0	\$1,494	\$1,002
Ekwok	\$900					
Koliganek	\$1,649	\$2,182				
New Stuyahok	\$1,416	\$745	\$181		\$1,597	
LAKE AND PEN. BOROUGH	\$798	\$1,237	\$239	\$367	\$1,037	\$1,604
Lake Region	\$377	\$908	\$110	\$524	\$487	\$1,432
Igiugig						
Iliamna	\$1,137	\$4,127	\$504	\$1,975	\$1,640	\$6,102
Kokhanok	\$435	\$0	\$0	\$842	\$435	\$842
Levelock	\$1,067	\$2,743	\$0	\$0	\$1,067	\$2,743
Newhalen	\$309	\$1,191	\$0	\$740	\$309	\$1,931
Nondalton						
Pedro Bay						
Port Alsworth						
South Bristol Bay Region	\$3,129	\$3,960	\$947	\$343	\$4,076	\$4,302
Egegik	\$4,261	\$4,296	\$1,911	\$915	\$6,173	\$5,211
Pilot Point	\$2,316	\$0	\$1,058	\$0	\$3,375	\$0
Port Heiden	\$2,998	\$6,705	\$0	\$0	\$2,998	\$6,705
Ugashik						
Chignik Region						
Chignik						
Chignik Lagoon						
Chignik Lake						
Ivanof Bay						
Perryville						
BRISTOL BAY, TOTAL (a)	\$1,709	\$2,295	\$730	\$1,339	\$2,439	\$3,634
BRISTOL BAY, TOTAL (b)	\$1,813	\$2,412	\$774	\$1,407	\$2,587	\$3,819

(a) Total includes the Chignik Region; (b) Total excludes the Chignik Region. Blank cells indicate that earnings data were confidential and not reported. Sources: U.S. Censuses, 2000 and 2010; CFEC.

(Knapp, 2012).

Bristol Bay Economic Development Corporation (BBEDC)

The Bristol Bay Economic Development Corporation (BBEDC), a Community Development

Quota (CDQ) organization, receives annual harvest rights to a share of Bering Sea fisheries catches, the proceeds from which are required to use to promote fisheries economic development for the member villages (those located within 50 miles of the Bering Sea coast). Not all watershed villages are BBEDC communities. BBEDC has been trying to create economic opportunities in BBEDC communities and has started a Permit Loan Program to assist Bristol Bay watershed residents in buying permits. This is the first loan program in the State to target Bristol Bay watershed residents specifically.

How BBEDC Has Affected Local Permit Ownership Trends

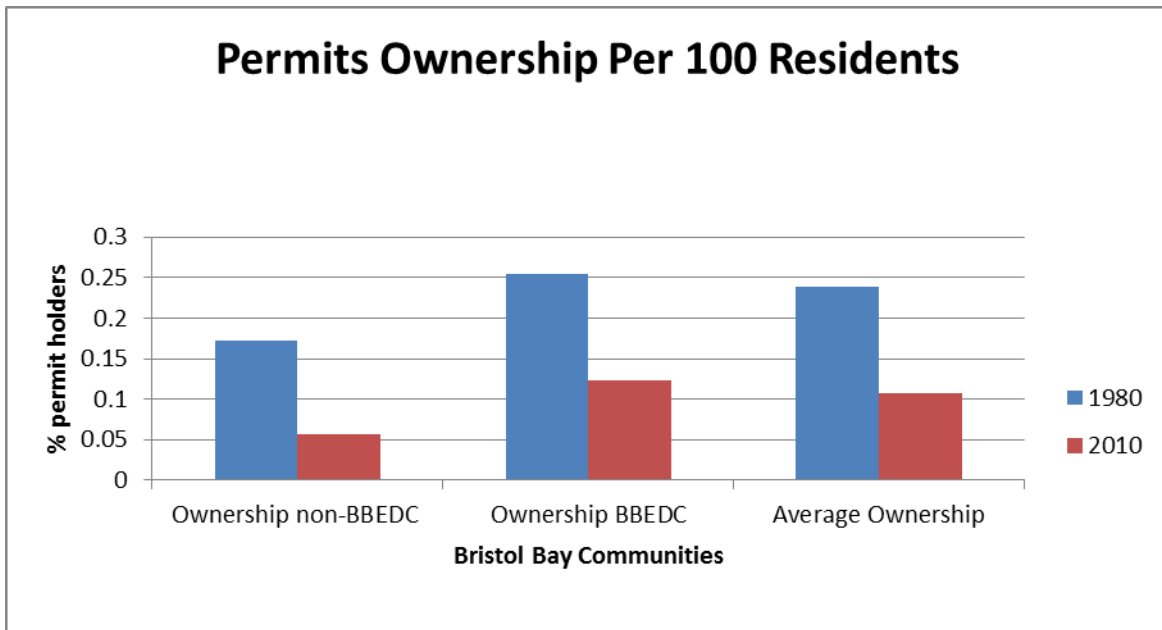


Figure 7. In BBEDC communities, fewer permits per capita have been lost compared to non-BBEDC communities. (Alaska Department of Labor, 1979 and the United State Census 2010).

BBEDC has only existed for about 20 years, but it has had a tremendously positive impact on retaining local permits in the communities it serves. Unemployment is high in many of these communities, making it difficult for villagers to compete with outsiders who are often better off financially, but BBEDC helps poured a lot of money into these residents and communities as a whole. By contrast, villages that are not BBEDC eligible communities have not enjoyed these benefits and the percentage of residents who hold salmon permits in these communities has fallen much more than in BBEDC eligible communities.

BBEDC eligible communities are closer to the coast and have always had more residents participate in the fishery than non-BBEDC eligible communities. With so few residents in non-BBEDC communities fishing in 2010, it is harder for residents to get crewmember jobs. Most people hire people they already know to crew for them so this fishing knowledge has being lost at a higher rate than in communities that have a higher percentage of residents fishing.

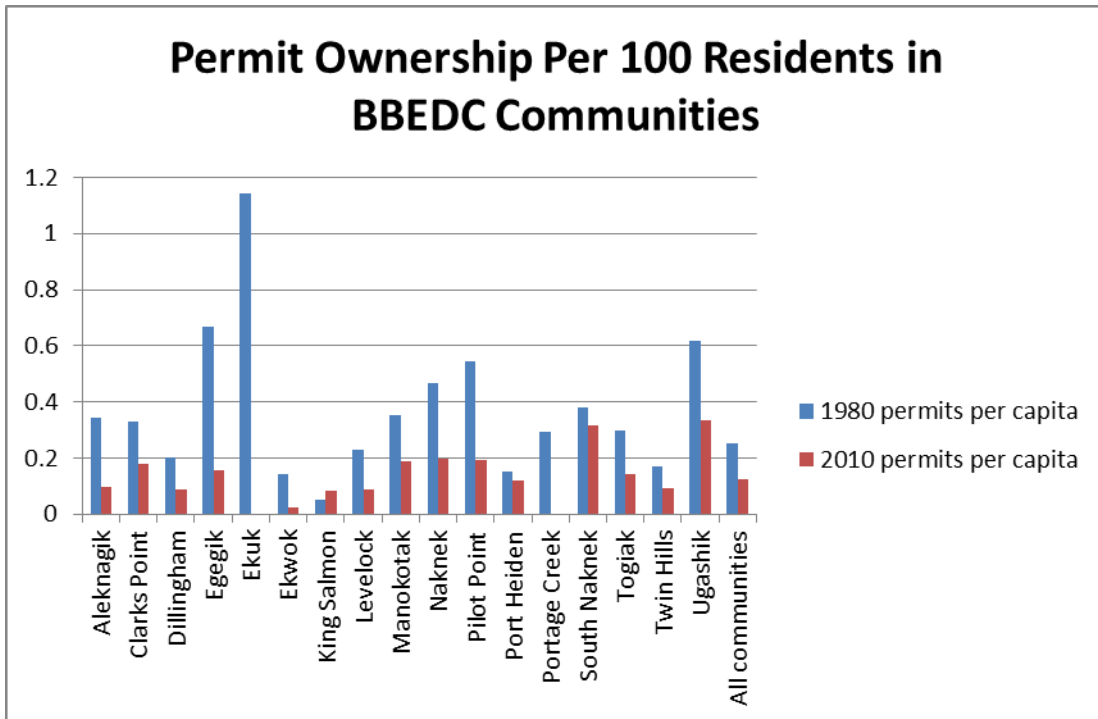


Figure 8. Changes in permits per capita in BBEDC communities. Figures are greater than 100% in Ekuk because there were 7 residents, 6 people each owned a permit and one person owned 2 permits (Alaska Department of Labor, 1979 and the United State Census 2010).

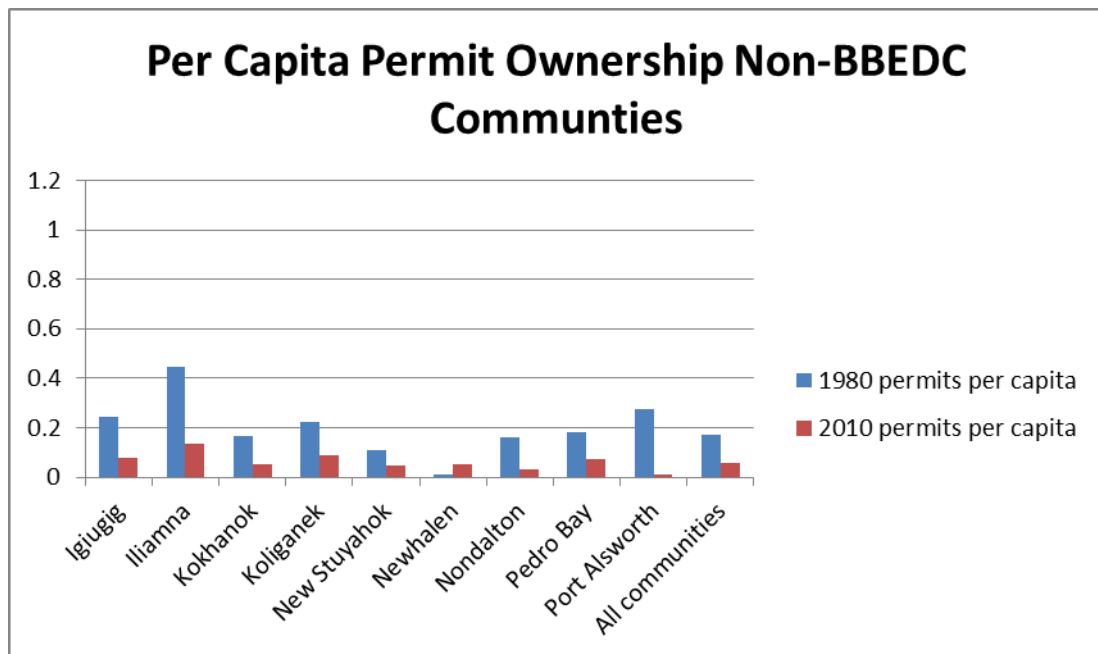


Figure 9. Changes in permits per capita in non-BBEDC communities (Alaska Department of Labor, 1979 and the United State Census 2010).

Permit ownership is higher in BBEDC eligible communities than non-BBEDC communities overall. Coastal communities rely on the commercial fishery more than interior communities. Looking at individual communities reveals a greater number BBEDC eligible communities have

lost all or nearly all their permits than non-BBEDC communities. Ekuk has no year round residents and Portage Creek had two residents in 2010.

King Salmon is the only community to increase the percentage of residents who own permits. By contrast, Port Alsworth is the only non-BBEDC eligible community to have lost nearly all its permits. In 1980, Port Alsworth was a small Alaska Native fishing community but in 1980, the Alaska National Interest Lands Conservation Act (ANILCA) was passed in US Congress, establishing Lake Clark National Park. Since then Port Alsworth has experienced a tremendous growth in its population. Port Alsworth is the headquarters for Lake Clark National Park and these government employees do not hold permits. The economy has shifted to rely on the public sector rather than fishing.

One of the theories of why people have sold their permit is because of financial hardship. Table 2 shows the most recent data on permits per capita and how the collapse of the price of salmon affected communities differently. In 2000, the value of the fishery was declining and bottomed out in 2002 at 40 cents per pound. In 2010, most processors were paying 95 cents a pound. In 2000, Egegik had 33 permit holders per capita but by 2010, it had just 16 permits holders per capita. By contrast, Naknek had 16 permit holders per capita in 2000 but by 2010, it had increased to 20 permit holders per capita.

Salmon Permit Holders per 100 Residents, by Community

Table 2

Salmon Permit Holders Per Hundred Residents, by Community, 2000 & 2010

	Drift gillnet permit holders per hundred residents		Set gillnet permit holders per hundred residents		Total permit holders per hundred residents	
	2000	2010	2000	2010	2000	2010
BRISTOL BAY BOROUGH	5	6	9	10	14	16
King Salmon	3	4	4	5	7	9
Naknek	5	7	10	13	16	20
South Naknek	9	13	22	19	31	32
DILLINGHAM CENSUS AREA	7	5	5	4	11	10
Dillingham Region	6	5	4	4	10	9
Aleknagik	9	7	4	3	13	10
Clarks Point	11	11	7	6	17	18
Dillingham	6	5	4	4	10	9
Ekuk	0	0	0	0	0	0
Portage Creek	3	0	0	0	3	0
Togiak-Manokotak Region	8	6	8	7	17	13
Manokotak	7	5	11	8	18	13
Togiak	9	6	7	8	16	14
Twin Hills	10	4	3	0	13	4
Upper Nushagak Region	7	5	1	1	8	5
Ekwok	4	3	0	0	4	3
Koliganek	8	8	2	1	9	9
New Stuyahok	7	4	1	1	8	5
LAKE AND PEN. BOROUGH	5	3	4	3	8	6
Lake Region	4	3	3	3	7	6
Igiugig	8	6	0	2	8	8
Iliamna	8	8	7	6	15	14
Kokhanok	2	2	2	4	5	5
Levelock	7	6	5	3	11	9
Newhalen	4	3	1	2	5	5
Nondalton	2	1	4	2	5	4
Pedro Bay	2	0	4	7	6	7
Port Alsworth	1	1	3	1	4	1
South Bristol Bay Region	14	10	9	6	23	15
Egegik	20	9	13	6	33	16
Pilot Point	9	12	11	7	20	19
Port Heiden	13	8	3	3	15	11
Ugashik	18	17	18	17	36	33
Chignik Region	0	0	0	0	0	1
Chignik	0	0	0	0	0	0
Chignik Lagoon	0	0	0	0	0	0
Chignik Lake	1	1	1	1	1	3
Ivanof Bay	0	0	0	0	0	0
Perryville	0	0	0	0	0	0
BRISTOL BAY, TOTAL (a)	6	5	5	5	11	10
BRISTOL BAY, TOTAL (b)	6	5	5	5	12	10

(a) Total includes the Chignik Region; (b) Total excludes the Chignik Region. Sources: U.S. Censuses, 2000 and 2010; CFEC.

(Gunnar Knapp, 2012)

Efforts to Help Locals Buy Permits

Since before the beginning of Limited Entry, there have been subsidized loan programs to help Alaskans buy into the fishery. In 1972, the Commercial Fishing Loan Act was passed to “promote the development of a predominately resident fishery and continued maintenance of commercial fishing gear and vessels throughout the state by means of long-term low interest loans” (AS16.10.300). The Alaska Department of Commerce and Economic Development (DOC) started a subsidized commercial fishing loan program to implement the law but only 5 people took advantage of the program, presumably because the permit could not be legally foreclosed so the applicant had to have other collateral sufficient to cover the loan.

By 1979, permit prices had risen and there were rumors that Alaskans were selling their permits at high rates. Under these rules, it was recognized that only people with significant assets were able to participate in the subsidized loan program. To help more Alaskans access the program, the Legislature amended the program so permits could be used as collateral to secure loans (Focht and Schelle, 1984), allowing people with little or no collateral could participate in the loan program.

However, Langdon noted that there was a tendency for these programs to help urban Alaskans buy permits from rural Alaskans (Langdon, 1980). This was most pronounced in Bristol Bay’s salmon fisheries (Kamali, 1984). 65% of the state loans had gone to individuals with a net worth exceeding \$100,000 while only about 11% of the loans went to people with a net worth of less than \$50,000 and only 4.5% to people with a net worth of less than \$30,000 (Langdon, 1980). Thus, rather than slowing local permit loss, the program was actually contributing to the erosion of the economic base in many communities where people traditionally relied heavily on fisheries for their livelihood (Focht and Schelle, 1984).

In 1980, the Legislature tried to help more rural residents buy permits when they passed the Commercial Fishing Mortgage and Note Act (AS 16.10.650-720). This Act directed the Commissioner of DOC to use the money to purchase mortgages and notes received by private financial institutions to secure commercial fishing loans. It was the first attempt at a targeted loan program designed for people in small, rural Alaskan communities who were dependent on commercial fishing for a livelihood. A loan could cover 100% of the appraised value if the loan was for a permit and the borrower had at least three years experience as a crewmember for a permit holder (Focht and Schelle, 1984).

Despite the generous terms, the program was unsuccessful with only three loans involved permits. Critics pointed out the program was unsuccessful because the program was not well advertised and the process was complicated by the fact an applicant had to be denied a loan from a private lending institution first (Focht and Schelle, 1984). Under the current version of this program option B targets rural residents, especially in Bristol Bay. It allows individuals to borrow up to \$100,000 to purchase vessels, permits and gear if they lived in an area where there was little training or employment opportunity other than commercial fishing or was economically dependent on commercial fishing and to whom commercial fishing has been a traditional way of life (AS 16.10.310 (a) (1) (B) (Focht and Schelle, 1984).

BBEDC Permit Loan Program

Bristol Bay Economic Development Corporation (BBEDC), a Community Development Quota (CDQ) entity, is allocated a percentage of the total allowable harvest (TAC) of Bering Sea groundfish and crab fisheries. BBEDC uses these profits to create economic opportunities in the communities they represent. BBEDC represents communities located within 50 miles of the Bering Sea in the Bristol Bay watershed but this does not include all communities in the Bristol Bay watershed.

BBEDC is very concerned about permits leaving the region and they commissioned a feasibility study on creating their own targeted loan program. As detailed in this report, from 1975-2005, Bristol Bay lost 42% of permits originally allocated to locals and now residents hold just 26% of salmon permits. Originally 28% of residents held permits but by 2005, it was just 11%. The study noted Bristol Bay residents are losing permits faster than other residents of other Alaska regions but the Bristol Bay region depends more on fishing than most major fishing areas. The decline of local permits represents a loss of \$225 million to the region (BBEDC, 2007).

BBEDC's Permit Loan Program was established in 2008 to help Bristol Bay watershed residents buy permits and it is the only loan program of its kind in Alaska. In their design, they tried to address some of the potential reasons for which local residents were not participated in the statewide loan program by requiring business classes and financial counseling and offering higher subsidies and lower interest rates for participants.

This BBEDC Permit Loan Program has similar requirements to other statewide loan programs but the requirements are specific to participation in the Bristol Bay drift or set net fisheries and requires full time residency in Bristol Bay. To qualify for the program and buy a permit, a person needs to be a resident of a community in the Bristol Bay watershed (this includes non-BBEDC communities), must be rejected from the Commercial Fisheries Agriculture Bank (CFAB) first, must have participated as a crewmember in Bristol Bay for at least 3 years, must be 18 years or older, and can't have any outstanding child support payments or IRS tax obligations (BBEDC, 2007).

The program is targeted at crew and youth. The program benefits are very generous and include: BBEDC guaranteeing a loan of 25% to 75%, 5% rather than 20% down payment, loan term not to exceed 15 years, 30% reduction of principal through sweat equity, interest subsidy and mandatory business counseling and education classes. By summer 2011, there were 7 participants who had purchased permits through the program but the program was falling far below its target of helping a total 70 people buy permits over 3 years.

Factors Affecting Participation By People Who Want To Use Loans To Buy A Permit

CFEC has produced regular permit transfer studies but since the early 1980s, there has been little research about the causes of changes in permit distribution, how permits ownership rates are likely to change in the future, how permit distribution might be affected by government policies or other factors and what might be done to slow or reverse rural permit losses (Knapp, 2011). There are theories about why people have sold their permit or have not participated in these loan programs, but no one has interviewed people to test these theories.

In 1981, J. Anthony Koslow published a paper, “Limited Entry Policy and the Bristol Bay, Alaska Salmon Fishermen,” based on semi-structured interviews he and his team of researchers conducted between June and August of 1979. They interviewed locals, other Alaskans and non-Alaskan resident drift captains, drift crew, locals, cannery superintendents, fishermen’s unions officials, and local community leaders who were in Naknek, South Naknek, Nondalton and Kokhanok. They asked questions about interviewees’ ethnicity, their economic dependence on the fishery and the value of their vessel, if their family fished, their experience fishing and what modifications they proposed to Limited Entry (Koslow, 1981).

Koslow found most Bristol Bay residents were Alaska Native, most boats were valued at less than \$10,000 (many fished in skiffs) but other Alaskans and non-Alaskan residents owned 32 foot boats and their boats were valued much higher, greater than \$21,000. Only 4% of locals were happy with Limited Entry and most wanted to modify or repeal the present system, whereas over 40% of other Alaskans and non-Alaskan residents wanted to retain the current system without any modifications. From the responses, it was clear who was benefiting the most from Limited Entry.

Of the modifications locals proposed, the one modification they wanted by a wide margin was more permits for local fishermen (34.3% vs. 17.1% wanted more enforcement). Finally, most local captains and crew had started fishing with their fathers before they were 18. Presumably these new permits would go to their sons (Koslow, 1981). In general, Koslow asked questions on some of the topics as my interviews for this study. However, Koslow’s questions did not address factors affecting local participation and financial acumen.

Unanswered Questions about Local Permit Loss and Retention

Previous studies have suggested theories on why rural permit holders have sold their permits and why rural residents have not been participating in subsidized loan programs created to help them buy permits. These theories include that Bristol Bay permit holders earn less money than other Alaskan and non-Alaskan resident groups so these other groups are more likely to place a higher value on the permit; rural local residents have less personal wealth than other groups; local residents have less knowledge of government programs; local residents live in remote and isolated regions from capital markets; local residents have little or bad credit; and local residents face language and cultural barriers and difficulty accessing financing.

These are the theories BBEDC tried to address when they created their loan program. But this program has not been meeting its targets. No one has evaluated BBEDC’s program to find out why this program has not been meeting its targets.

A primary objective of this research was to learn more about the evidence for these theories, as well as why the BBEDC program has not been meeting its targets. To examine these questions, as discussed in the following chapter, I conducted semi-structured interviews with watershed residents. This represents the first systematic attempt to gather interview data from Bristol Bay residents about these issues in more than thirty years, since Koslow interviewed people in 1979.

III. RESEARCH METHODOLOGY

My primary methodology for this research was semi-structured interviews with Bristol Bay local residents. From the literature review, I knew there were many theories on why permits have been leaving Bristol Bay. However, for many years no one has tested these theories out by interviewing local residents. I wanted to hear directly from local residents how they viewed this issue, and whether their experience and thoughts supported the theories in the literature, and whether they had additional insights into the reasons for local permit loss and what could be done about it.

Rather than ask people narrowly defined survey questions, I chose to ask them open-ended interview questions to allow them to talk about the issues in their own words. I developed these interview questions from the unanswered questions in the literature review, talking to BBEDC Staff and Board members, knowledgeable members of the fishing community and Gunnar Knapp, a fisheries economist at the University of Alaska Anchorage.

My research is based primarily on confidential semi structured and elite interviews that I conducted with five different groups of people who reside in the Bristol Bay watershed: youth (18-35), crewmembers, permit holders, retired permit holders residing in the Bristol Bay watershed and BBEDC Staff and Board members.

I particularly sought to interview youth who are permit holders or crewmembers. To do this, permit holders helped me to identify youth and crew.

I asked each group questions about their experience in the fishery, changes in the fishery and their community they have noticed over time, how they felt about permits being sold to non-locals, and a separate set of questions corresponding to their specific situation. I have listed the interview questions at the end of this chapter.

I interviewed people in many villages in Bristol Bay, but I focused on four different Bristol Bay communities that are representative of the area, including the economic hub, two coastal villages, and an interior village:

- Dillingham, the largest community in Bristol Bay
- Togiak, a village experiencing a renewed interest in fishing since Togiak Seafoods opened
- Manokotak, a BBEDC community very dependent on fishing
- New Stuyahok, a non-BBEDC community very dependent on fishing

Profile of Interviewees

Table 3

	Drift permit holders	Set net permit holders	Retired permit holders	Drift permit crew-members	Set net permit crew-members	Retired permit crew-members	Youth (not participating in fishery)	BBEDC staff	Total
Aleknagik	4	0	1	0	0	0	0	0	4
Clark's point	3	0	0	1	0	0	0	0	4
Dillingham	20	14	2	4	2	1	4	4	46
Ekwok	1	0	1	0	0	0	0	0	2
Koliganek	0	1	0	1	0	0	0	0	2
Levelock	1	0	0	0	0	0	0	1	1
Manokotak	1	6	0	0	1	0	0	1	8
Naknek	2	0	0	0	0	0	0	0	2
New Stuyahok	12	1	2	6	0	0	0	0	21
Pilot Point	0	0	1	0	0	0	0	1	1
Togiak	10	10	1	3	6	0	1	1	30
Ugashik	0	1	0	0	0	0	0	1	1
Kodiak	0	0	1	0	0	0	0	0	1
Total	54	34	8	9	16	1		9	124

Note: Numbers add to greater than total because some people fit into 2 categories

Note that I interviewed people mostly in communities along the Nushagak River, who may feel differently from people who live in eastern Bristol Bay communities.

I used two different interview sampling techniques to collect my data, snowball and convenience sampling. In snowball sampling one interview subject recommends another person who then recommends another person. The strength of this interview technique is that it provided an easy way to find people to interview because in general, people were interested in this subject and they thought their friends and family were interested in being interviewed too. The pitfall of snowball sampling is that it does not necessarily result in interviews of a representative cross-section of all fishery participants, because the respondents may all have similar experiences and biases. I used this technique primarily to target crew and youth because permit holder names are publicly available in the CFEC permit database, but crew and youth names are not public. I would interview permit holders and then ask them if they would put me in touch with their crew and or their adult children.

The second interview sampling technique I used was convenience sampling, a technique that selects the most accessible people to be interviewed. The strength of this interview technique is there is less chance of a bias because you are not relying on a few people to recommend other people to interview and you can interview a lot of people.

For this technique, I advertised on the KDLG radio in Dillingham and VHF radio in Manokotak. I also used CFEC's public database to generate a list of all the permit holders in each town. I looked up people's names in the phone book and asked Tribal Administrators or other key

informants for their phone numbers.

Participants signed a consent to participate form. To ensure confidentiality, I conducted my interviews out of earshot of other people, in a separate room or over the phone. For each interview, I typed their responses into a form I created for each group of respondents. To ensure anonymity, I replaced each participant's document with a code, e.g. Dillingham drift permit holder 1, Dillingham drift permit holder 2, etc.

An important limitation to my study is my interview subjects were not randomly selected. This means the interview responses are not necessarily representative of all Bristol Bay local residents, or of particular groups such as permit holders or youth.

Although randomly selecting interview subjects would have been ideal, it was not practical for this study. It would have been much harder to find as many respondents (124) through a random selection process. I thought it was more important to interview a large number of respondents, from diverse groups, in order to meet my primary research objectives of gaining insights into the how local residents actually talk about the issues, and hearing potentially new ideas and theories about causes of permit loss and potential ways of addressing the problem.

Thus my survey results should definitely not be interpreted as statistically representative of all Bristol Bay residents or the groups that I interviewed. Rather, they should be interpreted of illustrative of at least some local Bristol Bay residents' experience and opinions. To the extent large numbers of interview subjects have similar experiences and opinions, the results suggest large numbers of other local residents may have similar experiences and opinions.

More importantly, each interview does in fact represent the experiences and opinions of that respondent. What they said, and how they said it, helps in understanding the reality of this complex and sensitive issue. Put differently, the interviews do not show the whole picture and do not necessarily represent the whole picture and the whole story. But they help to understand more clearly at least part of the picture and the story.

Interview Questions

The interview questions I asked are listed below, listed by the groups that I asked each set of questions. I asked each group questions about their experience in the fishery, changes in the fishery and their community they have noticed over time, and how they felt about permits being sold to non-locals, as well as a separate set of questions corresponding to their specific situation.

A. All Respondents

- A1. How did you get into the fishery?
- A2. Who taught you how to fish?
- A3. Are you interested in buying another or a permit?
- A4. What would make you more interested to buy a permit?
- A5. Are any of your family members interested in buying a permit?
- A6. Do your friends and family fish?
- A7. Do you have another job?

- A8. Do you think people can still make enough money from salmon fishing that they do not have to have another job?

B. Crewmembers and Youth

- B1. What price would you pay for a permit?
- B2. How much do you think it costs to enter the fishery? This includes all expenses.

C. Permit Holders, Crewmembers and Youth

- C1. Have you heard of CFAB or Alaska Division of Investments loans?
- C2. How would you finance this permit purchase?
- C3. How comfortable are you with taking out a bank loan?
- C4. Have you taken out loans for other purchases?
- C5. Has this experience made you want to take out another loan?
- C6. If you had the options of a bank loan, working for 10 years to save enough money to buy a permit with cash or borrow money from your family, what would you do and why?

D. BBEDC Staff and Board Members

- D1. Conditions when BBEDC program was created and how have they changed?
- D2. What has changed?
- D3. Were there options considered but not used?
- D4. Why were these options not incorporated?
- D5. Why has the program not been meeting its targets?
- D6. What changes would you make?
- D7. Are there other ways to help residents enter the fishery?
- D8. How do BBEDC Staff and Board members feel residents perceive their program?
- D9. What would it take them to enroll in the program?
- D10. How do most people find out about the program?
- D11. Are most people aware of the program?
- D12. Are there new ways to advertise the program?

E. BBEDC Staff, Crewmembers, Permit Holders

- E1. What are your solutions to help people enter the fishery?

F. Crewmembers, Permit Holders and Retired Permit Holders

- F1. What price did you pay for your boat?
- F2. What are your thoughts on keeping permits in the region?

G. Crewmembers and Permit Holders

- G1. Has BBEDC helped you or do you think BBEDC has had a positive impact on the region?
- G2. Have you heard of the BBEDC Permit Loan Program?

- G3. What is your opinion of the BBEDC program?
- G4. What changes would you make to the BBEDC program?
- G5. How do you think residents could benefit from the BBEDC Permit Loan Program?
- G6. As permits have left the region, have you noticed changes in your community, friends and family?
- G7. What are obstacles for people wishing to enter the fishery?
- G8. What are other fishermen's situations and how is yours different?

H. Retired Permit Holders

- H1. Why did you sell/gift your permit?
- H2. What price did you sell your permit?
- H3. Were any of your family members interested in the permit?
- H4. To Whom did you give/sell your permit to?
- H5. Were you tempted to sell your permit before you sold it?
- H6. Does it matter to you to keep permits in the region?

I. Permit Holders

- I1. What price did you pay for your permit?
- I2. Fishing drift dual helps/hurts locals?
- I3. Two set net permits helps/hurts local people?
- I4. Impediment that outside fishermen lease permits to crewmembers/family to get another 50 fathoms of gear?
- I5. Have you ever thought of selling your permit?
- I6. What circumstances would cause you to sell your permit?
- I7. How many times have you emergency transferred your permit?

J. Crewmembers

- J1. Is it important for you to own a permit? Better to not assume risk and remain a crewmember?
- J2. What has made you stay in the fishery?
- J3. What would make you leave the fishery?

K. Permit Holders and Retired Permit Holders

- K1. How did you get your permit?

L. Youth

- L1. Do you want to be a commercial fisherman?
- L2. Have you commercial fished?
- L3. Have your parents encouraged you to fish or have they encouraged you to go to college or the military?
- L4. What would you rather do instead?

- L5. What makes you want to fish instead of getting another job?
- L6. Do you want to live here or move out of the region in the future?

M. Togiak Residents

- M1. How has your life changed since Togiak Seafoods opened?
- M2. How has your life changed since Togiak was made an exclusive fishing district?
- M3. Should these permits stay in Togiak and not be transferred out of the District?

N. Togiak Residents and Others Who Fished in Togiak

- N1. How has Togiak Seafoods changed the fishery in the Togiak District?
- N2. Why do you fish in Togiak instead of another District?

IV. RESEARCH RESULTS

INTERVIEW ANALYSIS:

I structure the reporting of my research results in terms of the specific questions I posed in the introduction. These are the questions that I asked interviewees. For each question there are the number of people whose situation corresponded to this question and their responses. For each question, I recorded their response. In this section, I will present tables the statistical breakdown for the response for each question as a whole and by comparing different groups. Some analyses of the differences between fishery participants, age groups and communities are each located in separate appendices. When I use the term people, I mean people interviewed for this study and not the general population.

The groups are defined as BBEDC staff, BBEDC permit holder participants, crewmembers, permit holders, youth and retired permit holders. Furthermore, a person belongs to a secondary group: youth (18-35); middle age (35.01-60) and elderly (60.01-); by residing in Dillingham, New Stuyahok, Manokotak and Togiak or by race, Caucasian or Alaska Native. Each question is often answered with multiple points so answers are calculated based on how many people mentioned each point and thus they do not add to 100%.

PEOPLE'S EXPERIENCE WITH FISHING

To understand why people are fishing, it is important to understand how people got into the fishery and why they have continued to fish today. If most people are getting into the fishery through their families than this presents a challenge for people who want to get into the fishery but whose family either does not fish or they have sold their permit. I hypothesized most people got into the fishery at an early age through fishing with their family and this is a strong indicator of why they are still participating in the fishery today. People who fish with their family tend to view fishing as more than a job. Rather, it's a "way of life."

To address these questions, I asked all fishery participants the following questions:

A1. How did you get into the fishery?

A total of 104 people responded to this question including 26 Caucasians and 78 Alaska Natives. I hypothesized people got into the fishery through their family and this is a strong indicator of why they are still participating in the fishery today. People who fish with their family tend to view fishing as more than a job. Rather, it's a "way of life."

The interview results suggest most people got into the fishery through their family. More than 82.7% of people I interviewed learned to fish from family as a child. Of the Alaska Native respondents, 88.5% learned to fish with their family when they were children. Of Caucasian respondents, 65.4% learned to fish from family as children but 11.5% of people got into the fishery when they married an Alaska Native woman who was involved in the fishery through her family.

How did you get into the fishery?

Table A1.1

QuickTime™ and a
decompressor
are needed to see this picture.

Alaska Natives have a strong history of having fishing knowledge passed down among

families whereas many Caucasians have a diversity of experiences of how they began to fish. Responses from both groups illustrate the traditional path of how both races entered the fishery. When commercial fishing began in the late 19th century, canneries hired young Caucasian men in Seattle or San Francisco to fish with a partner in a company owned boat. Some of these fishermen have descendants who fish in Bristol Bay today but it is less common for Caucasian fishermen to have gotten into the fishery through their family. By contrast, Alaska Natives families have subsisted together for thousands of years. In some ways, commercial fishing is an extension of this subsistence lifestyle except they are selling their fish.

A2. Who taught you how to fish?

A total of 121 people responded to this question including 28 Caucasians and 93 Alaska Natives.

Fishing will mean more to people if they learned how to fish from family. People who learned to fish from family are more likely to have acquired permits from family members by gift or inheritance. I hypothesized how people learned to fish affects how they think about fishing, as well as how they acquired permits.

The interview results strongly suggest that most Bristol Bay residents learn to fish from family. More than 90.9% of the people I interviewed learned to fish from family members. Of Alaska Natives, 95.7% and 75% of Caucasians learned from family.

Who taught you how to fish?

Table A2.1

QuickTime™ and a decompressor are needed to see this picture.

Note: I asked everyone who had experience fishing at least once.

Respondents expressed vivid memories of fishing with parents and grandparents. Many residents view commercial fishing as a lifestyle choice, rather than a means to strictly make money. Permit Holder Set Dillingham 7 and Permit Holder Drift Naknek 1 both view commercial fishing this way. Like a lot of other families who fish, their entire family would move to their set net site during the fishery where many kids were first exposed to the fishery. Permit Holder Drift Togiak 9 demonstrates the most common way for people to acquire permits. The children grow up and their grandparents and parents become too old to fish, they hand the permits and associated gear including boats and sites down to their children.

“I remember pulling fish up as a 3-4 year old on the muddy shores of Igushik Beach.”

Permit Holder Set Dillingham 7

“I was born into it, I guess. It was what my parents did and the kids went set netting on the beach. My dad trapped in the winter and drifted in the summer. I grew up on the beach set netting.” Permit Holder Drift Naknek 1

“My grandpa. I started fishing with him when I was 9. He was the permit holder and he got old and retired so he permanently transferred the permit and boat to me.” Permit Holder Drift Togiak 9

“Before I go fishing, I learned to subsist at Lewis Point, clean everything, and pick fish. Subsistence. I helped my mom and other people because most of our parents would fish, but I’d stay at fish camp. I hang nets. My mom subsistence fished and father drifted.” Permit Holder Drift New Stuyahok 1

Traditionally, men drifted and women set netted. It was very difficult for many women to get into the drift fishery because it was culturally unacceptable for women to drift. This put BBEDC Drift Crewmember Dillingham 1 at a disadvantage when an elderly family member offered to sell his drift permit to her. Like many women, her family had a long generational knowledge of drifting, but it was restricted to men. Thus there was a substantial learning curve when she began to drift but her elderly relative was too old to teach her.

“My uncle approached me and asked me if I wanted to purchase his fishing [drift] permit and I jumped at the deal because it was always something I wanted to do since I was a child. As a female, it wasn’t something I was able to do.” Crewmember Drift Dillingham BBEDC 1

Children started out set netting and as they grew older. The boys would go drifting with their fathers until they were old enough to get their own boat and the girls would continue set netting with their mother. In coastal communities, Dillingham and Togiak, the women would set net commercially but in villages, New Stuyahok, farther in land, the women would set net for subsistence at their fish camp.

“My grandfather had the same site that we had at Ekuk. It was 50 years ago, before permits. They went down and fished every year. He retired, giving it to my mom. There were no permits then either. We grew up from when we were toddlers. We inherited it from our grandfather and we would never sell it. My mom registered and became a permit holder. She retired from fishing at 87 and gave the permit to me because I would never sell it [one of 13 kids]... It is our legacy, our heritage... We love that place.” Permit Holder Set Dillingham 8

In addition to the substantial costs to enter the fishery, commercial fishing requires a lot of “on the job” skills that are traditionally handed down in families. In drifting, these skills may include fishing hot spots, currents, tides and location of sandbars. As Permit Holder Set Dillingham 8 indicated, set net sites are handed down from generation to generation. Not every set net site is a productive site so this family knowledge is important.

“I fished with a couple of guys, one year and one another year. One was from up river and one was from Dillingham. I learned the basics. From there you learn on your own. Traditionally, you get the basics handed down from someone else and then you are expected to figure it out on your own.” Permit Holder Drift Dillingham 6

For those participants whose families did not teach them how to fish as a child, most people still followed this same trajectory and learned from friends and family later in life. For Caucasian men who did not grow up fishing, their Alaska Native wives would teach them how to fish. Their wives had learned to fish from their families as children. Finally, the third most common way for people to first get into the fishery was to fish for friends.

For the majority in both groups, Caucasian and Alaska Native, people learned to fish from their family. People who have bought permits through the BBEDC Permit Loan Program had family and friends who fish too. This could be a strong factor of why people bought a permit through the BBEDC Permit Loan Program. If most people get into the fishery through their friends and family, it demonstrates that most people get into the fishery because they know someone who already participates. Local knowledge is very important for retaining permits in the region. With fewer permits and thereby fewer families fishing, there are fewer opportunities for residents to be exposed to the fishery.

A6. Do your friends and family fish?

A total of 89 people responded to this question, including 5 BBEDC Permit Loan Program participants, 44 people in Dillingham, 8 people in Manokotak, 20 people in New Stuyahok and 30 people in Togiak.

I hypothesized people who were fishing had family and friends who were fishing too. Most people got into the fishery because they fished with family. Whether their family still fishes is a strong indicator of why they fish. To a lesser degree, if their friends fish than they are more likely to fish because they belong to a fishing community.

The interview results strongly suggest most Bristol Bay residents who fish have friends and family who fish too. 95.5% of all respondents and 80% of BBEDC loan participants have friends and family who fish too.

Do your friends and family fish?

Table A6.1

	Number of responses		Percentage of responses	
	All respondents	BBEDC participants	All respondents	BBEDC participants
TOTAL	89	5	100.0%	100.0%
Yes	85	4	95.5%	80.0%
No	3	1	3.4%	20.0%
Number of people asked	118	5		

Note: I asked youth, crewmembers and permit holders this question.

The interview results suggest major differences between communities. 81.8% of people in Dillingham have friends and family who fish, 50% of the people in Manokotak and Togiak have friends and family who fish but only 35% of people in New Stuyahok have friends and family who fish. New Stuyahok, Manokotak and Togiak have lost a lot of permits.

Do your friends and family fish?

Table A6.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	44	8	20	30	100.0%	100.0%	100.0%	100.0%
Yes	36	4	7	15	81.8%	50.0%	35.0%	50.0%
No	8	4	13	15	18.2%	50.0%	65.0%	50.0%
Number of people asked	46	8	21	30				

These results relate to the number of permits that have been sold by residents of these communities. When a permit is sold, 2-3 crewmember jobs are lost too. All 4 communities have lost many permits, but the loss of fishing knowledge and crewmember jobs have affected communities differently. The interview results suggest the loss of fishing knowledge and crewmember jobs have had a big impact on New Stuyahok but have had less impact on Dillingham because fishing knowledge remains strong in Dillingham. This confirms my hypothesis that as permits have left the community, there are fewer opportunities for people to get involved in the fishery.

YOUTH'S INTEREST IN FISHING

People who are most likely to buy a permit are youth and crew and the BBEDC Permit Loan Program targets youth. However, BBEDC assumed youth are interested in fishing and they want to buy a permit. So far, few youth have bought permits suggesting either they are not interested in fishing and/or they do not want to buy a permit. If it is true that youth do not want to buy a permit than this could be a reason why the BBEDC Permit Loan Program has not been able to reverse permit loss in Bristol Bay. I hypothesize youth are interested in fishing but due to its seasonal nature, they might be considering more stable job opportunities.

To address these questions, I asked youth the following questions.

L1. Do you want to be a commercial fisherman?

A total of 5 youth responded to this question.

I asked youth this question to understand if they were interested in fishing in the future. If youth are not interested in fishing than the trend of declining local permit ownership is going to decline further.

Of the responses, 40% of youth said they were interested in fishing, another 40% said they might be interested in fishing and the remaining 20% said no.

Do you want to be a commercial fisherman?

Table L1.1

	Number of responses	Percentage of responses
	Youth	Youth
TOTAL	5	100.0%
It is a nice job for the summer, but I would only continue to fish if I was fishing crew for family	1	20.0%
I like the experience	1	20.0%
No	1	20.0%
Yes, my parents have been bringing it up	1	20.0%
I might do it in the future	1	20.0%
Number of people asked	46	

Note: Only 5 youth were asked this question. 46 indicates the total number of youth interviewed.

Some youth are trying to carry on their family's tradition of fishing while pursuing stable employment.

“My plan is to work after I complete my nursing degree. I would try to take the time off to fish. My mom still set nets even though she is a nurse.” Permit Holder Drift Dillingham 14

L2. Have you commercial fished?

A total of 10 youth responded to this question.

I asked this question to gauge how interested youth were in commercial fishing. I hypothesized youths who have experience commercial fishing were much more likely to buy a permit. The implication is that as permits continue to leave the region there would be fewer opportunities for youth to get involved in the fishery.

There were not enough respondents to answer this question authoritatively however, 60% said yes, they had commercial fished before and 40% said no, they had not commercial fished. Nearly all youth who had fished most consistently over the years had fished with their family. Youth who had fished with friends or strangers had not fished as many years. These youth were more casual participants who had worked in other occupations as often as they had fished.

Have you commercial fished?

Table L2.1

	Number of responses	Percentage of responses
	Youth	Youth
TOTAL	10	100.0%
Yes	6	60.0%
No	4	40.0%
Number of people asked	46	

Note: Only 10 youth were asked this question. 46 indicates the total number of youth interviewed.

However, nearly all youth I interviewed had commercial fished before because they were active permit holders or crewmembers. It was easier to identify youth who had experience commercial fishing because often they fished with their family. Often a parent would be a permit holder and they would suggest I talk to their children. Youth who grew up in Bristol Bay but who were not in the fishery were much more likely to not be currently living in the region.

The challenge to increasing local permit ownership is how to get youth who have not commercial fished, involved in the fishery. As indicated in earlier responses, people who have experience fishing are the most likely people to continue to fish and even buy a permit. There are different educational fish camps for youth to be exposed to fisheries, but there could be more opportunities in different towns, not only Dillingham.

L3. Have your parents encouraged you to fish or have they encouraged you to go to college or the military?

A total of 8 people responded to this question.

I asked this question to understand youth’s decision of whether they want to pursue a career in fishing. Most of these youth fished with their parents or were permit holders during the early 2000s when the price collapsed. Fishing is always an inherently risky business but going to college or the military offers a chance for a more stable future. With few economic opportunities in the region, people who do plan to stay in the region are often encouraged to consider fishing as a future career. People who go to the military or college will most likely not fish because their job does not allow them to take off 1-2 months to fish. I hypothesized most parents would encourage their children to attend college rather than fish.

Of the responses 50% said their parents encouraged them to attend college and the remaining 50% said their parents encouraged them to fish.

Have your parents encouraged you to fish or have they encouraged you to go to college or the military?

Table L3.1

	Number of responses	Percentage of responses
	Youth	Youth
TOTAL	8	100.0%
My parents have encouraged me to attend college	4	50.0%
My parents have encouraged me to fish	4	50.0%
Number of people asked	46	

Note: Only 8 youth were asked this question. 46 indicates the total number of youth interviewed.

The results indicate many parents consider commercial fishing to be important to their family but they may also want their children to pursue in their own interests. In asking this question, some of these youth had already made this career choice and were permit holders or in college already but they all had experience fishing.

The challenge to increasing local permit ownership is how to make commercial fishing compatible with year round employment. There are businesses in the region that give their employees generous leave allowances to commercial fish, but many people have had to choose between commercial fishing and a non-fishing job. People who will buy a permit are the most likely to need a non-fishing job to make their payments.

L4. What would you rather do instead?

A total of 25 people responded to this question.

I asked people this question because I did not know how committed youth were to fishing and I wanted to understand factors they consider when deciding whether to continue fishing. I wanted to understand if youth were fishing because they were not considering other options or they were

fishing until a better opportunity became available for them. I hypothesized youth were considering many opportunities in and outside the region.

The interview results suggest most youth want to continue to fish. 56% of youth said they want to fish and were not considering any other options. Some of these youth had already been gifted or bought a permit, demonstrating their commitment to remain in the fishery. The remaining 44% were considering opportunities mostly outside the region including college and Job Corps in Palmer, Alaska. 16% acknowledged fishing is not a stable way to earn a living, but would continue to fish as long as they fish with their family. 4% mentioned they would like to do an internship or study abroad but often those happen during the same time as fishing.

What would you rather do instead?

Table L4.1

	Number of responses	Percentage of responses
	Youth	Youth
TOTAL	25	100.0%
Nothing else	9	36.0%
If I did not fish for immediate family, I would find a job with a steady income	4	16.0%
Go to college	3	12.0%
Job Corps	2	8.0%
I do not know	2	8.0%
Teach in the winter, fish in the summer	1	4.0%
Construction	1	4.0%
Mechanic school	1	4.0%
Internship/Study Abroad (summer)	1	4.0%
Choose a job that allows me to fish	1	4.0%
Number of people asked	46	

Note: 25 youth were asked this question. 46 indicates the total number of youth interviewed.

Youth who live in the region are not necessarily interested in fishing if there are better economic opportunities.

“I would rather do the construction season because that is a field you do a good portion during the summer months, doing work that cannot be done at any other time of the year. The rest of the year you can work inside finishing it. If we had a shorter winter and a longer fishing season, I’d rather stay in construction.” Drift Crewmember Dillingham 1

“I go back to fishing but I have finished carpentry school and want to become a heavy equipment operator.” Crewmember Drift New Stuyahok 2

Some youth who were in college felt they were at a disadvantage to their college peers who were

studying abroad or interning in their field of interest. These youth felt they would less competitive for future employment. This point illustrates that youth are considering a range of different opportunities in and outside of the region. The challenge to the BBEDC Permit Loan Program is how best to make commercial fishing the most attractive option.

L5. What makes you want to fish instead of getting another job?

A total of 26 people responded to this question.

I asked this question because I wanted to know what motivates youth to fish. It is a dangerous job with long hours and can be risky. Based on earlier questions where I asked everyone how they got into the fishery, most people responded they had gotten involved through their family and fishing was culturally significant for them.

The interview results suggest youth feel the same way as the general population. Although 42.3% said they fish because it is a “way of life,” many other responses indicate the same view of fishing as significant culturally to them. When youth talk about fishing as a “way of life,” often they are referring to several generations of family who have fished before them, again getting back to the idea that in families who fish, fishing is a part of their identity. Only 7.7% said they would rather do something other than fishing.

What makes you want to fish instead of getting another job?

Table L5.1

	Number of responses	Percentage of responses
	Youth	Youth
TOTAL	26	100.0%
It is a way of life	11	42.3%
I would rather do something else	2	7.7%
Tradition	2	7.7%
It is a great summer job	2	7.7%
It is a lot of fun	2	7.7%
I do not know	1	3.8%
I like it	1	3.8%
It is part of my culture	1	3.8%
I would miss it	1	3.8%
I like the freedom	1	3.8%
It pays for my college	1	3.8%
I do it because my family fishes together	1	3.8%
Number of people asked	46	

Note: Not all youth were asked this question. 46 indicates the total number of youth interviewed.

Most youth including Crewmember Drift New Stuyahok 3, fish with their family and this keeps them coming back year after year. As Permit Holder Drift Dillingham 15 indicate, the main

reasons youth fish are they have fished with their families a long time and it gives them a lot of freedom to pursue other interests like college in the winter.

“The freedom would make me want to fish. Becoming a captain at such a young age gave me responsibility. I was born into it. It was nice having those skills right off the bat... What drew me to it was the work ethic, being on top of things. You have to be looking out for someone, your boat or net.” Permit Holder Drift Dillingham 15

“Tradition. I spend time with my dad.” Crewmember Drift New Stuyahok 3

Yet as Permit Holder Drift Dillingham BBEDC 2 puts it, people who fish tend not to have a lot of money and this is the main reason to pursue other employment. This participant recently bought a permit and is a participant in the Permit Loan Program. He should be one of the most optimistic individuals about the fishery but he does not view it as a viable career choice especially in a region with a high cost of living.

“Half fish and the other half have good paying jobs.” Permit Holder Drift Dillingham BBEDC 2

Youth are interested in commercial fishing and many view it in the traditional way that see fishing as “a way of life.” Very few respondents mentioned they fish because it is a good business with growth opportunities. The most successful permit holders think of fishing as a business. They carefully manage their money, pay their crew well and pay their taxes. It is good youth are interested in commercial fishing for more than making money, but to be successful permit holders, they must learn to run their boat or set net site as a business.

L6. Do you want to live here or move out of the region in the future?

A total of 32 people responded to this question.

I asked this question as another indicator of how interested youth are in the fishery. I hypothesized youth who want to move outside the region are less likely to remain involved in the fishery than youth who remain in the region.

The interview results indicate 62.5% of youth definitely want to live in the region in the future but many of the remaining youth are more hesitant about remaining in the region.

Do you want to live here or move out of the region in the future?

Table L6.1

	Number of responses	Percentage of responses
	Youth	Youth
TOTAL	32	100.0%
Living in the region	20	62.5%
Move to Anchorage	4	12.5%
I do not know	4	12.5%
Coming back for the summer only	2	6.3%
Possibly move out of the region	2	6.3%
Number of people asked	46	

Note: Not all Youth were asked this question. 46 indicates the total number of youth interviewed.

The majority of youth want to live in the region in the future. However, many youth feel torn between continuing to fish in the summer with their families and pursuing more stable employment opportunities elsewhere. As Crewmember Set Togiak 3 states, she is interested in fishing but not living in the region full time.

“I am moving to Anchorage. I see myself spending every summer in Togiak, but definitely not the winters as there are very little employment opportunities.” Crewmember Set Togiak 3

Those who are interested in fishing are making a concerted effort to remain in the fishery. Some are studying to become teachers so they will have the time off to fish in the summer. Youth who are in college expressed concern that their college peers were doing internships that could give them an edge in the job market. Still they recognize that as a summer job, fishing is still a good job.

Some of these youth were fishing during the early 2000s when fish prices were low and consequently, they see other employment opportunities in the region as more lucrative. Construction during the summer was the main reason people chose not to fish. As the fish runs are unpredictable and construction funding relies heavily on government funding, these occupations are not always the most stable. For many, their future is undecided and they do not want to commit to living in the region permanently yet. Youth Dillingham 3 shares a commonly held viewpoint.

“I will live and die here. I am still young so I am not going to settle down now, but I will call it my permanent home.” Youth Dillingham 3

Youth who are not as interested in fishing tend to want to live elsewhere, exploring other employment opportunities. Youth Dillingham 1 has no experience commercial fishing. Youth in New Stuyahok seemed very interested in attending Job Corps in Palmer and AVTEC in Seward. Youth in New Stuyahok were the least likely of all youth in the different villages to have fished

with their families and correspondingly many were not interested in fishing. In fact, there was only one permit holder who was a youth compared to 14 youth in Dillingham and 5 youth in Togiak who owned permits.

“Coming back for the summer but not returning here to raise a family... With the high cost of living and lack of entertainment, I do not know if I could stay here permanently. It may change over the next 10 years but the way it is now, I could not see myself staying here.”

Youth Dillingham 1

Considering an earlier question where youth were asked what they would rather do than fishing, a wide range of options were mentioned in and out of the region. Many youth were considering more than one option so they do not know where they will live in the future. Older youth who had settled down in the region reported moving in and out of the region several times for different opportunities before settling down in the region.

The challenge to increasing local permit ownership is a requirement of BBEDC to be a full time resident for the duration of the Permit Loan Program, 15 years. BBEDC is targeting youth but youth are the least likely to want to stay in the region. However, older youth who are over 30 are the most committed to living in the region and are the best targets for the program.

HOW PERMIT HOLDERS ACQUIRED THEIR PERMITS

To understand what affects local permit ownership, and what could be done to increase local permit ownership, it is important to understand how current and former permit holders acquired their permits. If many current and former permit holders bought their permits, this suggests that it is not necessarily difficult for locals to buy permits. If few current and former permit holders bought their permits, this would suggest that it may be difficult for locals to buy permits. I hypothesized most people got their permit from Limited Entry or initial allocation of permits or a family member gifted them their permit, and that relatively few bought them.

To address these questions, I asked all current and former (retired) permit holders the following question:

K1. How did you get your permit?

A total of 94 people responded to this question, including 39 people from Dillingham, 7 people from Manokotak, 13 people from New Stuyahok and 23 people Togiak, 22 youth, 48 middle age, and 24 elderly.

Most current permits got their permit as a gift from their family or through initial allocation. 45% of current permit holders got their permit as a gift from their family and 20.8% got their permit through the initial allocation when Limited Entry was established. Only 11.9% bought their permits. 21.8% of respondents acquired them in a variety of miscellaneous ways. These results confirm my hypothesis that relatively few current or former permit holders had bought permits.

How did you get your permit?

Table K1.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	101	100.0%
Family gifted them their permit	46	45.5%
Limited Entry	21	20.8%
Bought a permit	12	11.9%
Loan from Alaska State Division of Investments	6	5.9%
Loan from CFAB	5	5.0%
Family emergency transferred them their permit	3	3.0%
BBEDC permit loan program	3	3.0%
Friend loaned them the money to buy a permit	2	2.0%
Won the permit in a lawsuit	1	1.0%
Paid the renewal fees owed on my father's permit	1	1.0%
Traded a drift permit for a set net permit and a boat	1	1.0%
Number of people asked	94	

Note: I asked this question to permit holders and former (retired) permit holders. When people held multiple permits, their responses for each permit are included separately.

The interview results suggest most people got their permit from their family or from Limited Entry. 30.8% of people in Dillingham, 42.9% of people in Manokotak, 61.5% of people in New Stuyahok and 65.2% of people in Togiak got their permit from a family member gifting them a permit. 17.9% of people in Dillingham, 42.9% of people in Manokotak, 30.8% of people in New Stuyahok and 8.7% of people in Togiak got their permit from Limited Entry.

Of the 8 permits people had purchased, 6 people lived in Dillingham and 1 person lived in Togiak and 1 person lived in Aleknagik. None of the Manokotak or New Stuyahok respondents had bought permits.

How did you get your permit?

Table K1.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	39	7	13	23	100.0%	100.0%	100.0%	100.0%
Family gifted them their permit	12	3	8	15	30.8%	42.9%	61.5%	65.2%
Limited Entry	7	3	4	2	17.9%	42.9%	30.8%	8.7%
Bought a permit	6	0	0	2	15.4%	0.0%	0.0%	8.7%
Loan from Alaska State Division of Investments	5	0	0	1	12.8%	0.0%	0.0%	4.3%
Loan from CFAB	3	0	0	2	7.7%	0.0%	0.0%	8.7%
Family emergency transferred them their permit	3	0	0	1	7.7%	0.0%	0.0%	4.3%
BBEDC permit loan program	3	0	0	0	7.7%	0.0%	0.0%	0.0%
Friend loaned me the money to buy a permit	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Won the permit in a lawsuit	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Paid the renewal fees owed on my father's permit	0	0	1	0	0.0%	0.0%	7.7%	0.0%
Traded a drift permit for a set net permit	0	1	0	0	0.0%	14.3%	0.0%	0.0%
Number of people asked	39	7	13	23				

The responses show major differences between age groups. Most elderly respondents got their permits in the initial distribution. In contrast, family gifts were the common way in which middle age people and youth acquired permits. The interview results suggest that youth and middle age have taken out loans to buy permits while elderly people have little experience taking out loans to buy permits.

How did you get your permit?

Table K1.3

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	22	48	24	100.0%	100.0%	100.0%
Family gifted them their permit	12	21	5	54.5%	43.8%	20.8%
Limited Entry	0	12	18	0.0%	25.0%	75.0%
Bought a permit	1	4	0	4.5%	8.3%	0.0%
Loan from Alaska State Division of Investments	3	2	0	13.6%	4.2%	0.0%
Loan from CFAB	0	4	1	0.0%	8.3%	4.2%
Family emergency transferred them their permit	3	0	0	13.6%	0.0%	0.0%
BBEDC permit loan program	1	2	0	4.5%	4.2%	0.0%
Friend loaned them the money to buy a permit	1	1	0	4.5%	2.1%	0.0%
Won the permit in a lawsuit	1	0	0	4.5%	0.0%	0.0%
Paid the renewal fees owed on my father's permit	0	1	0	0.0%	2.1%	0.0%
Traded a drift permit for a set net permit and a boat	0	1	0	0.0%	2.1%	0.0%
Number of people asked	26	45	24			

The interview results suggest people in Dillingham and Togiak have purchased permits using CFAB, BBEDC’s Permit Loan Program and the Alaska State Division of Investment loan programs, but people in Manokotak and New Stuyahok do not experience using these loan programs. Instead of buying a permit, people in Manokotak and New Stuyahok have used creative methods to obtain a permit. In Manokotak, one individual traded his drift permit for a set net permit and a boat and in New Stuyahok; another individual got his father’s permit after CFEC revoked it because of the unpaid fees.

Most elderly respondents and some middle age respondents got their permits through initial allocation. There is no retirement age in fishing and there are still quite a few people who started fishing when the majority of locals were first allowed into the fishery during World War II.

“Initial allocation because of fishing experience. When I started fishing, I was captain on my own boat. I rented the boat from APA at Clark’s Point.” Permit Holder Drift Clark’s Point 3

“Initially allocated from the State. I had enough points when I showed them all my licenses and when I fished with my mom and dad.” Permit Holder Set Togiak 5

Often as in the case of Permit Holder Drift Togiak 6, people did not initially qualify for a permit, but they later prevailed and got a permanent permit, in one case 25 years later.

“I started as a crewmember. It took me 20 years to get my permit permanent because of the legal system they had there. The last time I was fighting for my permit because of the legal system they had there. I was supposed to have a hearing... I had to fly to Seattle in a 20 minute hearing and they denied my permit yet I had a gear license and stuff. I had more points than required. I was a member of the Wassillee case and that is how I got my permit.” Permit Holder Drift Togiak 6

The second most common way for people to get a permit is through their family. For those people who did not get a permit, a family member would often gift their permit to them or in the case of many middle age people; one spouse would retire, giving the permit to their husband or wife.

“Dad gave me the permit. He had it for years. I was too young to get a permit from the State. My grandfather was done fishing... He got a permit and gave it to my cousin. We fished with my grandfather and my cousin worked harder and better so he gave it to him. When I do good fishing, I try to give some money to my father.” Permit Holder Drift New Stuyahok 1

Youth are primarily acquiring permits in two ways, both with help from family. The first way is a family member, usually their parents, gifting them a permit. The second way is buying permits with help from their family. However, due to the number of locally owned permits sold outside of the region, there are fewer opportunities for most youth to inherit a permit, the traditional method of permit acquisition. To remain in the fishery, many youth will have to buy a permit, but this is a radical change from older generations who got their permit from a family member or from “Limited Entry.”

Dillingham was the only community whose youth were buying permits. As in the cases with Permit Holder Drift Dillingham BBEDC 2 and Permit Holder Drift Dillingham 2, their parents had the financial resources to help their child acquire a permit. These parents had been in the fishery a long time and they saw the value of owning a permit. Many youth are interested in buying a permit but they often have little to no credit history to help them qualify for a bank loan. Several respondents had received assistance from parents in obtaining collateral for loans:

“I have a permit now, but it’s my dad’s permit. So if he ever wants it, it would go back to him.” BBEDC 5/ Permit Holder Drift DLG 16

“BBEDC Permit Loan Program. My parents had an influence on me. They asked me when I was 17 if I wanted a permit and they decided they did not want to buy me a permit because I wasn’t a full time fisherman. A few years ago, my dad calls me to tell me about the BBEDC Permit Loan Program since I love to fish. I said, “let me look into it” and he gave me the down payment. I paid him after fishing.” Permit Holder Drift Dillingham BBEDC 2

“My parents cosigned the loan, put up their permit and boat as collateral. I paid the closing cost.” Permit Holder Drift Dillingham 2

Like youth, the majority of middle age people who responded acquired their permit from their family. In some cases, rather than the permit being passed vertically through generations, it is passed horizontally instead. In coastal villages where it was common for the wife to set net and the husband to drift, there were often 2 permits in the family. When one spouse became too old to fish or passed away, the remaining spouse could not fish both a set net and a drift permit and would have to decide what to do with the other permit. In the case of Permit Holder Set Dillingham 4, he decided to sell his drift permit that he had gotten through initial allocation and fish his wife's permit instead.

"My wife got the set net permit and I got a drift permit. When she died, I got the set net permit." Permit Holder Set Dillingham 4/ Retired Permit Holder Dillingham 1

Dillingham was the only community where more than one resident had bought a permit. However, more people are interested in buying a permit in Togiak. Since Copper River Seafoods partnered with the Togiak Traditional Council to open Copper River Seafoods, they have been paying more than any other processor in Bristol Bay. This new processor has renewed interest in the fishery. Permit Holder Set Togiak 2 bought a permit in Togiak but they have a second income, owning a prominent business in town. Another person is going through BBEDC paperwork to be accepted into the Permit Loan Program to buy a set net permit. In both cases, these people had significant experience fishing with their spouse who already owned a permit. Finding a set net site is a challenge for many people wishing to acquire a permit but in the Togiak District, there are open sites in Kulukak Bay.

"A lot of people were selling their permits, outsiders to, especially when the price was 50-60 cents. It was more of a hobby because we were not making any money. Copper River Seafoods came in and got the price up. Last year, we did not get that many fish but we got paid well for them. On the spur of the moment, I said to my wife, "let's pay for another permit... I bought a \$12,000 skiff. This year we thought we have this boat and could fish two nets... What difference does it make to buy another permit? CFAB gave us a loan for 0% [down payment]. This year, we did 44,000 pounds of reds, twice as much as we usually do..." Permit Holder Set Togiak 2 – bought a second permit this year

No one has bought a permit in Manokotak or New Stuyahok. In almost every case, they got their permit from it being initially allocated to them or a family member gifted it to them. However, in many cases the permit holder has many family members who would like to inherit the permit. As Permit Holder Drift New Stuyahok 11 attests, the permit holder tries to make the best decision on who will get the permit but sometimes the person is not responsible enough to be a permit holder. In this case, they were not paying the renewal fees so another family member was able to set in and get the permit but in most situations, the permit holder sells the permit.

"Years back, my dad's permit, he had it permanently transferred to my younger brother and I knew he wasn't participating in the fishery. I asked him about the permit. He abused alcohol badly and he said, "the State has a lien on it." I called CFEC and asked them for it and they were holding it unless someone paid the fees. I paid \$2,000-\$3,000 to get it out and handed it to my hands for the next upcoming season. I renew it every year. My brother

did not go back into the fishery. He mainly stayed home.” Permit Holder Drift New Stuyahok 11

When people are determined to get a permit but they cannot obtain a permit because no family will give them a permit, lack of financing or have poor credit, they will obtain permits in non-traditional ways. Permit Holder Set Manokotak 1 bartered to get a permit, Permit Holder Dillingham 6 borrowed money from a friend and pays him at the end of each season. Permit Holder Set Dillingham 1 said CFEC has been allowing a non-transferable permit to be transferred to a family member 10 years in a row. Usually a permit cannot be transferred that many times, but because the permit is non-transferable, CFEC is making an exception. However, if CFEC denies the transfer and the person does not fish the permit or the permit holder passes away, the permit will expire.

A guy gave me a set net permit and a boat and my dad gave him the drift permit.” Permit Holder Set Manokotak 1

“My mom transferred it to me. It’s an interim permit (non-transferable) so it is restricted. My brother and I share it. It does not matter because I still fish with him. My parents retired 10 years ago so I took it over when I was 15. She does an emergency transfer because she takes care of my grandma.” Permit Holder Set Dillingham 1

“Bought it with the help of my friend. I make payments to him each season.” Permit Holder Set Dillingham 6

BBEDC’s Permit Loan Program is targeting youth and middle age people and they are the groups enrolling in the program. Of the 94 current and former permits holders I interviewed, only 16 had acquired their permits through loan programs, including the 6 who used the State Division of Investments program, 5 who used the CFAB program, 3 who used the BBEDC program, and 2 who borrowed money from friends. This may help to explain part of why the Permit Loan Program has had relatively low participation. Although some local residents have borrowed money to buy permits, most current and former permit holders acquired their permits in other ways.

BRISTOL BAY RESIDENTS' INTEREST IN BUYING PERMITS

To understand long term interest in the fishery, I asked people if they or a family member were interested in buying a permit. Earlier, I gauged youth's long term interest in the fishery, but I wanted to understand if there was interest among the entire group. If people are not interested in buying a permit than this could be the main contributing factor of why local permit ownership is declining. I hypothesized people are interested in buying a permit because for many people, fishing is the most obvious choice of making money in Bristol Bay.

To address these questions, I asked youth, crew, permit holders and some former (retired) permit holders these questions:

A3. Are you interested in buying another or a permit?

A total of 109 people responded including 53 drift permit holders, 15 drift crewmembers, 34 set net permit holders and 9 set net crewmembers.

I asked this question to test the theory permits were too expensive and this was the reason Bristol Bay residents were not buying permits. During the summer of 2011, drift gill net permits were being sold for \$160,000 and set gill net permits were being sold for \$40,000. I hypothesized people were interested in buying a permit because of the high salmon prices and above average runs but most people were being priced out of the market.

The interview results suggest that people are interested in buying a permit. 35.8% of people want to buy a permit. 15.6% of people wanted to buy a permit but they could not afford a permit. 2.8% of people recently bought a permit. When people think of buying a permit they tend to think of in terms of their family. 11% would like to buy a permit for a family member. 1.8% of people do not want to buy a permit because they are fishing as crewmembers for their family.

Are you interested in buying another or a permit?

Table A3.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	109	100.0%
Yes	39	35.8%
No, I cannot afford it	17	15.6%
Not at this time	15	13.8%
I have thought about buying one for family	12	11.0%
No, I am close to retiring	7	6.4%
No, I already own 2 permits	3	2.8%
I have not thought about it	3	2.8%
No, I recently bought a permit	3	2.8%
No, I am inheriting a permit	2	1.8%
No, I want to buy a boat	2	1.8%
Not as long as I continue to fish with family	2	1.8%
No, good set net sites are hard to buy	2	1.8%
No, I do not want to make fishing my career	1	0.9%
It depends on the price of fish	1	0.9%
Number of people asked	111	

The interview results strongly many people would like to buy a permit for themselves or help a family member buy a permit. 18.9% of drift and 8.8% of set net permits holders have thought about helping a family member buy a permit. Drift and set net crewmembers were the most likely groups to want to own a permit.

6.7% of drift crewmembers and 0.0% of set net crewmembers thought money was a barrier to buying a permit. 20.8% and 17.6% of drift and set permit holders, respectively, said they could not afford to buy a permit. 3.8% of drift permit holders may have the money but they want to buy a boat instead.

Are you interested in buying another or a permit?

Table A3.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	53	15	34	9	100.0%	100.0%	100.0%	100.0%
Yes	8	11	14	8	15.1%	73.3%	41.2%	88.9%
No, I cannot afford it	11	1	6	0	20.8%	6.7%	17.6%	0.0%
Not at this time	10	0	6	0	18.9%	0.0%	17.6%	0.0%
I have thought about buying one for family	10	0	3	0	18.9%	0.0%	8.8%	0.0%
No, I am close to retiring	4	0	1	0	7.5%	0.0%	2.9%	0.0%
No, I already own 2 permits	2	0	1	0	3.8%	0.0%	2.9%	0.0%
I have not thought about it	2	0	0	0	3.8%	0.0%	0.0%	0.0%
No, I recently bought a permit	2	0	0	0	3.8%	0.0%	0.0%	0.0%
No, I am inheriting a permit	0	2	0	0	0.0%	13.3%	0.0%	0.0%
No, I want to buy a boat	2	0	0	0	3.8%	0.0%	0.0%	0.0%
Not as long as I continue to fish with my family	1	0	0	1	1.9%	0.0%	0.0%	11.1%
No, good set net sites are hard to buy	0	0	0	0	0.0%	0.0%	0.0%	0.0%
No, I do not want to make fishing my career	0	1	3	0	0.0%	6.7%	8.8%	0.0%
It depends on the price of fish	1	0	0	0	1.9%	0.0%	0.0%	0.0%
Number of people asked	54	16	34	9				

My hypothesis was correct. Of the reasons people gave for not buying a permit, the main reason they gave was permits are too expensive. It is unclear if the second reason people gave, “not at this time,” was related to the price of a permit. Surprisingly, given crewmembers earn less money than most permit holders; few thought money was a barrier to buying a permit. Crewmembers maybe optimistic because a family member who owns a permit maybe helping them to buy a permit.

The results indicate the traditional way of inheriting a permit is declining. Few people mentioned they are inheriting a permit as the reason they are not interested in buying a permit. Most people recognize they will have to buy a permit if they are going to acquire a permit. Interestingly, the traditional method of gifting a permit to a family member still exists, but in a different form. Some people mentioned they would like to buy a permit for a family member. It is likely these people were permit holders who would use their permit as collateral to help a family member buy a permit. Despite changes in how people will likely acquire permits in the future, family is still very important for people who acquire a permit.

The implications for the BBEDC Permit Loan Program are if people think permits are too expensive than they should not be buying a permit. BBEDC is targeting the riskiest credit group for their program and setting them up with a loan that at their upper limit might set them for likely failure. As history demonstrates, permit prices vary widely and the best option may be to

wait for permit prices to fall to a more affordable price.

A4. What would make you more interested to buy a permit?

A total of 104 people responded to this question including 43 drift permit holders, 11 drift crewmembers, 27 set net permit holders and 7 set net crewmembers.

I asked this question to gauge how serious each person was about buying a permit. I hypothesized some people would say they were interested in buying a permit because that is what they thought I wanted to hear. Furthermore, I would like to know what factors a person considers when they are thinking of buying a permit. A commonly held belief is cost the barrier to buy a permit, but I wanted to understand if there were other factors.

The interview results suggest of the people who are interested in buying a permit 16.3% believe permit prices are too expensive yet 11.5% are waiting for higher fish prices. Fish prices and permit prices are strongly correlated. 11.5% of people are interested in buying a permit but they are waiting to buy a family member's permit. 5.8% said they would like to own a boat or a bigger boat first. 6.7% would like to buy or help a family member buy a permit.

What would make you more interested to buy a permit?

Table A4.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	104	100.0%
Permits are too expensive	17	16.3%
Nothing at this present time	15	14.4%
If I owned a boat or another boat	6	5.8%
Buying or helping a family member buy a permit	7	6.7%
Acceptable financing	3	2.9%
Increased fish prices	12	11.5%
If I did not have any financial obligations or bad credit	3	2.9%
I have a full time job so I cannot fish	1	1.0%
I would like to own a permit	1	1.0%
BBEDC permit loan program	1	1.0%
Fishing dual with a partner	2	1.9%
Securing a set net site first	4	3.8%
I love to fish	1	1.0%
I do not want to own 2 permits	1	1.0%
I am too old	2	1.9%
I am already financing a permit	1	1.0%
To make more money	1	1.0%
Fishing is not profitable enough to justify another permit	1	1.0%
Waiting to buy a permit from a family member	12	11.5%
I am inheriting a permit	1	1.0%
To make more money, especially when processors put us on limits	4	3.8%
If there were new processors	1	1.0%
I have not thought about it	7	6.7%
Number of people asked	114	

Note: Some respondents offered more than one response.

The interview results suggest increased fish prices would make more crewmembers and set net permit holders buy a permit. 57.1% of set net crewmembers, 18.2% of drift crewmembers, 18.5% of set net permit holders and 4.7% of drift permit holders would like to buy a permit if fish prices increased. Yet, 18.2% and 14.3% of drift and set net crewmembers, respectively, admit to having financial obstacles that would make it harder for them to buy a permit.

Many people think that permits are too expensive. 23.3% of drift permit holders, 9.1% of drift crewmembers, 18.5% of set net permit holders and 28.6% of set net crewmembers think permits are too expensive.

What would make you more interested to buy a permit?

Table A4.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	43	11	27	7	100.0%	100.0%	100.0%	100.0%
Permits are too expensive	10	1	5	2	23.3%	9.1%	18.5%	28.6%
Nothing at this present time	10	2	8	0	23.3%	18.2%	29.6%	0.0%
If I owned a boat or another boat	5	0	0	0	11.6%	0.0%	0.0%	0.0%
Burying or helping a family member buy a permit	3	0	3	0	7.0%	0.0%	11.1%	0.0%
Acceptable financing	3	0	0	0	7.0%	0.0%	0.0%	0.0%
Increased fish prices	2	2	5	4	4.7%	18.2%	18.5%	57.1%
If I did not have any financial obligations or bad credit	0	2	0	1	0.0%	18.2%	0.0%	14.3%
I have a full time job so I cannot fish	0	1	0	0	0.0%	9.1%	0.0%	0.0%
I would like to own a permit	0	1	0	0	0.0%	9.1%	0.0%	0.0%
BBEDC permit loan program	0	1	0	0	0.0%	9.1%	0.0%	0.0%
Fishing dual with a partner	2	0	0	0	4.7%	0.0%	0.0%	0.0%
Securing a set net site first	0	0	3	0	0.0%	0.0%	11.1%	0.0%
I love to fish	1	0	0	0	2.3%	0.0%	0.0%	0.0%
I do not want to own 2 permits	1	0	0	0	2.3%	0.0%	0.0%	0.0%
I am too old	1	0	0	0	2.3%	0.0%	0.0%	0.0%
I am already financing a permit	1	0	0	0	2.3%	0.0%	0.0%	0.0%
To make more money	1	0	0	0	2.3%	0.0%	0.0%	0.0%
Fishing is not profitable enough to justify another permit	1	0	0	0	2.3%	0.0%	0.0%	0.0%
Waiting to buy a permit from a family member	0	0	1	0	0.0%	0.0%	3.7%	0.0%
I am inheriting a permit	0	0	1	0	0.0%	0.0%	3.7%	0.0%
To make more money, especially when processors put us on limits	0	0	1	0	0.0%	0.0%	3.7%	0.0%
If there were new processors	1	0	0	0	2.3%	0.0%	0.0%	0.0%
I have not thought about it	1	1	0	0	2.3%	9.1%	0.0%	0.0%
Number of people asked	54	16	34	9				

These results suggest people who want to buy a boat or a bigger boat would like to take advantage of the higher prices of fish through improved quality but if they have a boat it may not be able to accommodate the extra capacity or equipment. With a bigger boat, they would help a crewmember who is a family member buy a permit and then they could catch more fish and be paid a higher price too.

“No, but I’d like to upgrade to a nicer boat.” Permit Holder Drift Aleknagik 2

Some crewmembers said they would be more interested in buy a permit if the price of fish continued to increase. Crewmembers benefit the most when fish prices increase because they are not paying any of the expenses while a permit holder may have installed quality enhancing equipment like RSW that would make it more expensive to catch those fish.

“Mainly just the increasing fish prices. This season was a perfect example. The average catch was way lower than normal, but since we are not fishing for 40 cents a pound anymore, people still made money.” Crewmember Drift Dillingham 1

Interest among crewmembers was highest to buy a permit, especially if they know with certainty they will not be inheriting a permit. Crewmembers who are most interested in buying a permit are people who have been leasing permits and are presumably seeing the risk of being a permit holder, even temporarily, is worth it. Many drift crewmembers would like to purchase a permit especially if they can fish as dual permit holders on someone else’s boat. If they fish a dual permit, they face lower costs to enter the fishery because they do not have to get a boat to fish. Set crewmembers are even more interested to buy a permit, provided they can get their own set net site.

“No, not really. If I got my own permit, it would be awesome to have 4 nets on my dad’s boat.” Crewmember Drift New Stuyahok 6

“I leased a drift permit from my brother when he was in jail. I have leased a permit for 4-5 years. I am looking to buy a permit but cannot because of bad credit. And lots of money.” Crewmember Set Togiak 1

“Yes, I have leased a permit from another person for 2 years.” Crewmember Set Togiak BBEDC 1

“Yes, if my grandpa does not gift me the permit.” Crewmember Drift Togiak 1

Crewmembers in Togiak were the most interested in buying a permit compared to crewmembers residing in Manokotak, Dillingham or New Stuyahok. In Togiak, fish runs have been strong recently, Togiak Seafoods has been paying strong prices and the fishery is restricted to nearly all Togiak residents giving everyone more money. The locals are energized about the fishery and many are optimistic about the future and this is reflected in their desire to buy a permit.

“Yes, I am interested to buy a permit. I really wish I had a permit.” Crewmember Set Togiak 5

Outside of the Togiak District, processors have been slowly increasing the price paid for fish too but many considered this season outside of the Togiak District a weaker than expected run. Permit prices have increased rapidly in just a few years so many crewmembers do not see that the risk is worth the reward to buy a permit. In Dillingham, most crewmembers have a job to supplement their fishing income so they are not relying as heavily on their fishing income as others. However, in New Stuyahok, crewmembers were young and mostly lived with family, but

they did not have another source of income. Many were looking for other opportunities, including Job Corps and AVTEC that would take them out of the fishery, at least temporarily.

“The purchase price was about \$160,000 for the permit. The over inflated price for permit has kept me at bay but I have bought boats. Suddenly you could lose \$50,000 and you have to make loan payments still. Kind of like real estate. I’d buy a permit if prices dropped and the terms are right.” Crew Drift Togiak 3

Permit holders are much more skittish about buying another permit. They are the ones who incur the risk and in the good years, reap the reward. The majority of these permit holders weathered the price collapse in permits in the early 2000s and they see the fishery as too unpredictable to sink an enormous sum of money into buying another permit. As with crewmembers, many permit holders did not make much money this year and see permits as overvalued. Since they own a permit already, they may be interested in buying another permit in the future, most often for a family member, but with the current high permit prices, they are waiting until the prices decrease.

I do not know. I have a hard time getting into that much debt for another drift anyway because fishing is fishing. Next year could crash so I have a hard time getting into debt.” Permit Holder Drift Togiak 1

“When it comes to the need for a growing family that is sometimes the option. The good fisherman buys the permit for the kids. May in the future. The advantage is if I could not fish anymore, I could transfer it to my family members. Maybe another 10 years.” Permit Holder Drift Manokotak 1

“I am trying to get one, a set net permit for my wife. I would like to get a drift permit for my boys. They are over 20. I let them use my fishing boat and let them fish with their uncle, a permit holder.” Permit Holder Drift Togiak 5

Buying or retaining a set net site is a big reason why people buy or do not buy set net permits. One of the reasons to own two set net permits on a single site is if the permit holder is fishing a non-transferable permit and their permit expires because they die or retire, that site will be lost. In order to keep a site, there must be a permit attached. Permit Holder Set Dillingham 1 and her family have fished this site for many generations but if she or her brother do not buy a permit, the site will be lost because their mother has a non-transferable permit.

“Yes, I am looking at the nuts and bolts of it as we speak, mainly because my mom’s permit is restricted. When she does pass on that permit is going to disappear. I am looking into talking to a couple of families to get a site. I want to use one of those family sites. They are good sites.” Permit Holder Set Dillingham 1

The other reason to own two set net permits on a single site is sometimes the processor puts the permit holder on “limits.” At the peak of the run, the processor may become overwhelmed with salmon and will set a limit on how much fish they are willing to purchase from a single permit. If there are two permits attached to the site, the limit will be twice as high as a single permit holder.

Interestingly, few people seem to make the connection between fish prices and permit prices. With the exception of Permit Holder Drift Togiak 6, most people who said they would be more interested to buy a permit if fish prices increased. They went on to say permit prices were too high. As Permit Holders Drift New Stuyahok 7 and 11 stated, it is hard for many villagers to afford to buy a permit even when they are making more money because the cost of living in the region is so high that it takes so much of their income, making it hard to save for a down payment.

“Not now. I think about it but the permit prices have gone up big time, following the price of the raw fish prices. If the fish prices go up, the permit prices go up.” Permit Holder Drift Togiak 6

“Sounds like a good idea, but without a job, it’s hard to pay the loan.” Permit Holder Drift New Stuyahok 7

“I have been thinking about that but at the same time, the down payment you need to build that up. With everything costing so much, boat repairs, transportation repairs, high cost of living, home expenses are getting so high it is hard to keep your bank account enough to get a down payment to qualify for a loan.” Permit Holder Drift New Stuyahok 11

Finally, not everyone is interested in buying a permit now or in the future. Several drift and set net permit holders already own two permits or they drift dual already so another permit would not help them.

“No, unless it was an investment. I do not know how I would use it. The regulation change might allow a permit holder to have extra gear if they have 2 permits. At this point in time, as this permit is getting paid down and I see the income generating potential I might be thinking more expansively.” Permit Holder Drift Dillingham BBEDC 1

The implications of increasing local permit ownership are many crewmembers are interested in buying a permit, but the challenge is to translate this interest into actually buying a permit. When crewmembers talk about buying a permit, they talk about how a permit will benefit them and their entire family. Previous questions have documented how family and the fishery are closely linked so involving the entire family in the permit purchase may help some crewmembers buy a permit.

A5. Are any of your family interested in buying a permit?

A total of 87 people responded to this question.

The majority of interview subjects had fished with their family members but were not going to inherit a permit. I hypothesized a lot of interview subjects’ family members would be interested in buying a permit because few of their family members would be inheriting a permit too. A

permit holder employs 2-3 crewmembers. Assuming these crewmembers are family than only 1 person will inherit the permit (if gifted) and 1-2 people would have to buy a permit. If they were going to remain in the fishery than they would likely want to become a permit holder, rather than remain a crewmember.

The interview results strongly suggest that if a person is not going to inherit a permit or does not already possess a permit than they are interested in buying a permit. 64.4% of people said they have a family member who would like to buy a permit. 14.9% said their family member was not interested in buying a permit at this time. Only a few people said their family is not interested in fishing because they have other employment opportunities.

Are any of your family members interested in buying a permit?

Table A5.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	87	100.0%
Yes	56	64.4%
Not at this time	13	14.9%
We have not talked about it	6	6.9%
No, they inheriting a permit	6	6.9%
No, they all have permits	3	3.4%
Maybe, I am leasing a permit first	1	1.1%
No, I left the fishery when the price collapsed	1	1.1%
No, I sold my permit because my career would not all them the time off to fish	1	1.1%
Number of people asked	114	

Yes, there are a lot of interested people, especially young people, who want to buy a permit.

“Yes, my niece’s husband is trying to get a loan for a permit.” Permit Holder Drift New Stuyahok 5

“My niece would really like to fish and she is 25.” Permit Holder Drift Aleknagik 1/Retired Permit Holder Aleknagik 1

The majority of interview subjects already own a permit, will inherit one or wish to own one in the future.

“I do not think they are looking right now. Most inherited a permit” Permit Holder Drift Dillingham 1

Some people have family who would like to own a permit, but in many cases, these people who wish to buy a permit are fishing as a crewmember for that individual. Different people see pros

and cons to crewmembers fishing with their family, getting their own permit. As Permit Holder Drift New Stuyahok 1 states, if his son got a permit, they could fish dual permits on his boat and could make more money. This works best if they have a big enough boat to support more crewmembers and equipment.

“Once my son turns 18, I wouldn’t mind trying to get him a permit. Or help him get a permit. If we had more teamwork with family, we could catch a lot more fish and pay each other’s bills.” Permit Holder Drift New Stuyahok 1

Or in the case of set net permit holders like Permit Holder Set Dillingham 14, the family may get permits and leave to find their own site. In most cases, if a set net permit holder or their crewmembers acquired another permit, the sites adjacent to their site have been taken already so a second permit would most likely not result in two side-by-side sites. In this case, two permits does not mean more teamwork.

“My uncle who fished with us this season was talking about fishing every year as a permit holder. My cousins want to fish every year. But I hope they will continue to fish with me because they are family and I really like their help.” Permit Holder Set Dillingham 14

Another reason why people who do not already have a permit may not want to buy a permit is because they lost interest after the price of fish collapsed. Fishing is hard work and it incurs a lot of risk and despite the increased fish prices some people see the risk as still too great. It is hard to make a living as a crewmember or even a permit holder when the price is 40 cents a pound for sockeye. Finally, in some cases if the person has another job, their employers may not let them take time off to fish. The summer is a busy time for many businesses and taking time off to go fishing, usually at least a month, is often too much time off.

“I do not think so. My brothers used to fish but they got out of it when it crashed and never bothered to look back. My middle brother had the permit when I did not fish the disaster and that is what is keeping them from coming back. Even though these guys pay \$1.25, they still have a hard time wanting to come back.” Permit Holder Drift Togiak 1

“My niece had a permit and my nephew had a permit and his career wouldn’t allow him enough time to fish so he sold it.” Permit Holder Set Dillingham 11

The implications for increasing local permit ownership are many people would like to buy a permit. I interviewed 87 people and 56 of these people had at least one family member who was interested in buying a permit. People discussed what challenges they face and their family members face in buying a permit. The next step will be to help these people overcome these challenges.

JL. Is it important for you to own a permit? Better to not assume risk and be a crewmembers?

A total of 24 crewmembers responded to this question including 16 drift crewmembers and 8 set net crewmembers.

I asked this question to gauge how involved crewmembers were in the fishery. Crewmembers who were only casually involved were most likely want to remain crewmembers and pursue other employment or educational opportunities while crewmembers who were fishing consistently would like to buy a permit. Secondly, since BBEDC’s Permit Loan Program targets crewmembers, I wanted to determine if crewmembers were interested in buying permits at all. If they were not interested in buying a permit than BBEDC’s Permit Loan Program would continue to not meet its targets for participation. I hypothesized crewmembers would like to buy a permit if they had fished consistently over many seasons.

The interview results strongly suggest that crewmembers would like to own their own permit. 70.8% of crewmembers would like to own their own permit. 75% of set net crewmembers and 68.8% of drift crewmembers would like to buy a permit.

Is it important for you to own a permit? Better to not assume risk and be a crewmember?

Table J1.1

	Number of responses			Percentage of responses		
	All respondents	Drift Crew	Set Net Crew	All respondents	Drift Crew	Set Net Crew
TOTAL	24	16	8	100.0%	100.0%	100.0%
Yes	17	11	6	70.8%	68.8%	75.0%
No. I would rather be crew	7	5	2	29.2%	31.3%	25.0%
Number of people asked	25	16	9			

Many crewmembers would like to become permit holders, especially if they know they are not going to inherit a permit and they had many years of fishing experience. Crewmember Drift Koliganek 1 has a fairly common situation where the crewmembers will fish for an extended family member but the permit will likely go to a direct descendent of the permit holder.

“I would be interested in getting a permit. One of my uncles is not doing too good and is going to give the permit to his kids and the other uncle has other kids.” Crewmember Drift Koliganek 1

In some cases the permit holder has not treated their crewmembers well and this is a factor if people wanting to own a permit. The permit holder may experience boat problems during the season and spend all their money on repairs instead of paying crewmembers or they may deduct expenses before giving the crewmembers any money. Crewmembers have definite ideas on how to be a captain but as Crewmember Drift Dillingham 1 states, the captain makes the decisions and the crewmember has to follow his orders.

“I’d love to have my own permit. I’d enjoy that much more than being a crewmember. The knowledge that I have gotten over the year I could see more advantage to having a permit. When you are a crewmember, you have no say on the boat. You have to go with the captain.” Crewmember Drift Dillingham 1

People are most often interested in remaining crewmembers if they are not consistently fishing most seasons. Of the 6 youth crewmembers in New Stuyahok, no one wanted to be a permit

holder, but only a couple of them had fished many seasons consistently, usually with extended family members. The other reason they want to remain a crewmember is as Crewmember Drift Clark's Point 1 states if they are crewing for family members and would leave the boat or site if they got their own permit. These people are the most hopeful they will inherit this permit when their family member dies.

"I'd love to have my own permit someday. I think it is better to have your own permit. That is the way I was thinking about it a few years ago. It would be really good to have your own. It is tough to leave my partner behind, dad, being with him for so long. It is hard to go the other way on your own." Crewmember Drift Clark's Point 1

Crewmember Set Dillingham 1 and Crewmember Drift Togiak 3 have similar experiences, but they have differing viewpoint on buying a permit. These crewmembers have fished at least one season so they know first-hand the rewards and risk of being a permit holder.

"Crewmember because there is less risk." Crewmember Set Dillingham 1

"One of the goals is to make money and at best you can make is \$10,000-\$15,000 crewing. There is a lot of risk but the potential to make money in three months' time is huge." Crewmember Drift Togiak 3

The implications for increasing local permit ownership are many crewmembers are interested in buying a permit. The challenge many crewmembers face is many fish for a family member who provides the structure and leadership they would then have to create on their own. This can be daunting for many people, but when most drift crewmembers say they want to buy a permit, they also want to have their own boat too. For most set net crewmembers, if they bought a permit than they would have to buy their own set net site too. The challenge is to help these crewmembers to successfully transition themselves into leadership positions when they buy a permit.

PERMIT AFFORDABILITY

To understand what affects local permit ownership and what could be done to increase local permit ownership, it is important to understand what people would pay for a permit. One theory of why more people are not buying permits is they are too expensive. I wanted to know the approximate amount of money at which people were priced out of buying a drift or set net permit. I hypothesized people were being priced out of buying a drift permit but they were not being priced out of a set net permit.

To address these questions, I asked crewmembers who are interested in buying a permit and I asked people who have bought a permit the following questions:

B1. What price would you pay for a permit?

A total of 14 drift crewmembers and 7 set net crewmembers responded to this question.

I asked this question to crewmembers who were interested in buying a permit to determine the highest price a crewmember would pay for a permit. At the time, drift permits were being sold for \$160,000 and set net permits were being sold for \$40,000. I wanted to know if crewmembers were being priced out of the market. I hypothesized permits were too expensive for most crewmembers and this was the main reason why people were not buying permits.

Out of 16 drift crewmembers, 14 were interested in buying a permit. The interview results strongly suggest most crewmembers think permits are too expensive. Only 7.1% of crewmembers would purchase a permit for \$150,001-\$200,000. \$160,000 was the current price of the permit. 57.1% would be more likely to buy a permit if they could buy one for \$50,001-\$100,000. 21.4% of crewmembers would buy a permit for \$100,001-\$150,000 so they might buy a permit in the near future if permit prices decline.

What price would you pay for a permit?

Table B1.1

	Number of responses	Percentage of responses
	Drift Crew	Drift Crew
TOTAL	14	100.0%
\$0-\$50,000	2	14.2%
\$50,001-\$100,000	8	57.1%
\$100,001-\$150,000	3	21.4%
\$150,001-\$200,000	1	7.1%
Number of people asked	14	

Out of 9 set net crewmembers total, 8 set net crewmembers respondents were interested in buying a permit. The interview results strongly suggest most set net crewmembers would buy a set net permit at the price, \$40,000. 42.9% of crewmembers would buy a permit if permits were

\$25,001-\$50,000 and 28.6% of crewmembers would buy a permit for \$50,000-\$75,000. Often set net permits are sold in packages including the site and cabin so these respondents may be responding to the set net package price instead of the permit alone.

What price would you pay for a permit?

Table B1.2

	Number of responses	Percentage of responses
	Set Net Crew	Set Net Crew
TOTAL	7	100.0%
\$0-\$25,000	2	28.6%
\$25,001-\$50,000	3	42.9%
\$50,001-\$75,000	2	28.6%
Number of people asked	8	

The implications for increasing local permit ownership are drift permits are not affordable for most drift crewmembers but set net permits are more affordable for most set net crewmembers. This suggests the BBEDC Permit Loan Program may not be offering the subsidies people need to buy a permit. Permit prices are out of BBEDC’s control, but they can respond to the market by adjusting their program subsidies to benefit the needs of people who want to buy a permit.

B2. How much do you think it costs to enter the fishery?

A total of 11 drift crewmembers and 5 set net crewmembers responded to this question.

I asked this question to determine what crewmembers think their total costs are to enter the fishery. This includes a permit and maybe a boat with associated equipment and gear. I wanted to gauge how many crewmembers had a realistic sense of how much money it costs to enter the fishery. Rather than the earlier question which asked how much respondents would be willing to pay for a permit, this question asks at current prices how much would it cost them to enter the fishery. Respondents were told the price of a drift permit was \$160,000.

27.3% of crewmembers think it will cost less than \$160,000. Only 36.4% of respondents said it would cost \$300,000 or more to enter the fishery.

**How much do you think it costs to enter the fishery?
Estimated Total Expenses for Entering Drift Fishery**

Table B2.1

	Number of responses	Percentage of responses
	Drift Crew	Drift Crew
TOTAL	11	100.0%
\$0-\$50,000	1	9.1%
\$50,001-\$100,000	0	0.0%
\$100,001-\$150,000	2	18.2%
\$150,001-\$200,000	0	0.0%
\$200,001-\$250,000	2	18.2%
\$250,001-\$300,000	2	18.2%
\$300,001-\$350,000	1	9.1%
\$350,001-\$400,000	0	0.0%
\$400,001-\$450,000	1	9.1%
\$450,001-\$500,000	2	18.2%
Number of people asked	16	

The interview results indicate respondents have a different financial situations on how much it will cost them to enter the fishery, but most crewmembers do not have a realistic sense of how much money it would cost them to enter the fishery. The minimum amount to enter a fishery is \$160,000 or the cost of the permit.

Although a permit holder does not have to own a boat, most crewmembers want to buy a permit to become a captain on their own boat instead of fishing on someone else’s boat. While permits are sold for roughly the same price, boats are the other main expense to get into the fishery and they can sell for from \$0 to \$500,000. So a person could spend as little as \$160,000 and as much as over \$660,000 to get into the fishery.

When crewmembers think of buying a permit, many drift crewmembers believe they can furnish a cheap boat and make a lot of money. With the emphasis on improved fish quality today, boats are becoming very expensive. \$150,000 is roughly the asking price for a boat with some quality enhancing equipment including RSW that has a decent chance of competing in the fishery. For a crewmember to buy a permit and a boat would cost \$300,001-\$350,000, but this excludes the cost of fuel, nets and other supplies for the boat.

**How much do you think it costs to enter the fishery?
Estimated Total Expenses for Entering Set Net Fishery**

The interview results suggest most set net crewmembers think it would cost \$50,001-\$75,000 to buy a set net permit and a site. 60% of set net crewmembers thought it would cost \$50,001-\$75,000. 20% of respondents thought it would cost \$25,001-\$50,000 to enter the fishery but they may be stacking a second permit on an existing site their family owns so their only cost would be

to buy a permit. 20% of respondents thought it would cost \$100,001-\$125,000 to enter the fishery.

**How much do you think it costs to enter the fishery?
Estimated Total Expenses for Entering Set Net Fishery**

Table B2.2

	Number of responses	Percentage of responses
	Set Net Crew	Set Net Crew
TOTAL	5	100.0%
\$0-\$25,000	0	0.0%
\$25,001-\$50,000	1	20.0%
\$50,001-\$75,000	3	60.0%
\$75,001-\$100,000	0	0.0%
\$100,001-\$125,000	1	20.0%
Number of people asked	9	

Similarly to drift boats, set net sites are not created equally. Some set net sites are very productive and the site is worth far more than the permit. When 20% of respondents said they would pay \$100,001-\$125,000, they might be referring to buying a permit and a highly productive site. Other costs that drive the cost of set netting up are maintaining or building a place to live and buying a skiff.

The implication for increasing local permit ownership is fishing is very expensive and many people do not realize just how expensive it is to get into the fishery. Often, the most productive set net sites are passed down among family members so it is hard to get a sense of how much money these sites are worth, but they are very valuable. Success is closely tied to expensive boats in the drift fishery and productive set net sites in the set net fishery .

II. What price did you pay for your permit?

A total of 11 drift permit holders and 14 set net permits holders responded to this question.

I hypothesized people who have bought drift permits paid less than \$160,000. I asked this question to get an idea of how money people actually spent on a permit. Previous questions are asking people who are interested in buying a permit but these respondents actually went forward and purchased the permit.

The interview results suggest strongly that drift permit holders who have bought permits would be less likely to buy a permit if they were buying a permit at the current price of \$160,000. 72.7% of people paid \$50,001-\$100,000 for a permit and 18.2% of people paid \$0-\$50,000. Only 9.1% of people paid \$150,001-\$200,000 and took on the same risk as potential permit holders at current prices.

**What price did you pay for your permit?
Price Drift Permit Holders Paid For Permit**

Table I1.1

	Number of responses	Percentage of responses
	Drift Permit Holders and Retired Permit Holders	Drift Permit Holders and Retired Permit Holders
TOTAL	11	100.0%
\$0-\$50,000	2	18.2%
\$50,001-\$100,000	8	72.7%
\$100,001-\$150,000	0	0.0%
\$150,001-\$200,000	1	9.1%
Number of people asked	10	

Note: One person bought 2 permits

**What price did you pay for your permit?
Price Set Net Permit Holders Paid For Permit**

The interview results suggest that set net permit holders who have bought permits would not be priced out of the market if they bought a permit at the current price of \$40,000. 57.1% of people paid \$25,000 or more for their permit. However, 14.3% of these people paid \$25,001-\$50,000 for a set net package so it is unclear how much they paid for their permit. 42.9% of people paid \$0-\$25,000 for their permit and would be less likely to have bought a permit if it were valued at the current price of \$40,000.

**What price did you pay for your permit?
Price Set Net Permit Holders Paid For Permit**

Table I1.2

	Number of responses	Percentage of responses
	Set Net Permit Holders and Retired Permit Holders	Set Net Permit Holders and Retired Permit Holders
TOTAL	14	100.0%
\$0-\$25,000	6	42.9%
\$25,001-\$50,000	3	21.4%
\$50,001-\$75,000	2	14.3%
\$75,001-\$100,000	2	14.3%
\$100,001-\$125,000	0	0.0%
\$125,001-\$150,000	1	7.1%
Number of people asked	13	

Note: Two people bought 2 permits
\$25,001-\$50,000: 2 were set net packages

Set net permit prices were \$40,000 during the summer of 2011. The majority of set net crewmembers, 62.5%, said they would pay over \$25,000 for a permit. 37.5% said they would pay between \$25,001-\$50,000, the range of the current permit value. For people who have bought permits, 61.2% said they paid over \$25,000 for a permit. However, this is not a true comparison because many permits are packaged together with a site, boat and cabin, this could be the total amount it cost to get into the fishery for some and for others it was just the cost of the permit. For some people, the permit may be their only cost because they already have a site and cabin. For others, they may need to buy a second site on the same beach but if they fish at Ekuk, they do not need a second truck to deliver fish. 33.3% of crewmembers said they would pay between \$50,001-\$75,000 for a set net package. Not all set net sites are productive; it is hard to tell if the most expensive permits and site packages make the most money. In contrast to the drift fishery, it seems that most people are not being priced out of the market but may be kept out of the market by non-monetary factors like the availability of set net sites.

F1. What price did you pay for your boat?

A total of 39 people responded to this question including 14 people in Dillingham, 1 person in Manokotak, 8 people in New Stuyahok and 6 people in Togiak.

I asked this question to people who own a boat to get an idea of how much people spent getting into the fishery. Under current regulations people who wish to buy a permit face lower barriers to entering the fishery because a permit holder can fish as a dual permit holder on someone else's boat. A boat is the other major expense to enter the fishery and not buying a boat reduces the overall cost considerably. This option has not been in place for too many years. Many current permit holders had to acquire a boat, nets and associated gear when they bought a permit.

38.5% paid between \$0-\$50,000 and 28.2% paid between \$50,001-\$100,000 so over half of respondents paid less than \$100,000 for a permit. If 72.7% of permit holders paid \$50,001-\$100,000 for a permit and then paid \$50,000, it cost most of them between \$100,000-\$150,000 to enter the fishery. By contrast, when youth were asked the question of the total cost to enter the fishery, most youth and crewmembers had no idea. Their answers varied widely from \$0-\$50,000 to \$450,001-\$500,000! Only 27.2% thought it would cost less than \$150,000 to buy a boat and permit.

**What price did you pay for your boat for drifting?
Price of Most Recent Drift Boat**

Table F1.1

	Number of responses		Percentage of responses	
	All respondents		All respondents	
TOTAL	39		100.0%	
\$0-\$50,000	15		38.5%	
\$50,001-\$100,000	11		28.2%	
\$100,001-\$150,000	2		5.1%	
\$150,001-\$200,000	7		17.9%	
\$200,001+	4		10.3%	
Number of people asked	42			

In New Stuyahok, only 8 people had bought boats and no one had bought a boat for more than \$150,000. In Togiak, 50% paid \$150,000 or more for a boat. In Dillingham, most people paid under \$100,000 for their boat.

**What price did you pay for your boat for drifting?
Price of Most Recent Drift Boat**

Table F1.2

	Number of responses				Percentage of responses			
	Dillingham	Manok-otak	New Stuy-ahok	Togiak	Dillingham	Manok-otak	New Stuy-ahok	Togiak
TOTAL	14	1	8	8	100.0%	100.0%	100.0%	100.0%
\$0-\$50,000	4	1	8	5	28.6%	100.0%	100.0%	62.5%
\$50,001-\$100,000	4	0	0	2	28.6%	0.0%	0.0%	25.0%
\$100,001-\$150,000	1	0	0	1	7.1%	0.0%	0.0%	12.5%
\$150,001-\$200,000	4	0	0	0	28.6%	0.0%	0.0%	0.0%
\$200,001+	1	0	0	0	7.1%	0.0%	0.0%	0.0%
Number of people asked	15	1	8	8				

Note: I asked drift permit holders, retired permit holders and drift crewmembers who had bought a boat.

I wanted to ask people in different communities how much they paid for their drift boat to gain a sense of how competitive in the fishery they are compared to other drift permit holders. To a

certain extent, the ability to compete in the fishery is based on how much money your boat is worth. With the push for better quality fish and higher prices paid to fish RSW, only the wealthier fishermen, mostly from Dillingham and outside the region can afford to install this equipment. Some of the smaller boats, usually in the villages, cannot support these systems either. Often, people with the more expensive boats make the most money. However, these more expensive boats are equipped with bigger engines that have higher fuel costs so they may lose more money during smaller boats during years with weaker fish runs.

The results suggest people in Dillingham and in Togiak are far more likely to own more expensive boats than most that people live in New Stuyahok or Manokotak, indicating that people in Dillingham and Togiak are making more money than other villagers. One reason Togiak fishermen may have more expensive boats is they are more money because they fish under less competitive situations on average because the Togiak District is restricted until July 27.

RESIDENTS' EXPERIENCE WITH LOANS

To understand why few people have bought a permit, it is important to understand their financial acumen. The most likely way a person would purchase a permit is using a bank loan. However, there are risks and expenses to taking out a bank loan. I wanted to understand if people thought the risk of taking out a loan outweighed the benefit of using the loan to buy a permit. If people are not comfortable or have little experienced with loans than this could be a contributing factor of why people are not using loans to buy a permit.

To address these questions, I asked youth and people who had experience fishing.

C1. Have you heard of CFAB and Alaska State Division of Investment loans?

A total of 109 people responded to the question about their knowledge of CFAB and 103 responded to the question about their knowledge of the Alaska State Division of Investment loans.

I hypothesized most people had heard of these loan programs. I asked this question to get a sense of how knowledgeable people were about financing a permit or a boat. I hypothesized some people have loans or applied for a loan from these groups. I wanted to know what their experience was with these groups.

The results suggest most people have heard of CFAB and Alaska State Division of Investment loans. 68.8% of people have heard of CFAB loans and 68% have heard of Alaska State Division of Investment loans. Of the people who had heard of CFAB loans, 11% had a loan from them and another 1.8% had been denied a loan from it. Of the people who had heard of Alaska State Division of Investment loans, 15.5% had a loan from them and another 1.0% had been denied a loan from it.

Have you heard of CFAB and Alaska State Division of Investment loans?

Table C1.1

	Number of responses		Percentage of responses	
	CFAB Loans	Alaska State Division of Investment Loans	CFAB Loans	Alaska State Division of Investment Loans
TOTAL	109	103	100.0%	100.0%
Yes	75	70	68.8%	68.0%
No	34	33	31.2%	32.0%
I have a loan from them	12	16	11.0%	15.5%
I applied but was denied	2	1	1.8%	1.0%
Number of people asked	112	112		

My hypothesis was correct. Most people are familiar with CFAB or the Alaska State Division of

Investment loans. People seemed to either know about the Alaska State Division of Investment loan program well or not at all. This is likely due to people who are interested in a loan have checked out their options while people who never seriously considered a loan had not heard of these programs, at least in any detail. More people mentioned they had taken out an Alaska Division of Investments loan than a CFAB loan. Of the loans people had taken out, the majority of those loans were for boats, using their permit as collateral.

In general, people had more opinions about CFAB than Alaska Division of Investments. Of the people who commented on CFAB, they had comments similar to Permit Holder Drift Togiak 9, Crewmember Drift Dillingham 2 and Permit Holder Set Net Dillingham 11s' comments, expressing frustration with CFAB.

"Yes, I have heard horror stories about them. They had to put up so much collateral to get a permit and you had a bad year and could not pay, they would take your permit."
Crewmember Drift Dillingham 2

"My dad and I paid \$100,000 for a boat but with CFAB, we paid \$200,000. CFAB would be my last option." Permit Holder Drift Togiak 9

"Yes, what is interesting is Alaska Division of Investments loan program is much more flexible and generous. Their program is a lot better in terms of financial than CFAB. If you get a loan through the State of Alaska, 4.5% interest, CFAB 7-8.5%. CFAB is a private bank and they are involved in the fishery but there is a substantial cost difference in the two programs." Permit Holder Set Net Dillingham 11

People did not have strong opinions about Alaska State Division of Investment loans except BBEDC 3/Permit Holder Drift Dillingham 14 who had favorable comments. Most people answered with a simple yes or no response.

"I have three Alaska State Division of Investment loans. In the early 70s if your market did not provide financing there was no bank that would loan you the money. When Alaska Division of Investments and CFAB loans came in, they filled this void and were extremely popular." BBEDC 3/Permit Holder Drift Dillingham 14

Some people do not have much knowledge of CFAB. Village respondents had more knowledge of Alaska State Division of Investment loans because they were a popular choice for fishermen to buy a boat.

"Not a lot but they are a loan program for the fishing related industry (regarding CFAB). I have heard of Alaska State Division of Investment loans and their low interest rates."
Permit Holder Drift Dillingham 9

"I have seen fliers but I do not know much about them (regarding CFAB and Alaska State Division of Investment loans)." Permit Holder Drift New Stuyahok 1

"I have heard of CFAB but I have never looked into that. I used the Alaska Division of

C2. How would you finance this permit purchase?

A total of 83 people responded to this question.

In this question, I wanted to understand all the different financial options people consider when they want to buy a permit. I hypothesized people would be most interested in taking out bank loans because most people do not have a lot of cash to spend on permits. From the literature review, there have been and are targeted loan programs to help Alaska residents enter the fishery but urban residents participate much more than rural residents in these programs. There are many hypotheses about why rural residents have below average participation but no one has interviewed rural residents to ask them why they are not taking out loans. From earlier questions, there are people interested in buying permits but few people have actually gone through the process.

Of the responses, 81.9% of people said they would take out a loan to finance a permit. These loan options include: 39.8% of people said an unspecified bank loan, 22.9% of people said BBEDC’s Permit Loan Program, 10.8% of people said CFAB and 8.4% said Alaska State Division of Investment. Of the people who did not say they would take out a loan, 7.2% said they would borrow at least some money from their family and another 2.4% would try to work out an agreement with a local seller. 2.4% said they did not know.

How would you finance this permit purchase?

Table C2.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	83	100.0%
Bank loan (unspecified)	33	39.8%
BBEDC permit loan program	19	22.9%
CFAB	9	10.8%
Alaska Division of Investments	7	8.4%
Family loan	5	6.0%
Cash	5	6.0%
I don't know	2	2.4%
If the seller is local, pay them at the end of each season	2	2.4%
Cash and family loan	1	1.2%
Number of people asked	91	

Note: I asked everyone who was interested in purchasing a permit or another permit. I asked this question before mentioning BBEDC so there are a lot of people who know about the Permit Loan Program.

A lot of people who are interested in buying a permit said they would take out a loan through CFAB, Alaska Division of Investments or BBEDC.

“I would get a down payment together with dividends or borrow a down payment if I could use inheritance money. My dad left me silver coins and I just sold some of them. I could put the money together for the down payment and I would go to Alaska Division of Investments and I already have one of those. I went through them before for my other permit. They were flexible. I would have BBEDC help me with the interest payments.”
Permit Holder Aleknagik Drift 1/Retired Permit Holder Aleknagik 1

“Through fishing, getting a loan through CFAB.” Permit Holder Drift Clark’s Point 2

“Most that I know of that are doing that, are trying to finance it from other sources, the State has a program that might work for the individual.” Permit Holder Drift Manokotak 1

“Alaska Division of Investments loan.” Permit Holder Drift New Stuyahok 8

Several people mentioned using the Alaska Division of Investments loan to buy a permit. Currently, this loan has a cap of \$100,000. With drift permits over this amount, either the individual must put down a significant down payment to pay for anything over \$100,000 or they would use another program to buy a permit. Alaska Division of Investments is still an option for set net permits.

Among permit holders, BBEDC’s Permit Loan Program was ranked second after an unspecified bank loan. Correspondingly, in an earlier question, many of these people are looking at helping a family member, usually a child, buy a permit but the permit holder is not eligible for the Permit Loan Program because he/she already own a permit. Several youth who have bought permits received financial backing of cash or using their permit as collateral from their parents so it is not unreasonable to assume these parents would not help their children. In general youth would qualify more easily for BBEDC’s Permit Loan Program because of their lack of credit history would make it hard to qualify for a CFAB loan program. So if the permit holder is interested in buying another permit, BBEDC’s program is an attractive option, provided they can trust the family member to be responsible with the permit.

“Through BBEDC. I have been hearing of guys they have been helping. That is where I would end up.” Crewmember Drift Clark’s Point 1

“BBEDC’s program. They said they were waiting to see if they could go around CFAB and go into the Alaska Division of Investments and get rid of the denial requirements than it could benefit me. CFAB does funny things the way they bank, assessing the value of the permit based on the State value and not the market value and a higher interest rate than Alaska Division of Investments loans and you have to buy share or buy into the bank, a coop.” Crewmember Drift Togiak 3

Or in the case of Permit Holder Set Dillingham 8, it is not uncommon for permits to be owned collectively amongst multiple family members even though the permit is in only one of their names. In fact, as Permit Holder Drift Aleknagik 2 said, in order for many people to qualify, they

would need to borrow money from a relative. Financing a permit is the result of a collective effort of the entire family which works well as long the permit holder does not sell the permit or refuse to share any profit.

“Cash and probably borrow from a relative.” Permit Holder Drift Aleknagik 2

“3 way between me and my two sisters, make an agreement on whose name it will be under, not my name because I have one. We would each get a percentage off of the permit. I would use my permit as collateral. I would make sure these two sisters are healthy to fish. This is not going to happen for a while, while my mom is alive. Too expensive for my sisters for a permit and site. My sister wants to buy a permit but cannot afford it. We could do a business venture, all chip in and buy a permit, using the permit as collateral. I am stretching my neck because it is my permit. We will pay every season on that new permit.”
Permit Holder Set Dillingham 8

Not everyone is interested in a loan. There are people who want to stay away from loans and find different methods of buying a permit. Several people said that if there season was good, they would have enough cash to buy a permit, but only Permit Holder Set Dillingham 2 acknowledged that during after a good season there would be few permits for sale. Permit Holder Set Dillingham 6 preferred to use cash but admitted it would be tough to save that amount of money.

“Depends on the fishing season but if it is a good season we could use cash. Most likely a bank loan. Right now we have a bank loan through CFAB for a boat. Of course in a good season, there would be few set net permits for sale.” Permit Holder Set Dillingham 2

“I would probably save up for it every year. \$5,000 every year to buy a permit of if I get a job or something to put aside money. It will eventually add up but it is kind of hard not to spend money.” Permit Holder Set Dillingham 6

If people are not interested in a bank loan and cannot save up enough cash, they may resort to using non-traditional methods including bartering. Permit Holder Drift Togiak 8 said that if the seller were local than they would try to barter or pay the person after the end of each season. This is unlikely to work unless there is a high level of trust between the two individuals. The one person who said that a friend loaned her the money to buy a permit said she pays him at the end of each season. The pitfall of borrowing money from a friend is because it is not a loan from a bank or BBEDC, she cannot use BBEDC’s interest assistance program. In the end, it may be cheaper to use a bank loan and get assistance from BBEDC’s interest assistance program.

“It all depends on the seller. If it was local, I would try to make a personal deal; this is how much I will pay you every year vs. a bank loan because you have to pay this back more. We are used to a barter system out there, word of mouth without a contract. I haven’t heard of many permits being sold local to local. It always happens that the locals sell it (the permit) outside the region. They do not look to sell to family; they look to sell it to the highest bidder.” Permit Holder Drift Togiak 8

The implication for increasing local permit ownership is many people do not have much knowledge of bank loans because first choice most people had was an unspecified bank loan. An unspecified bank loan indicates they are interested in a bank loan but they are not knowledgeable about their options. Once people are more educated about their choices, they are less likely to be more specific on what type of bank loan they are interested in.

C3. How comfortable are you with taking out a bank loan?

A total of 83 people responded to this question including 32 people in Dillingham, 8 people in Manokotak, 18 people in New Stuyahok and 15 people in Togiak, 33 youth, 39 middle age, 11 elderly, 41 drift permit holders, 12 drift crewmembers, 23 set net permit holders and 7 set net crewmembers.

From the literature review dating back to the early 1980s, I wanted to test the hypothesis that people in Bristol Bay were not comfortable taking out loans. According to the literature, people are not comfortable taking out loans because of their poor credit history, under or unemployment, distance from loan centers and unfamiliarity with the loan process. More specific to fishing, people may not be comfortable taking out loans because of the recent price swings and unpredictable runs.

The interview results suggest most people are comfortable taking out a bank loan. 60.2% of people said they are comfortable with taking out a bank loan, but the remaining 39.8% of people do not feel comfortable taking out a bank loan.

How comfortable are you with taking out a bank loan?

Table C3.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	83	100.0%
Yes, I am comfortable	50	60.2%
No	33	39.8%
Number of people asked	98	

The interview results strongly suggest people in Dillingham are most comfortable taking out bank loans, people in Togiak are comfortable with the process and people in Manokotak and New Stuyahok are not comfortable taking out a bank loan. 78.1% of people in Dillingham, 37.5% of people in Manokotak, 33.3% of people in New Stuyahok and 60% of people in Togiak were comfortable taking out a bank loan.

How comfortable are you with taking out a bank loan?

Table C3.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	32	8	18	15	100.0%	100.0%	100.0%	100.0%
Yes, I am comfortable	25	3	6	9	78.1%	37.5%	33.3%	60.0%
No	7	5	12	6	21.9%	62.5%	66.7%	40.0%
Number of people asked	34	8	20	20				

The interview results strongly suggest that set net permit holders are the most comfortable taking out a bank loan, drift permit holders and set net crewmembers are less comfortable and drift crewmembers are not comfortable taking out a bank loan. 65.9% of drift permit holders, 25% of drift crewmembers, 78.3% of set net permit holders and 57.1% of set net crewmembers are comfortable taking out a bank loan.

How comfortable are you with taking out a bank loan?

Table C3.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	41	12	23	7	100.0%	100.0%	100.0%	100.0%
Yes, I am comfortable	27	3	18	4	65.9%	25.0%	78.3%	57.1%
No	14	9	5	3	34.1%	75.0%	21.7%	42.9%
Number of people asked	45	16	24	9				

The interview results strongly suggest middle age and elderly groups are comfortable taking out a bank loan while most youth are not comfortable taking out a bank loan. 42.4% of youth, 74.4% of middle age and 72.7% of elderly are comfortable taking out a bank loan.

How comfortable are you with taking out a bank loan?

Table C3.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	33	39	11	100.0%	100.0%	100.0%
Yes, I am comfortable	14	29	8	42.4%	74.4%	72.7%
No	19	10	3	57.6%	25.6%	27.3%
Number of people asked	40	45	13			

Permit holders are more likely to feel comfortable taking out a bank loan because they have

taken out loans for boats, gear and permits while crewmembers have less experience taking out fishing related loans.

Middle age and elderly groups are more likely to feel comfortable taking out a bank loan because they are older, are more likely to be financial stable and are more likely to have experience taking out a bank loan. Youth are not as comfortable taking out a bank loan because they are more likely to not be as familiar with the loan process as the other two groups.

Other interview questions suggest the main factors explaining the difference between the four villages are familiarity with loans and employment. In Dillingham, more people have taken out loans for big purchases including houses, boats and cars. In Manokotak, Togiak and New Stuyahok, people have taken out loans for smaller purchases because the US Department of Housing and Urban Development (HUD) owns the houses in these villages and the ATVS instead of cars.

Secondly, Dillingham has many more employment opportunities than the other 3 villages so people are more comfortable taking out a bank loan because they have the money to repay the loan. People who are under or unemployed are more likely to be denied a bank loan than people who have a job.

People in Dillingham were the more comfortable with taking out a bank loan while Togiak and Manokotak were the communities least likely to have residents feel comfortable taking out a loan before. People in New Stuyahok and Manokotak had the biggest percentage of respondents who had never taken out a loan before. Residents in Dillingham were much more likely to have taken out a loan before. People who have taken out a loan before were the most likely to take out another loan depending on their experience taking out other loans.

The implications for the BBEDC Permit Loan Program are residents in rural villages and drift crewmembers are not as comfortable taking out a bank loan as someone who lives in Dillingham. My interview results suggest as permits have been sold out of these villages, there are few people in these villages who have bought a permit. This could be a reason why few people in these villages have participated in the BBEDC Permit Loan Program.

C4. Have you taken out loans for other purchases?

A total of 96 people responded to this question including 33 people in Dillingham, 8 people in Manokotak, 19 people in New Stuyahok, 21 people in Togiak, 44 drift permit holders, 14 drift crewmembers, 27 set net permit holders, 8 set net crewmembers, 37 youth, 42 middle age and 16 elderly respondents.

I hypothesized most people will have taken out a loan at some point in their lives because most families have at least a boat, an ATV and a snow machine. People who have assets, usually their permit, to use as collateral are the most likely to have taken out loans before. Depending on their experience with this loan, this maybe the main factor in their decision of whether to buy a permit.

The interview results suggest most people have taken out a bank loan before. 69.8% of people have taken out a bank loan before, but the remaining 30.2% of people haven't taken out a bank loan before. Most of the loans people mentioned were for small purchases including snow machines, outboard engines and ATVs. Several people mentioned taking out a loan from the Alaska Division of Investments to buy a boat, using their permit as collateral.

Have you taken out loans for other purchases?

Table C4.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	96	100.0%
Yes	67	69.8%
No	29	30.2%
Number of people asked	103	

Note: Types of loans: Alaska Division of Investments, CFAB, permits, home, education, vehicle, snow machines, ATVs, outboards and boats

The interview results suggest most people in the four communities have taken out loans before. 87.9% of people from Dillingham, 75% of people from Manokotak, 52.6% of people from New Stuyahok and 71.4% of people from Togiak have taken out at least one loan before.

Have you taken out loans for other purchases?

Table C4.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	33	8	19	21	100.0%	100.0%	100.0%	100.0%
Yes	29	6	10	15	87.9%	75.0%	52.6%	71.4%
No	4	2	9	6	12.1%	25.0%	47.4%	28.6%
Number of people asked	38	8	19	24				

The interview results suggest drift permit holders had the most experience taking out a loan but set net permit holders have less experience with loans. 77.3% of drift permit holders, 42.9% of drift crewmembers, 81.5% of set net permit holders and 62.5% of set net crewmembers had taken out loans for other purchases.

Have you taken out loans for other purchases?

Table C4.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	44	14	27	8	100.0%	100.0%	100.0%	100.0%
Yes	34	6	22	5	77.3%	42.9%	81.5%	62.5%
No	10	8	5	3	22.7%	57.1%	18.5%	37.5%
Number of people asked	46	16	27	9				

The interview results strongly suggest most middle age and elderly people have taken out at least one loan, while most youth have not taken out a loan before. Only 48.6% of youth have taken out a loan, but 90.5% of middle age and 75% of elderly people have taken out a bank loan before.

Have you taken out loans for other purchases?

Table C4.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	37	42	16	100.0%	100.0%	100.0%
Yes, I am comfortable	18	38	12	48.6%	90.5%	75.0%
No	19	4	4	51.4%	9.5%	25.0%
Number of people asked	42	45	16			

It is likely drift permit holders may need to take out fishing related loans more often than set net permit holders because drift boats have more expensive equipment. Not only are their boats larger and more expensive but they have more expensive equipment and gear aboard. A set net skiff is much simpler and cheaper to operate. Outside of the hub cities of King Salmon/Naknek and Dillingham, many people do not own significant assets, house, car, etc. except a permit that could be used as collateral for a fishing related bank loan. Thus permit holders may have an easier time than crewmembers at qualifying for a bank loan.

Most elderly people have been in the fishery for a long time and fished during the days when the cannery provided all their needs. The cannery provided loans so they did not need to take out bank loans. Although less generous than they were in the past, most canneries will loan money to their fishermen for food, gear and other expenses. Middle age respondents are the most likely to have taken out a loan because a higher percentage of this group was permit holders while youth are more likely to be crewmember. Youth have less experience taking out loans than middle age and elderly groups. As indicated in responses by fishery participants, permit holders are more likely than crewmembers to have taken out a loan.

C5. Has this experience made you want to take out another loan?

A total of 55 people responded to this question including 21 people in Dillingham, 6 people in Manokotak, 8 people in New Stuyahok, 6 people in Togiak, 28 drift permit holders, 5 drift crew, 18 set net permit holders and 4 set net crewmembers, 16 youth, 32 middle age and 7 elderly respondents.

I asked this question to people who had taken out a loan before to predict how likely people who were interested in taking out a loan for a permit would actually take out a loan. I hypothesized people who had experience taking out a loan would be the most likely people to take out another loan. They would be the most familiar with the loan process and if they had paid off a loan than they would have the good credit to get another loan. Permits are very expensive and require long term payment so a person who is going to take loan for a permit will most likely feel confident about the risk they are undertaking.

The interview results suggest many people have had bad experiences with loans and do not want to take out another loan. 54.5% of people would take out another loan but 45.5% of people are not interested in taking out another loan.

Has this experience made you want to take out another loan?

Table C5.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	55	100.0%
Yes	30	54.5%
No	25	45.5%
Number of people asked	76	

Note: I asked everyone who had taken out a loan before.

The interview results suggest people from Dillingham are most likely to want to take out another loan while most people in the other three villages are not interested in taking out another loan. 57.1% of people from Dillingham, 33.3% of people from Manokotak, 50% of people from New Stuyahok and 16.7% of people from Togiak are interested in taking out another loan.

Has this experience made you want to take out another loan?

Table C5.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	21	6	8	6	100.0%	100.0%	100.0%	100.0%
Yes	12	2	4	1	57.1%	33.3%	50.0%	16.7%
No	9	4	4	5	42.9%	66.7%	50.0%	83.3%
Number of people asked	35	6	12	15				

The interview results suggest permit holders are more likely than crewmembers to have had a positive experience taking out a loan. 60.7% of drift permit holders, 20% of drift crewmembers, 61.1% of set net permit holders and 50% of set net crewmembers would take out another loan.

Has this experience made you want to take out another loan?

Table C5.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	28	5	18	4	100.0%	100.0%	100.0%	100.0%
Yes	17	1	11	2	60.7%	20.0%	61.1%	50.0%
No	11	4	7	2	39.3%	80.0%	38.9%	50.0%
Number of people asked	37	10	20	5				

The interview results suggest youth are the least likely to want to take out another loan, based on a past experience with a loan. 37.5% of youth, 68.8% of middle age and 42.9% of elderly respondents said their previous experiences with loans would make them want to take out another loan in the future.

Has this experience made you want to take out another loan?

Table C5.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	16	32	7	100.0%	100.0%	100.0%
Yes	6	22	3	37.5%	68.8%	42.9%
No	10	10	4	62.5%	31.3%	57.1%
Number of people asked	23	42	11			

Loans youth have taken out before tend to be for education. One youth mentioned she had to take out education loans but it had wrecked her credit, making it difficult for her to get another loan. Middle age and elderly groups have taken out loans for houses, snow machines, vehicles and fishing related equipment and boats. Many elderly people including Permit Holder Drift Manokotak 1 stated that at their age, they were not looking at taking another loan out and in fact, they were trying to retire.

“Not at my age.” Permit Holder Drift Manokotak 1

“No, especially with student loans, with that kind of money you still owe, just entering the job market, it is discouraging when you enter the job market and fall behind. I would try to find other resources than taking out a loan or paying it off. Kind of like fishing, one bad season can really set you back.” Crewmember Drift Dillingham 1

“I did not fully understand the loan when I took it out so it has made me more critical of who I borrow money from.” Permit Holder Set Dillingham 1

For some permit holders, especially drift permit holders, they may need to take a loan out because boats are so expensive. Fishing equipment is so expensive many permit holders recognize they will have to take out loans to remain competitive in the fishery whereas crewmembers do not have this burden. However, fish and permit prices are unpredictable and can change rapidly in just a few years. Several permit holders including Permit Holder Drift Dillingham 7 mentioned they had bought a permit just before the permit prices crashed, following the severe decline in fish prices. These permit holders faced big loan payments but they struggled to meet these payments. However, many permit holders who had loans experienced financial difficulties when the price of salmon collapsed. For many, it was difficult to make loan payments and their permit had lost so much value that it wouldn't cover the remaining loan amount.

“No, because I did not like the way I had to keep paying. It gets kinda scary when you cannot make payments on time.” Permit Holder Clark's Point 1

“There was a time just after the crash of the price, it was challenging to make payments but we were able to make the payments and pay them off in time.” Permit Holder Drift Dillingham 7

“Reflecting back, the price was right and I got the loans paid off. If I had a bad season, the loan wouldn't be paid off. You might get too far into debt. You can have a mechanical breakdown and everything is so time related that if you miss out, that is it.” Permit Holder Set Manokotak 2

More people who live in Dillingham, King Salmon/Naknek are employed than people who in the villages so this second source of income helped them pay their loan payments. However, Permit Holder Set Dillingham 7 and Crewmember Set Togiak 1 have had positive experiences with previous loans and are interested in buying another permit.

“Yeah, I am confident I can do it. Store finance. I am pretty sure if I can pay off the snow machine loan than I can make an effort to take out a loan.” Crewmember Set Togiak 1

“We'll see. I just took it out this spring. I haven't had to make the first payment yet.” Permit Holder Set Dillingham 2

“Yes, my credit is good.” Permit Holder Set Dillingham 7

In New Stuyahok, Manokotak and Togiak fishing is the sole source of income for many people, yet many people are reluctant to take out a bank loan. Some of these people including Crewmember Set Togiak 4 were the very interested in buying a permit but they are not interested in taking out a bank loan.

“No, not really. Too much hassle.” Permit Holder New Stuyahok 5

“Not for a big item like a permit. Not a bank.” Crewmember Set Togiak 4

The implications for increasing local permit ownership are 81.9% of all respondents said they would finance a permit with a bank loan, but only 60.2% said they were comfortable taking out a bank loan and only 69.8% had actually gotten a bank loan. It seems likely many people are not comfortable taking out a bank loan, but when a person wants to buy a permit, they may get over the discomfort of a bank loan if they decide the benefits outweigh the risks of permit ownership.

C6. If you had the options of a bank loan, working for 10 years to save enough money to buy a permit with cash or borrow money from your family, what would you do and why?

A total of 80 people responded to this question.

I asked this question to gauge how serious respondents were about taking out a bank loan, given two other common options. I hypothesized most people would choose a bank loan because it is the quickest way to own a permit. Waiting for 5-10 years and paying with cash represents the safest option but foregoes 10 years of potential revenue, borrowing from family is a riskier option and does not qualify you for BBEDC subsidies on loans while a bank loan is the riskiest option, but requires good financial management skills.

The interview results suggest strongly most people would use a bank loan to buy a permit. 76.3% of people preferred a bank loan, 10% opted to waiting for 10 years to buy a permit with cash and 12.5% wanted to borrow money from family or friends.

If you had the options of a bank loan, working for 10 years to save enough money to buy a permit with cash or borrow money from your family, what would you do and why?

Table C6.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	80	100.0%
Bank loan	61	76.3%
Wait for 10 years and pay with cash	8	10.0%
Borrow money from family or friends	10	12.5%
Save money for 5 years and buy with cash	1	1.3%
Number of people asked	86	

Note: I asked everyone who wished to purchase a permit or another permit.

Although people may feel uncomfortable taking out a bank loan, if they want to buy a permit than they are most likely going to have to take out a bank loan. Few families have enough money to buy a permit with cash and the main problem with people waiting for 10 years to buy a permit with cash is the permit price will not be the same price as it was when they began saving. They

may not have enough money after 10 years. In a region with a lot of economic hardship the temptation to spend the money at any point during those 10 years will be huge. The majority of people said they would take out a bank loan because they could get the permit right away and they did not know what would happen in 10 years.

“Bank loan. Borrowing from family is not always a good idea unless they have thousands of dollars which they do not.” Crewmember Set Togiak 1

“Bank loan.” Permit Holder Drift Naknek 2

“I would go through another bank with my brother, cosigning the loan. Since we have been talking about this, it makes you feel like you have family here to support you in this fishing industry.” Permit Holder Drift New Stuyahok 7

“I would take out a loan. I wouldn’t feel comfortable asking my family for that much money. I am 25 and I do not want to wait until I was 25 to get a permit so I want it now.”
Permit Holder Set Dillingham 1

The second choice was to save cash over ten years because they did not want to rely on family or they did not want to make regular payments to a bank when there is so much unpredictability in fishing.

“I would prefer to save and pay with cash just because you do not owe anyone anything. It’s one thing to owe a bank but it much more personal to get on bad terms with friends and family, tougher to recover from” Crewmember Drift Dillingham 2

“Work for 10 years.” Crewmember Drift New Stuyahok 1

The third choice for people was to ask family for money. As long as the family does have that much money, it is an attractive option for many who fish with their family to get a permit right away and not pay any interest on it. People who mentioned borrowing money from family were most likely to live in a rural village, suggesting people who in rural villages are not comfortable with taking out a bank loan. Yet, it is more likely few people living in rural villages have \$160,000 in cash, let alone \$40,000 in cash.

“Loan or friends or family. Waiting for 10 years, you are giving up 10 years of your income.” Permit Holder Drift Dillingham 10

“Borrow money from family.” Crewmember Drift New Stuyahok 5

“Borrow money from family just because it would be easiest.” Crewmember Set Togiak 3

RESIDENTS' THOUGHTS ON THE BBEDC PERMIT LOAN PROGRAM

To understand why more people have not been participating in the BBEDC Permit Loan Program, it is important to understand their opinions of BBEDC and its Permit Loan Program. The BBEDC Permit Loan Program was designed to target residents who could not qualify for a bank loan through CFAB, a program available to statewide residents. I asked residents a series of questions to understand if the BBEDC Permit Loan Program had sufficiently lowered the barriers to entry enough.

Another theory of why the program has not been meeting its targets is people have not heard of the program. I wanted to understand how well people knew the program. I hypothesized most residents had heard of the program but few actually knew any details. It was this lack of knowledge that was contributing most to the lack of participation.

To address these questions, I asked BBEDC Staff and Board members who were knowledgeable about the program these questions:

G1. Has BBEDC helped you or do you think BBEDC has had a positive impact on the region?

A total of 116 people responded to this question.

I asked this question to understand what feelings people have about BBEDC and why the Permit Loan Program has not been meeting its targets. People who do not think highly of BBEDC are less likely to participate in the Permit Loan Program. I hypothesized people who think highly of BBEDC and have benefited from one of their programs are more likely to like the Permit Loan Program, even if they do not know much about it. Whether people participate in BBEDC's Permit Loan Program is strong indicator of how they feel about BBEDC overall.

The interview results suggest strongly that people think BBEDC has had a great impact on the region, including for many people who have personally benefited from one of their programs. 81.9% of people said yes, they think BBEDC has had a great impact on the region. 13.8% of people did not think BBEDC had a positive impact on the region and the remaining 4.3% did not know.

Has BBEDC helped you or do you think BBEDC has had a positive impact on the region?

Table G1.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	116	100.0%
Yes	95	81.9%
No	16	13.8%
I don't know	5	4.3%
Number of people asked	123	

In BBEDC communities, people have benefited greatly from BBEDC programs and have confidence in BBEDC's ability to help people, including the Permit Loan Program. Nearly everyone has participated in a BBEDC program and nearly all think BBEDC has had a positive impact on the region. The main programs mentioned include interest assistance, ice, slush bags, totes and college scholarships. Due to this trust in BBEDC, people who did not know that much about the Permit Loan Program were supportive of the program.

"They have had a great impact on the region. They fund hundreds of people for school. They help to upgrade fishing boat, the loan program; they do a lot of job placement. I have received money for college and this fall I will be going through a construction program through them down South." Crewmember Drift Dillingham 1

"Yes, they have had a positive impact on the region. It helps us with people who have no money to obtain permits or lease permits. They are a big help with making things go smoother with CFEC. BBEDC helped me out to temporarily transfer my permit to me because my brother was in jail. The second year I was told through this office (Togiak Seafoods) that someone wanted to lease a permit and BBEDC was able to make this possible by doing all the paperwork and legalities. This year the permit I am leasing, the people were not able to make the transfer with someone else but when I applied for it, they made it possible for me to obtain my permit after Juneau said it wasn't possible." Crewmember Set Togiak 1

"BBEDC is GREAT! They are just the backbone to everything in Bristol Bay. I am happy to say I was a 3 year recipient of their Harvey Samuelson scholarship which basically put me through college." Crewmember Set Togiak 3

"Wonderful program, keep it up, spend more money and share the wealth. They are distributing enough money. Quality enhancement grants, interest rate assistance, all their programs and I still do not have enough money. The region needs more help than that. The fleet out there is 20+ years and most of the boats are rotting and get sold for nothing because they cannot afford the quality." Permit Holder Drift Dillingham 3

"I have been real pleased overall with the conservative nature of how they have managed their money. They are a huge reservoir of financial resources to do projects that have a big impact on the region. In a number of programs, they have had a positive impact on the region. Internships, jobs in the Bering Sea, scholarships that are all good. There is a tremendous amount of improvement they can make but they now have the financial resources to have a big impact on the region with big projects. The longer it goes, it becomes the haves and the have nots... watershed communities that are not part of the BBEDC program, Iliamna and the Up River villages." Permit Holder Drift Dillingham 6

However, New Stuyahok is not a BBEDC community and many people do not share this trust in BBEDC.

"We're not part of that because we are a couple of miles too far from the boundary. I do

not know why they left us out. We get salmon and they spawn up this river but we do not belong. They had asked for a support letter for putting us in BBEDC but we are not within 50 miles of the coast, we miss out on these good programs. They haven't helped me at all. Not even one cent. They do not notify us even though we are commercial watershed fishermen. They do quality improvements but they do not give us quality improvements like slush bags. I do not know about how the rest of the people feel about that even though we live in the same region.” Permit Holder Drift New Stuyahok 9

“Look above, they help all the guys close to Dillingham. They charge us twice (full price) to get ice and they do not help us up here at all.” Permit Holder Drift New Stuyahok 10

The implications for the BBEDC Permit Loan Program are people who live in a BBEDC community think BBEDC has brought benefits to them, their family and community. However, some people who reside in non-BBEDC communities like New Stuyahok do not think BBEDC has helped them, their family or their community. The younger generation in New Stuyahok has little knowledge of BBEDC. The Permit Loan Program is open to all watershed residents so it will take more effort in some communities to establish trust in order to increase participation in the program.

G2. Have you heard of the BBEDC Permit Loan Program?

A total of 116 people responded to this question including 36 people in Dillingham, 4 people in Manokotak, 12 people in New Stuyahok, 22 people in Togiak, 40 drift permit holders, 11 drift crewmembers, 23 set net permit holders, 6 set net crewmembers, 45 youth, 50 middle age and 22 elderly respondents.

I asked this question to identify why the BBEDC Permit Loan Program has not been meeting its targets. I interviewed BBEDC staff who thought most people had heard of their program because they advertise in a variety of media and they have community liaisons who promote BBEDC programs in each BBEDC community. I am testing out their assumption. I am identifying groups of people who may not have heard of the program so BBEDC can target these groups in their advertising.

The interview results suggest strongly most people have at least heard of the BBEDC Permit Loan Program. 78.4% of people have heard of the program and 21.6% of people haven't heard of the program. However, most people do not know much about the program and are easily confused with details of the program. Many people believe the program extends to help people buy boats.

Have you heard of the BBEDC Permit Loan Program?

Table G2.1

	Number of responses		Percentage of responses	
	All respondents	All respondents	All respondents	All respondents
TOTAL	116		100.0%	
Yes	91		78.4%	
No	25		21.6%	
Number of people asked	123			

The interview results strongly suggest most middle age and elderly people have heard of the BBEDC Permit Loan Program and 2/3 of youth have heard of the program. 66.7% of youth, 88% of middle age and 81.8% of elderly respondents have heard of the BBEDC Permit Loan Program. The Permit Loan Program is targeted to crewmembers and youth so more outreach needs to be targeted at these groups.

Have you heard of the BBEDC Permit Loan Program?

Table G2.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	45	50	22	100.0%	100.0%	100.0%
Yes	30	44	18	66.7%	88.0%	81.8%
No	15	6	4	33.3%	12.0%	18.2%
Number of people asked	46	53	25			

Overall people enrolled in the permit loan program are the happy about the program. Togiak and Dillingham were two communities with the highest percentage of respondents who had heard of the Permit Loan Program, but the only about 50% of respondents in Manokotak and New Stuyahok had at least heard of the program.

In Togiak and New Stuyahok, many drift permit holders would like assistance in buying a boat. In Togiak some permits are underutilized because they may fish 1-2 nets in a skiff. In New Stuyahok the permit holder finds someone, often a stranger, to fish on their boat or they choose not fish at all but pay the renewal fees. Some of these people who have fished on another boat who they do not know feel they have been working as a crewmember but are the permit holder and should be paid more money.

G3. What is your opinion of the BBEDC Permit Loan Program?

A total of 85 people responded to this question including 27 youth, 40 middle age and 17 elderly respondents.

I asked people this question to better understand why BBEDC’s Permit Loan Program has not

been meeting its targets. Most people have heard of the program and people are interested in buying a permit. I wanted to understand their reasons for not participating in the program. Hearing these reasons could help BBEDC to adjust their program to increase participation rates.

The interview results suggest about half of the people at least like the program but may not know too much about the program. 30.6% of people think it's a great program and another 21.2% of people like the program but do not know much about it. Still 30.6% of people have not heard of the program. Only 10.6% of people thought BBEDC should modify their program.

What is your opinion of the BBEDC program?

Table G3.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	85	100.0%
It is a great program	26	30.6%
I have not heard of the program	26	30.6%
I like the program but I do not know much about it	18	21.2%
Program qualifiers need to change to meet a changing permit market	9	10.6%
I do not think BBEDC helps my community	6	7.1%
Number of people asked	94	

Note: I asked everyone who had heard of the program before.

The interview results suggest strongly most people in Dillingham and Togiak have heard of the BBEDC program but only half of the people in Manokotak and New Stuyahok have not heard of the program. 72.3% of people from Dillingham, 50% of people from Manokotak, 50% of people from New Stuyahok and 81.8% of people from Togiak have heard of the BBEDC program. New Stuyahok is the only non-BBEDC community and they do not have a BBEDC community liaison to inform them of BBEDC programs.

What is your opinion of the BBEDC Permit Loan Program?

Table G3.2

	Number of responses				Percentage of responses			
	Dillingham	Manok-otak	New Stuy-ahok	Togiak	Dillingham	Manok-otak	New Stuy-ahok	Togiak
TOTAL	36	4	12	22	100.0%	100.0%	100.0%	100.0%
It is a great program	14	0	0	12	38.9%	0.0%	0.0%	54.5%
I have not heard of the program	10	2	6	4	27.8%	50.0%	50.0%	18.2%
I like the program but do not know much about it	6	1	1	4	16.7%	25.0%	8.3%	18.2%
Program qualifiers need to change to meet a changing permit market	6	1	0	2	16.7%	25.0%	0.0%	9.1%
I do not think BBEDC helps my community	0	0	5	0	0.0%	0.0%	41.7%	0.0%
Number of people asked	39	4	12	25				

The interview results suggest 87.5% of drift permit holders, 81.5% of drift crewmembers, 69.6% of set net permit holders and 83.3% of set net crewmembers had heard of the program.

What is your opinion of the BBEDC program?

Table G3.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	40	11	23	6	100.0%	100.0%	100.0%	100.0%
It is a great program	15	3	9	4	37.5%	27.3%	39.1%	66.7%
I have not heard of the program	5	2	7	1	12.5%	18.2%	30.4%	16.7%
I like the program but do not know much about it	9	3	6	0	22.5%	27.3%	26.1%	0.0%
Program qualifiers need to change to meet a changing permit market	6	1	1	1	15.0%	9.1%	4.3%	16.7%
I do not think BBEDC helps my community	5	2	0	0	12.5%	18.2%	0.0%	0.0%
Number of people asked	41	12	25	7				

The interview results suggest most middle age and the elderly respondents had heard of the Permit Loan Program but 40.7% of youth respondents had not heard of the program and even fewer of them knew any details. 59.3% of youth, 77.5% of middle age and 70.6% of elderly respondents had heard of the program.

What is your opinion of the BBEDC program?

Table G3.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	27	40	17	100.0%	100.0%	100.0%
It is a great program	8	11	7	29.6%	27.5%	41.2%
I have not heard of the program	11	9	5	40.7%	22.5%	29.4%
I like the program but do not know much about it	4	11	3	14.8%	27.5%	17.6%
Program qualifiers need to change to meet a changing permit market	4	4	1	14.8%	10.0%	5.9%
I do not think BBEDC helps my community	0	5	1	0.0%	12.5%	5.9%
Number of people asked	28	45	21			

Middle age and elderly respondents were much more likely to be living in the region full time than youth. Several youth were not living in the region year round because they were in college, job trainings and pursuing other opportunities outside the region. Youth who were not living in the region full time were less likely to have heard of the program.

This question was asked of people who said in an earlier question that they had heard of the program. When prompted in this question, they admitted they did not know anything about this program. In interviews, many people admitted they did not know enough about the program to have an opinion on changing it.

The interview results suggest residents’ comments on BBEDC differ strongly depending on whether they live in a BBEDC community or not. Dillingham, Manokotak and Togiak are BBEDC communities and New Stuyahok is not a BBEDC community. People in Dillingham, Manokotak and Togiak had positive comments about the program while in New Stuyahok, people either hadn’t heard of the program or they distrusted BBEDC altogether.

Many people have heard of the program but they do not know much about the program.

“Yes, but I haven’t taken a hard look at the program. They help you with interest payments and some of the paperwork. It would get us off on the right foot anyway. My son and I have been waiting for a big year and when we have a big year and a substantial amount of excess cash, the permit price will increase too.” Permit Holder Drift Dillingham 17

“I have heard of talk but I have not really experienced or talked to people who have done it.” Retired Permit Holder Dillingham 1

“Yes, I do not know enough of it. I have heard from others that they make it too difficult for the average Bristol Bay resident to get into their program to buy a permit.” Crewmember

Drift Dillingham 3

Some people would like to change the program or at least evaluate the program and recommend changes.

“Yes, I think it is the right idea, expand and refine the program. The intent was to help the fishery and the locals but to pre-qualify based on lack of income or income does not help the whole population that they serve as a whole. It may help some but it does not help everybody. It helps just a few.” Crewmembers Drift Togiak 3

“I think it is a great program and it is wonderful that people take advantage but I am a little nervous and I want it to be evaluated. What is the cost and the return on the investment? I do not expect it to be profitable. Alaska Division of Investments and CFAB make a lot of money loaning money to fishermen. I wouldn't care if they lost money to a certain amount but I do not want to see people default. This season [summer 2011] is one of the top 5 seasons in the past 20 years but people overcapitalized at the beginning of the season.” Permit Holder Drift Aleknagik 1/Retired Permit Holder Aleknagik 1

“It does not work. The qualifying end, you have to be denied with CFAB but you have to have good credit to qualify for the BBEDC program. With interest assistance it is a good program. If CFAB turns you down, you are automatically approved by BBEDC. Let the individual take care of their credit but let BBEDC take care of the permit. Whether that is good or bad.” Permit Holder Drift Dillingham 3

Most people expressed strong support for the concept of BBEDC helping locals to buy permits.

“I think it is a great thing. It gives young people opportunities and it is working so far and we need people to utilize the resource.” Permit Holder Drift Naknek 1

“Yes, I think it is good that they are trying to help local people in Bristol Bay to get drift and set net permits because around here we need it.” Crewmember Drift Koliganek 1

People who are currently enrolled or are in the process of becoming enrolled are happy that BBEDC helped them to buy a permit.

“I think it is a great idea and it has been easy for me.” Permit Holder Drift Dillingham BBEDC 1

“Yes, I like it. Alice Ruby has been a tremendous help. I am working on all of my debts to get a CFAB or BBEDC loan.” Crewmember Set Togiak 1

“Yes, I am going through the program now. I am in the paperwork stage. Living in my community is how I found out about the program. They have made changes to help people like me, trying to buy permits from family members. Under the program, you had to fish for 3 years but through the Board, they made an exception, 2 years for people who are buying permits from their family.” Crewmember Drift Dillingham BBEDC 1

Crewmember Set Togiak 3 and others said they appreciate BBEDC is an organization who understands fishing while many banks do not understand fishing. This means if you had a bad year and do not make enough money to make a loan payment to a bank they may default you, but since BBEDC understands the unpredictability of fishing, they will work with you on a reduced payment scheme.

“I think it is a great program because it is with people who understand and live for the fishery.” Crewmember Set Togiak 3

Residents in New Stuyahok were the least likely to have heard of the BBEDC program and have positive comments on it. Since New Stuyahok is not a BBEDC community, they do not have the same experience as the other villagers on getting BBEDC assistance. In fact, even though most residents did not know much if anything about the Permit Loan Program, they were distrustful of it because it was a BBEDC program. Permit Holder Drift New Stuyahok 10 is an example of many people do not trust BBEDC. The people who expressed mistrust and dislike of BBEDC were middle aged and elderly permit holders while the younger respondents including Crewmember Drift New Stuyahok 4 did not know anything about BBEDC.

“I have never of it. I thought we were not part of the BBEDC communities.” Permit Holder Drift New Stuyahok 1

“I have heard about it but once I asked them about it, we are excluded from the program. It is much harder to get approved. Our paperwork takes twice as long to get approved. I wish they would help us out more than they do in Dillingham, the real BBEDC partnerships.” Permit Holder Drift New Stuyahok 10

“No, I have heard of them but I do not know anything about them.” Crewmember Drift New Stuyahok 4

People in Dillingham and Togiak were the most likely respondents to have heard of the Permit Loan Program but they were the most likely to have bought a permit or be actively interested in buying a permit. Support for the program was strongest in Togiak. Not only had most people heard of the program but they were enthusiastic about the program People had mixed reactions about the process. Permit Holder Drift Togiak 7 liked that BBEDC gave you a second chance if you were denied by CFAB but Crewmember Set Togiak 4 felt being denied from CFAB first made the process too cumbersome.

“Yes, it is a good program. If they get denied from CFAB, you have a good chance of getting it through BBEDC. I think that is sort of awesome.” Permit Holder Drift Togiak 7

“You have to go through CFAB first which is a bummer. They should do it themselves rather than trying to get a loan from somewhere else.” Crewmember Set Togiak 4

Committing to living full time in the region for 15 years is a main reason why youth do not want to participate in the program. Others like Permit Holder Drift Dillingham 7 said their children are

working outside the region and when they return to the region full time, they will take fishing more seriously than someone who never left the region.

“I only heard of the BBEDC program earlier this year... and I am considering it. It’s a great goal of theirs to help people. I know they are thinking of making changing it but making the 15 year commitment to be here in the region is a hard thing to commit to. I cannot commit to staying here year round for the next 15 years. That would be saying I would be here until I am 40 so I am setting my life around a loan or default on a loan. You should be able to do what you want in life without being tied down to a loan.” Permit Holder Drift Dillingham 10

“BBEDC will help people buy permits but I cannot recall exactly how the permit is set up. You can bet a permit pretty reasonable though them. The other cost to allow you to get into the fishery is the boat, you have to incur yourself. It is primarily targeting younger people who want to get into the fishery and part of it. In order to qualify you have to be a local watershed resident, one of the main qualifiers. If my boys who live Outside to work, they could not qualify for a permit. That is one drawback on people that would do ok fishing. Normally young people find jobs somewhere else and when they come back into the fishery, they take it more seriously than other people and do subsistence.” Permit Holder Drift Dillingham 7

The implications to the BBEDC Permit Loan Program are many people do not know enough about the program to have an opinion on it. Given the amount of interest people have expressed in buying a permit, the challenge is to find the best way to market to this audience. BBEDC has been advertising for several years, but if many people, especially their target audience, youth, have not heard of the program than their outreach is not working. The good news is most people who know the details of the program like the program.

G4. What changes would you make to the BBEDC Permit Loan Program?

A total of 12 people responded to this question.

I asked people who were familiar with the program to suggest ways to improve the Permit Loan Program. I wanted to compare their answers to answers BBEDC Staff and Board members provided. What the experts say vs. what people who are enrolled in the program or familiar with the program have to say about it. I wanted to ask participants to voice their opinions anonymously because most of these participants participate in BBEDC programs.

The interview results suggest people have many different ideas for modifying the Permit Loan Program. 25% of people thought BBEDC could advertise more in the villages. Two related responses were that 16.7% thought BBEDC should change the pre-qualifying standards and 8.3% thought BBEDC needs to have the flexibility to change the program subsidy when the permit prices change.

What changes would you make to the BBEDC Permit Loan Program?

Table G4.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	12	100.0%
More advertising in the villages	3	25.0%
Change the prequalifying standards	2	16.7%
3 years of crew experience maybe an impediment	1	8.3%
BBEDC could coordinate their activities including tax assistance and help more with the CFAB paperwork	1	8.3%
BBEDC could expand the program to finance boats	1	8.3%
Education classes are repetitive if you are in college	1	8.3%
BBEDC needs to have the flexibility to change the program subsidy when permit prices change	1	8.3%
Get rid of CFAB, BBEDC should work with Alaska State Division of Investments instead	1	8.3%
Change the down payment to 2.5%	1	8.3%
Number of people asked	12	

Note: I asked people including participants who were knowledgeable about the Permit Loan Program.

People who are most familiar with the Permit Loan Program live in Dillingham or Togiak. From an earlier question, people in Manokotak and New Stuyahok knew the least amount about the program. Even with the BBEDC liaisons and BBEDC Board member who reside in the BBEDC communities, word of the program is not getting out to some members of their target audience, youth and crewmembers.

People would like BBEDC to advertise more in the villages.

“More advertising. It would be nice for a lot of guys who do know how to fish to get the effort to get the permit and boat or at least lease a boat... Some of the boys out there have been fishing a long time, when they stop fishing or drown that knowledge is lost. Most of the knowledge passed down now is just family.” Permit Holder Drift Clark’s Point 2

“The outreach program is poor but it is not adequate to reach that target group. If you

visit the village once per year and you mention 14 BBEDC program, that message is going over people's heads. They need a more intensive subsidy given the price of the permits today. They need to have the flexibility to change the program quickly when the permit prices change. They need to expand in areas in the subsidy. Maybe the program should not require you to be rejected by CFAB first because you're eliminating the most likely candidates out there, people who are financially responsible. They wouldn't qualify for the BBEDC program because they could qualify for CFAB but they view a CFAB loan is too high risk. They would rather get a BBEDC loan because it is less risky." Permit Holder Drift Dillingham 6

"I think it is just people who do not know that permits are insanely affordable for the program. I could go in with \$3,500 and start the process and have really small payments for the life of the loan and not pay interest. I did not realize it was that awesome but there is not enough outreach." Permit Holder Set Dillingham 1

People think paperwork maybe an impediment.

"I am not really sure. There is a language barrier here. I have seen folks look at the paperwork and be overwhelmed by the language barrier. English is a hard language to learn." Permit Holder Drift Togiak 7

"3 years participating as crewmembers maybe an impediment. They do not meet the requirement. If BBEDC coordinated some of their activities, tax assistance programs who could walk people through the personal finance statement. That would help a lot. The CFAB paperwork is substantial. Someone in village who is bilingual who could explain some of the more tricky concepts." Crewmember Drift Dillingham 1

The implications to the BBEDC Permit Loan Program are people think there are many ways to change the program. Overall, the responses indicate people would like to have more flexibility in the program including the subsidies and the pre-qualifying standards. Participants have diverse backgrounds and a one size fits all approach may not work for everyone.

G5. How do you think residents could benefit from BBEDC's Permit Loan Program?

A total of 108 people responded to this question.

I asked this question to understand if they thought the Permit Loan Program was a worthwhile endeavor. I hypothesized people would think of how the program would benefit themselves or their families rather than a more abstract idea of how their community would benefit. People who saw no benefits under the current structure of the program would not think the program was worthwhile.

The interview results suggest most people think the Permit Loan Program will help bring more income to themselves or their family. 42.6% of people said it would benefit themselves or their family. 8.3% of people said it would help economically sustain their communities. Other responses indicate how the program components would benefit themselves. 7.4% of people said

you could buy a permit for 2/3 the cost, 6.5% of people said the program helps people get a loan who have bad credit, 1.9% said the program has lower interest rates.

How do you think residents could benefit from BBEDC's Permit Loan Program?

Table G5.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	108	100.0%
Help to bring more income to the individual and their family	46	42.6%
I do not know enough about the program to comment	19	17.6%
They cannot benefit the way the program is configured	10	9.3%
It helps economically sustain communities	9	8.3%
You can buy a permit for 2/3 the cost	8	7.4%
To help people get a loan who have bad credit	7	6.5%
The program is run by people who are local fishermen and who understand fishing	5	4.6%
They benefit with lower interest rates	2	1.9%
People here would rather do something else than fish	1	0.9%
People are not interested in permits because jobs are hard to find	1	0.9%
Number of people asked	119	

Respondents think the Permit Loan Program could help residents get back into the fishery.

“I think it would help out a lot of the village folks get back to fishing. Before we used to have a lot more fishermen from here about 30-35 drift permits. It would help the families, especially from the elders who had a lot of kids. Their family needs funding. Whatever job they offer, just part time, they have 100 people apply.” Permit Holder Drift New Stuyahok
9

As Permit Holder Drift Dillingham BBEDC 2 and Permit Holder Drift Dillingham 12 noted, the Permit Loan Program would benefit their families and their communities too.

“It could increase the wellness of their family. They could have a permit to hand down to generations to come and help them build credit.” Permit Holder Drift Dillingham BBEDC 2

“It would bring back money into our community. Every dollar that turns over to the community would be better.” Permit Holder Drift Dillingham 12

Going through the Permit Loan Program has a lot of benefits other than acquiring a permit. As part of the process, credit counselors evaluate and help participants with their credit, financial advisors to create a budget, create a fishing resume, provide an incentive to file their taxes (to build a fishing resume) and they have to take education classes to keep up with fishery. As one person noted, there is a substantial amount of paperwork to fill out. BBEDC is headquartered in Dillingham and credit counselors visit the villagers who cannot travel to Dillingham.

“Money. They pay a good chunk of the permit costs. It is kind of like insurance, who cannot come up with \$800-\$1000 for a loan payment of \$6,000-\$8,000 but if it is much less it is easier to take on this risk. It makes a more calculated risk. The continued education requirement is a nice feature because it forces people to keep up with current trends and knowledge of the fishery.” Crewmember Set Dillingham 1

“They could do the paperwork and apply. Demonstrate they fish (resume) and save their tax returns. Keep their paperwork. Encourage all crewmembers to start a fishing resume. Pay taxes so they have a tax record, crewmembers not paying taxes. People cannot apply for a loan if they have no fishing record.” Permit Holder Drift Aleknagik 1/Retired
Permit Holder Aleknagik 1

“Get a loan. Relieves some of the financial burden and if people have bad credit and they cannot get a loan. For more settled people with kids who know they will be staying here in the region for the next 15 years, it is a good fit for them.” Permit Holder Drift Dillingham 10

“I believe they could really help the villagers not just in their ability to pay 30% but to help them as advisors (financial, credit line counselors) by hooking them up. Most of the villagers do not know where to go for help to become eligible.” Permit Holder Set Dillingham BBEDC 1

“I would like to see them because they are local and you can go there and talk. That is the best way to go. Wells Fargo is a little harder.” Permit Holder Set Dillingham 4/Retired
Permit Holder Dillingham 1

“I think that loans are a big fear for most people in Bristol Bay. Maybe not a fear but a big percentage of the population likes to live with cash on hand and not get into debt. BBEDC offers a lot of assistance with making it as easy as it could possibly be getting a loan without bankrupting you basically. I have never gotten loan assistance from them so I cannot speak from experience.” Permit Holder Set Dillingham 10

“It’s the business they know, the business they are born into. They are natural fishermen. You wouldn’t want to give them a loan to open a restaurant. It would help them to be self-sustainable.” Permit Holder Set Togiak 2

Under its current rules, some people do not think the program benefits anyone.

“It is not helping anyone get into the fishery. It gives the kids a good start but if their intent is to help all residents of the watershed, they will have to work out the money. In the drift case they help buy the son’s permit so they could fish dual permits on his dad’s boat. It cannot hurt. They are talking about interest and equity. I do not know. It’s a lot of money to stay in the fishery. \$200,000 to invest in the fishery. They offer you \$4,000-\$6,000 in subsidies a year but a \$30,000 loan payment, the numbers are just not here, like in Togiak. In Togiak, if I invested, I would be luck to break even every year.”
Crewmember Drift Togiak 3

It seems people in New Stuyahok are not as interested in fishing as other communities.

“People here would rather do something else than fishing.” Crewmember Drift New Stuyahok 1

“People aren’t interested in buying permits because jobs are hard to find here.” Permit Holder New Stuyahok 7

BBEDC STAFF AND BOARD MEMBERS PERCEPTIONS OF THE GOALS, STRENGTHS AND CHALLENGES OF THE PERMIT LOAN PROGRAM

To understand the BBEDC Permit Loan Program, it is important to understand why the program was created, how the program was created and what areas the Staff and Board members think could be improved. The Permit Loan Program has not been meeting its targets. I wanted to understand what the Staff, Board members and general respondents agreed on and on what issues they disagreed.

To address these questions, I asked BBEDC Staff and Board members the following questions:

D1. What were the conditions when the BBEDC Permit Loan Program was created and how have they changed?

A total of 7 people responded to this question with some people giving more than one response.

I asked this question to BBEDC Staff and Board members to better understand what the conditions were when the BBEDC Permit Loan Program was developed. Alaska residents are eligible for CFAB and Alaska Division of Investment loan programs for fishermen but I wanted to understand why BBEDC thought these programs were not sufficient to help Bristol Bay watershed residents buy permits and needed to start their own program.

The interview results suggest BBEDC Staff and Board members have different ideas of what the conditions were when the Permit Loan Program was created. 30% of people said permit prices and 20% of people said fish prices were lower than they were in summer 2011 when this study was conducted. 10% of people said permits were leaving the region and saw a need for this program because watershed residents had difficulty accessing financing to buy permits.

What were the conditions when BBEDC program was created and how have they changed?

Table D1.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	10	100.0%
Permit prices were lower	3	30.0%
Difficult to access financing	1	10.0%
Permit were leaving the region	1	10.0%
Fish prices were lower	2	20.0%
Permits are too expensive	1	10.0%
I cannot answer the question because I was not on the Board when the program was created	1	10.0%
Program would help elderly fishermen sell their permit to a descendent rather than gifting them the permit for no compensation	1	10.0%
Number of people asked	7	

Note: Most people gave more than one response.

BBEDC Staff and Board members describe how the conditions were different when the Permit Loan Program was created.

“When we started the program, permits were \$88,000 drift and \$27,000 set net. Fish prices were lower.” BBEDC 3/Permit Holder Dillingham 14

“The conditions were a mass exodus of permit ownership to non-Alaskans residents from Alaskan residents, watershed residents. Most people who owned them, they have two things to sell, their permit and their native allotment. 7-8 years ago, you had people who were in the hole and started to sell their permits and allotments. We lost a lot of permits in New Stuyahok and Ekwok. 6-7 years ago when the price of salmon collapsed, the cannery did not give out money anymore. There were a lot of people in the 80s who got State loans to buy boats and a lot of people lost their permit because they could not make the payment on their boat.” BBEDC 4/Permit Holder Drift Dillingham 15

“The idea was when the family or head of the family becomes older, a lot of them in the past have given the permit to their kids for nothing, no return. I think this program helps to transfer or sell their permit. They have an option of having their children applying for the loan from BBEDC. I think we are starting to build back the permits because of BBEDC and its programs.” BBEDC 7/Permit Holder Set Togiak 6

The implications to the BBEDC Permit Loan Program are BBEDC Staff, Board members and general respondents agree permit prices and fish prices are a lot higher now than when the Permit Loan Program was created. Also they agree many people still have difficulty accessing financing and permits are still leaving the region.

D2. What has changed?

A total of 7 people responded to this question with some people giving more than one response.

I asked this question to BBEDC Staff and Board members because I wanted to compare their answers to people who are considering enrolling in the Permit Loan Program. Do people give the same reason as BBEDC Staff and Board members give on why people are not participating in the program?

The interview results suggest BBEDC Staff and Board members think there have been many changes to the fishery since the Permit Loan Program was created. Most of the changes to the fishery have to do with an increase in the cost to resident fishermen living and fishing in Bristol Bay. 30% of people said permit prices are higher today, 20% said fish runs are down from a 10 year historical high and the rest of the responses mentioned permits leaving the region because the fishery is more lucrative (improved quality of salmon) and because costs have increased.

What has changed?

Table D2.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	10	100.0%
Permit prices are higher today	3	30.0%
Fish runs are down from a 10 year historical high	2	20.0%
Improved quality of salmon	1	10.0%
Increased cost of living	1	10.0%
Operation costs have increased	1	10.0%
Down payments have become so large and the permit program did not adjust for this increase	1	10.0%
Outsiders hold a lot of permits and the State is not considering residents first	1	10.0%
Number of people asked	7	

Note: Some people gave more than one response.

When the BBEDC program was started, permit costs, cost of living and fish and fuel prices were

lower, but the program has not kept pace as these prices increased, sometimes dramatically.

“Now: permit prices are higher, improved quality, cost of living and operation have increased.” BBEDC 1

“Permit prices have doubled and the down payments have become so large that we did not adjust for this increase. Fish volume is in a down cycle from a 10 year historical high.” BBEDC 3/Permit Holder Drift Dillingham 14

“The cost to participate has gone up. The average fuel bill was \$2,500 a few years ago and now it is \$5,000 and insurance and net costs have gone up dramatically.” BBEDC 4/Permit Holder Drift Dillingham 15

The implications for the Permit Loan Program are BBEDC staff, Board members and the general public agree permit and living costs have increased since the program was created. Drift permit prices are above \$100,000 making it difficult for residents who have good credit to use Option B from the Alaska Division of Investments loan program. As long as drift permit prices are above \$100,000 BBEDC should consider expanding its program to people who have good credit.

D3. Were there options considered but not used?

A total of 7 people responded to this question with one person giving more than one response.

I asked BBEDC Staff and Board members this question to understand why the Permit Loan Program has not been meeting its participation targets. I want to use their answers to understand if there are gaps in the program that can be filled.

The interview results suggest BBEDC Staff and Board members think the original program had more outreach to the villages. 50% of people said the program would have send loan program representatives and credit counselors to villages once per year. 25% of mentioned education curriculum could have been developed to foster the importance of fishing at a young age.

Were there options considered but not used?

Table D3.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	8	100.0%
Send loan program reps and credit counselors to villages once per year	4	50.0%
Visiting the school and developing an education curriculum	2	25.0%
BBEDC decided not to create a new program but incorporated the program into existing programs	1	12.5%
BBEDC should reassess after a year to determine how much the individual needs and adjust accordingly	1	12.5%
Number of people asked	7	

Note: Some people gave more than one response.

When general respondents were asked about their solutions to help more people enter the fishery, several people mentioned some kind of education program including a mentorship program where older, more experienced fishermen mentored younger fishermen. Several people mistakenly think BBEDC helps them to buy boats already. People would like BBEDC’s help buying boats because with the emphasis on quality, it is important, but very expensive to buy boats that can handle RSW systems.

Some of the villagers who have heard of the program think there has not been enough outreach to the communities. People who have not heard of the Permit Loan Program but have lived in the region the entire time indicate the program has not had enough outreach. Youth are the age group with the least knowledge of the program but in the long run they stand to benefit the most from the Permit Loan Program.

BBEDC Staff and Board members worked with consultants to devise a Permit Loan Program. Not all of the proposed ideas were used. BBEDC Staff and Board members discuss what the ideas were not used in the existing program.

“Education curriculum was not developed, credit counseling (pre and post), after a year or two they get a feel for how much the individual needs and adjusts accordingly.” BBEDC 3/Permit Holder Drift Dillingham 14

“If BBEDC could help buy gear and boats and that would help too.” BBEDC 5/Permit Holder Drift Dillingham 16

“Not create a new program but incorporating the program into existing programs; going to visit the villages once per year; business counselors, visit the school, send loan program reps and credit counselors to the villages.” BBEDC 1

The implications to the Permit Loan Program are because an education curriculum was not developed, not as many youth have heard of the program. More broadly, the decision not to send loan counselors and staff to the villages each year has affected what information people receive about the program. Some people believe the program covers boats while many others do not understand the process.

D4. Why were these options not incorporated?

A total of 2 people responded to this question.

I asked this question as a follow up to the previous question. I wanted to understand why these options were not incorporated and if based on their answer if some of these options would be incorporated into the existing program later.

The interview results suggest BBEDC Board is cautious about unrolling its program. The State of Alaska Division of Investments may have been cautious about the Permit Loan Program too. This was the first targeted loan programs aimed at a specific group of Alaskans, many of them who have bad credit.

Why were these options not incorporated?

Table D4.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	2	100.0%
BBEDC Board elected to start off slowly, not knowing the pitfalls	1	50.0%
CFAB was willing to work with us first, but now we have interest from State, making it more accessible for watershed residents to buy permits because the State offers better rates	1	50.0%
Number of people asked	2	

BBEDC Staff and Board members discuss why these options were not incorporated into the existing program.

“Board elected to start off slowly, not know the pitfalls. What is in place is a stagnant skeleton. It is frustrating not to incorporate other aspects.” BBEDC 3/Permit Holder

Drift Dillingham 14

“CFAB was willing to do it first and now we have State interest which will make it more accessible for watershed residents to buy. The State offers better rates and we may have a State loan program and a CFAB program. I have been lobbying legislators to make permits more favorable to watershed residents.” BBEDC 4/Permit Holder Drift Dillingham 15

“We have talked a lot about boat loans at BBEDC but we always look at the site paper, but we haven’t done a lot in terms of purchasing boat loans but it down the line that we are going to be doing that. A lot of boats are laid up without engines so the State of Alaska is doing that for the people but State loans have interest rates that are too high.” BBEDC7/Permit Holder Set Togiak 6

The implications to the Permit Loan Program are general respondents would like BBEDC to help them buy boats. Several mentioned BBEDC should offer loans to watershed residents first without having to be denied by CFAB first. The State of Alaska Division of Investments Option B is designed for rural residents but the cap is \$100,000, making it unavailable to most people buying drift permits or boats unless they put down a larger down payment to make up the rest of the amount over \$100,000.

D5. Why has the program not been meeting its targets?

A total of 7 people responded to this question with some people giving more than one response.

I asked this question to BBEDC staff and Board to understand why they think the Permit Loan Program has not been meeting its participation targets. I wanted to compare these “expert” responses to reasons potential participants gave me. To create a successful program, the designers have to know their target audience and there is the potential for the designers of the program to have misread their targeted audience.

The interview results suggest BBEDC Staff and Board think the Permit Loan Program is not meeting its targets due to complex reasons. 18.8% of people think the Permit Loan Program is not meeting its targets because BBEDC is targeting people who cannot carry a loan, 12.5% of people think access to financing has not changed and BBEDC has not removed this obstacle, 12.5% of people think there is a perception commercial fishing is not lucrative and 12.5% cited higher permit prices.

Why has the program not been meeting its targets?

Table D5.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	16	100.0%
BBEDC is targeting people who cannot carry loans	3	18.8%
Access to financing has changed and we (BBEDC) have not removed this obstacle	2	12.5%
There is a perception commercial fishing is not lucrative	2	12.5%
Higher permit prices	2	12.5%
There was no test period for the program	1	6.3%
Target was arbitrary	1	6.3%
Market is saturated because 30% of regional residents who commercial fish is a big number	1	6.3%
There is a lack of outreach	1	6.3%
Qualifications for program are not sufficient	1	6.3%
Subsidies are not sufficient	1	6.3%
Program is still new	1	6.3%
Number of people asked	7	

Note: Some respondents had more than one response.

The issues raised are very real for many respondents who mentioned these issues. After the price of fish dropped so low, followed by permit prices, people realized they could not rely on the fishery in the same way they had been during the record high fish prices in the 80s.

“Some lack confidence in the fishery.” BBEDC 4/Permit Holder Drift Dillingham 15

Another obstacle is people face is a lack financial literacy, but BBEDC has credit counselors to help a potential participant clean up his credit. Based on responses from some potential participants, this is certainly a real issue. Potential participants said they could not carry a loan because they had bad credit, owed money to the IRS or owed child support payments.

“We are targeting people who cannot carry loans. No test period for program.” BBEDC 1

“Lack of outreach and selling the program. The qualification and subsidies are not sufficient, why do you have to be turned down by CFAB?” BBEDC 3/Permit Holder Drift

Dillingham 14

“A lot of people are interested in applying but there are other road blocks that are stopping them: tax liens, child support problems, credit issues from years ago. Their credit score is not good enough. Back in the late 90s in the disaster there were a lot of people who could not pay their taxes so they did not file for 3-4 years. They still owe money on these back taxes.” BBEDC 5/Permit Holder Drift Dillingham 16

Finally, it was poor planning to set arbitrary targets because you can only blame yourself when your program falls short. Designers of the program had the mentality of ‘if we build it, they will come,’ but they did not survey the community to quantify interest before unrolling the program. People are less likely to be interested in a program if they hear it is not successful.

“Target is arbitrary, market is saturated and 30% of regional residents fishing is big.” BBEDC 2/Permit Holder Drift Dillingham 4

The implications to the Permit Loan Program are all of these obstacles exist, but BBEDC Staff and Board members do not talk about non-financial obstacles people have when buying a permit. For both permit holders, finding a market and finding crew remain the major obstacles and securing a set net site is an additional concern for set net permit holders. In creating their program, they need to entire picture of what it takes to transition from a crewmember to a permit holder.

D6. What changes would you make?

A total of 7 people responded to this question with some people giving more than one response.

I wanted to ask BBEDC Staff and Board members to give their opinions confidentially of ways they would change the Permit Loan Program to increase participation. I wanted to compare their answers to the question I posed to potential participants of what changes they would make to the program. The existing Permit Loan Program is a modified version of the program originally proposed. I wanted to hear what changes BBEDC Staff and Board members would make to compare their answers to what was originally proposed.

The interview results suggest BBEDC Staff and Board members have different ideas of how they would modify the Permit Loan Program. 30% of people thought BBEDC should dump CFAB and work with Alaska Division of Investments because Alaska Division of Investments has lower interest rates than CFAB. Another 10% of people thought BBEDC should add other lenders than CFAB, presumably lenders other than Alaska Division of Investments. Another 30% of people thought BBEDC should incorporate boats into the Permit Loan Program either by offering loans for new boats, refurbishing derelict boats or send people to boat building skills to learn these skills themselves.

What changes would you make?

Table D6.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	10	100.0%
BBEDC should dump CFAB and work with Alaska Division of Investments	3	30.0%
BBEDC should offer boat loans for new boats	1	10.0%
Helping get boats laid up without engines back into the water because the State has a similar program but their interest rates are too high	1	10.0%
BBEDC should work with Alaska Division of Investments to increase the cap on B loans to greater than \$100,000 to help people buy boats	1	10.0%
BBEDC should add other lenders other than CFAB	1	10.0%
BBEDC should examine requirements to make people more eligible	1	10.0%
It is important to create a pool of qualified applicants when a local person wants to sell their permit to another local	1	10.0%
Send qualified residents to boat building companies to do an apprenticeship with a BBEDC owned boat building company	1	10.0%
Number of people asked	7	

Note: Most respondents had more than one response

BBEDC Staff and Board members discuss changes they would make to the program requirements.

“Add other lenders besides CFAB, examine requirements to make people more eligible.”
BBEDC 1

“Dump CFAB and move to Alaska State Division of Investment loans to get better service and better interest.” BBEDC 2/Permit Holder Drift Dillingham 4

“Not have to be turned down by CFAB. Need a pool of qualified applicants when a local person wants to sell their permit to another local.” BBEDC 3/Permit Holder Drift Dillingham 14

By contrast, 16.7% of potential participants said they would like BBEDC to change the pre-qualifying standards and another 8.3% of people thought the qualifier that you must have been crewmembers for 3 years might be an impediment. Another impediment general respondents cited is a person has to be denied a loan from CFAB before enrolling in the Permit Loan Program. 40% of BBEDC Staff and Board members and 8.3% of potential participants think BBEDC should either add more lenders or dump CFAB and work with Alaska Division of Investments.

8.3% of potential participants said they wanted BBEDC to expand the Permit Loan Program to include boats. 30% of BBEDC Staff and Board members agree boats should be included in the program.

“Norton Sound CDQ group has a boat building workshop in one of their communities. BBEDC owns 50% of AVTECH, a boat building workshop. This is somewhere that BBEDC has expertise. Send someone there to do an apprenticeship.” BBEDC 4/Permit Holder Drift Dillingham 16

The implications for the Permit Loan Program are some BBEDC Staff and Board members and general respondents agree BBEDC should expand their program to include boats and they should stop working with CFAB because the process is too cumbersome and the interest rates are too high. Some BBEDC Staff and Board members thought the requirement a person has to be a crewmember for 3 years might be an impediment but general respondents did not mention this as an impediment. In the one case where it was an impediment, the respondent said BBEDC modified the program so she could participate after 2 years of crewmember experience because she was buying the permit from a family member.

D7. Are there other ways to help residents enter the fishery?

A total of 7 people responded to this question with some people giving more than one response.

I asked BBEDC Staff and Board members if there were other ways, including other BBEDC programs, to help residents enter the fishery. Cost is a major barrier to entry but permit holders and crewmembers cited other obstacles to entering the fishery. I wanted to understand if BBEDC Staff and Board members were aware of these other obstacles and if they had ideas to helping watershed residents overcome these obstacles.

The interview results suggest BBEDC Staff and Board members are aware of some of the obstacles besides cost to entering the fishery. 22.2% of BBEDC Staff and Board members said BBEDC could help with set net site acquisition, 11.1% mentioned BBEDC should help find crewmembers and 11.1% said BBEDC could help with startup loan costs to open more processing facilities.

Are there other ways to help residents enter the fishery?

Table D7.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	9	100.0%
BBEDC should help with set net site acquisition	2	22.2%
I do not think the Alaska State Constitution should be amended	1	11.1%
BBEDC needs to promote fishing in our region and schools because many people do not see fishing as a viable income	1	11.1%
BBEDC should help find crew	1	11.1%
BBEDC should refurbish boats and lease them to residents	1	11.1%
BBEDC could promote value added processing products like traditional smoked strips	1	11.1%
BBEDC could help with start up loan costs like they did with the successful Togiak Seafoods grant	1	11.1%
BBEDC is already helping residents enough because there is no other program like ours in Alaska, helping locals sell their permit to locals	1	11.1%
Number of people asked	7	

Note: Some respondents had more than one response

Permit holders and crewmembers thought the biggest obstacles were finding a market, set net site acquisition and finding crewmembers. When BBEDC provided the Togiak Traditional Council a grant to work with Copper River Seafoods to open Togiak Seafoods, finding a market in Togiak became much easier because it ended a monopoly Togiak Fisheries had over the Togiak District.

BBEDC Staff and Board members think an education curriculum should be developed to promote fishing in schools. This idea was in the original Permit Loan Program.

“Promote fishing in our region and schools. Fishing not seen as a viable income.”
BBEDC 1

The ability to compete in the fishery today requires an expensive boat equipped with quality enhancing equipment and a jet powered engine for shallow water.

“BBEDC to help buy boats, refurbish derelict local boats and lease them to residents; promote value added processing like traditional strips.” BBEDC 2/Permit Holder Drift Dillingham 4

One of primary purposes BBEDC has is to help the region develop economically. They offer jobs to residents willing to fish on their boats in the Bering Sea but many people have children or other obligations and cannot leave their village. BBEDC 3/Permit Holder Drift Dillingham 14 and BBEDC 7/Permit Holder Set Togiak 6 are talking about ways to provides jobs to watershed residents in their communities.

“Rather than the Bering Sea fishery, how can you create jobs that are in the villages? Togiak Seafoods has a \$2 million dollar grant. In Togiak, 50% of their jobs were locals.”
BBEDC 3/ Permit Holder Drift Dillingham 14

“Since BBEDC has an opportunity, we can ask to get a trainer in terms of welding. A lot of boats are aluminum. We are talking about doing fiberglass training here. Alaska State has a program for those types of training so we would ask for those. We have facilities here that can do training.” BBEDC 7/Permit Holder Set Togiak 6

The implications to the Permit Loan Program are BBEDC Staff and Board members aware of the top reasons obstacles people have to entering the fishery. Unfortunately, some of these obstacles like finding crewmembers and a market are not easily fixed in the short term but rather require long term approaches to solve these issues.

D8. How do BBEDC Staff and Board feel residents perceive their program?

A total of 5 people responded to this question.

BBEDC is a powerful and respected organization in Bristol Bay and they may not know how residents perceive their Permit Loan Program. I asked BBEDC Staff and Board members this question to compare their answers to residents’ answers. By allowing residents, BBEDC Staff and Board members to express their views confidentially, I hope BBEDC can use these comments to understand if there are weaknesses in their program and to best solve them.

The interview results suggest BBEDC Staff and Board members have heard mixed reviews of the Permit Loan Program but 20% think BBEDC needs to do more outreach. Residents who have not heard of the program cannot perceive the program. 20% of BBEDC Staff and Board members said interested people think they can get a boat and a permit through the Permit Loan Program.

How do BBEDC Staff and Board feel residents perceive their program?

Table D8.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	5	100.0%
BBEDC needs to do more outreach	1	20.0%
I have not heard much positive feedback because the program is too restrictive to get in and the subsidies are not sufficient for the risk	1	20.0%
I have heard nothing but positive comments	1	20.0%
Most people think they can get a permit and a boat	1	20.0%
I do not want to look at the program as welfare assistance because I tell people you cannot get something for nothing	1	20.0%
Number of people asked	7	

BBEDC employees and Board members are more likely to hear positive comments about the program because many of these people are leaders in their communities. BBEDC has a liaison for each community and this person should be the one who finds out what people in the villages think about the program.

“Mostly positive. Minority think it is not enough.” BBEDC 1

In general, BBEDC employees and Board members are correct in stating that most people think that BBEDC has taken the right step in helping more residents acquire permits. The problem is their target audience, youth and crewmembers, are the least likely to know or be confused about the details of the program. People in New Stuyahok perceive the program as not helpful but this has less to do with the Permit Loan Program and more to do with how they feel about BBEDC.

BBEDC Staff and Board members discuss how they think residents perceive their program.

“I haven’t heard much positive feedback. They feel it is too restrictive to get in. They do not think the subsidies are sufficient for the risk involved.” BBEDC 3/Permit Holder Drift Dillingham 14

“Most people they that they can get a boat and a permit from BBEDC and it is tough for them to afford a permit and a boat. They need to understand that it is a long term investment. Most of the time it is a D permit on the permit. They want to be captain with a

permit instead of being crewmembers on a boat.” BBEDC 5/Permit Holder Drift Dillingham 16

“Well I tell them you cannot get something for nothing. There has to be steps to getting something done. I do not want to look at it as welfare assistance. I still see a couple of young people walking around the villages and not looking at the fisheries as an option because they are on welfare and it is not going to be here forever.” BBEDC 7/Permit Holder Set Togiak 6

The implications for the BBEDC Permit Loan Program are some BBEDC Staff and Board members agree with the general public there is not enough outreach for the program. This program is complex and many people have confusing ideas about the qualifiers for the program, who is eligible and what the program actually provides.

D9. What would it take them to enroll in the program?

A total of 5 people responded to this question.

I asked this question to BBEDC Staff and Board to understand if there were ways to entice interested people into enrolling in the program. I wanted to compare their answers to permit holders and crewmembers to determine if BBEDC accurately understood its target audience.

The interview results suggest BBEDC Board and Staff think they should continue their current efforts to interest people in buying permits through the Permit Loan Program. 40% of people think BBEDC should continue to get the word to watershed residents.

What would it take them to enroll in the program?

Table D9.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	5	100.0%
BBEDC should continue to get the word out	1	20.0%
BBEDC should continue to get people access to funding	1	20.0%
More people have other employment opportunities because they can work on a factory trawler in the winter	1	20.0%
I think there is still work that needs to be done to get more people interested in permits	1	20.0%
I do not know	1	20.0%
Number of people asked	7	

Some BBEDC Staff and Board members think outreach is their biggest challenge. According to them, people are interested in buying a permit but they may not know about the Permit Loan Program. They will want to take advantage of this program when they find out about it. BBEDC 7/Permit Holder Set Togiak 6 is correct in saying the program is just catching onto communities. The majority of people who know the details about the program are the people who are interested in buying a permit. Since a lot of people want help buying a boat, a change to the program could be a boat/permit package but fishing on another person's boat is a step towards gaining the experience needed to become a successful captain.

"Continue to get the word out and continue to try to get people access to financing."
BBEDC 1

"A boat loan program. With the set net permits, they are affordable for just about anybody even if you could find a low producing site (20,000-30,000 pounds), you could still make your payments. If there was some assistance for helping people get good sites. Department of Commerce sells these permits below value." BBEDC 5/Permit Holder Drift Dillingham 16

"It is just now catching onto the communities. Interest is picking up in the 17 communities... Determination. When the person is determined enough to do something, usually that person achieves that determination. You have to prove to yourself first and work at that you want to achieve and I have been telling young people, I am not going to walk them through this to achieve the goal." BBEDC 7/Permit Holder Set Togiak 6

The implications for the Permit Loan Program are the program is still relatively new so the cheapest approach to increasing participation might be to expand outreach efforts. Unlike many of their other programs, this program is for all watershed residents and it can be hard to target people in non-BBEDC communities. Non-BBEDC community outreach should be a priority.

D10. How do most people find out about the program?

A total of 7 people responded to this question with some people giving more than one response.

I asked BBEDC Staff and Board members this question to understand what they thought was the most effective way to advertise their program. Unlike CFAB and the Alaska Division of Investments, BBEDC is located in Dillingham and has community liaisons and Board members in each community, giving residents easier access to their programs. While most residents have heard of CFAB and the Alaska Division of Investments, they have been around much longer than BBEDC's Permit Loan Program. Still most residents have heard of the BBEDC Permit Loan Program.

The interview results suggest people have many different ideas of how people find out about the program but most people find out about the program from interacting face to face with staff visits to the village, community liaisons, neighbors, family and Board members. 18.8% of BBEDC Staff and Board members thought people heard of the Permit Loan Program through word of

mouth, 12.5% thought it was from BBEDC newsletters and 12.5% thought it was through staff visits to the villages.

How do most people find out about the program?

Table D10.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	16	100.0%
Word of mouth	3	18.8%
BBEDC newsletters	2	12.5%
Staff visits to the village	2	12.5%
Broad e-mails	1	6.3%
I do not know	1	6.3%
KDLG radio station	1	6.3%
A resident of Dillingham has easier access to BBEDC	1	6.3%
Website	1	6.3%
BBEDC TV advertisements	1	
When they stop by my house	1	
Community liaisons	1	6.3%
Advertisements on bulletin boards	1	6.3%
Number of people asked	7	

Note: Some respondents had more than one response

It is unclear where most people find out about the BBEDC Permit Loan Program because I did not ask them this question. However, middle age people were the most knowledgeable about the program and of youth respondents, a few mentioned their parents told them about the program. In fact, Permit Holder Drift Dillingham BBEDC 2 found about the program from his father. People who knew the most about the program were interested in buying a permit or they were the most knowledgeable about fisheries related issues.

“Word of mouth, broad e-mails.” BBEDC 1

“I do not know how most people find out about the program. BBEDC puts out a newsletter, KDLG radio... If you are a resident of Dillingham, it is easier to access BBEDC. All of the programs are in Dillingham so you can walk right in and talk to them face to face.” BBEDC 2/Permit Holder Drift Dillingham 4

“We have it on our website, we advertise on TV, just about everything we could advertise on. We go to the villages and have career fairs and advertise there and talk to the folks in the villages.” BBEDC 4/Permit Holder Drift Dillingham 15

“We’ve created community liaisons and we train our liaisons on our programs and they

are putting up bulletins to notify the community.” BBEDC 7/Permit Holder Set Togiak 7

The implications to the Permit Loan Program are many youth and crewmembers have not heard of the program or they do not know any details of the program. BBEDC needs to find an outreach approach that works best for targeting these groups.

D11. Are most people aware of the program?

A total of 4 people responded to this question.

I asked BBEDC Staff and Board members this question to compare their responses to residents. One of the recurring comments BBEDC Staff and Board members have is there is not enough outreach about the program. I wanted to quantify how many people thought there was not enough outreach. I wanted to understand if they thought this was the biggest problem.

The interview results suggest 75% of BBEDC Staff and Board members think people have at least heard of the program. 25% thought people do not know about the program.

Are most people aware of the program?

Table D11.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	4	100.0%
I think people are generally aware of the details but do not know the details	1	25.0%
Yes	1	25.0%
I think 57% of people are aware of the program	1	25.0%
Most people do not know about it	1	25.0%
Number of people asked	7	

BBEDC Staff and Board members think most people have at least heard of the program.

“I know most people are generally aware of the program but do not know the details.”
BBEDC 1

“I think 57% of people are aware of the program now.” BBEDC 7/Permit Holder Set Togiak 6

BBEDC 2/Permit Holder Drift Dillingham 4 raises an important question. When permit prices are high, is it prudent to encourage people to buy a permit who may not be able to make the loan payments? Are these loans too risky?

“Most people do not know about it. It is not effective if no one knows about it. By promoting permit ownership, we induce people who are not cut out for the business to get into the business. It is not easy. People may not able to meet payment obligations.”
 BBEDC 2/Permit Holder Drift Dillingham 4

The implications to the Permit Loan Program are BBEDC Staff and Board members are wrong in thinking most people have not heard of the program. In fact, 74.1% of general respondents have heard of the BBEDC program but many of those people do not know the details. BBEDC 2/Permit Holder Drift Dillingham 4 raises an interesting question of if the program targets people who are denied a CFAB loan, can they carry a loan at all? Perhaps the program is not working because it is not addressing the underlying problems that many respondents have mentioned, bad credit, unemployment and unpredictability of the fish run.

D12. Are there new ways to advertise the program?

A total of 7 people responded to this question.

In an earlier question, some BBEDC Staff and Board members thought there should be more outreach to the villages. I wanted to understand what they meant when they said outreach.

The interview results suggest most people think BBEDC needs to advertise through traditional media. 83.7% of people think BBEDC needs to advertise through traditional media. Only 14.3% think going to the villages over and over will better advertise the program, but most BBEDC Staff and Board members think that most people find out about the program through direct interactions with BBEDC employees, their neighbors or family instead of traditional media outlets.

Are there new ways to advertise the program?

Table D12.1

	Number of responses	Percentage of responses
	BBEDC Staff and Board	BBEDC Staff and Board
TOTAL	7	100.0%
More e-mails	2	28.6%
More advertising on the Bristol Bay Trader website	2	28.6%
Post fliers around town including at each processor	2	28.6%
Going to the villages over and over	1	14.3%
Number of people asked	7	

BBEDC Staff and Board members suggest ways BBEDC could advertise their Permit Loan Program.

“E-mails, Bristol Bay Trader website, fliers to each processor, city hall, library, etc.”
BBEDC 1

“More effort in advertising. Going out to the villages over and over. Used car salesman so to speak.” BBEDC 4/Permit Holder Drift Dillingham 15

The implications to the Permit Loan Program are my results indicate youth and crewmembers know the least amount about the Permit Loan Program but the program is directed at them. If BBEDC wants to target youth, they may need to change their advertising strategy. Youth rely on information from social media websites like Facebook so perhaps BBEDC could promote its program on its Facebook page. From my visit to Manokotak, New Stuyahok and Togiak, I observed that most houses had a satellite dish so I doubt that most people watch much local programming. BBEDC probably does not advertise on ESPN.

People who were the least knowledgeable about the program lived in New Stuyahok. BBEDC should consider visiting villages that are not BBEDC communities to build the same trusting relationships they enjoy with BBEDC communities. People in these non-BBEDC communities would be more willing to try this Permit Loan Program if they trusted BBEDC.

OBSTACLES TO FISHING

To understand why people are not buying permits, it is important to understand the obstacles to permit ownership. The most common theory in the literature review is people face financial barriers to entry, but I wanted to understand if there were non-financial obstacles to entry. Secondly, I wanted to better understand obstacles to permit holders in retaining their permit. If there are common obstacles many people mention, are there ways to reduce or eliminate these obstacles?

To understand these obstacles, I asked people who have experience fishing the following questions:

G7. What are obstacles for people wishing to enter the fishery?

There were a total of 136 responses to this question including responses from 57 permit holders, 16 drift crewmembers, 51 set net permit holders, 7 set net crewmembers, 36 youth, 67 middle age and 35 elderly people. Some people provided more than one response.

I asked this question to understand non-financial obstacles to entering the fishery. The biggest factor to enter the fishery is cost but I wanted to talk to both crewmembers and permit holders to understand their challenges and if they were different.

Some people did not understand this question fully and they talked about financial obstacles. Still the interview results indicate there are many non-financial challenges to entering and remaining in the fishery. The biggest challenges are finding crewmembers, finding a market to sell your fish and having the experience to become captain. 14% of people said finding crewmembers, 13.2% said finding a market and 10.3% said having the experience to become captain. On the crewmembers side, 0.7% of people said a challenge for them is when their captain does not pay them.

What are obstacles for people wishing to enter the fishery?

Table G7.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	136	100.0%
Finding crew	19	14.0%
Finding a market	18	13.2%
Having the experience to become captain	14	10.3%
Cost of associated gear including nets, motors, cabins, lease payments, etc.	12	8.8%
I do not see any obstacles	11	8.1%
Expense of permits and boats	10	7.4%
Nothing thinking about the business side of fishing including taxes	10	7.4%
Finding a good set net site	9	6.6%
Taking time off from work to fish	7	5.1%
Paperwork	5	3.7%
I do not know	4	2.9%
No job	4	2.9%
The unpredictability of the run	4	2.9%
It is risky and dangerous work	3	2.2%
Childcare	2	1.5%
Getting along with your family	1	0.7%
Captain not paying crew	1	0.7%
Criminal record	1	0.7%
High cost of living in the region	1	0.7%
Number of people asked	123	

Note: Some respondents had more than one response.

Unsurprisingly, the interview results suggest permit holders and crewmembers see different obstacles to entering the fishery. Most surprising is that the biggest obstacle drift and set net crewmembers mentioned were not obstacles at all! 18.8% of drift crewmembers and 22.2% of set net crewmembers respondents saw no obstacles for entering the fishery. 22.2% of set net crewmembers thought finding crewmembers was another top obstacle. 18.8% of drift crewmembers thought finding a market was their other top obstacle.

The biggest obstacles set net permit respondents mentioned were not thinking about the business side of fishing, finding a good set net site and finding a market. 17.6% of set net crewmembers said not thinking about the business side of fishing, 13.7% finding a good set net site and 13.7%

said finding a market. Drift permit holders thought finding a market was a big obstacle too but finding crewmembers was their biggest challenge. 19.3% of drift permit holder respondents said finding crewmembers, 15.8% said finding a market, 14.0% said the experience to become captain and 14% said the expense of a permit and a boat.

What are obstacles for people wishing to enter the fishery?

Table G7.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	57	16	51	9	100.0%	100.0%	100.0%	100.0%
Finding crew	11	1	7	2	19.3%	6.3%	13.7%	22.2%
Finding a market	9	3	6	1	15.8%	18.8%	11.8%	11.1%
Having the experience to become captain	8	2	2	0	14.0%	12.5%	3.9%	0.0%
Cost of associated gear including net, motors, cabins, lease payments, etc.	5	0	3	0	8.8%	0.0%	5.9%	0.0%
I do not see any obstacles	5	3	3	2	8.8%	18.8%	5.9%	22.2%
Expense of permits and boats	8	1	3	2	14.0%	6.3%	5.9%	22.2%
Not thinking about the business side of fishing including taxes	6	0	9	0	10.5%	0.0%	17.6%	0.0%
Finding a good set net site	0	1	7	0	0.0%	6.3%	13.7%	0.0%
Taking time off from work to fish	2	1	2	0	3.5%	6.3%	3.9%	0.0%
Paperwork	0	0	2	0	0.0%	0.0%	3.9%	0.0%
I do not know	1	2	0	0	1.8%	12.5%	0.0%	0.0%
No job	0	1	0	0	0.0%	6.3%	0.0%	0.0%
The unpredictability of the run	1	1	2	0	1.8%	6.3%	3.9%	0.0%
It is risky and dangerous work	1	0	0	0	1.8%	0.0%	0.0%	0.0%
Childcare	0	0	1	0	0.0%	0.0%	2.0%	0.0%
Getting along with your family	0	0	0	1	0.0%	0.0%	0.0%	11.1%
Captain not paying crew	0	0	0	1	0.0%	0.0%	0.0%	11.1%
Criminal record	0	0	1	0	0.0%	0.0%	2.0%	0.0%
High cost of living in the region	0	0	3	0	0.0%	0.0%	5.9%	0.0%
Number of people asked	54	16	36	9				

The three biggest obstacles elderly respondents cited were finding a market, the expense of a permit and boat and not thinking about the business side of fishing. 28.6% said finding a market, 14.3% said the expense of a boat and a permit and 14.3% said not thinking about the business side of fishing.

Middle age respondents saw no obstacles, finding crewmembers and finding a market as the three biggest obstacles. 17.9% said finding crewmembers, 14.9% said there were no obstacles and 13.4% said finding a market.

The three biggest obstacles youth respondents cited were having the experience to become captain, finding crewmembers and the expense of a boat and a permit. 16.7% of youth respondents said the expense of a boat and a permit, 13.9% said having the experience to become captain and 13.9% said finding crewmembers.

What are obstacles for people wishing to enter the fishery?

Table G7.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	36	67	35	100.0%	100.0%	100.0%
Finding crew	5	12	3	13.9%	17.9%	8.6%
Finding a market	2	9	10	5.6%	13.4%	28.6%
Having the experience to become captain	5	6	2	13.9%	9.0%	5.7%
Cost of associated gear including net, motors, cabins, lease payments, etc.	2	5	2	5.6%	7.5%	5.7%
I do not see any obstacles	3	10	3	8.3%	14.9%	8.6%
Expense of permits and boats	6	3	5	16.7%	4.5%	14.3%
Not thinking about the business side of fishing including taxes	2	5	5	5.6%	7.5%	14.3%
Finding a good set net site	2	6	0	5.6%	9.0%	0.0%
Taking time off from work to fish	1	4	1	2.8%	6.0%	2.9%
Paperwork	2	1	1	5.6%	1.5%	2.9%
I do not know	2	1	0	5.6%	1.5%	0.0%
No job	0	2	0	0.0%	3.0%	0.0%
The unpredictability of the run	0	1	2	0.0%	1.5%	5.7%
It is risky and dangerous work	1	0	0	2.8%	0.0%	0.0%
Childcare	1	1	0	2.8%	1.5%	0.0%
Getting along with your family	1	0	0	2.8%	0.0%	0.0%
Captain not paying crew	1	0	0	2.8%	0.0%	0.0%
Criminal record	0	1	0	0.0%	1.5%	0.0%
High cost of living in the region	0	0	1	0.0%	0.0%	2.9%
Number of people asked	46	53	25			

The interview results suggest youth, middle age and elderly people think differently about obstacles to entering the fishery. There were more middle age and elderly permit holders than youth so these responses indicate two groups of people where most respondents have gone through the process of acquiring a permit and one group who is mostly crewmembers. Elderly and middle age groups said finding a market was a big obstacle. Youth do not see finding a market to be an obstacle, but this group is largely crewmembers and may not think about it until

they are looking for a market.

Most long time fishermen do not view finding a market as a challenge because they have been fishing for the same processor for years. A traditional way to find a market was to establish a relationship with them while you were a crewmember, fishing with a family member who was fishing for them. When you became a permit holder, you and your family had already built a relationship with this processor. After the price of salmon collapsed, several processors left the Bay and the remaining processors were very selective about whom they hired. Crewmember Drift Dillingham BBEDC 1 did not follow this traditional route and found it difficult to find a market in the process of buying her uncle's permit.

"My uncle's processor (Peter Pan) wouldn't hire me. I did not have a market; no one explained that to me. I had to be consistent and fish for Snopac. I called her daily and I got in. Peter Pan was concerned about the boat I was using." Crewmember Drift Dillingham BBEDC 1

Now there are more processors opening in Bristol Bay but with the focus on quality, some processors like Leader Creek and Yard Arm Knot require their fleet have quality enhancing equipment like RSW. There are still limited options for fishermen who cannot afford RSW. Snopac and Togiak Seafoods are two processors who have a reputation of accepting all fishermen. When permit holders who have fished for other processors switched to Togiak Seafoods or Snopac, their old processor threatened to blacklist them. It is definitely a risk to the permit holder if these new processors go out of business. In Togiak, at first TFI threatened people who switched to Togiak Seafoods but now so many people have left TFI, TFI is losing so much business that they are more lenient if a fisherman wants to return fishing for them.

Taking the time off to fish remains a big challenge for people. 63% of respondents think you need a job to supplement your fishing income but if this job will not allow you to fish, than either you will have to get a new job or not fish. Summer is a busy time for many businesses and it is hard to let employees take 1-2 months off to fish. BBAHC, BBEDC and BBNA are organizations that allow their employees to take time off to fish. Still it is a hardship for them because their employees are skilled and cannot easily be replaced.

"The time to do it. If it was a matter of taking one month off and being on your boat just one month, you make money but it takes more time than most employers allow. It takes a good two months for prep and take down and boat maintenance." Crewmember Drift Dillingham 1

Some people do not see any obstacles to buying a permit except a lack of initiative.

"If the fishermen is hungry and wants it bad enough you will get it. You have to have that drive. The work ethic." Permit Holder Drift Clark's Point 2

"I think that people need to have the initiative to do it otherwise there is no use getting into it. I think they use cost as an excuse but with BBEDC's programs, if they really wanted to, they could go that route... Paperwork to get loans is a big issue and you have

to be aggressive to finish it. A lot of people like my sister do not want to do it. And a clean criminal background, you do not have that here... I wanted to hire locals but I cannot find any. I had a guy for 5 years who could not even afford a license or rain gear.” Permit Holder Set Dillingham 3

While it is true a person must take the first step in buying a permit, becoming a successful permit holder is not easy. Many crewmembers recognize it takes a lot of experience to become a successful permit holder. This experience is not limited to fishing but requires the permit holder to be a good businessman too, paying crewmembers, taxes and loans and budgeting for the next season. If a permit holder catches a lot of fish but is not a good businessman than he is likely to have problems keeping his permit. Permit Holder Drift Dillingham 8 is an example of a successful permit holder who possesses these qualities while Permit Holder Set Togiak 4 recounts how his father did not pay his taxes or loan and he temporarily lost his permit.

“No, my dad did not pay off his boat one year and the State took his permit and leased it. Because he did not pay for his boat or taxes when they were trying to catch up on boat payments. They leased it for one season and then he got it back the next year.” Permit Holder Set Togiak 4

“A lot of people get discouraged because they make the big money now and do not look at the IRS part or set aside. Take 10% of what you make, set it aside and it will be for taxes. Save 2% for saving account for fishing... I get a lot of money to spend on toys and then you get short.” Permit Holder Set Dillingham 8

*“Having the experience to be captain, you have to have a lot of experience.”
Crewmember Drift New Stuyahok 1*

“The most successful fishermen were the most highly organized people, good managers of their crewmembers and boat like working all winter on their boat, not just two weeks prior.” Permit Holder Drift Dillingham 8

“You need experience. There are ways around for the need for experience. When my dad got his permit, one of the crewmembers stayed for 2 more years. It got him the experience specifically.” Permit Holder Set Dillingham 2

What it means to have experience is evolving. As Permit Holder Set Togiak 3 states, most people are used to get financing through the cannery. The cannery met nearly all of their needs including providing a boat. The winter watchman at Peter Pan used to travel to the villages in the winter, checking up on his fishermen and taking orders for spring but they do not do this anymore. If most people get into the fishery from learning from older, more experienced fishermen than this can be a challenge to the new fishermen because the older fisherman is not knowledgeable about financing loans.

“The problem with getting a lot of set net permits is you run out of good sites to fish... Some people who recently got permits have gone to Kulukak, but it is not a full weekly schedule but to fish the rest of the week, you have to find a site over here... A lot of people

are not familiar with the loan process, have terrible credit or do not even know what good credit is. Buying through canneries most people know how to do business in the fishery. It is more of a change you could do it now that prices are high because the cannery will loan you more money now that prices are high.” Permit Holder Set Togiak 3

People have different experiences finding good crewmembers. Finding good crewmembers is in part based on your reputation for how to treat your crewmembers. Finding crewmembers is a challenge but if crewmembers are well treated, they are most likely to fish for the same person again. Permit Holder Drift New Stuyahok 1 gives his perspective on crewmembers getting paid. Permit Holder Drift New Stuyahok 1 said he did not pay his crewmembers because he had boat problems so he had to pay his bills instead of paying his crewmembers. Fishing is an inherently unpredictable business and there is no guarantee crewmembers will be paid if the boat has problems.

“Sometimes it is hard to get crewmembers to come and fish. Some people do not get paid. This year I could not pay my crewmembers because I still have bills to pay. My fuel tanks were leaking so I had to replace them all, put me back about \$10,000.” Permit Holder Drift New Stuyahok 1

On the other hand, Crewmember Set Togiak 5 says that he did not get paid because his permit holder was a poor business manager. In most cases, a crewmember can become a successful permit holder if he has a good experience being a crewmember. If he does not have a good experience, he is more likely to lose interest and leave the fishery.

“Non paying captain. He has 3 nets, got a 4th net but only 2 nets could fit on his drift boat. He kept spending on purchase orders for TFI and by the time payday rolled around, all the profits were spent. He fed his family all summer rather than pay crewmembers.” Crewmember Set Togiak 5

Respondents give their perspective on finding crewmembers.

“When the price of fish was cheap, it was hard to get the crewmembers motivated, but now it is easier.” Permit Holder Set Manokotak 2

“No, lots of crewmembers here. Train them and develop a working relationship. Hope they fish with you next year. Hope they are fast.” Crewmember Drift New Stuyahok 3

“One of the hardest things to do is to find good crewmembers. Not one that runs off and gets wasted every time you hit the beach and wants an advance every two weeks.” Permit Holder Drift BBEDC 2

“Crewmembers from outside is an advantage. They come in just to fish, perfectly willing to fish all night because they have nothing to do except fish.” Permit Holder Set Dillingham 9

“No, lots of crewmembers here. Train them and develop a working relationship. Hope

they fish with you next year. Hope they are fast.” Crewmember Drift New Stuyahok 3

“One of the hardest things to do is to find good crewmembers. Not one that runs off and gets wasted every time you hit the beach and wants an advance every two weeks.” Permit Holder Drift BBEDC 2

“Crewmembers from outside is an advantage. They come in just to fish, perfectly willing to fish all night because they have nothing to do except fish.” Permit Holder Set Dillingham 9

For most people finding a job means leaving the village but if they have to leave the region to find a job than they are not eligible for BBEDC program. One option is to work on one of BBEDC’s factory trawlers but if the person has children, this is usually not an option. Crewmember Drift Togiak 2 discusses the difficulties people have buying a permit if they remain the village.

“No job. It would be hard for them to buy a permit and boat.” Crewmember Drift Togiak 2

The respondents who cited childcare were single parents who could not rely on their former partner to care for their children if they go fishing. In the past single parents were not common but this is increasingly becoming a bigger issue.

“As a single parent, it is hard to find long term care for my four school age kids. I wouldn’t mind trying in the future when my kids are older.” Retired Permit Holder New Stuyahok 1

The implications of increasing local permit ownership are many people face unique challenges. This is why increasing local permit ownership requires a commitment from State agencies and BBEDC to work with individuals to buy a permit. There is no single solution that will help everyone so understanding the individual’s circumstances is the best approach to helping people.

12. Fishing drift dual permits helps/hurts locals?

A total of 70 people responded to this question.

This is a relatively new regulation allowing two permit holders to fish on one boat with 5 nets. Usually one permit holder is allowed 3 nets so fishing dual permits is not twice the amount of gear. This regulation was passed to help local permit holders get back into the fishery if they do not have a boat. It is supposed to lower the barriers to entry to buying a permit because it is removing the other main expense, buying a boat. I asked this question to local participants in the drift fishery to understand whether they thought this regulation was helping them.

The interview results suggest people have mixed feelings about this regulation. 48.6% of respondents said two permits on one boat helps locals, but 35.7% of respondents thought it hurts locals.

Fishing drift dual helps/hurts locals?

Table I2.1

	Number of responses	Percentage of responses
	Drift Respondents	Drift Respondents
TOTAL	70	100.0%
Helps locals	34	48.6%
Hurts locals	25	35.7%
I do not know	9	12.9%
It helps everyone	2	2.9%
Number of people asked	72	

This regulation was designed to help permit holders who do not have a boat remain in the fishery. This target group is more likely to live in a rural village instead of Dillingham because they have fewer resources to buy or maintain a boat. I wanted to understand if respondents in these villages thought this regulation was helping them. 52.2% of people in Dillingham thought this regulation was hurting them but most people in Manokotak, New Stuyahok and Togiak thought this regulation was helping them.

Fishing drift dual helps/hurts locals?

Table I2.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	23	1	16	17	100.0%	100.0%	100.0%	100.0%
Helps locals	7	1	10	8	30.4%	100.0%	62.5%	47.1%
Hurts locals	12	0	5	5	52.2%	0.0%	31.3%	29.4%
I do not know	2	0	1	4	8.7%	0.0%	6.3%	23.5%
It helps everyone	2	0	0	0	8.7%	0.0%	0.0%	0.0%
Number of people asked	23	1	18	17				

The people who are supposed to be benefiting from this regulation believe it is helping them. Although many people think it has helped outside fishermen too, people are more likely to think this regulation is helpful if they have benefited from it. There are few people in Togiak who fish two permits on one boat so they are the least likely to be familiar with this regulation. 23.5% of respondents in Togiak did not know if the regulation helped or hurt them and some of these people did not know the regulation existed.

Although this regulation has helped to get more local permit holders back into the fishery, most permit holders who fish a dual permit boat live outside of Bristol Bay. To take advantage of this regulation of allowing more gear on board, most boats who have two permits holders abroad are some of the larger boats. All boats are restricted to 32 feet in length but the biggest boats are

much wider and taller. On average, local permit holders have smaller boats and may not be able to accommodate the extra gear and crewmembers.

The rationale for allowing two permit holders to fish on one boat with more gear is to allow villagers who have permits but no boats is to get them back into fishing. A person who has bought a permit faces lower costs because they only pay for the permit and can fish with another person, usually a family member, until they get more money. Permit Holder Drift Dillingham BBEDC 2 does not have a boat and thinks this regulation has helped him get into the fishery because he could not afford a boat and a permit. Permit Holder Drift Dillingham BBEDC 1 and his partner bought a permit. They shared a boat and permit until Permit Holder Drift Dillingham BBEDC 1 bought a permit and this year, bought a boat, splitting their partnership. He does not think that fishing dual made enough money to justify the expense of extra gear and crewmembers.

“During those lean years it was supposed to help people get back into the water. It helped anyone. That still exists. I think that as fish prices continue to increase, dual permits are going to split fishing partners because we could get a second boat fairly economically.” BBEDC 2/ Permit Holder Drift Dillingham 4

“It hurts local people because they cannot afford another permit. 90% of dual boats are from Outside, very few locals. There are a few that fish together locally but not many. They cannot afford to set aside money for another permit. They have to eat, live. The cost of living out here is so high that they cannot afford it.” Crewmember Drift Dillingham 2

“I think you do not make any money fishing dual. The guy with the boat wants a bigger share and if you are the one to jump on the boat, you do not make any money but it is better than having no boat... Several people with permits have fish the season with someone else, as a dual permit. One here in Togiak, another in another village. The one from here who does not have a boat has to fish with an 18-foot Lund since the first guy with the boat went home. Fish the channel with an 18 foot Lund but you get a 1000 pounds or less per delivery.” Crewmember Set Togiak 1

“I am not convinced that fishing a dual permit helped us. We had to bring extra crewmembers and the extra permit and I am not convinced it was worth it or that we caught more fish. It can be worth it if the two permits are in the family.” Permit Holder Drift Dillingham BBEDC 1

“It helped me a lot. I do not have to pay for any expenses. I do not have a boat, nets, the only thing I have to worry about is working on the boat.” Permit Holder Drift Dillingham BBEDC 2

“I think it hurts local fishermen... Most do not have the capacity (on their boats)... If you took another permit for a dual permit, I haven't seen the crewmembers shares go up on it... It goes against the intent of Limited Entry.” Permit Holder Drift Dillingham 5

In New Stuyahok, there are many permit holders who do not have either a boat at all or a boat in

working order so these people have fishing dual with another Outside fishermen rather than other permit holders in New Stuyahok who have a boat. Boats in New Stuyahok are too small to accommodate the extra crewmembers and crewmembers.

People who think locals benefit from fishing on another person's boat when they do not have a boat. This only works well when the two permit holders treat each other fairly. Several permit holders in New Stuyahok have had negative experiences fishing dual with outside permit holders. These permit holders felt inexperienced in writing up a contract with this person so they accepted the terms they were given but afterwards felt the outside permit holder took advantage of them.

"The first time I tried a D boat, it helped a lot but the last 2 experiences somewhat hurt me because I did not get my fair share." Permit Holder New Stuyahok 7

In a situation where it may not well for the permit holder who owns the boat is if the second permit holder jumps onto another boat, leaving the boat owner with too much gear and crewmembers. Permit Holder New Stuyahok 4 said that when the boat he was on broke down, he jumped to another boat to continue fishing. If this permit holder continued to jump from boat to boat than it would not help the boat owner so in different situations it could be bad for either permit holder.

"I did that a couple of times. When we broke down, I jumped onto another boat." Permit Holder Drift New Stuyahok 4

The implication for increasing local permit ownership is it helps people retain their permit if they do not have a boat. Secondly, this regulation is helping crewmembers buy into the fishery because they can fish a dual permit on someone else's boat rather than having to spend more money on a boat. Still the main obstacle is if they fish on their family's boat member's boat, the boat may not be able to accommodate the extra gear or crewmembers.

I3. Two set net permits helps/hurts local people?

A total of 35 people responded to this question including 14 people in Dillingham, 3 people in Manokotak, 1 person in New Stuyahok and 11 people in Togiak.

This is a relatively new regulation allowing one person to own two set net permits. I asked local set net permit holders and crewmembers if they think this regulation is helping them. I wanted to understand people's perception on obstacles to enter the fishery.

The interview results indicate people are evenly split on if they think one person owning two set net permits helps or hurts local people. 34.3% of people think it helps locals and 34.3% of people think it hurts locals. 22.9% of respondents did not know and this included people who did not know one person could own two permits.

Two set net permits helps/hurts local people?

Table I3.1

	Number of responses	Percentage of responses
	Set Net Respondents	Set Net Respondents
TOTAL	35	100.0%
Helps locals	12	34.3%
Hurts locals	12	34.3%
I do not know	8	22.9%
It depends on the productivity of your set net site	3	8.6%
Number of people asked	35	

Note: I asked set net permit holders and set net crewmembers.

The interview results indicate most people in Dillingham, Manokotak and Togiak think one person owning two set net permits helps locals while in New Stuyahok, they thought it hurt locals. 42.9% of people in Dillingham, 66.7% of people in Manokotak and 36.4% of people in Togiak think one person owning two permits helps people. In Togiak, some people were not familiar with this regulation. 36.4% of people in Togiak and 7.1% of people in Dillingham either did not know about this regulation or they did not have an opinion. Dillingham was the only community where respondents owned 2 set net permits.

Two set net permits helps/hurts local people?

Table I3.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	14	3	1	11	100.0%	100.0%	100.0%	100.0%
Helps locals	6	2	0	4	42.9%	66.7%	0.0%	36.4%
Hurts locals	5	1	1	3	35.7%	33.3%	100.0%	27.3%
I do not know	2	0	0	4	14.3%	0.0%	0.0%	36.4%
It depends on the productivity of your set net site	1	0	0	0	7.1%	0.0%	0.0%	0.0%
Number of people asked	17	7	1	11				

In the villages, it was common for people not to know a person could hold two set net permits. When they had heard of it, most often they confused it with the number of set net permits and sites going up overall. Similarly to the dual drift permits, people who have observed permit holders with multiple permits think outsider fishermen as the ones taking advantage of this.

“If it is a local person, I guess it might help them. Most often times it is an Outsider and they can afford the latest and greatest gear or equipment, bigger crews and pay them less percentage.” BBEDC 8/ Permit Holder Set Ugashik 1

Of the people who have fished 2 permits on a site, it really depends on your relationship to your family. As Permit Holder Set Togiak 2 pointed out, if your family gets along, you can put the extra permits in another family member’s name, a disadvantage to outsiders because they tend to have fewer family fishing with them. However, if you cannot trust your family, than it would help to be able to put the extra permit in your name rather than your unstable family member’s name.

“It hurts locals because it is mostly outsiders who will permit stack. Here in the village, there is enough family to put the permits in different family members, in our son’s name. 2 permits was twice as much work.” Permit Holder Set Togiak 2 – bought a second permit this summer

One respondent talks about his family’s experience with this regulation.

“My girl had 2 permits so it helped but we did not make any money on it. We thought it would be a great year but the numbers never came out.” Permit Holder Set Koliganek 1

Where the second permit really helps out is when the two permits can allow the site fish continuously. Permit Holder Set Dillingham 6 and 10 fish at Ekuk where some sites are fished continuously. Trucks pull the net out of the water and while some people start to pick this fish, another person will put another net back into the water immediately. In this way, they can catch more fish but it is a more aggressive fishing style than the way many villagers fish. Traditionally, villagers set the net out, the tide comes in and out and than they go pick the fish. The other advantage to having the second permit is when processors are glutted with fish and put each permit on a limited number of fish they will purchase. This is an advantage if your site is productive and you routinely catch over your limit, than it is better to have 2 permits.

“I think it would help local people because if you have a site and a permit and you have an extra permit sometimes you have times when they put us on limits and that second permit would help a lot. If we caught 6,000 pounds in a tide and a 3,000 pound limit, you could use the other permits so you do not have to give that fish away.” Permit Holder Set Dillingham 6

“I think it helps them because it’s not like set netters can run around and cork off other people. That person with 2 permits are setting the net out, they can immediately set another net out so they can be picking their fish and setting the net at the same time. It gives them more time for their net in the water. It does not hurt anyone else.” Permit Holder Set Dillingham 10

“I was on the ADF&G advisory committee for 10 years and I was there for permit stacking and when the area was made super exclusive. It helps them out because if you have a

permit and wanted to have my family have a permit but I was unsure how stable they are, than I could onto it until they are more stable. If I wanted to get another permit, I would have to find another family member to put the permit in their name.” Permit Holder Set Togiak 3

The implications for increasing local permit ownership are unless a site is highly productive, it may not make sense financially to stack another permit on the site. It is not clear if this regulation is helping local set net permit holders retain their permit.

A7. Do you have another job?

A total of 123 people responded to this question including 5 BBEDC participants, 44 people in Dillingham, 8 people in Manokotak, 20 people in New Stuyahok and 30 in Togiak.

I asked people this question to understand if having another job helps a person keep their permit or buy a permit. I hypothesized permits are expensive and fish runs and prices have been unpredictable so most people have another job. In analyzing BBEDC participants, I wanted to understand if having another job was important to getting a loan.

The interview results suggest most respondents have another job. 64.2% of people have another job. However, 80% of BBEDC participants have another job. The 1 person who does not have another job is married to another permit holder. Thus their spouse’s fishing income is similar to having some sort of supplemental income.

Do you have another job?

Table A7.1

	Number of responses		Percentage of responses	
	All respondents	BBEDC participants	All respondents	BBEDC participants
TOTAL	123	5	100.0%	100.0%
Yes, I have at least a part-time job	79	4	64.2%	80.0%
No	34	1	27.6%	20.0%
I am retired	10	0	8.1%	0.0%
Number of people asked	123	5		

The interview results indicate most people who live in Dillingham have another job but many people in Manokotak, New Stuyahok and Togiak do not have a second job. 81.8% of people in Dillingham, 50% of people in Manokotak, 35% of people in New Stuyahok and 50% of people in Togiak have another job.

Do you have another job?

Table A7.2

	Number of responses				Percentage of responses			
	Dillingham	Manok-otak	New Stuy-ahok	Togiak	Dillingham	Manok-otak	New Stuy-ahok	Togiak
TOTAL	44	8	20	30	100.0%	100.0%	100.0%	100.0%
Yes, I have at least a part-time job	36	4	7	15	81.8%	50.0%	35.0%	50.0%
No	4	2	12	14	9.1%	25.0%	60.0%	46.7%
I am retired	4	2	1	1	9.1%	25.0%	5.0%	3.3%
Number of people asked	46	8	21	30				

There are far more jobs in Dillingham than there are jobs in the other three communities. The interview results suggest if given the opportunity, most people who participate in the fishery would like to have another job to supplement their fishing income. The other three communities lack opportunities for residents who do not want to move to Dillingham.

BBEDC participants all have a supplemental source of income. The one participant who does not work has a husband has a drift permit. People who have bought a permit but who are not BBEDC participants all have supplemental income too. It is one situation to inherit a permit and not have a job because you do not have to make loan payments. It is a different situation to have to make loan payments with the prices being so low for several years. It would be very difficult to earn enough money to make your loan payment on top of earning enough money to live on.

“Yes, at the hospital.” Crewmember Drift Dillingham BBEDC 1

“Fishing has been my only income for many years.” Crewmember Drift Togiak BBEDC 1

“Monthly salary as a priest.” Permit Holder Set Dillingham BBEDC 1

“Fishing income has been more supplemental.” Permit Holder Drift Dillingham BBEDC 1

“Right now I work for Head Start but I just got a new job, University as the student coordinator assistant.” Permit Holder Drift Dillingham BBEDC 2

Some of these youth and crewmembers are not working because they are in college or a training program. Still a good portion of youth and crewmembers do not work so it is unlikely they would be able to afford to buy a permit through BBEDC and retain a permit if the price of fish dropped or the fish runs declined unless they got another job. There are few well paying, full time jobs in the villages and if the person wants to remain eligible for the BBEDC Permit Loan Program, they will have to remain living in the region. It is likely they would have to move to Dillingham to get work or work on a BBEDC trawler.

People discuss different jobs or ways they survive the rest of the year.

"No, we are subsistence users with the minimal amount of income... Subsistence way of life." BBEDC 7/Permit Holder Set Togiak 6

"Janitor at the school." Crewmember Drift New Stuyahok 2

"No." Crewmember Drift New Stuyahok 5

"I own my own flying business." Crewmember Drift Togiak 3

"I have always worked in the winter. I have never looked at fishing as my main source of income." Permit Holder Drift Aleknagik 1/Retired Permit Holder Aleknagik 1

"When we had the disasters and the 40 cents a pound, I could not afford to be in the fishery and sustain it all winter. I have been working all winter and taking 3 weeks off for fishing." Permit Holder Drift Aleknagik 3

"I have social security." Permit Holder Drift Dillingham 5

"The permanent fund. I get a part time job to keep up with regular payments on school things. I am in college." Permit Holder Drift Dillingham 15

"I trapped in the winter or worked in the Anchorage area for 21 years. I worked in Ekwok ever since. I work at the Post Office." Permit Holder Drift Ekwok 1

"I work for the school." Permit Holder Drift New Stuyahok 1

"Yes... for the City. They give me the time off to go fishing in the summer, 2-3 months." Permit Holder Drift New Stuyahok 10

"I have a part time job in the winter, Tribal Council." Permit Holder Drift Togiak 5

"I have been but this is the first year I won't be." Permit Holder Drift Togiak 8

"If there are jobs available I could work anywhere. Right now I am not working. I am watching my younger kids." Permit Holder Set Manokotak 5

The implications for increasing local permit ownership are people who have jobs are more likely to afford to buy a permit or retain their permit. A high percentage of people in Dillingham have a job and some of these people have bought permits. A higher number have been able to retain their permit. In Togiak, only a few people have bought a permit but many people are unemployed. Local permit loss has been severe in Togiak and in New Stuyahok and Manokotak, places that have high unemployment and where local permit loss has been severe. None of the respondents in New Stuyahok or Manokotak has purchased a permit.

A8. Do you think people can still make enough money from salmon fishing that they do not have to have another job?

A total of 109 people responded to this question including 40 people in Dillingham, 8 people in Manokotak, 21 people in New Stuyahok, 29 people in Togiak, 50 drift permit holders, 16 drift crew, 32 set net permit holders and 7 set net crewmembers.

I hypothesized most people would think their commercial fishing income is not enough to sustain themselves. Outside of the hub villages, Dillingham, King Salmon and Naknek, there are few jobs so people may not live as comfortably as people who reside in Dillingham, King Salmon and Naknek. I wanted to talk to both people who have another job and people who do not to understand if they thought they needed another job.

The interview results suggest most people think they need another job to supplement their commercial fishing income. 66.1% of people said yes, they need another job and 30.3% of people said no, their fishing income was enough to sustain them.

Do you think people can still make enough money from salmon fishing that they do not have to have another job?

Table A8.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	109	100.0%
Yes	72	66.1%
No	33	30.3%
Maybe	4	3.7%
Number of people asked	118	

The interview results suggest people in Dillingham and Togiak are more likely to think they need a second source of income, but from the previous question, they are more likely to have a job than residents in Manokotak and New Stuyahok. 32.5% of people in Dillingham and 34.5% of people in Togiak think they need another job, but only 12.5% of Manokotak and 14.3% of people in New Stuyahok think they need another job.

Do you think people can still make enough money from salmon fishing that they do not have to have another job?

Table A8.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	40	8	21	29	100.0%	100.0%	100.0%	100.0%
Yes	13	1	3	10	32.5%	12.5%	14.3%	34.5%
No	27	7	16	18	67.5%	87.5%	76.2%	62.1%
Maybe	0	0	2	1	0.0%	0.0%	9.5%	3.4%
Number of people asked	42	8	21	30				

Set net permit holder, crewmember and drift crewmember respondents said that drift permit holders were more likely than set net permit holders to be able to live of their fishing income. However, drift permit holder respondents said they were less likely than set net permit holders to say they could live off their fishing income. 24% of drift permit holders, 31.3% of drift crew, 37.5% of set net permit holders and 14.3% of set net crew think people can make enough money from salmon fishing that they do not have to have another job.

Do you think people can still make enough money from salmon fishing that they do not have to have another job?

Table A8.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	50	16	32	7	100.0%	100.0%	100.0%	100.0%
Yes	12	5	12	1	24.0%	31.3%	37.5%	14.3%
No	36	10	20	6	72.0%	62.5%	62.5%	85.7%
Maybe	2	1	0	0	4.0%	6.3%	0.0%	0.0%
Number of people asked	54	16	34	9				

In their reasoning of why they cannot live off fishing alone, people mention the high cost of living in the region. A higher cost of living indicates people are living a most Western lifestyle. The older fishermen are more likely to say yes, you can live off of fishing alone but you have to live in a more traditional way and do a lot of subsistence. If they are not living with their parents who support them financially, the younger fishermen tend to say no because they are the most adapted to Western society. A Western society demands cash for just about anything.

In general, drift permit holders have a better chance of catching more fish than set net permit holders because they are not restricted to one site but they face higher operating costs and it is far more likely they will lose fishing time when their boat has mechanical problems. However, the opening periods for set netting are usually much longer than drift openers so it is up to the

individual on how hard they fish and the productivity of their site.

Respondents who live in Dillingham and Togiak are more likely to participate in other fisheries besides the sockeye fishery. These people participate in the herring fishery in Togiak, early king openers at the beginning of the season, silver and pinks at the end of the sockeye season whereas more people in Manokotak and New Stuyahok fish only the main sockeye run. Some people interpreted this question to mean living off their fishing income and when they responded, they mentioned they fished herring or these other runs.

One person mentioned if a wife set nets and her husband drifts than you can earn enough money, but respondents whose spouse fish too think that it is either not enough money or it is a really tight budget.

“I do not really think so. Maybe they could make it but it would have to be a unique situation for someone to just live on fishing. If I wasn't going to school, but my husband and I have no kids and we could live off of the drift and set but it would be close.” Permit Holder Set Dillingham 10

“Year in and year out, yes. It wouldn't be an extravagant living but you are able to live moderately comfortable especially if you have 2 permits in your family, a wife set netting and a husband drifting.” Permit Holder Drift Dillingham 5

“My husband and I work together but it is not enough sometimes like this year. He did not get much from TFI.” Permit Holder Set Togiak 4

Others mention if you have a big boat with hydraulics you might be able to live off your fishing. The average Bristol Bay resident fishermen has a smaller boat with less fancy equipment and they catch fewer fish on average too.

“Yeah they could get by, with bigger boats, hydraulics and better operations.” Permit Holder Drift Togiak 4

“Yes, if they are the high boat. For me, I do not think I could live off fishing alone.” Permit Holder Drift Aleknagik 2

“If you are average fishermen, you cannot 100% depend on just salmon for your yearly income. For the average fishermen, you just about have to work... Even some who do better than average have to work to pay for the expenses you incur during the fishery, you take out the taxes and pay the crewmembers, you are left to close about an average or minimum wages to compare with the rest of Alaska. I would be fooling myself if I lived off of fishing alone.” Permit Holder Drift Dillingham 7

Respondents who kids were the most likely to say they needed another job. Single people were much more likely to say they could live off their fishing income.

“I did not make enough money for me to last the winter. I have a baby and my girlfriend

and I both need a job. I was able to do it when I was single.” Permit Holder Drift Dillingham BBEDC 2

“No, not really. Taxes take most of it. I am lucky to have a job because a lot of people do not have jobs and depend on just the PFD and fishing for their income. I could not get by with just fishing alone, with 3 kids. I do love to fish. It is our main source of income, helping us buy fuel and food for the winter.” Permit Holder Drift New Stuyahok 10

People who live outside of Dillingham were much more likely to say that you cannot live off of your fishing income than people who live in Dillingham. Even though many fishermen in Dillingham have well-paying winter jobs, they are more likely to say they could live off their fishing income. In Dillingham, most people fish on a 32 foot boat and permit holders are more likely to own their boat rather than fish with someone else.

People who think a second non-fishing job is necessary.

“I have seen a lot of people do it but it is a gamble. This year wasn’t that great and crewmembers definitely cannot live off of it.” Crewmember Drift Dillingham 3

“Cost of living is so high in Ekwok, you need 2 jobs to get enough money to meet the budget. It just does not balance out with everything so expensive... We utilize our fishing money, you need another job or they get on welfare, energy assistance.” Permit Holder Drift Ekwok 1

“You have to have a job. I used all my money already so I have to look for work. I do have \$8,000 coming. I fished mainly for TFI because I had a really big bill with them but I did sell some to Togiak Seafoods.” Crewmember Drift Togiak 3 – leased a permit this season

“No, a lot of people do but there is welfare too that they fall back on. You have to have the secondary income the way it is now, especially after this summer. The Nushagak was really poor. I have always worked all my life.” Permit Holder Drift Clark’s Point 2

“I guess it all depends on the season. If you do really good there is no doubt you can make it last to the next season. There have been quite a few years of breaking even, a lot of unhappy crewmembers.” Permit Holder Drift Dillingham 15

People who think a second non-fishing job is not necessary.

“I have been surviving off fishing alone so far but the cost of living higher so it is harder.” Crewmember Drift New Stuyahok 3

“Absolutely, especially the prices being the highest they have been in so many years.” Crewmember Set Togiak 3

“Yes, you can live off your fishing income for the whole year. It takes a strong

determination to stay out there as long as possible and then you have to supplement your food source doing a lot of subsistence, berry picking, hunting and fishing. We are fortunate to live in a resource rich area that you can always do it.” Permit Holder Drift Dillingham 17

The implications to increasing local permit are in the previous question, 64.2% of people said they had another job and 66.1% of people said they needed another job. The results suggest people who have a job think this income is necessary, but people who do not have another job have adjusted their lifestyle to a more traditional subsistence based lifestyle.

I4. Impediment that Outside fishermen lease permits to crewmembers/family to get another 50 fathoms of gear?

A total of 20 people responded to this question.

I asked this question to understand whether people perceive this theory to be an obstacle for people who want to buy a permit. There are no studies suggesting it is an impediment but if people perceive it to be an obstacle than this has the effect of it being an obstacle. I hypothesized most people do not think of the fishery in the big picture terms so they may not know how many outside fishermen are leasing permits and what affect this is having on themselves or their family.

The interview results suggest people who are knowledgeable about fishery policy think outside fishermen who lease permits to crewmembers/family are driving up the price of permits. I asked many people this question but most people did not have anything to say so I limited my question to people who were knowledgeable about fishery policy. 55% of people said dual permits are driving permit values up and another 5% think dual permits are driving up the value of an emergency transfer.

Impediment that outside fishermen lease permits to crewmembers /family to get another 50 fathoms of gear?

Table I4.1

	Number of responses	Percentage of responses
	Drift Permit Holders	Drift Permit Holders
TOTAL	20	100.0%
Dual permits are driving permit values up	11	55.0%
Dual permits do not affect the value of a permit	4	20.0%
I do not know	4	
Dual permits are driving up the value of an emergency transfer	1	5.0%
Number of people asked	22	

Note: This question was directed at permit holders who were very knowledgeable about the fishery because otherwise people did not understand the question.

11 respondents thought dual permits had contributed to higher permit prices and one person thought it had contributed to a higher price for leasing a permit. There may be a chain effect of a crewmember member if he/she is not sure if he/she wants to buy a permit so he/she leases a permit first to fish dual on the same boat he has been fishing on as a crewmember. If they make enough money to justify the cost to lease the permit, they may choose to buy a permit.

“I do not think so. I do not think D permits increase or decrease the value of a permit. A lot of guys are willing to pay a lot of money for a D permit in an emergency transfer. When I first started, the emergency transfer went for about 10% of the permit value. Over the past 3-4 years, guys are willing to pay more money for the D permit. D permits are driving up the emergency transfer of the permit. This year, emergency transfers of the permit. This year emergency transfers were going for \$25,000 when the permits were valued at \$140,000.” BBEDC 5/Permit Holder Drift Dillingham 16

“I cannot say if it is driving up permit prices. I always figured it was a supply and demand thing, the hope to make a bunch of money. The D permit thing as a money making thing is so... plus you are limited to fish. There are not a lot of Ds in Eugenic or Naknek-Kvichak where a lot of Outside guys fish. They come here to fish in the Nushagak because there is more room.” Permit Holder Drift Dillingham BBEDC 1

“100% true that is the reason it is not working as intended.” Permit Holder Drift Dillingham 3

“I do not know whether that has an effect on the value of the permit because the value of the permit is based primarily on whatever the market will pay per pound x \$100,000.” Permit Holder Drift Dillingham 7

“I do not think it is an impediment at all.” Permit Holder Drift Naknek 1

The implications for increasing local permit ownership are unclear because the most knowledgeable people cannot agree on whether there is any truth to this theory. This question relates to an earlier question of whether dual permits were helping or hurting local fishermen. People in New Stuyahok, Manokotak and Togiak thought this regulation was helping them while a slight majority of people in Dillingham thought this regulation was hurting them.

G8. What are other fishermen's situations and how is yours different?

A total of 87 people responded to this question.

These people are members of different communities: hometown, fishing, family and occupation. I wanted to understand whether they think their financial situation is different to other members of these communities. I hypothesized people who have a job would think they have a different situation because they are more financially secure than people who do not have a job. Although I asked this question to everyone, I wanted to understand how people succeed and if they had any special advantages.

The interview results indicate people who have a job think they are more financially secure than others who have no job. 31% of people said they are more financially secure because they have a job. Some people have benefited from some special advantages. 8% of people said their parents helped them, 2.3% said my family wanted to keep the permit in the family when they sold it to me and 2.3% said their college education helps me benefit.

What are other fishermen’s situation and how is yours different?

Table G8.1

	Number of responses	Percentage of responses
	Drift Permit Holders	Drift Permit Holders
TOTAL	87	100.0%
Others have no job or financial security	27	31.0%
I do not know	15	17.2%
Everybody has a different situation	8	9.2%
My parents helped me	7	8.0%
Others have a lack of motivation	6	6.9%
Others are not business savvy	6	6.9%
We have the same situation	5	5.7%
Some want their own permit	4	4.6%
My family wanted to keep the permit in the family when they sold it to me	2	2.3%
I have a college degree	2	2.3%
I have a lot of experience as a crewmember	2	2.3%
Most want to leave the village	1	1.1%
Most people have taken out loans	1	1.1%
Others do not have medical problems	1	1.1%
Number of people asked	113	

Of the people who thought their situation was different, most people lived in Dillingham. Many of these people grew up in the village, but they left for better economic opportunities. They see themselves standing out from their friends and family who still live in the village. Permit Holder Set Dillingham 7 grew up in Manokotak but left to attend Mt. Edgecumbe, the state run boarding school for Alaska Native children. This trend continues today with many youth wanting to leave the village for better education and economic opportunities. Permit Holder Drift New Stuyahok 6, a recent high school graduate, believes most youth want to leave New Stuyahok. As Crewmember Drift Togiak 4 laments, there are no jobs to retain youth in the village.

“I have a college degree and education is a huge thing.” Permit Holder Drift Aleknagik 1/Retired Permit Holder Aleknagik 1

“Less savvy, educated, sophisticated in terms of being able to take advantage of things.” Permit Holder Drift Dillingham BBEDC 1

“I have worked extremely hard to get where I am today. Anyone can do it. I went to a

boarding school in State and from there I went onto college with no scholarships at all. I used all of my fishing money to pay for reach year and barely survived.” Permit Holder Set Dillingham 7

“Most want to leave the village.” Permit Holder Drift New Stuyahok 6

“Hardly any jobs for people in Togiak in the off season. I work for the corporation as a bus driver.” Crewmember Set Togiak 4

Some people think a lack of financial literacy is a big problem for most people now because fishing requires a person to be business savvy.

“I think the majority of people I know, even my parents but mostly my age group, do not fully understand how credit works, APR, collateral.” Permit Holder Set Dillingham 1

Other people have jobs so they feel financially secure or they suggest people may want to leave the village to find a job.

“I have no problem finding work year round. It is more location based. There is a lot of work for anyone who wants it, pride aside. In the villages there is such a limited number of jobs, regardless if someone wants to work or not. As for as loan, a lot of people do not have anything to borrow against. Fishing is such short time and a crewmember requires nothing. When they get loans, they get it for other necessities like snow machines and they have really poor credit. It is not a matter of them buying toys. Hunting, subsistence, fishing and burning wood to heat their homes really costs a lot. It is their location that gives them a disadvantage with the banks.” Crewmember Drift Dillingham 1

Respondents suggest it is helpful to have family connections to help them remain the fishery.

“My parents helped me with the down payment.” Permit Holder Drift Dillingham BBEDC 2

“If you are not from here, no connections or family who fish here, it’s a lot harder.” Permit Holder Drift Dillingham 11

“It was easier to get my permit because a person my father knew who wanted to sell so my dad and him made a deal. Fair prices, this much every year and we will give you a pleasure boat and we will give you the rest after fishing. No paperwork, just a handshake.” Permit Holder Drift Togiak 8

Not everyone thinks they have a different situation than other fishery participants, family or members of their community.

“I do not know. Probably the same situation as the one I talk to. They have to go through the same thing.” Crewmember Drift Clark’s Point 1

The implications to increasing local permit ownership are interviewees who have a non-fishing job think they are in a much better position to keep their permit than permit holders who do not have a job. The challenge to retaining permits is how best to create a diversified economy in the region so people do not have to rely solely on one industry.

J2. What has made you stay in the fishery?

A total of 26 people responded to this question.

BBEDC’s Permit Loan Program is aimed at crewmembers and youth. At a time when local permit ownership has declined, there are fewer opportunities for crewmembers and youth in the fishery. I asked this question to crewmembers and youth why they have remained in the fishery. I hypothesized most people got into the fishery because of their family and their family has kept them in the fishery.

The interview results suggest 42.3% of crewmembers and youth said they fish because they fish with family, 34.6% of crewmembers and youth said fishing is good money and 23.1% of crewmembers and youth said they love to fish.

What has made you stay in the fishery?

Table J2.1

	Number of responses	Percentage of responses
	Crew and Youth	Crew and Youth
TOTAL	26	100.0%
I fish because I fish with family	11	42.3%
It is good money in a region with few well paying jobs	9	34.6%
I love to fish	6	23.1%
Number of people asked	27	

Most crewmembers and youth think of fishing not in terms of money but in terms of who they fish with and what they like to do. Crewmembers and youth fish because they like fishing, it is something they do with their family and if they want a job, it is the job available to them. Although for crewmembers fishing is an important source of income, crewmembers view fishing as more than a paycheck. They like to fish because they are with their family, harvesting a resource their ancestors have done for many generations. It connects them to their culture.

“I know it’s in the blood because of family ties, but I really enjoy it.” Crewmember Drift Dillingham BBEDC 1

“To help make money and we had to pay for oil, grub, gas, stuff like that. It paid most of the bills. That is the reason I stuck with it. There is good money.” Crewmember Drift Clark’s Point 1

The implications for increasing local permit ownership are crewmembers and youth are most likely to keep fishing if their family fishes too. To encourage crewmembers and youth to fish, it is important to demonstrate how buying a permit will help to carry on this tradition. Proponents of increasing local permit ownership should frame their case in the context of how their family will benefit when a youth or crewmember buys a permit.

J3. What would make you leave the fishery?

A total of 23 people responded to this question.

I asked this question to understand the different options crewmembers and youth were considering and how committed they were to fishing. I hypothesized most people will stay in the region and since fishing is the main economy, they would not leave the fishery unless there was a better opportunity for them.

The interview results suggest strongly that most people are not considering any other options than fishing. 65.2% of crewmembers and youth said nothing would make them leave the fishery and 13% said leaving the region for another job/training/college.

What would make you leave the fishery?

Table J3.1

	Number of responses	Percentage of responses
	Crew and Youth	Crew and Youth
TOTAL	23	100.0%
Nothing would make me leave the fishery	15	65.2%
Leaving the region for another job/training/college	3	13.0%
A more dependable or consistent source of income from a job/training/college in the region	1	4.3%
If I were losing money, I would quit	1	4.3%
I have not been fishing because I have a full time job	1	4.3%
College, but I fish in the summer	1	4.3%
I do not want to fish	1	4.3%
Number of people asked	24	

Many crewmembers do not view themselves as staying a crewmember forever, but they hope to move up and acquire a permit. In many villages, crewmembers may chose to fish because there are few other opportunities. Mostly they are choosing to fish because they are fishing with their family. Crewmembers may chose to leave the fishery if they have negative experiences like Crewmember Set Togiak 3 had when he did not get paid for several years.

“No, I do not think so. I almost did not fish this year because of the bum captain that did not pay me the last couple of years but I fished this year.” Crewmember Set Togiak 5

“No, I do not think I’d ever leave it. I love to go out there.” Crewmember Drift Dillingham 2

Many people recognize it is hard to living off fishing alone so they are pursuing other economic opportunities. As people move into other jobs to supplement their income they may work for an employer who has a generous leave benefit. The hospital where Crewmember Drift Dillingham BBEDC 1 works has a generous leave policy for fishing. Many employers are not as generous with time off so fishermen will have to make difficult decisions about whether to continue fishing or leave the fishery for a more stable employment opportunity.

“I have a year round job here at the hospital and I take a month off to fish. I come back and go back to work, they are good about giving you vacation leave so everyone fishes.” Crewmember Drift Dillingham BBEDC 1

“The only thing that would make me leave would be other employment. Once I get set on a career I am not sure I won’t be able to take summers off to fish but I still would like to take some time off, especially during the peak.” Crewmember Set Togiak 3

The implications of increasing local permit ownership are some youth do not see fishing as a viable career decision. While not everyone wants to fish, those who want to fish should be encouraged to fish. BBEDC discussed developing an education curriculum and this may attract more youth to choose a commercial fishing career. Earlier results indicated that a second non-fishing job was very important to permit retention. Youth should be encouraged to seek employment in careers most compatible to taking time off to commercial fish.

PEOPLE WHO HAVE SOLD/GIFTED THEIR PERMIT

To understand why people have sold or gifted their permit, it is important to talk to people who have sold their permit. There are many theories of why people have sold their permit but the most common theory is people sold their permit due to financial hardship. The most common theory of why people have gifted their permit is they are no longer able to participate in the fishery. Earlier results suggested interviewees thought it was important to have a second non-fishing job in retaining their permit. I wanted to talk to people who have sold/gifted their permit to understand if they thought it was an important issue too.

To address these questions, I asked people who have sold or gifted their permit the following questions:

H1. Why did you sell/gift your permit?

A total of 13 people responded to this question.

There are many theories proposed about why people have sold their permit. I asked this question to retired or retiring permit holders to understand what they did with their permit when they were done fishing. I hypothesized most people sold their permit because of financial hardship.

The results indicate most people sold their permit because they had financial difficulties. 15.4% of people said the State seized it because money, 15.4% said they needed the money to pay bills and 7.7% of people said they could not afford to fish when the fish prices crashed.

Some people are gifting or sold their permit to a family member. 15.4% of people said they gifted their permit to a family member and 7.7% of people said they were selling their permit to a family member. Still not everyone is interested in fishing and 7.7% of people said they sold their permit because they had no family members who were interested in fishing.

Why did you sell/gift your permit?

Table H1.1

	Number of responses	Percentage of responses
	Retired and Retiring Permit Holders	Retired and Retiring Permit Holders
TOTAL	13	100.0%
I gifted my permit to a family member, hoping it would sustain their livelihood	2	15.4%
State seized it because money was owed on it	2	15.4%
I needed the money to pay bills	2	15.4%
I was physically unable to fish	2	15.4%
I wanted a career change	1	7.7%
I sold my set net permit to get into drifting	1	7.7%
I am selling my permit to a family member	1	7.7%
I retired and sold the permit because no family was interested	1	7.7%
During the crash, I couldn't afford to fish	1	7.7%
Number of people asked	13	

Note: I asked retired and some current permit holders who were in the process of selling their permit.

Not everyone is cut out for fishing and in the early years of Limited Entry, many people sold their permits to pursue other opportunities. Permit Holder Drift Aleknagik 1/Retired Permit Holder Aleknagik 1 sold her set net permit because she did not view it as a viable income source and she did not have a site, two common problems that remain today. Retired Permit Holder Pilot Point 1 sold his set net permit to afford to get into flying. Both of these permit holders had no family who were interested in the permit and in the early years of Limited Entry, most locals who wanted a permit had been granted a permit or had an interim permit while they were working through appeals.

“My dad built Pen Air a long time ago and I wanted to get out of the fishing business and got into flying. I sold my set net permit. My family was interested in flying and no one was really interested in it back then.” BBEDC 9/Retired Permit Holder Pilot Point 1

“I saw drift permit people making a lot of money and I thought it would be easier to fish on the boat, a lot more fun and easier with hydraulics. Women did not go on the boat in those days and I was a radical who thought I should be on the boat. Easier work and you make more money... I sold the set net permit and there were years I lived away from

there. I sold my set net permit when I did not see myself coming back to the community and living here. Set netting is highly technical, owning your own cabin, gear, lease the sites, a lot of things I did not have... and it did not seem like you made money.” Permit Holder Drift Aleknagik 1/Retired Permit Holder Aleknagik 1

Another reason why people sold their permit is financial illiteracy or hardship. People sold their permits because they did not have a job or enough income from a job to pay off their loans and bills. Others did not pay their taxes and they owed the IRS a lot of money. The one valuable asset they had to sell was their permit. People who had gifted their permit to a family member, in some cases, this recipient has sold the permit. The BBEDC Permit Loan Program is trying to change this by having the permit holder sell the permit to their family member so they will have less incentive to sell it.

“My father was a permit holder but died tragically in a boating accident. He did not fish the permit or pay the fees for several years so the State seized it.” Crewmember Drift Dillingham 2

“I owned a drift permit but transferred it to my son, hoping that he would use it sustain his livelihood because he was already married but instead he passed on several years ago. We had told the wife not to sell the permit because the kids are not going to be kids forever. When the kids were old enough to commercial fish, I found out that the permit has been sold to an Outsider.” BBEDC 7/Permit Holder Set Togiak 6

“I put my permit up for sale 2 years ago and I have my niece wanting to buy it. She has been leasing it. I was offered \$93,000 for it and I offered it to her with the boat for \$65,000. I sold the boat for 47 cents to her so she could have a boat to fish with. The engine did not work, froze up during the winter. She had to buy another boat that was in running condition so she had to get a loan to pay me off.” Permit Holder Drift Ekwok 1

“The reason I decided to sell my drift permit is because I had a massive heart attack and spent a month in the hospital. I fished 2 seasons after that and it was too rough for me. 60,000-70,000 (pounds) in those years but I usually got 100,000 pounds and I had a set net so I either used that or would lose it. Someone offered me a good price for the boat and permit and I sold out.” Permit Holder Set Dillingham 4/Retired Permit Holder Dillingham 1

“I had to pay my bills and my job wasn’t paying enough. I sold it.” Retired Permit Holder Togiak 1

The implication for retaining local permit ownership is it remains the individual’s decision whether to retain their permit. People should not be judged on their decision to sell their permit. It is their choice. What proponents of local ownership retention can do is provide incentives to people to retain their permit or sell their permit to a local resident.

H2. What price did you sell your permit?

A total of 3 retired drift permit holders and 3 retired set net permit holders responded to this question.

The literature suggests the most valuable a permit, the more likely a person will sell their permit. They will sell their permit to cash out when permit prices are high. I wanted to test this theory out because Bristol Bay set net and drift permits are some of the most valuable permits in Alaska. I asked this question to people who have sold their permit to better understand why people sell their permit.

The interview results suggest people did not sell their permit when prices were highest. Rather, they sold their permit for a relatively small amount of money. 66.7% of people sold their permit for \$0-\$25,000 and 33.3% of people sold their permit for \$25,001-\$50,000.

What price did you sell your permit?

Table H2.1

	Number of responses	Percentage of responses
	Retired Set Net Permit Holders	Retired Set Net Permit Holders
TOTAL	3	100.0%
\$0-\$25,000	2	66.7%
\$25,001-\$50,000	1	33.3%
Number of people asked	3	

The interview results suggest people did not sell their permit when the prices were highest. 66.7% of people sold their permit for \$0-\$50,000 and 33.3% of people sold their permit for \$50,001-\$100,000.

What price did you sell your permit?

Table H2.2

	Number of responses	Percentage of responses
	Retired Drift Permit Holders	Retired Drift Permit Holders
TOTAL	3	100.0%
\$0-\$50,000	2	66.7%
\$50,001-\$100,000	1	33.3%
Number of people asked	4	

This suggests people sold their permit due to financial hardship rather than cashing out at the highest price. Respondents sold their permit for relatively low sums of money. The perception is people sold their permits when they were the most valuable but respondents likely sold their permits when permits were a valued far below historical highs or they undervalued their permit when they sold the permit. When a person sells their permit to pay bills, they may not wait to find the highest buyer and may accept a lower bid if they get the cash sooner.

The implication for retaining local permit ownership is BBEDC could provide financial planning assistance to people so they will be less likely to sell their permit because of financial duress. Even though financial planning is a sensitive issue for many people, BBEDC is highly regarded organization and they could use their trusted position to help people. People who want to enroll in the Permit Loan Program already undergo financial planning but these people are already permit holders so it is unlikely they would take advantage of the existing financial planning program.

H3. Were any of your family members interested in the permit?

A total of 7 people responded to this question.

From earlier questions, people said fishing and family were intricately linked so I hypothesized people had family members who fished for them and they were interested in buying and being gifted the permit. I asked this question to all people who had sold their permit to better understand their decision making process.

The interview results indicate some people had family members who wanted their permit but they did not sell them the permit. 42.9% of people said they had family who wanted the permit. They either did not consider their family member when selling their permit or their family could not pay them for the permit.

Were any of your family members interested in the permit?

Table H3.1

	Number of responses	Percentage of responses
	Retired Permit Holders	Retired Permit Holders
TOTAL	7	100.0%
Yes	3	42.9%
They already had permits	1	14.3%
When I retired, I sold my permit and shared the money with family because my family members were fighting over the permit	1	14.3%
No was interested in the permit	1	14.3%
I do not know	1	14.3%
Number of people asked	7	

Retired Permit Holder Drift Dillingham 1 raises an important issue and is correct in saying it is fairer to sell the permit and divide the income amongst the children. However, in the long run no one wins because the permit has been sold and the access to the fishery is lost. Often the permit holder has family members fishing with him /her as crewmembers. If there is more than one family member fishing as a crewmember, it is a tough decision of who will get the permit.

“They already had their permit and there was no interest in it so I sold it to an

Outsider. ” BBEDC 9/Retired Permit Holder Pilot Point 1

In New Stuyahok, one person got their permit after paying the renewal fees to CFEC. The permit has been gifted from his father to his youngest brother but his youngest brother abused drugs and alcohol and was not being responsible and paying the renewal fees so he lost the permit. In other cases, if the person owns a drift permit, they may give one child the permit and another child the boat in hopes it will sustain both of them. In other cases, the permit holder may split the income evenly with family members.

“This is the of the major reasons people sell their permits, disagreements and fighting between families. In order for the parents or whoever owns the permit to avoid in fighting family, they sold the permit and shared the money within the household. Within my household, it was always understood that the transfer would go from the oldest to the youngest and that was agreed upon.” Retired Permit Holder Drift Dillingham 1

“I have some sons that could have fished.” Retired Permit Holder Togiak 1

The implications of retaining local permit ownership are some people sold their permit when they had family members who were interested in the permit while others sold their permit because their family was fighting over the permit. These issues could be resolved if a family member bought their permit rather than being gifted the permit because the permit would remain in the family and the person selling the permit would still get the money. BBEDC has worked with people in this situation to help them sell their permit to a family member and should continue to promote this option.

H4. To whom did you give/sell your permit to?

A total of 12 people responded to this question.

I asked this question to retired permit holders to gain a better understanding if the permit stayed in the region or was sold to someone living outside the region. Presumably their family member lives in the region. I hypothesized most people would sell or gift their permit to a family member if they were retiring but if the person was selling their permit for financial reasons, they would sell their permit to anyone who could pay them. Usually the buyer who can offer them the quickest money lives outside the region.

The interview results suggest an even mix of people who sold their permit to someone outside the region and those who sold or gifted their permit to a family member. 58.3% of people said they sold their permit to someone outside of the region and 41.7% of people said they sold or gifted their permit to a family member.

Who did you give/sell your permit to?

Table H4.1

	Number of responses	Percentage of responses
	Retired Permit Holders	Retired Permit Holders
TOTAL	12	100.0%
Someone outside the region	7	58.3%
A family member	5	41.7%
Number of people asked	12	

Some respondents said they would have sold their permit to another local but no one had the money or could not get the money as quickly as someone living outside the region. If a person is selling their permit because they need the money immediately, an outsider will step in with the money much more quickly than a local. BBEDC runs a permit brokerage. BBEDC 1 said a person came in to sell their permit but specifically would only sell to a watershed resident. They had to wait about 6 months to find a local willing to buy the permit but they could have sold their permit immediately if they sold it to an Outsider.

“Son.” BBEDC 7/Permit Holder Set Togiak 7

“Outsider.” BBEDC 9/Retired Permit Holder Pilot Point 1

“Son, I gave up fishing. My legs, every time I walk, one side of my legs would get weak so I would stay out of the boat when it blows, I cannot keep my balance.” Retired Permit Holder Ekwok 1

The implications for retaining local permit ownership are most people who have sold their permit have sold it to someone living outside the region. BBEDC has started a permit loan brokerage to encourage people to sell their permit to another local resident but earlier interview questions suggest it is difficult for local people to buy a permit. BBEDC has taken the right approach of focusing on both the seller and the buyer and should continue to focus on the needs of both parties.

H5. Were you tempted to sell your permit before you sold it?

A total of 4 people responded to this question.

I asked this question to better understand if people who sold their permit for financial reasons only sold their permit as a last resort. I wanted to understand if people’s choice to sell their permit was a snap decision when they needed to quick cash or if they had been burdened by financial hardship for a long period of time.

The results indicate most people viewed their permit as important to them and tried to keep it as long as possible but ultimately they sold it. 75% of people sold it because they needed the money. 25% said they were not tempted to sell it before they sold it.

Were you tempted to sell your permit before you sold it?

Table H5.1

	Number of responses	Percentage of responses
	Retired Permit Holders	Retired Permit Holders
TOTAL	4	100.0%
Yes, I needed the money	3	75.0%
No	1	25.0%
Number of people asked	4	

Retired Permit Holder Drift New Stuyahok 2 sold his permit several years after when he inherited it from his father because his father had defaulted on his Alaska State Division of Investment boat loan. He sold his permit to pay his father’s debts.

“I fished 4-5 years before I lost it. No, I was not thinking of selling the permit before I sold it.” Retired Permit Holder Drift New Stuyahok 2

Retired Permit Holder Togiak 1 sold his permit after having several bad seasons. People who have bad seasons will value their permit less than a person who is having good seasons and is making more money.

“Yes, I had been having bad seasons.” Retired Permit Holder Togiak 1

Others sold their permit because they wanted to pursue other economic opportunities.

“Yes, I had thought about it. I needed a career change and with my permit being my only means of financial support to further my flying training. It was pretty expensive to get your commercial, instrument and pilots’ licenses.” BBEDC 9/Retired Permit Holder Pilot Point 1

The implications for retaining local permit ownership are some people who have sold their permit had considered selling it in the past because they needed the money. They valued their permit because it provided access to the fishery so they tried to hold onto it for as long as possible but ultimately their debts forced them to sell their permit. BBEDC should continue to expand their financial planning assistance program from Permit Loan Program participants to all watershed residents.

H6. Does it matter to you to keep permits in the region (if sold permit?)

A total of 4 people responded to this question.

I asked people who have sold their permits if they thought it was important to keep permits in the region because of all the people interviewed, they had the decision whether to keep the permit in the region. Various theories have been proposed as to why people sell their permit but no one has

asked these people why they chose to sell their permit to and Outsider or a local.

The interview results strongly indicate people who have sold their permit think local permit ownership is an important issue. 100% of people think it is important to keep locally owned permits in the region.

Does it matter to you to keep permits in the region (if sold permit?)

Table H6.1

	Number of responses	Percentage of responses
	Retired Permit Holders	Retired Permit Holders
TOTAL	4	100.0%
Yes	4	100.0%
No	0	0.0%
Number of people asked	6	

Even though they view this issue as important, these people sold their permit to a person living outside the region. Typically, an Outsider will out compete a local buyer because they can come with financing faster. These respondents illustrate they were selling their permit due to financial hardship and they could not wait for a local buyer to make an offer so they sold their permit to an Outsider.

“Yes, they should stay in the region. I could not find a local buyer so I sold it to someone Outside.” Retired Permit Holder Set Togiak 1

“If I had a boat, I’d keep my permit. The boat is broken down.” Retired Permit Holder New Stuyahok 1

Though some families have told the permit holder in their family they are not allowed to sell the permit and must pass the permit on as Retired Permit Holder Drift Dillingham 1 did, these arrangements do not hold up in court. Once the person is a permit holder, he has complete control over the permit. These respondents believe it is very important to keep permits in the region but when they are actually looking for a buyer, they have a hard time finding a local.

“I think for my household it is important as long as my youngest son is willing to fish. I gifted it to my younger son. The boat and permit were transferred to him with no condition so he can do whatever he wants to do from this day forward... My stepmother’s set net permit was given to her oldest daughter with the stipulation that if she ever quits using the permit for health purposes, it will not be sold but given to another sister. And if my half-sister is not interested, it will go to the grandkids. It was a condition for her set net permit.” Retired Permit Holder Drift Dillingham 1

The implications for retaining local permit ownership are people who have sold their permit think it is important to keep permits in the region. However, they sold their permit to an someone living outside the region, suggesting it difficult for watershed residents to compete with outside

buyers. BBEDC should continue to connect local buyers and sellers in their permit brokerage program.

15. Have you ever thought of selling your permit?

A total of 83 people responded to this question.

I asked this question to understand how people have been able to keep their permit at a time when so many others have sold their permit. I wanted to know if permit holders faced some of the same challenges as people who have sold their permit and how they have dealt with these challenges. I hypothesized most people who have had their permit for many years had been tempted to sell their permit but they would not admit it. Being a permit holder brings prestige and status and few people would admit to wanting to give up this status.

The interview results strongly indicate most permit holders have not considered selling their permit. 89.2% of permit holders said they had not considered selling their permit. 3.6% said they were selling their set net permit to buy a drift permit.

Have you ever thought of selling your permit?

Table I5.1

	Number of responses	Percentage of responses
	Permit Holders	Permit Holders
TOTAL	83	100.0%
No	74	89.2%
Sold/selling their set net permit for a drift permit	3	3.6%
I need to pay bills	2	2.4%
Yes, but I will not sell it because I could use my permit as collateral on loans	1	1.2%
Yes, because you do not get a pension when you retire	1	1.2%
No, but I want to sell my herring permit	1	1.2%
Yes, I wanted to buy a house	1	1.2%
Number of people asked	88	

Some reasons permit holders have been tempted to sell their permit are because they wanted to buy a house, they retired and wanted some financial security and they wanted to pay bills. A reason why people have kept their permit was to use their permit as collateral to get fishing related loans. In a region where people have few assets they can use as collateral for a fishing loan, a permit is an important asset.

Most people say they would never sell their permit because it provides them or their family access to the fishery. Those who have no family to gift their permit are more likely to sell their

permit.

“No, it provides insurance and the ability to make just a little money... I paid all my big bills. Right now I can make a profit.” Permit Holder Drift Togiak 6

“It was so many years back I cannot remember. I ended up not selling it and I made a lot of pounds and I did not want to sell it anymore. I wanted to sell it to pay the bills. Most everything I have is from my permit.” Permit Holder Set Manokotak 4

“No, I have never thought about it. I think about it but I value it too much. I plan to keep it in the family.” Permit Holder Drift Aleknagik 4

“No I had some good offers in the past. In the past, people sold their permits if they had no family. My observation is that there was no one to pass the permit onto.” Permit Holder Drift Dillingham 7

Several respondents admitted they had come close to selling their permit because they needed the money. In Permit Holder Set Dillingham BBEDC 1's case, he was going to sell it but his friends talked him out of it. He decided it would be better to keep the permit. When he gave his oldest son the permit and bought another permit through BBEDC's Permit Loan Program. If he had sold his permit, he would not have been able to help his son get started in the fishery.

“There was a time when we had hardship and this is when [my friends] called me, reasoned with me and told me to keep my permit. Otherwise I may have sold everything fishing, including my permit. I kept it because [my friends] talked to me; there was another season to make more money. I waited until Spring time to go back fishing and they both spoke to me about keeping the permit. If I sold it for \$50,000, it is not going to stay long because I will have another opportunity to make another \$50,000 next year.” Permit Holder Set Dillingham BBEDC 1

“Yes, I did not want to sell my grandpa's permit that he gave to me. When I thought about selling it, I could not get a job but I needed it to pay the bills.” Permit Holder Drift New Stuyahok 5

In the case of Permit Holder Drift Ekwok 1, he nearly had to sell the permit to a non-family member because no one in his family was ready to buy the permit. To be eligible for the BBEDC Permit Loan Program, his niece had to have 3 years experience as a crewmember. He was emergency transferring the permit to her so she could get her three years of crewmember experience. After CFEC denied his last emergency transfer because he had exceeded the number of transfers in a given period of time, BBEDC modified their Permit Loan Program to allow his niece to buy the permit with just two years experience. In both of these cases, it was help from the local fishing community that kept these two permits in local hands.

“I am leasing my permit with a medical transfer. I cannot fish anymore. I am 82... and 64 years of fishing and my permit is up for sale because the doctor won't let me fish anymore. My niece is the first one to sell it. I have to fish the permit every year and they

only let me medically transfer it a couple of times. I do not understand.” Permit Holder Drift Ekwok 1

Permit Holder Drift Dillingham BBEDC 1 discusses why he was able to keep his permit during low fish prices.

“The first few years we never thought about selling it but it was tight with low fish prices. What saved us is we had winter jobs. We were able to make the payments with the fishing income but that was about it. The risk was distributed over two people. Doing it as a partnership made it possible otherwise we would have been overextended, at least to get started.” Permit Holder Drift Dillingham BBEDC 1

The implications for retaining local permit ownership are many people value their permit and said they would not consider selling it. The good news is people take their permit holder status seriously. This demonstrates people are committed to remaining in the fishery and a strong fishing culture persists.

16. What circumstances would cause you to sell your permit?

A total of 80 people responded to this question.

I asked permit holders this question to compare their answers to people who have sold their permit. I hypothesized they face the same challenges as people who have sold their permit. Once people’s reasons for keeping or selling their permit have been identified, changes can be made to existing fishing related programs to help more people keep their permit.

The interview results strongly indicate most people cannot name a single reason why they would sell their permit. 73.8% of people said nothing would cause them to sell their permit, but they did not say what they would do with their permit when they were no longer able to fish.

What circumstances would cause you to sell your permit?

Table I6.1

	Number of responses	Percentage of responses
	Permit Holders	Permit Holders
TOTAL	80	100.0%
No	59	73.8%
If I was no longer able to fish	7	8.8%
If I needed the money	6	7.5%
When I retire, I will sell it to family	1	1.3%
If my family was not interested in the permit	1	1.3%
Child support payments	1	1.3%
If I could not make money	1	1.3%
When I retire, I will sell it to a local resident	1	1.3%
No, it is protected from creditors	1	1.3%
Taxes	1	1.3%
If my family could not agree on who was getting the permit	1	1.3%
Number of people asked	88	

Several people said they would not sell the permit because it is not their permit, but it a family permit. They value they place on the permit is a means to access the fishery, not the monetary value of the permit itself. Secondly, people mention they have no family or family who wants to fish so they do not know what they will do with the permit when they retire. Third, people acknowledge fishing is hard work and risky and they could get hurt at any time. All of these situations highlight the need to have a plan in place for what will happen when they can no longer fish. BBEDC could help people, especially elderly people, on setting up a plan for their permit when they retire.

“No, only if I really needed help, but I’d never sell my permit. It is not mine to sell, but my kids. That is the reason my grandfather gave me the permit, for my grandkids.”
Permit Holder Drift New Stuyahok 10

“Illness, injury. I hurt my foot this year and emergency transferred my permit.” Permit Holder Drift Aleknagik 1/Retired Permit Holder Aleknagik 1

“Yes, I cannot do much anymore so I plan to quit fishing. Let the boys take over or something... the boat does not work well anymore and they have to get a different boat.”
Permit Holder Drift Clark’s Point 3

“No, that is my livelihood. I am firm believer of keeping it in the family. To sell our livelihood and give my boy zero chance. I feel strongly about local permit ownership.”

Permit Holder Drift Naknek 1

The second most common answer was a permit holder would sell their permit if they needed the money. Respondents who have sold their permits often sold their permit because they needed the money. Under the old system that is being phased out, the canneries provided everything. People bought their supplies from the cannery, loans from the cannery; the cannery provided them with boats or mechanics to work on their boat, etc. Fishing is a business and because each permit holder is a small business owner, it is important they understand the business aspects of fishing. Financial planning is key to retaining local permits.

“Child support.” Permit Holder Drift Aleknagik 2

“Personal circumstances. If it turns out I cannot generate much income on my own with it, difficult getting crewmembers (a headache every year). If I were having to subsidize the permit for several years. If I could not make the payments for several years, I’d have to sell it.” Permit Holder Drift Dillingham BBEDC 1

“When I am done fishing, I would sell it to a local resident, not the highest bidder.”
Permit Holder Drift Dillingham 6

“I am not going to sell it. It is protected from creditors so it is a good asset to have.”
Permit Holder Drift Dillingham 8

“Maybe taxes.” Permit Holder Drift New Stuyahok 9

“Most likely not being able to fish. As a career path allows, I need time in the summer to fish. Otherwise there is little reason to fish... I enjoy fishing and it generates a decent amount of income but it will not be my primary occupation but it will always be subject to something else.” Permit Holder Set Dillingham 2

“I can see how people get put into that spot. We grew up without health insurance until I was 12 and I could see how someone could get into an accident but people here do not like being in debt.” Permit Holder Set Dillingham 13

“Old age, disability, you can get hurt anytime.” Permit Holder Set Manokotak 3

“No, I do not know what I plan to do with my permit if I get too old to fish.” Permit Holder Set Togiak 8

The implications for retaining local permit ownership are most people cannot name a single reason why they would sell their permit. This could mean they have planned for the future. However the majority of people sold their permit due to financial hardship so it likely means these people want to retain their permit but they may not have a backup plan. Ignoring financial problems does not mean the problem will go away. Instead, these problems are likely to increase over time so financial planning is key to retaining local permit ownership.

17. How many times have you emergency transferred your permit?

A total of 80 people responded to this question.

I asked this question to permit holders because people who have emergency transferred their permit are more likely to sell their permit than people who have not emergency transferred as many times. CFEC has rules on how many times a permit holder can emergency transfer his permit in a certain amount of time. By law, permit holders must be on the boat and they cannot lease the permit. Emergency transferring the permit many times indicates the person is no longer active in the fishery but they are holding onto their permit for some reason. If their next emergency transfer were denied they may sell their permit.

The interview results indicate most people have emergency transferred their permit 2 or fewer times. 52.5% of people had never emergency transferred a permit, 18.8% of people said they had emergency transferred one time and 13.8% of people had emergency transferred twice. 2.5% of people said they were emergency transferring a permit during the summer 2011 season.

How many times have you emergency transferred your permit?

Table I7.1

	Number of responses	Percentage of responses
	Permit Holders	Permit Holders
TOTAL	80	100.0%
0 times	42	52.5%
Once	15	18.8%
Twice	11	13.8%
Three times	6	7.5%
I am a recipient of an emergency transfer	2	2.5%
Five times	1	1.3%
Four times	1	1.3%
Seven times	1	1.3%
Ten times	1	1.3%
Number of people asked	90	

The majority of permit holders have never emergency transferred their permit. Some permit holders have had their permits for many years, but most people who said they had never had emergency transferred their permit had not had their permit for many years.

“0.” Permit Holder Drift Dillingham 3

In some cases, the permit holder emergency transfers the permit to another family member, especially if they are injured mid-season. It is likely that the new permit holder was fishing previously as a crewmember so the boat or set net site can continue to fish without much disruption. However, respondents, especially ones who reside in Manokotak, Togiak or New Stuyahok, often lease to people they do not know but several people have had a bad experience. Once again, they may be experienced fishermen but they are not experienced business men and

they feel like the other person took advantage of them. BBEDC helps people to lease out their permit if CFEC grants them an emergency transfer, but they could help people write fair contracts.

“5 times. If my next emergency transfer were denied, I would give it to my grandson.”
Permit Holder Drift New Stuyahok 3

“5 or more times, that seems to be the option to guarantee your income. If you are not going to fish, otherwise write a good contract up front aside from emergency transfer. I have not been writing good contracts... where sometimes they haven't paid me at all or very little.” Permit Holder Drift New Stuyahok 6

“When I was pregnant, 4-5 times to my husband.” Permit Holder Set Manokotak 4

Several respondents like Permit Hold Drift Dillingham 5 are unable to fish anymore and have been leasing their permits for many years. BBEDC and CFEC should identify these people and help them to decide what to do with their permit since they are no longer fishing. Since it takes a longer amount of time to find a local buyer, BBEDC could connect local people to these permit holders. If CFEC keeps granting emergency transfers, this will give the local buyer the necessary time to come up with financing.

“3 years in a row. I hurt my back. I fell in the boat. It's been getting better, next year maybe. I would transfer it to one of my family members. I do not plan to sell it. It is too valuable to me.” Permit Holder Drift Aleknagik 4

“7 times. Transferred every year since I got dialysis on my kidneys.” Permit Holder Drift Dillingham 5

The implication for retaining local permit ownership is only a few people have been chronically leasing their permit. CFEC and BBEDC should work together to address why these people are no longer fishing and either find a local buyer or a family member to buy their permit.

SOLUTIONS TO GET MORE PEOPLE INTO THE FISHERY

There have been many different approaches tried to help more people buy permits, but I wanted to know if there were more solutions that have not been tried yet. Many of these BBEDC Staff and Board members think about solutions already, but many other fishery participants may have ideas but have never discussed their ideas before this interview. Many of these fishery participants have been involved in the fishery for a long time and know what works and what does not work.

To address these issues, I have asked program loan participants and anyone else who indicated they had a solution to helping people enter the fishery:

E1. What are your solutions to help people enter the fishery?

A total of 18 people responded to this question.

I asked other people who were leaders in their communities including permit loan participants. I asked this question to catalog as many different solutions as possible. It is likely people have had ideas but they have never had an opportunity to discuss their ideas. These people are participants in the fishery so these are the best people to ask about solutions.

What are your solutions to help people enter the fishery?

Table E1.1

Community	Family	BBEDC	State/Federal	Regulatory Changes
Get some positive experience as a crewmember	Their family passes their permit to them	BBEDC could give out loans	Work with CFEC on a deal	Making the Nushagak exclusive after July 15 to help local youth learn the fishery
Raise the profile of fishing	Look at the family as a unit, working together to buy one permit	BBEDC could help people become more financially savvy	Procure federal and state subsidies to lease permits	Coops of locals
More locals forming dual partnerships	Use PFDs as a down payment	BBEDC could pay a bonus to local young permit holders	A special tax on non-Alaskans who buy permits	Make the Nushagak District exclusive to locals
Educate yourself on all the available programs		BBEDC could help people upgrade to RSW	CFEC could identify people who are leasing permits	

People think of two general types of solutions. The first solution is to raise the profile of fishing among youth by giving them special access to the fishery, educating them on the importance of fishing from a young age and teaching them about financial literacy.

“Some kind of learning program where local experienced fishermen would teach/talk or give a seminar on fishing. Before the season starts, a program that helps or shows people who to set up all their expenses... preseason, what they need to get done and interest them to get a permit.” Permit Holder Drift Clark’s Point 2

“After July 15, have an exclusive fishery for watershed youth to make some money.” Permit Holder Drift Dillingham 17

“Could raise our credit scores and help us get a loan.” Crewmember Drift New Stuyahok 3

“The only way to get a permit is if they had a job to help get a loan.” Crewmember Drift Togiak 2

“They get PFD, They could use it for a down payment... There is a reverse mortgage you can do on your home. Perhaps BBEDC could finance a reverse mortgage so people could borrow against the permit. Credit counseling, how to manage your bills.” Permit Holder Drift Aleknagik 1/Retired Permit Holder Aleknagik 1

“Leasing permits with a little bit of funding from either the Feds or State.” Retired Permit Holder Dillingham 1

The second type is the business side of fishing. Respondents’ solutions tended to be based on successful ideas already in place. Local people who fish in the Nushagak District want the District to be exclusive because they have seen this regulation work in Togiak District. Set netters models include forming a cooperative and starting a direct marketing business.

“Doing a cooperative, a multi permit think works out better for the bottom line.” Permit Holder Set Dillingham 9

“If the Nushagak was an exclusive fishery, it would help the local economy.” Permit Holder Set Dillingham 11

“I was thinking I would be interested to become a direct marketer. They help certify you... A lot of people do not have that expertise including me and I have fished for 30 years.” Crewmember Drift Togiak 3

The third business solution is to identify people who constantly lease their permit. After a given number of years, CFEC will deny the transfer and the person may sell the permit. Usually the permit holder is elderly and cannot fish anymore but they are waiting for their grandchild to grow up so they can give them the permit. The State could work with this permit holder, making a special exception for the person to continue to earn income off of the permit by leasing the permit until the family member is old enough to be gifted the permit.

“To discourage non-residents from buying permits, there could be a tax if Alaska is not their primary residence.” Crewmember Drift Dillingham 1

“Identify people who are constantly leasing permits... Work with the State to create a program to help people who cannot fish their permits anymore. With my mom, she transferred it 3 times and after that she could not transfer it anymore. My son started fishing her permit and he got a crewmembers share and she got most of the money. If there was some way for the owner and the people who fish the permit without the permit being lost, that would be a good program.” Permit Holder Set Dillingham 3

RESIDENTS' THOUGHTS ON PERMITS REMAINING THE REGION

To understand why local permit ownership is declining, it is important to understand if interviewees think it is important for permit to remain in the region. If people do not think local permit ownership is an important issue than any program including the BBEDC Permit Loan Program and permit brokerage will face an uphill challenge of attracting participants. However, given how much many people value their permits, it is likely people think it is very important to keep permits in the region.

To address these questions, I asked people the following questions:

F2. What are your thoughts on keeping permits in the region?

A total of 106 people responded to this question.

I asked people this question to quantify the number of people who think local permit ownership is an important issue. I hypothesized most people think local permit ownership is an important issue but in an abstract way that does not affect them until they are selling or gifting their permit.

The interview results strongly indicate most people think it is important to keep permits under local ownership. 52.8% said local permit ownership was important but others gave more specific reasons.

Some people discussed why it is important for the community to have permits. 19.8% of people said local permit ownership benefits the entire community, 2.8% said it's important because you have no control over any fishery when there are no permits in the region and .9% said having locals as permit holders, we help each other out.

Others thought local permit ownership benefits the individual or family the most. 4.7% of people said it is important to show people that it is a family or a community resource, 2.8% of people said it is important to keep locals and permits in the region, but 4.7% of people said it's an individual's right to sell their permit to whoever.

What are your thoughts on keeping permits in the region?

Table F2.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	106	100.0%
It is important	56	52.8%
Local permit ownership benefits the entire community	21	19.8%
I do not know	6	5.7%
It is their right to sell their permit	5	4.7%
It is important to show people that it is a family or a community resource	5	4.7%
It is important to keep locals and permits in the region	3	2.8%
It is important because you have no control over any fishing including sport fishing and subsistence when there are no permits in the region	3	2.8%
I have not seen too many changes	2	1.9%
It is important for regional organizations to provide subsidies for permits	2	1.9%
It is important because Outsiders come in with more money for equipment and fish harder so they catch all our fish	2	1.9%
Having locals as permit holders, we help each other out	1	0.9%
Number of people asked	118	

Most people think keeping permits in the region is important but they also think these permit holders should be allowed to sell their permit if they choose. They think of permits in terms of sustaining themselves and their families.

“A lot of my family lives in Anchorage and moved to Wasilla. My cousin moved back here. It depends on where the work is available... I would urge kids to fish only as a second option. I know unpredictable fishing is so I would encourage kids to get a full time year round job.” Crewmember Set Dillingham 2

“If we have a free will society, people should be allowed to make bad decisions. I do not know if I support carrying those people. It is a noble goal and a great thing but you cannot have it both ways. If it is going to be an asset that someone can sell, it is their choice to do it. My idea is legislative pressure or processor pressure to make it a more valuable resource so they see it as a family or community resource.” Permit Holder Drift Aleknagik 1/Retired Permit Holder Aleknagik 1

Of the respondents who had sold their permits, they thought it was important to keep permits in local hands. These people had to sell their permits under duress or because they could not fish set net and drift permits at the same time. When a permit holder sells their permit, they think about themselves rather than the abstract concept of how the entire region benefits when there are more locally owned permits. If the permit holder has free will to sell their permit, the economy suffers so there must be incentives to keep the permit in the region.

“It’s is a noble goal, a good idea but to counter we have to think about keeping locals in the region... Emergency transfers for economic hardship. A lot of elders lease permits and then they come back to them.” Crewmember Set Dillingham 1

“I think it is a great thing and I do not mine ever to leave. My mom sold her permit because she was financially in the hole and my uncle who sold his permit retired.” Crewmember Drift Dillingham BBEDC 1

“I think it would be great if people could afford to do it. What it boiled down to is people cannot afford to keep them. They have a bad year and need to survive.” Crewmember Drift Togiak 3

“If I do not have a permit, how am I going to live?” Permit Holder Set Togiak 5

A few people who are not watershed residents have adopted a corporate structure where they own multiple permits and sites but since they can only hold 2 permits in their name, they have the remaining permits in their crewmembers’ names. These pseudo permit holders are paid a crewmembers wage even though the regulations say the permit is in the crewmember’s name with no strings attached. Permit Holder Set Dillingham 3 who had set netted at Igushik her entire life said that people are actively trying to keep some people from expanding their operation further. In another question, this respondent said how a particular person, with his large and aggressive fishing style has shown people at Igushik how much money they could be making. He has energized some people to fish more competitively rather than in a laid back style most people were used to doing.

“A fisherman fishes 12 permits. We have a lot of people in Manokotak and Dillingham who lease their sites, making sure he could not get a lease there. He has huge crewmembers. There are some pretty aggressive set netters in Igushik from Manokotak who want to lease 2 sites to prevent him from coming in. So many have started their set net leasing program. It’s \$300 a year to lease but that is nothing because your site will be protected.” Permit Holder Set Dillingham 3

A few respondents said a family member still owns the permit but to keep the permit they had to find work in Anchorage. This has the same effect of the permit being sold outside the region because in both cases, the money made from fishing leaves in the region. It is just as important to keep locals in the community as it is keeping permits in the community. As Permit Holder Set BBEDC 1 noted, locals who fish together help each other out to remain in the fishery. It is this community that makes people stay in the fishery because their community and by translation they lives revolve around fishing.

“It is good to fish out there and to see other friends fishing and relate to them. Like a family... Having locals as fellow permit holders, we help each other because we know each other.” Permit Holder Set Dillingham BBEDC 1

People discuss how permits benefit their community and their family.

“If they cannot, it is time to rewrite the rules. If the permits keep exiting the Bay, they need to figure out how to manage the resources for our benefit, not Washington or Portland.” Permit Holder Drift Dillingham 3

“If there is going to be a long term economic success in the region, there must be local people invested in the fishery owning permits. It is the largest economic driver in Bristol Bay and it is going to remain that way for the foreseeable future. Fishing and working in the processing for everyone who wants to do will work. It may not support them year round but it will provide a good chunk. For the fishery to remain successful, you have to have more local participants otherwise you will have a welfare society. It is an advantage for everyone for more local ownership and participation. The community loses because we’re all tired to the same boat so we could all sink.” Permit Holder Drift Dillingham 6

“Good, I wish they wouldn’t sell out. \$200,000 sure sounds good that is how much they come up to this year. Last year someone offered me \$140,000 but I wasn’t tempted at all. It is for my kids.” Permit Holder Drift New Stuyahok 10

“I wish we had them here in the region because the money would be spent here, helping the local economy.” Permit Holder Drift Togiak 6

“Sounds awesome.” Crewmember Drift New Stuyahok 3

“I think it is a must. You got no say or power or control when there are no permits in the region. They could control subsistence, sport fishing, everything you do.” Permit Holder Set Dillingham 4/Retired Permit Holder Dillingham 4

“I like that folks own permits in the region.” Permit Holder Set Manokotak 5

“The fish in the region and the money should be spent in the region. Like that Togiak fish plant, they are going in the right direction. It would be nice to see more locally owned processors. Those processors in Dillingham are not owned in the region.” Retired Permit Holder New Stuyahok 1

Others haven't given this issue much thought. Crewmembers are less likely than permit holders to be concerned about this issue.

"I do not know." Crewmember Drift Togiak 1

The implications for increasing and retaining local permit ownership are many people are very concerned about permits leaving the region. As long as people continue to think local permit ownership is a priority, the more likely to come together to work on this topic.

CHANGES PEOPLE HAVE NOTICED AS PERMITS HAVE LEFT THE REGION

To understand how the loss of locally owned permits has affected people, I asked people what changes they have noticed as permits have left the region. The loss of permits has affected communities differently and it is important to understand these changes and how people responded to these changes. The loss of locally owned permits could explain why Ekuk is seasonal and why Portage Creek is nearly a seasonal community.

To address these questions, I asked people who have experience fishing the following questions:

G6. As permits have left the region, what changes have you noticed?

A total of 118 people were asked this question and many people had more than one response.

Since permits were first issued there have been a lot of locally owned permits sold out of the region and I wanted to ask people what were some changes they have noticed. I hypothesized communities have been affected differently and some communities have been affected more than others.

The interview results indicate there have been a wide range of changes but the most common response has been they have not noticed anything. 19.2% of people said they have not noticed anything but this could be because some people have moved out of the region or they have become destitute, ignored by other community members.

As permits have left the region, what changes have you noticed?

Table G6.1

	Number of responses	Percentage of responses
	All respondents	All respondents
TOTAL	168	100.0%
I have not noticed anything	32	19.0%
People who have sold their permit are destitute	20	11.9%
Fewer locals in the fishery	15	8.9%
More government assistance	9	5.4%
There are a lot of new Outsiders fishing	9	5.4%
People who have sold their permits have left the region	8	4.8%
Fewer youth fishing	6	3.6%
There are few jobs in the villages	6	3.6%
Outsiders have bigger and faster boats	6	3.6%
There are many abandoned boats	5	3.0%
Outsiders are very cutthroat and it has made the fishery unfriendly	5	3.0%
Canneries no longer help during the lean times	5	3.0%
Since the cannery at Clark's Point closed, there are fewer jobs and people	4	2.4%
Former permit holders are fishing as crew	3	1.8%
At Igushik, the processors do not buy with trucks so we have to deliver with boats. People could not adapt and sold their permit.	3	1.8%
Dillingham has diversified its economy so there are a lot of family who do not fish anymore	3	1.8%
We are losing permits because our villages are shifting to a cash economy	2	1.2%
The economy in the region is weaker	2	1.2%
I do not think Aleknagik has been affected by permit loss because they have jobs in Dillingham	2	1.2%
Since the cannery at Clark's Point closed, the store and mechanic are gone	2	1.2%
There are fewer crewmember jobs	2	1.2%
Towns like Ekuk are seasonal	1	0.6%
People could not afford to fish with low prices so they had to sell their permit	1	0.6%
After a family member sold their permit, they were able to keep their house	1	0.6%
Outsiders bring in drugs and alcohol	1	0.6%
Many people continue to stay involved in the fishery	1	0.6%
My dad is leasing his permit instead of selling it	1	0.6%
Selling permits to Outsiders because no local will buy it	1	0.6%
People who were set netters bought a drift permit but did not know how to drift	1	0.6%
Elderly people selling their permit rather than giving them to family	1	0.6%
Processors are paying a higher price and are processing fish better	1	0.6%
Portage Creek and Clark's Point are nearly ghost towns	1	0.6%
People are losing their permits because they were not paying their bills	1	0.6%
Fishing has gotten slower	1	0.6%
For people who have more than one child, who do you give the permit to?	1	0.6%
Attitude towards Outsiders is getting worse	1	0.6%
At Ekuk, there are more modern buildings and trucks	1	0.6%
At Ekuk, fishing operations are becoming bigger with multiple sites	1	0.6%
There are more set netters than drifters in Togiak	1	0.6%
People have gotten into the sport fishery after selling their permit	1	0.6%
Number of people asked	118	

Note: Some respondents had more than one response.

Several people who live in different villages or who grew up in the different villages have noticed people are less interested in fishing than in the past. In New Stuyahok, there are abandoned boats, in Ekwok more people are on government assistance, Portage Creek does not have a school anymore, in Manokotak many people sold their permits because they could not deliver dry fish by 4 wheeler anymore and in Clark's Point, many people moved away after the cannery closed. Some of these changes were not from permits leaving the region but from low fish prices that put some canneries out of business and caused others to start processing on floaters rather than shore based processing.

People view some of the biggest changes at the places they fish. Clark's Point, Igushik and Ekuik are places many people in the region fish and this is where they have noticed the most direct changes. The cannery at Clark's Point closed, affecting people who live there and people who fish there. At Igushik, Ward's Cove used to buy fish but now Trident and Peter Pan are the buyers and they require fishermen to deliver their fish in boats rather than by truck or ATVs. At Ekuik, fishing operations are becoming larger as families buy more sites and fish collectively and people are investing more money into their buildings and equipment.

Others in Dillingham have noticed that there are some positive changes too. The economy in Dillingham is not as reliant on fishing and there are well paying, year round jobs at BBEDC, BBNA and BBAHC that allow residents to take time off to fish. In Dillingham, people have used the money from these jobs to expand their fishing operations.

As permits have left the region, what changes have you noticed?

Table G6.2

	Number of responses				Percentage of responses			
	Dillingham	Mano-kotak	New Stuy-abok	Togiak	Dillingham	Mano-kotak	New Stuy-abok	Togiak
TOTAL	66	10	23	27	100.0%	100.0%	100.0%	100.0%
I have not noticed anything	8	1	7	9	12.1%	10.0%	30.4%	30.4%
People who have sold their permit are destitute	5	2	7	8	7.6%	20.0%	30.4%	30.4%
Fewer locals in the fishery	9	2	1	0	13.6%	20.0%	4.3%	4.3%
More government assistance	4	0	0	0	6.1%	0.0%	0.0%	0.0%
There are a lot of new Outsiders fishing	4	0	1	1	6.1%	0.0%	4.3%	4.3%
People who have sold their permits have left the region	6	0	0	0	9.1%	0.0%	0.0%	0.0%
Fewer youth fishing	3	0	1	1	4.5%	0.0%	4.3%	4.3%
There are few jobs in the villages	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Outsiders have bigger and faster boats	3	0	0	0	4.5%	0.0%	0.0%	0.0%
There are many abandoned boats	0	0	4	0	0.0%	0.0%	17.4%	17.4%
Outsiders are very cutthroat and it has made the fishery unfriendly	3	0	1	1	4.5%	0.0%	4.3%	4.3%
Canneries no longer help during the lean times	2	0	0	0	3.0%	0.0%	0.0%	0.0%
Since the cannery at Clark's Point closed, there are fewer jobs and people	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Former permit holders are fishing as crew	0	1	1	0	0.0%	10.0%	4.3%	4.3%
At Igushik, the processors do not buy with trucks so we have to deliver with boats. People could not adapt and sold their permit.	1	3	0	0	1.5%	30.0%	0.0%	0.0%
Dillingham has diversified its economy so there are a lot of family who do not fish anymore	3	0	0	0	4.5%	0.0%	0.0%	0.0%
We are losing permits because our villages are shifting to a cash economy	1	0	0	1	1.5%	0.0%	0.0%	0.0%
The economy in the region is weaker	2	0	0	0	3.0%	0.0%	0.0%	0.0%
I do not think Aleknagik has been affected by permit loss because they have jobs in Dillingham	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Since the cannery at Clark's Point closed, the store and mechanic are gone	0	0	0	0	0.0%	0.0%	0.0%	0.0%
There are fewer crewmember jobs	2	0	0	0	3.0%	0.0%	0.0%	0.0%
Towns like Ekuk are seasonal	1	0	0	0	1.5%	0.0%	0.0%	0.0%
People could not afford to fish with low prices so they had to sell their permit	0	0	0	0	0.0%	0.0%	0.0%	0.0%
After a family member sold their permit, they were able to keep their house	1	0	0	0	1.5%	0.0%	0.0%	0.0%
Outsiders bring in drugs and alcohol	1	0	0	0	1.5%	0.0%	0.0%	0.0%
Many people continue to stay involved in the fishery	1	0	0	0	1.5%	0.0%	0.0%	0.0%
My dad is leasing his permit instead of selling it	0	1	0	0	0.0%	10.0%	0.0%	0.0%
Selling permits to Outsiders because no local will buy it	0	0	0	1	0.0%	0.0%	0.0%	0.0%
People who were set netters bought a drift permit but did not know how to drift	0	0	0	1	0.0%	0.0%	0.0%	0.0%
Elderly people selling their permit rather than giving them to family	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Processors are paying a higher price and are processing fish better	1	0	0	0	1.5%	0.0%	0.0%	0.0%
Portage Creek and Clark's Point are nearly ghost towns	1	0	0	0	1.5%	0.0%	0.0%	0.0%
People are losing their permits because they were not paying their bills	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Fishing has gotten slower	0	0	0	1	0.0%	0.0%	0.0%	0.0%
For people who have more than one child, who do you give the permit to?	0	0	0	1	0.0%	0.0%	0.0%	0.0%
Attitude towards Outsiders is getting worse	1	0	0	0	1.5%	0.0%	0.0%	0.0%
At Ekuk, there are more modern buildings and trucks	1	0	0	0	1.5%	0.0%	0.0%	0.0%
At Ekuk, fishing operations are becoming bigger with multiple sites	1	0	0	0	1.5%	0.0%	0.0%	0.0%
There are more set netters than drifters in Togiak	0	0	0	2	0.0%	0.0%	0.0%	0.0%
People have gotten into the sport fishery after selling their permit	1	0	0	0	1.5%	0.0%	0.0%	0.0%
Number of people asked	41	10	21	30				

Respondents discuss changes they have directly experienced in their community or fishing locations.

“I have noticed changes at Ekuk. There are a couple of new people but fewer people but operations are getting bigger and single permit holders are selling to other people. Fishing the same amount of sites.” Permit Holder Set Dillingham 13

“Clark’s Point, all the guys who had permits originally died and their permits got sold or passed down. Since the cannery closed, the grocery store left, the fuel is hard to get because the cannery used to have all that, we could charge to the cannery store, mechanics are gone, everything is really bum. We have to come to Dillingham and it costs a lot of money. Seems like there is nothing left.” Crewmember Drift Clark’s Point 1

“In Aleknagik, we are lucky. People are not selling their permits. They have employment opportunities in Dillingham.” Permit Holder Drift Aleknagik 1/Retired Permit Holder Aleknagik 1

“When I first got here, everyone fished in Koliganek, fishing or processing work. All families fished.” Permit Holder Drift Dillingham 6

“Not too many people have moved out the village. Most of the permits have been handed down to kids. Very few left in Koliganek. Most guys stay home and their sons fish.” Permit Holder Set Koliganek 1

“Both positive and negative. In positive, they have gotten creative on how they have pursued their income. I have seen some guys get into the sport fishery and become successful. The other thing I have seen is families quit and went on the welfare system and the other thing I have seen is people just move away. When I lived in Portage Creek, as a child there were only 50 people who lived there but now there is no school.” Permit Holder Drift Dillingham 17

“In Ekwok, one permit holder is deceased and the other permit was sold for little or no money at all... There is one more permit here... The welfare came in too quickly. They relied on the easy money of welfare rather than working by going fishing. In New Stuyahok, the boats sit on the beach. People have lost interest in fishing... I have been fishing since I was 12, 1942. The families in Ekwok had 2 permits in the family got too old and sold their permit or gave them to family or to a family member who did not know how to fish or did not care to fish. We got civilized.” Permit Holder Drift Ekwok 1

“My first memory of set netting with delivery was when we used the fish pews to get the fish out of the boat to the scow. The gravel beach below us, they use trucks and collect the fish and then bring them to the scow. The second was the 4 wheelers, pick the fish, wash the fish and throw them into the boat. 10 years ago, processors said they did not want to buy dry fish and more and wanted to focus on quality. That is when a lot of the Manokotak fishermen quit coming to Igushik to fish because they did not have boat, brailers, etc. Since my dad taught us how to fish with an outboard, we had no problem. They were mostly

women who did not know how to run a skiff and could not adapt. If they could, they would have a family member drive the boat. There are a lot of older people out there but there has been a big drop in the numbers at Igushik. Less than 50 set netters, before it was 80-100. I know a lot of them sold out.” Permit Holder Set Dillingham 3

“Many people sold their permits because they could not get out in the skiff.” Permit Holder Set Manokotak 2

“I know from personal experience that the Ekwoks, the New Stuyahoks that there are fewer people involved in the fishery, the people that really need that source of income and they just do not have it.” Permit Holder Set Dillingham 11

“A lot of fishing families do not have much to do with fishing anymore and they do different careers. With so many jobs here (hospital, BBEDC, BBNA) it is not as big of a hardship. If you lived in the villages you would have to move or rely on government entitlement programs.” Crewmember Drift Dillingham 1

“People have sold boats and fish with someone else as a D permit. There are 10 boats in Dillingham are being auctioned off. There are some boats down at the beach that people do not use anymore.” Crewmember Drift New Stuyahok 1

As expected, younger people were less likely to have noticed changes than older respondents. Of those who have noticed changes, people have noticed people who became destitute after selling their permit. As Retired Permit Dillingham 2 noted, after selling their permits, it is common for people to move to Anchorage, but often they returned to the village because they could not adapt to city life. The common view is people who have sold their permits spent their money on alcohol but as Permit Holder Drift Dillingham 5 has observed, some people were forced to sell their permit to pay their loan off to the Alaska Division of Investments or they pay their taxes.

“Big changes. In the winter you do not see much activity, people are not buying in the stores or snow machines... When the Division of Investments was started, people overcapitalized. The limit entry card was like a credit card. People claimed they caught more fish than they did and the State took their permit when they could not pay. The biggest problem was buying boats, everyone thought they needed the best boat but the boat does not catch the fish, the net does.” Permit Holder Drift Dillingham 5

“Some of the younger people who did not retire from health reasons tried to move to Anchorage but as the money dried up they moved back to the communities. When you live in the community there is a lot of sharing with resources and when you remove yourself to a place like Anchorage... it’s a different lifestyle. Dillingham is regional as well as Naknek. These larger villages there is a different custom or more traditional values in different villages. Togiak and Manokotak still hold onto their traditional values as well as Ekwok and the Nushagak (River) communities.” Retired Permit Holder Dillingham 2

Other respondents are not old enough to remember many changes.

“I am pretty young so I do not know if I have a long enough view point... When I look around there is less and less of my generation fishing and I think it is cultural.” Permit Holder Drift Dillingham 1

Some people have not noticed any changes as permits have left the region.

“No.” Crewmember Drift New Stuyahok 2

“No, I am not aware of permits leaving the region.” Permit Holder Drift Dillingham BBEDC 1

People discuss what that they have noticed people have done after they sold their permit.

“I only know of a couple of old guys who sold their permit. They sold out pretty cheap, spent their money on alcohol and they still have money but are wasting it away.” Permit Holder Drift Dillingham BBEDC 2

“I have seen a couple of local people sell permits they have inherited and those people who have sold them. It is not because they cannot feed their family or true hardship. It is because of greed and fast money.... The attitude towards outsiders is getting worse. There is tension, maybe it has always been there but I think now there is a lot of tension and animosity between the two groups.” Permit Holder Set Dillingham 1

TOGIAK DISTRICT

The Togiak District is different from the other Districts in Bristol Bay because it is an exclusive fishery until July 27. This means people who have fished in another District cannot transfer in or out of Togiak until July 27. The other distinction in Togiak is Togiak Traditional Council partnered with Copper River Seafoods to open a new processor, Togiak Seafoods. Togiak Traditional Council is the only village council to partly own a seafood processor in Bristol Bay. To understand how these two different changes have affected people in Togiak and if they are considered successful, it is important to understand residents' perceptions of these changes. I hypothesized these changes are renewing interest in the fishery in Togiak but these changes are not easily replicated outside of Togiak.

To address these questions, I asked people who fished in Togiak the following questions:

N1. How has Togiak Seafoods changed the fishery in the Togiak District?

A total of 34 people were asked this question with many people providing more than one response.

I asked this question to people who fished in Togiak to gain a better understanding of what has changed in the Togiak District since Togiak Seafoods opened. I asked people who fished for Togiak Seafoods, people who fished for Togiak Fisheries and people who fished for both processors. At a time when a lot of permits are leaving the region, I had heard Togiak Seafoods was renewing interest in the fishery among Togiak residents and people were buying permits.

The interview results strongly suggest Togiak Seafoods is providing a range of benefits to the community. 31% of people said they are paying higher prices, 16.7% said they are providing competition because before Togiak Fisheries was the only processor in the Togiak District, 11.9% of people said they earn more money because they can deliver faster to Togiak Seafoods, 9.5% said of people Togiak Seafoods stays open longer than Togiak Fisheries and 4.8% said of people said they hire locals.

How has Togiak Seafoods changed the fishery in the Togiak District?

Table N1.1

	Number of responses	Percentage of responses
	Togiak Fishermen	Togiak Fishermen
TOTAL	42	100.0%
They have helped a lot with higher prices	13	31.0%
They have provided much needed competition	7	16.7%
I deliver faster to Togiak Seafoods so I spend more time fishing	5	11.9%
They stay open longer than Togiak Fisheries	4	9.5%
Yes, it has empowered the community	4	9.5%
They hire locals	2	4.8%
They were great about giving me a loan	2	4.8%
They provide great customer service	2	4.8%
Yes, they are giving us more hope	1	2.4%
I have not seen any changes	1	2.4%
They have provided cheaper freight rates	1	2.4%
Number of people asked	34	

The implication for increasing local permit ownership is many people in Togiak are excited about changes they have seen in the fishery since Togiak Seafoods opened. With increased prices, more crewmembers are interested in buying a permit. Some crewmembers are leasing permits, indicating they are interested in becoming a permit holder.

M1. How has your life changed since Togiak Seafoods opened?

A total of 15 people responded to this question.

I asked people this question to better understand how people's lives have changed in Togiak. However, the responses I got were very similar to responses about how Togiak Seafoods has changed the fishery. However, the previous question was directed to anyone who had fished in the Togiak District during summer 2011 and this question was directed at Togiak residents.

The interview results indicate similarities between this question and the previous question. The biggest change people have noticed is the price of salmon has increased. 40% of people said the price of salmon has increased and 6.7% of people said there is a stronger economy in Togiak now. Just a few years ago, Togiak Fisheries was paying 40 cents and during the summer 2011, Togiak Seafoods was paying \$1.25 a pound.

How has your life changed since Togiak Seafoods opened?

Table M1.1

	Number of responses	Percentage of responses
	Togiak Residents	Togiak Residents
TOTAL	15	100.0%
Prices have increased	6	40.0%
Better service	2	13.3%
They hire local people	1	6.7%
Togiak Seafoods does not put us on limits	1	6.7%
It has provided more competition	1	6.7%
There is better quality now	1	6.7%
They have improved Togiak overall	1	6.7%
There is a stronger economy	1	6.7%
I have not seen any changes	1	6.7%
Number of people asked	30	

I interviewed more people who fished for Togiak Seafoods than Togiak Fisheries but in general, most people have seen improvements in their lives since Togiak Seafoods opened. At a time when the old system of canneries loaning people money large amounts of money is ending, as Permit Holder Drift Togiak 7 said, Togiak Seafoods is very generous about loaning people money.

Several people said they had not noticed any changes but they fished for Togiak Fisheries (TFI). A respondent told me that since Togiak Seafoods started, TFI has been very generous about loaning people money so they will have to fish for TFI to pay their debts. One respondent told me Togiak Seafoods loaned him the money to buy a boat kit. He used their machine shop to build the boat. He fished it and then finished it up at the end of the summer.

“They can help out a lot. They helped me by getting an engine. They gave me the money to buy it. Pretty much everyone else can get a loan if they want it.” Permit Holder Drift Togiak 7

Togiak Seafoods has lowered the cost of living and made life easier by backhauling freight into the community at a very cheap rate. A respondent told me it used to cost \$6,000-\$7,000 to bring a car from Anchorage to Togiak on a barge, now it costs \$1,000 and the car is flown directly from Anchorage. Also, Togiak Seafoods has raised the price of salmon. TFI has raised their fish prices for salmon and halibut since Togiak Seafoods came in so everyone who fishes in Togiak has benefited. People who fish for Togiak Fisheries have not noticed the same benefits. Fishermen and a processor employee discuss ways their lives have changed since Togiak Seafoods opened.

“Certainly, it is giving us more hope.” BBEDC 7/Permit Holder Set Togiak 6

“I do not know if it empowers them but it has helped. Togiak was crying for any competition because they had no one for so long... They had TFI that has been there for so long they haven’t been customer oriented. Other places I have been treat their fishermen well. TFI treats people like crap but when there was no choice they could do it. Even now TFI does not pay market value and Togiak Seafoods does.” Crewmember Drift Togiak 3

“Absolutely. They give them the rare opportunity and are very lenient with the hours/needs for everyone.” Crewmember Set Togiak 3 – works at Togiak Seafoods

“I fish for TFI. Not really.” Permit Holder Drift Togiak 3

“A lot has changed in the price of salmon going up and now they buy halibut and keep the price up. In the past when TFI bought halibut it used to be really low. I am glad there is a 50-50 partnership with our tribal government. It has really helped the villagers with their goods, freights... way better than it was before. In the past people used to have a hard time getting their freight in and the salmon prices have been pretty low.” Permit Holder Drift Togiak 5

“Togiak Seafoods has made them realize with quality that we can make more money and get bigger and better boats maybe and it is opens up their eyes to another permit and a bigger boat. We were stuck in the mentality of just getting enough for winter... I think it will eventually turn to why should I fish in a skiff when I fish in a bigger boat? The operation improves.” Permit Holder Drift Togiak 8

“Yes, I do not want to talk bad about TFI because they buy \$100,000 a month at my store and I like those people. They have you under their thumb. The last couple of years, they wouldn’t help anyone in the winter or buy groceries or equipment or boats for people until they delivered fish. Togiak Seafoods helped out a lot and then TFI got a lot more cooperative. They are set in their ways. I think they could do it help deliver fish faster to improve quality when there are big lines and the fish are sitting in the sun. Sometimes TFI says, “we are plugged and no more fishing at the peak.” Every year in Kulukak the tenders take off on Tuesday and do not return on Wednesday. It was tough and heart breaking. We got mad but we have to come here and try to fish.” Permit Holder Set Togiak 2

N2. Why do you fish in Togiak instead of another District?

A total of 12 people responded to this question.

Togiak District is a very different fishery than the other Districts. Unlike the other Districts, Togiak has a regular weekly fishing schedule. Instead of the run coming in quickly, Togiak has a longer, smaller run lasting much longer than the other Districts. In the other Districts, transferring between Districts is allowed. In the Togiak District, people cannot transfer in or out of the District until July 27. Finally, the other Districts are river fisheries and most people in Togiak fish at the mouth of the river or in Togiak Bay. I asked this question to anyone who

fished in Togiak to understand why they choose to fish in this District.

I asked this question to people in Togiak to gain a better understanding of why people fish in Togiak when there is potential to make a lot more money elsewhere. Most local people fish close to home while it is more common for non-locals to transfer between Districts. I hypothesized local people chose to fish in the District closer to their house but non-locals do not have a house this does not matter for them.

The interview results suggest most people fish in the Togiak District because it is the most familiar District to them because it is close to home. 33.3% of people said this is our home and I know the area and 16.7% said they were intimidated to fish in another District.

Why do you fish in Togiak instead of another District?

Table N2.1

	Number of responses	Percentage of responses
	Togiak Fishermen	Togiak Fishermen
TOTAL	12	100.0%
This is my home and I know the area	4	33.3%
I am intimidated to fish in another District	2	16.7%
Togiak is very different from other Districts	2	16.7%
The run is longer in Togiak	1	8.3%
I do not know	1	8.3%
It is more laid back than the other Districts	1	8.3%
Those other fishing Districts have their own set net sites	1	8.3%
I do not have a boat and someone invited me to fish dual permits on their boat in Togiak	1	8.3%
My market is here	1	8.3%
Higher fish prices	1	8.3%
Lower expenses	1	8.3%
It is better for my health to stay closer to home	1	8.3%
Number of people asked	34	

Earlier questions suggest most people got into the fishery with their families and their knowledge of the fishery is handed down through generations of family. As Crewmembers Set Togiak 1 and Permit Holder Drift Togiak 5 indicate, they fish in Togiak because they are the most familiar with this District. Others enjoy the regular weekly fishing schedule and still others like the fishing style in Togiak.

“I know Togiak and I fish Togiak.” Crewmember Set Togiak 1

“Because we have the biggest reds. Also just because I like the laid back fishery not the gung ho everyone corking each other off type of pirate fishing is what I call it.”

Crewmember Set Togiak 3

“This is where I grew up and where my kids are. I cannot take off to another region and fish. If I had all the resources, I would leave. I am single parent of 6 kids. This is where I grew up.” Permit Holder Drift Togiak 5

“Longer time (weekly fishing in Togiak) and more time on the water. Consistent fishing I guess.” Permit Holder Set Togiak 10

The implication for increasing local permit ownership is people in Togiak are benefiting from Togiak District being an exclusive District. They are able to catch more fish because they face less competition. However, it is unlikely any other District in Bristol Bay would be made exclusive to local residents so it would be hard to replicate this in any other District.

M2. How has your life changed since Togiak was made an exclusive fishing District?

A total of 27 people responded to this question.

While the Togiak District has been an exclusive District for several years, it was only in 2011 the date was changed from July 24 to July 27 that allowed everyone to come into the Togiak District. This change was made to allow Togiak residents to fish a peak in the 3rd week of July rather than allowing fishermen from other Districts to fish the peak too. I wanted to understand how Togiak residents view these special benefits.

The interview results strongly suggest people think this regulation is helping Togiak residents because non-Togiak residents cannot compete with them until July 27. Although anyone can register to fish in Togiak, with few exceptions the two processors in Togiak have only hired Togiak fishermen so the fishery is limited to Togiak residents for the main part of the season. 55.6% of people responded saying it gives us more opportunities because the fishery is longer than other Districts and 3.7% of people said changing the exclusive date to July 27 has further helped Togiak residents.

How has your life changed since Togiak was made an exclusive fishing District?

Table M2.1

	Number of responses	Percentage of responses
	Togiak Residents	Togiak Residents
TOTAL	27	100.0%
It gives us more opportunities because the fishery is longer than other Districts	15	55.6%
It has not affected me	5	18.5%
I wish the exclusive date was extended to August 5 because there is a peak around July 27	2	7.4%
Changing the exclusive date to July 27 instead of July 24 has really helped me because there is a run the 3rd or 4th week of July	1	3.7%
It helps me, but Outsiders bring in drugs and alcohol	1	3.7%
There are fewer boats at end of the season	1	3.7%
If Togiak were completely exclusive, our permits would not be worth as much	1	3.7%
There are fewer fish now	1	3.7%
Number of people asked	30	

The other Districts are managed by emergency order, the Togiak District is managed under a regular weekly fishing schedule. This schedule often gives them more time to fish than the other Districts. It is a longer but slower fishery than the other Districts with the run trickling in at a much more consistent pace. Finally, most people do not travel far from their home to fish so they can return home at night. Outside of Kulukak Bay, nearly everyone set nets on the east or west side of Togiak River so at no time can a person not see town. Compared to fishermen in the other Districts, Togiak fishermen have on average smaller drift boats. Some of these boats including some who fish out of skiffs do not have cabins on their boat so they return home every night. By contrast, nearly everyone who fishes in the other Districts has a 32 foot boat with a cabin. Finally, people enjoy a less competitive fishery because fishermen who fish in any other Districts cannot fish in Togiak District before July 27.

“It gives us more opportunities. Togiak is a slow fishery. It keeps trickling in throughout the season, unlike the rest of Bristol Bay. They come in hard for about one week and then they are gone (talking about the fish runs).” BBEDC 7/Permit Holder Set Togiak 6

“No, my life hasn’t changed.” Crewmember Drift Togiak 2

“I wasn’t around too much until Togiak became an exclusive area, but as far as I know it was horrible and then it wasn’t. Togiak is a much smaller fishery, fishermen have small boats so it was just like they did not a chance to make any money.” Crewmember Set Togiak 3

“Better. People can almost get a decent season over here. The average Togiak set net permit is luck to get 20,000 (pounds). In the Nushagak, people have already gotten 100,000 pounds. I do not know why they let them fish here at all. When these boats show up, fishing just dies. The end of July is scratch fish; you barely catch anything, 500 pounds instead of 1,000-2,000 pounds. When they show up you are luck to catch 5 fish per day.” Crewmember Set Togiak 5

“Togiak is the last gentlemen fishery, not as aggressive, not corking each other off like in Egegik. Over in Togiak they will give you a little more room.” Permit Holder Drift Naknek 1- fished in Togiak after July 27

M3. Should these permits stay in Togiak and not be transferred out of the District?

A total of 4 people responded to this question.

I asked this question to residents in Togiak to understand if they thought there were enough safeguards for them. This question was aimed at a small audience but it could be scaled up to ask all residents of Bristol Bay if locally owned permits should only be sold to local residents. I wanted to know if Togiak residents considered this to be an option for keeping permits in local hands. However, most people did not understand this question well so I stopped asking it after I asked 4 people this question.

The interview results indicate all respondents like this idea because it puts more safeguards into the Togiak fishery. 100% of respondents said they like this idea because for people who fish in Togiak, this is all they know.

Should these permits stay in Togiak and not be transferred out of the District?

Table M3.1

	Number of responses	Percentage of responses
	Togiak Residents	Togiak Residents
TOTAL	4	100.0%
I like this idea	3	75.0%
Yes, these permits should stay in Togiak because for some people, it is all they know	1	25.0%
Number of people asked	4	

The permit holders in Togiak already maintain a semi exclusive fishery because it is hard to get a

market before July 27 if you are not from Togiak. Every time someone from Togiak sells their permit to a person residing outside of Togiak or Twin Hills, it increases everyone else's earnings because there is one less permit fishing before July 27. However, if permits could not be transferred out of Togiak they would be worth less money as opposed to an unrestricted permit that can be fished in the other Districts.

"These permits should stay in Togiak. When you are taking your life away, employment. Some people have quit school and the only thing they know is fishing." Crewmember Set Togiak 1

"If it was completely exclusive than our permits wouldn't be worth as much because we do not have as much fish." Permit Holder Set Togiak 2

V. DISCUSSION

In this final chapter, I summarize the main themes that emerged from the interviews, and my recommendations for increasing participation in the BBEDC Permit Loan Program and local permit ownership in Bristol Bay.

In reading this discussion, it is important to recall that although these are the themes that emerged in the interviews I had conducted, my interview sample was not necessarily representative of the Bristol Bay population or the particular groups that I interviewed. Thus when I refer to groups such as “youth” or “crewmembers” I am referring to the youth or crewmembers I interviewed. My conclusions cannot necessarily be extracted to all Bristol Bay youth or all Bristol Bay crewmembers or to all the other groups. However, it is reasonable to assume that they are representative of at least some members of these groups.

Interest in the Fishery Remains Strong

Fishing knowledge and the culture surrounding it remain strong in Bristol Bay. People who fish have friends and family who fish too. Most fishing knowledge and permits are still passed down through families and many of these families are very proud to be part of the fishery. They tend to view fishing as a lifestyle choice because the whole family often participates in the fishery.

Youth and crew enjoy fishing and they derive a lot of pleasure out of fishing if they are fishing with their family. In fact, although most crew would rather be permit holders, some youth and crew do not aspire to owning a permit as long as they continue to fish with their family. [But they recognize fishing is not the most stable or financially secure career.] When asked what has made them stay in the fishery, crew and youth responded that they fish because they fish with their family and 65% said nothing would make them leave the fishery.

People Think Keeping Permits in the Region is Important

Nearly all respondents including people who have sold their permit think it is important to keep permits in the region. People recognize they have more of a say in the fishery when locals own permits. They also talked about how important it is to pass their fishing knowledge and permit to their children or grandchildren.

People Are Interested in Buying a Permit, But They Face Obstacles

Most people got their permit from either Limited Entry or their family gifted them their permit. People in Dillingham have bought permits but few other people in rural villages have experience buying a permit.

Permit holders have more experience taking out large loans because they can use their permit as collateral for a loan on a boat or another permit. It is harder for people without permits to find collateral for loans.

People who responded they or their family were interested in buying a permit often described big obstacles that cannot easily be resolved. One obstacle is how to finance a permit, because many people have few assets they could put up as collateral, have bad or little credit, or have few savings to put down for a down payment.

Many people think permits, especially drift permits, are too expensive. The high prices of drift permits remains an obstacle for most people who want to buy a permit. None of the people who had bought a drift permit reported spending anywhere near \$160,000, the price of a drift permit in summer 2011. Only 7.1% of drift crewmembers reported that they would be willing to spend over \$150,000 to buy a permit.

People who have bought a set net permit reported spending less than \$50,000. Set net permits were valued at \$40,000 during summer 2011. 71.5% of set net crew reported they would spend \$25,000 or more on a permit so they think set net permits are relatively more affordable than drift net permits.

Often the most valuable part of a set net operation is not a permit but the site. People who wanted to buy a set net permit said it was difficult to find a productive set net site—so finding set net sites is another obstacle to permit ownerships.

People have heard about government programs but do not have detailed knowledge of them

I found most people had heard of CFAB, the Alaska State Division of Investment loans and the BBEDC Permit Loan Program. 26.5% of respondents had a loan from CFAB or the Alaska Division of Investments and more people may have had a loan from them in the past. Still, responses about how people would finance permits suggested that they might not have a lot of detailed knowledge of these programs because they said they would take out an unspecified bank loan.

One of the biggest financial obstacles people face is that they are not comfortable taking a bank loan out either because they have no experience or had a bad experience with the process. 39.8% of respondents said they are not comfortable with taking out a bank loan. 69.8% of respondents said they had taken out a bank loan but of these respondents, 54.5% said this experience has not made them want to take out another loan in the future. Yet, people recognize if they are not going to inherit a permit, they will have to buy a permit. However uncomfortable or inexperienced they may be with taking out a bank loan, when asked the question of what method they would use to finance a permit purchase, 76.3% said they would take out a bank loan.

Another big financial obstacle people face is they do not have another job or source of income to provide a financial cushion during years where they do not make enough money to survive the winter. Most people think people can live off their fishing income without any supplemental income but many people cannot find a job and are forced to live off their income.

People also face non-financial obstacles but they are often overlooked or deemed not as important as the financial obstacles. The three main non-financial obstacles people talked about

were finding crewmembers, finding a market and having the experience to become a captain. These obstacles are probably related to the loss of permits in the region. If people are having a hard time finding crew, this suggests people are not as engaged in the fishery as in the past. If there are fewer crewmember jobs, there are fewer opportunities for crew to gain the experience necessary to become a captain. Problems finding a market are related to the fact that many processors left Bristol Bay when the price of salmon collapsed. However the number of processors has been increasing.

The Togiak District is Experiencing New Optimism About the Fishery

While Togiak, like many other communities, has experienced severe permit loss, many people have a renewed interest in the fishery. 2011 was the third year Togiak Seafoods operated. They are building a reputation for paying some of the highest prices of all the processors in Bristol Bay and treating their fishermen well. Togiak Traditional Council owns 50% of Togiak Seafoods so more money stays in the community.

Togiak fishermen are earning a lot more money than they used to, and some people are investing their money into new boats and permits. There are other people who are trying to buy a permit using the BBEDC Permit Loan Program. Of all the people I interviewed, people in Togiak were some of the most enthusiastic people who spoke excitedly of new fishing opportunities.

The Togiak District is exclusive until July 27 to people who choose to fish the entire season in Togiak. They enjoy a slower fishery and less competition than the other Districts. This has benefited Togiak residents because they fish in the Togiak District.

Togiak residents have benefited tremendously by having the Togiak District be exclusive. A suggestion to help more youth to gain experience has been to make the Nushagak exclusive to local youth after July 15. Another person suggested making the Nushagak exclusive for the entire season. Although these changes would benefit people in Manokotak and Dillingham, it unlikely the communities in the other Districts would be as amenable to this idea—or that the non-local residents who hold the majority of permits would support it.

Unlike the other Districts, finding a set net site in Togiak is not as big of a challenge because there are open sites at Kulukak. However, Kukukak is open only 3 days a week instead of 5 days in Togiak Bay so some people do not consider it to be as lucrative as Togiak Bay.

Why People Have Sold Their Permit or Are Tempted to Sell Their Permit

An overwhelming majority of current permit holders (89.2%) said they had never considered selling their permit. They said it was valuable to them because it provided them and their family access to the fishery.

When asked about what circumstances would cause them to sell their permit, most respondents said nothing would cause them to sell their permit. Some people said they would sell their permit if they were no longer able to fish or if they needed the money.

Of those people who had sold permits, the reasons they gave for selling them were financial hardship, they wanted to get into a new occupation and they didn't want to continue fishing, and they retired and did not have any family who were interested in the permit. One theory is that as the permit price increases, people are more likely to sell their permits. However, the people I interviewed who had sold permits had sold them for relatively low prices, suggesting they sold them due to financial hardship. Even though they thought keeping permits in the region and in their family was important, they could not find a local buyer when they needed to sell their permit.

An indication of how likely people are to sell their permit is how often they have emergency transferred their permit. People who have transferred their permit many times are likely no longer able to fish but are holding onto the permit for some reason. They may sell their permit if CFEC denied their next transfer. Most respondents had not transferred their permit at all, but a couple of people had transferred their permit up to ten times!

The BBEDC Permit Loan Program

Most people had heard of the BBEDC loan program but they did not know the details of the program. Most respondents who reside in a BBEDC community have a favorable opinion of BBEDC and most have benefited from at least one BBEDC program. Although many respondents did not know the details of the Permit Loan Program, BBEDC had helped them before so they were much more likely to think favorably of the program. People in New Stuyahok had the least favorable opinions of BBEDC and correspondingly were the least likely to think highly of BBEDC when they did not know about the Permit Loan Program.

Most people have heard of the program and they recognize buying a permit through the program will bring more income to not just the individual but to their family too--because most people fish with their family.

When asked how they would change the program, respondents said the program needed to have more advertising in the village. These are the people who felt knowledgeable enough to comment on the program.

The people who knew the most about the program were the most interested in buying a permit. Although many youth and crew are interested in buying a permit, they are the least likely age group to have heard of the Permit Loan Program. Of all the respondents, they are the most likely not to be year round residents of a community in the Bristol Bay watershed because they are attending college or programs like AVTEC out of the region. Often these students are receiving financial support from BBEDC so BBEDC could target this audience directly with directed mailings or a mandatory class.

BBEDC Staff and Board Members' Perceptions of the Permit Loan Program

BBEDC Staff and Board members had varying opinions of the BBEDC Permit Loan Program but in general they liked the program. They wish there was more advertising in the villages and that the program was more flexible and could adapt to a changing permit market. Some people

expressed surprise that permit prices had increased so quickly and said this increase had made it difficult for people to access financing. In fact, access to financing is the second reason why they do not think the program has been meeting its targets.

To change the program, they would like to work with the Alaska Division of Investments rather than CFEC, because the Division of Investments offers better interest rates, and would give people more access to financing.

BBEDC Staff and Board members said as the program was originally devised, loan program representatives and credit counselors would visit villages once per year. Presumably this would address the theory people do not participate in loan programs because they live in distant and isolated communities. Some Staff and Board members would like to do increase outreach to the villages too.

BBEDC Staff, Board members and other respondents agree more outreach is needed to increase participation, but there is no agreement on what method of advertising is the best approach. BBEDC Staff and Board members say they are advertising in a variety of traditional methods including advertisements on the radio and television, e-mails and newsletters but they think most people get their information through word of mouth.

Still, the main reason why BBEDC Staff and Board members think the program has not been meeting its goals is because they are targeting people who can't carry a loan. This is consistent with the interview responses of people who were interested in buying a permit or who had experience taking out a bank loan.

Recommendations for BBEDC

The Permit Loan Program is complicated for number of reasons including paperwork and the requirement for CFAB denial of a loan. If BBEDC representatives visited communities more often to help people apply for permits, this could help to address these problems.

BBEDC has community liaisons and Board members who reside in each BBEDC community. But it is the non-BBEDC communities who have lost the most permits per capita and are therefore the most vulnerable communities in the region. BBEDC should consider visiting these communities to build a trusting relationship with them.

High permit prices are another obstacle to the Permit Loan Program. With drift permits at \$160,000 during summer 2011, permits are too expensive for most people. To lower the barriers, BBEDC could consider having different tiers of subsidies corresponding to different permit prices.

Difficulties in getting boats may also be an obstacle for people in getting drift permits, because drift permit holders need boats to fish. Some respondents said they wanted both a boat and a permit, or had permits but wanted help buying a boat. BBEDC could start a sweat equity program where they provide money to people who have completed a boat building course so they could hire a trained boat builder to visit the villages and conduct a boat building workshop.

One respondent in Togiak said Togiak Seafoods loaned him the money to buy a boat kit and he used their machine shop and tools to fabricate all but the cabin on the boat. After the season, he was able to complete his boat.

The second reason to help Bristol Bay residents buy permits is to help them compete against fishermen who do not reside in the region who have much bigger boats. Although all boats are limited to 32 feet, many boats belonging to these non-resident fishermen are much wider and taller than boats residents own. These days with the focus being on quality, residents cannot compete with these fishermen. Fishing two permits on one boat was designed to help more residents stay in the fishery but some respondents said their boats did not have the capacity for more crew and gear. In New Stuyahok, a permit holder without a boat said he has fished on non-resident fishermen's boats but he felt as if they had taken advantage of him. He would have much preferred to fish with someone from the village but their boats were not big enough.

One option worth promoting is partnerships between a permit holder and a boat owner. Even if BBEDC were to include boats in their loan program, it is unlikely one person could finance a boat and a permit at the same time. However, if one person uses BBEDC's loan program to buy a boat or refurbish a boat and the other person buys the permit, they would have a better chance of competing against non-resident fishermen.

Set net permits are more affordable than drift net permits. But it is difficult to find productive set net sites, so BBEDC could help residents buy set net packages including the site and permit. Set netters who have bought permits usually have good sites but they have two permits on the site so they fish continually. Finding a market is not usually a problem for a set netter because usually one processor buys from the beach, especially true in the Nushagak District.

The good news is since the value of the fishery has been increasing in the past several years, people are interested in fishing and buying permits. BBEDC should take advantage of this interest and devote more effort to promoting their program. They need to learn from their community liaisons and Board members on how best to advertise the program.

Youth receive a lot of their information from social media so BBEDC could start a Facebook page to promote their program. The most common way youth receive information is from their peers. BBEDC could employ youth to promote the program to other youth. Community liaisons and Board members are not part of the youth's peer community.

Solutions to Help More Residents Enter the Fishery

Respondents had a lot of ideas about how to help more locals enter the fishery. Their solutions fell into five categories: community, family, BBEDC, State/Federal and regulatory changes. Some of these solutions are easier to implement under current regulations while other solutions require significant changes to State law.

For community solutions, they suggested locals form dual partnerships to buy permits and or boats. It is more affordable and less risky when the costs and risk are distributed over two people. Another community suggestion was to get some positive experience as a crewmember.

One of the main non-financial obstacles is it is hard to find crewmembers, but some crewmembers said their captains did not treat them fairly. I interviewed some captains well known for treating their crewmembers well and they said people lined up to be crewmembers.

People already fish in family units so people suggested families could work in partnerships, pooling their PFDs together for a down payment on a permit. Although the permit would be in one person's name still, the family would own a permit. However, family conflict is a reason people sell their permit so this may not work in every situation.

People think BBEDC has done a good job of focusing on increasing the value of the fishery for residents by giving them slush bags and subsidized ice. Some of their solutions for BBEDC to increase the value further are to help people upgrade to RSW and for BBEDC to pay a bonus to local young permit holders. Expanding on this idea, a bonus could be paid to young crewmembers and this money could be set aside for this person to buy a permit or if they choose not to fish, they could use this money towards college or job training.

CFEC could help play a role in helping more people keep their permits by identifying people who have emergency transferred their permit for many successive years. Before denying their next emergency transfer, they work with the permit holder to understand why they have emergency transferred their permit and if there is someone in their family or community who are interested in buying it. Another suggestion would to procure federal and state subsidies to help people lease permits from people who emergency transfer them.

Conclusions

Limited Entry has been in place for more than 35 years. During this time, there have been many different programs that have tried to increase local participation in the fishery. The fact local permit ownership continued to trend downwards suggests that there are no easy solutions to the problem of local permit loss. However, it is important to keep trying to find ways to help local people retain and buy permits. Keeping locals involved in the fishery keeps communities economically and socially helpful, gives them access to their local resources, and strengthens their voice in how in how these resources are managed and it keeps communities healthy economically and socially.

VI. REFERENCES

- Alaska Department of Labor. 1979. Preliminary Census Statistics
- Alaska Legal Services. Legal Briefs and Trial Documentation for Various Limited Entry Cases
- Alaska Legislature. Alaska statutes, sec. 16.43.250. Standards for initial issue of entry permits. www.legis.state.ak.us
- Bristol Bay Economic Development Corporation Permit Loan Committee, RedPoint Associates and Alaska Growth Capital. 2007. Restoring Salmon Permits to Bristol Bay Residents. Report Prepared for BBEDC
- Canfield, C. "Maine Rethinking Restrictive Lobster License Rules" Portland Press Herald. May 29, 2012 www.seafoodnews.com
- Commercial Fisheries Entry Commission. 2004. Bristol Bay Salmon Drift Gillnet Optimum Number Report 04-3N
- Commercial Fisheries Entry Commission (1980-2010). Permit and Fishing Activity by Year, State, Census Area or Alaskan City. Retrieved March 05, 2012 from http://www.cfec.state.ak.us/fishery_statistics/earnings.htm
- Focht, R. and Schelle K. 1984. Alaska's subsidized fishing loan program: a study of distributional aspects of permit related loans during fiscal years 1979 through 1982. CFEC report number 84-2. Commercial Fisheries Entry Commission
- Kamali, N. 1984. Alaskan Natives and Limited Fisheries of Alaska: A Study of Changes in the Distribution of Permit Ownership Amongst Alaskan Natives, 1975-1983. Commercial Fisheries Entry Commission Report 84-8
- Knapp, G. 2011. Local Permit Ownership in Alaska Salmon Fisheries. *Marine Policy*. 35:658-666
- Gunnar Knapp. 2012. Unpublished analysis of trends in Bristol Bay local permit holdings
- Koslow, J.A. 1981 Limited Entry Policy and the Bristol Bay, Alaska Salmon Fishermen. *Canadian J. Fish. Aquat. Sci.* 39:415-425
- Langdon, S. 1980. Transfer Patterns in Alaskan Limited Entry Fisheries, Final Report for the Limited Entry Study Group of the Alaska State Legislature

Northern Economics. 2009 The Importance of the Bristol Bay Salmon Fisheries to the Region and its Residents. Report prepared for the Bristol Bay Economic Development Corporation. Anchorage, Alaska

Petterson, J.S. 1983. Policy and Culture: The Bristol Bay Case. *Coastal Zone Management Journal*. 10:313-330

Rogers, G.W. and Kreinhender, J. 1980. Socioeconomic Analysis by Fishery Areas and Census Division. Document prepared for the Limited Entry Study Commission

Schelle, K. and Muse, B. 1989. License Programs Under Alaska's Limited Entry Statutes: Policy Decisions Under Statutory Constraints. Presented at The 119th Annual Meeting of the American Fisheries Society

Sears J, Free-Sloan N, Tide C, Iverson K. Changes in the distribution of Alaska's commercial fisheries entry permits, 1975–2008. CFEC report number 09-04N; 2009. /http://www.cfec.state.ak.us/research/09_4N/09_4S

United States Census. 1980 Census Data. Retrived March 5, 2012 from <http://www.census.gov/prod/www/abs/decennial/1980cenpopv1.html>

United States Census. 2010 Census Data. Retrieved March 5, 2012 from <http://2010.census.gov/2010census/>

**APPENDIX A
COMMUNITY TABLES AND ANALYSIS**

These tables provide additional insight into differences between communities.

A6.2 Do your friends and family fish?

Do your friends and family fish?

Table A6.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	44	8	20	30	100.0%	100.0%	100.0%	100.0%
Yes	36	4	7	15	81.8%	50.0%	35.0%	50.0%
No	8	4	13	15	18.2%	50.0%	65.0%	50.0%
Number of people asked	46	8	21	30				

K1.2 How did you get your permit?

How did you get your permit?

Table K1.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	39	7	13	23	100.0%	100.0%	100.0%	100.0%
Family gifted them their permit	12	3	8	15	30.8%	42.9%	61.5%	65.2%
Limited Entry	7	3	4	2	17.9%	42.9%	30.8%	8.7%
Bought a permit	6	0	0	2	15.4%	0.0%	0.0%	8.7%
Loan from Alaska State Division of Investments	5	0	0	1	12.8%	0.0%	0.0%	4.3%
Loan from CFAB	3	0	0	2	7.7%	0.0%	0.0%	8.7%
Family emergency transferred them their permit	3	0	0	1	7.7%	0.0%	0.0%	4.3%
BBEDC permit loan program	3	0	0	0	7.7%	0.0%	0.0%	0.0%
Friend loaned me the money to buy a permit	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Won the permit in a lawsuit	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Paid the renewal fees owed on my father's permit	0	0	1	0	0.0%	0.0%	7.7%	0.0%
Traded a drift permit for a set net permit	0	1	0	0	0.0%	14.3%	0.0%	0.0%
Number of people asked	39	7	13	23				

F1.2 What price did you pay for your boat for drifting? Price of Most Recent Drift Boat

What price did you pay for your boat for drifting? Price of Most Recent Drift Boat

Table F1.2

	Number of responses				Percentage of responses			
	Dillingham	Manok-otak	New Stuy-ahok	Togiak	Dillingham	Manok-otak	New Stuy-ahok	Togiak
TOTAL	44	8	20	30	100.0%	100.0%	100.0%	100.0%
Yes	36	4	7	15	81.8%	50.0%	35.0%	50.0%
No	8	4	13	15	18.2%	50.0%	65.0%	50.0%
Number of people asked	46	8	21	30				

Note: I asked drift permit holders, retired permit holders and drift crewmembers who had bought a boat.

C2.2 How would you finance this permit purchase?

How would you finance this permit purchase?

Table C2.2

	Number of responses				Percentage of responses			
	Dillingham	Manok-otak	New Stuy-ahok	Togiak	Dillingham	Manok-otak	New Stuy-ahok	Togiak
TOTAL	32	6	15	18	100.0%	100.0%	100.0%	100.0%
Bank loan (unspecified)	12	4	8	5	37.5%	66.7%	53.3%	27.8%
BBEDC permit loan program	7	1	2	6	21.9%	16.7%	13.3%	33.3%
CFAB	6	0	0	4	18.8%	0.0%	0.0%	22.2%
Alaska Division of Investments	2	1	2	0	6.3%	16.7%	13.3%	0.0%
Family loan	3	0	0	0	9.4%	0.0%	0.0%	0.0%
Cash	1	0	2	1	3.1%	0.0%	13.3%	5.6%
I do not know	0	0	0	1	0.0%	0.0%	0.0%	5.6%
If the seller is local, pay them at the end of each season	1	0	0	1	3.1%	0.0%	0.0%	5.6%
Cash and family loan	0	0	1	0	0.0%	0.0%	6.7%	0.0%
Number of people asked	34	8	16	21				

C3.2 How comfortable are you with taking out a bank loan?

How comfortable are you with taking out a bank loan?

Table C3.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuy-ahok	Togiak	Dillingham	Manokotak	New Stuy-ahok	Togiak
TOTAL	32	8	18	15	100.0%	100.0%	100.0%	100.0%
Yes, I am comfortable	25	3	6	9	78.1%	37.5%	33.3%	60.0%
No	7	5	12	6	21.9%	62.5%	66.7%	40.0%
Number of people asked	34	8	20	20				

C4.2 Have you taken out loans for other purchases?

Have you taken out loans for other purchases?

Table C4.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuy-ahok	Togiak	Dillingham	Manokotak	New Stuy-ahok	Togiak
TOTAL	33	8	19	21	100.0%	100.0%	100.0%	100.0%
Yes	29	6	10	15	87.9%	75.0%	52.6%	71.4%
No	4	2	9	6	12.1%	25.0%	47.4%	28.6%
Number of people asked	38	8	19	24				

C5.2 Has this experience made you want to take out another loan?

Has this experience made you want to take out another loan?

Table C5.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuy-ahok	Togiak	Dillingham	Manokotak	New Stuy-ahok	Togiak
TOTAL	21	6	8	6	100.0%	100.0%	100.0%	100.0%
Yes	12	2	4	1	57.1%	33.3%	50.0%	16.7%
No	9	4	4	5	42.9%	66.7%	50.0%	83.3%
Number of people asked	35	6	12	15				

G2.2 Have you heard of the BBEDC Permit Loan Program?

Have you heard of the BBEDC Permit Loan Program?

Table G2.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	44	8	20	28	100.0%	100.0%	100.0%	100.0%
Yes	38	4	10	25	86.4%	50.0%	50.0%	89.3%
No	6	4	10	3	13.6%	50.0%	50.0%	10.7%
Number of people asked	46	8	21	30				

G3.2 What is your opinion of the BBEDC Permit Loan Program?

What is your opinion of the BBEDC Permit Loan Program?

Table G3.2

	Number of responses				Percentage of responses			
	Dillingham	Manokotak	New Stuyahok	Togiak	Dillingham	Manokotak	New Stuyahok	Togiak
TOTAL	36	4	12	22	100.0%	100.0%	100.0%	100.0%
It is a great program	14	0	0	12	38.9%	0.0%	0.0%	54.5%
I have not heard of the program	10	2	6	4	27.8%	50.0%	50.0%	18.2%
I like the program but do not know much about it	6	1	1	4	16.7%	25.0%	8.3%	18.2%
Program qualifiers need to change to meet a changing permit market	6	1	0	2	16.7%	25.0%	0.0%	9.1%
I do not think BBEDC helps my community	0	0	5	0	0.0%	0.0%	41.7%	0.0%
Number of people asked	39	4	12	25				

I2.2 Fishing drift dual helps/hurts locals?

Fishing drift dual helps/hurts locals?

Table I2.2

	Number of responses				Percentage of responses			
	Dillingham	Manok-otak	New Stuy-ahok	Togiak	Dillingham	Manok-otak	New Stuy-ahok	Togiak
TOTAL	23	1	16	17	100.0%	100.0%	100.0%	100.0%
Helps locals	7	1	10	8	30.4%	100.0%	62.5%	47.1%
Hurts locals	12	0	5	5	52.2%	0.0%	31.3%	29.4%
I do not know	2	0	1	4	8.7%	0.0%	6.3%	23.5%
It helps everyone	2	0	0	0	8.7%	0.0%	0.0%	0.0%
Number of people asked	23	1	18	17				

I3.2 Two set net permits helps/hurts local people?

Two set net permits helps/hurts local people?

Table I3.2

	Number of responses				Percentage of responses			
	Dillingham	Manok-otak	New Stuy-ahok	Togiak	Dillingham	Manok-otak	New Stuy-ahok	Togiak
TOTAL	23	1	16	17	100.0%	100.0%	100.0%	100.0%
Helps locals	7	1	10	8	30.4%	100.0%	62.5%	47.1%
Hurts locals	12	0	5	5	52.2%	0.0%	31.3%	29.4%
I do not know	2	0	1	4	8.7%	0.0%	6.3%	23.5%
It helps everyone	2	0	0	0	8.7%	0.0%	0.0%	0.0%
Number of people asked	23	1	18	17				

A7.2 Do you have another job?

Do you have another job?

Table A7.2

	Number of responses				Percentage of responses			
	Dillingham	Manok-otak	New Stuy-ahok	Togiak	Dillingham	Manok-otak	New Stuy-ahok	Togiak
TOTAL	44	8	20	30	100.0%	100.0%	100.0%	100.0%
Yes, I have at least a part-time job	36	4	7	15	81.8%	50.0%	35.0%	50.0%
No	4	2	12	14	9.1%	25.0%	60.0%	46.7%
I am retired	4	2	1	1	9.1%	25.0%	5.0%	3.3%
Number of people asked	46	8	21	30				

A8.2 Do you think people can still make enough money from salmon fishing that they do not have to another job?

Do you think people can still make enough money from salmon fishing that they do not have to another job?

Table A8.2

	Number of responses				Percentage of responses			
	Dillingham	Manok-otak	New Stuy-ahok	Togiak	Dillingham	Manok-otak	New Stuy-ahok	Togiak
TOTAL	40	8	21	29	100.0%	100.0%	100.0%	100.0%
Yes	13	1	3	10	32.5%	12.5%	14.3%	34.5%
No	27	7	16	18	67.5%	87.5%	76.2%	62.1%
Maybe	0	0	2	1	0.0%	0.0%	9.5%	3.4%
Number of people asked	42	8	21	30				

G6.2 As permits have left the region, what changes have you noticed?

As permits have left the region, what changes have you noticed?

Table G6.2

	Number of responses				Percentage of responses			
	Dillingham	Mano-kotak	New Stuy-abok	Togiak	Dillingham	Mano-kotak	New Stuy-abok	Togiak
TOTAL	66	10	23	27	100.0%	100.0%	100.0%	100.0%
I have not noticed anything	8	1	7	9	12.1%	10.0%	30.4%	30.4%
People who have sold their permit are destitute	5	2	7	8	7.6%	20.0%	30.4%	30.4%
Fewer locals in the fishery	9	2	1	0	13.6%	20.0%	4.3%	4.3%
More government assistance	4	0	0	0	6.1%	0.0%	0.0%	0.0%
There are a lot of new Outsiders fishing	4	0	1	1	6.1%	0.0%	4.3%	4.3%
People who have sold their permits have left the region	6	0	0	0	9.1%	0.0%	0.0%	0.0%
Fewer youth fishing	3	0	1	1	4.5%	0.0%	4.3%	4.3%
There are few jobs in the villages	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Outsiders have bigger and faster boats	3	0	0	0	4.5%	0.0%	0.0%	0.0%
There are many abandoned boats	0	0	4	0	0.0%	0.0%	17.4%	17.4%
Outsiders are very cutthroat and it has made the fishery unfriendly	3	0	1	1	4.5%	0.0%	4.3%	4.3%
Canneries no longer help during the lean times	2	0	0	0	3.0%	0.0%	0.0%	0.0%
Since the cannery at Clark's Point closed, there are fewer jobs and people	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Former permit holders are fishing as crew	0	1	1	0	0.0%	10.0%	4.3%	4.3%
At Igushik, the processors do not buy with trucks so we have to deliver with boats. People could not adapt and sold their permit.	1	3	0	0	1.5%	30.0%	0.0%	0.0%
Dillingham has diversified its economy so there are a lot of family who do not fish anymore	3	0	0	0	4.5%	0.0%	0.0%	0.0%
We are losing permits because our villages are shifting to a cash economy	1	0	0	1	1.5%	0.0%	0.0%	0.0%
The economy in the region is weaker	2	0	0	0	3.0%	0.0%	0.0%	0.0%
I do not think Aleknagik has been affected by permit loss because they have jobs in Dillingham	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Since the cannery at Clark's Point closed, the store and mechanic are gone	0	0	0	0	0.0%	0.0%	0.0%	0.0%
There are fewer crewmember jobs	2	0	0	0	3.0%	0.0%	0.0%	0.0%
Towns like Ekuk are seasonal	1	0	0	0	1.5%	0.0%	0.0%	0.0%
People could not afford to fish with low prices so they had to sell their permit	0	0	0	0	0.0%	0.0%	0.0%	0.0%
After a family member sold their permit, they were able to keep their house	1	0	0	0	1.5%	0.0%	0.0%	0.0%
Outsiders bring in drugs and alcohol	1	0	0	0	1.5%	0.0%	0.0%	0.0%
Many people continue to stay involved in the fishery	1	0	0	0	1.5%	0.0%	0.0%	0.0%
My dad is leasing his permit instead of selling it	0	1	0	0	0.0%	10.0%	0.0%	0.0%
Selling permits to Outsiders because no local will buy it	0	0	0	1	0.0%	0.0%	0.0%	0.0%
People who were set netters bought a drift permit but did not know how to drift	0	0	0	1	0.0%	0.0%	0.0%	0.0%
Elderly people selling their permit rather than giving them to family	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Processors are paying a higher price and are processing fish better	1	0	0	0	1.5%	0.0%	0.0%	0.0%
Portage Creek and Clark's Point are nearly ghost towns	1	0	0	0	1.5%	0.0%	0.0%	0.0%
People are losing their permits because they were not paying their bills	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Fishing has gotten slower	0	0	0	1	0.0%	0.0%	0.0%	0.0%
For people who have more than one child, who do you give the permit to?	0	0	0	1	0.0%	0.0%	0.0%	0.0%
Attitude towards Outsiders is getting worse	1	0	0	0	1.5%	0.0%	0.0%	0.0%
At Ekuk, there are more modern buildings and trucks	1	0	0	0	1.5%	0.0%	0.0%	0.0%
At Ekuk, fishing operations are becoming bigger with multiple sites	1	0	0	0	1.5%	0.0%	0.0%	0.0%
There are more set netters than drifters in Togiak	0	0	0	2	0.0%	0.0%	0.0%	0.0%
People have gotten into the sport fishery after selling their permit	1	0	0	0	1.5%	0.0%	0.0%	0.0%
Number of people asked	41	10	21	30				

APPENDIX B

FISHERY PARTICIPANT TABLES AND ANALYSIS

These additional tables provide insight into differences between permit holders and crewmembers.

A6.3 Do your friends and family fish?

Do your friends and family fish?

Table A6.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	51	15	34	9	100.0%	100.0%	100.0%	100.0%
Yes	31	10	22	6	60.8%	66.7%	64.7%	66.7%
No	20	5	12	3	39.2%	33.3%	35.3%	33.3%
Number of people asked	54	16	34	9				

A3.3 Are you interested in buying another or a permit?

Are you interested in buying another or a permit?

Table A3.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	53	15	34	9	100.0%	100.0%	100.0%	100.0%
Yes	8	11	14	8	15.1%	73.3%	41.2%	88.9%
No, I cannot afford it	11	1	6	0	20.8%	6.7%	17.6%	0.0%
Not at this time	10	0	6	0	18.9%	0.0%	17.6%	0.0%
I have thought about buying one for family	10	0	3	0	18.9%	0.0%	8.8%	0.0%
No, I am close to retiring	4	0	1	0	7.5%	0.0%	2.9%	0.0%
No, I already own 2 permits	2	0	1	0	3.8%	0.0%	2.9%	0.0%
I have not thought about it	2	0	0	0	3.8%	0.0%	0.0%	0.0%
No, I recently bought a permit	2	0	0	0	3.8%	0.0%	0.0%	0.0%
No, I am inheriting a permit	0	2	0	0	0.0%	13.3%	0.0%	0.0%
No, I want to buy a boat	2	0	0	0	3.8%	0.0%	0.0%	0.0%
Not as long as I continue to fish with my family	1	0	0	1	1.9%	0.0%	0.0%	11.1%
No, good set net sites are hard to buy	0	0	0	0	0.0%	0.0%	0.0%	0.0%
No, I do not want to make fishing my career	0	1	3	0	0.0%	6.7%	8.8%	0.0%
It depends on the price of fish	1	0	0	0	1.9%	0.0%	0.0%	0.0%
Number of people asked	54	16	34	9				

A4.3 What would make you more interested to buy a permit?

What would make you more interested to buy a permit?

Table A4.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	53	15	34	9	100.0%	100.0%	100.0%	100.0%
Yes	8	11	14	8	15.1%	73.3%	41.2%	88.9%
No, I cannot afford it	11	1	6	0	20.8%	6.7%	17.6%	0.0%
Not at this time	10	0	6	0	18.9%	0.0%	17.6%	0.0%
I have thought about buying one for family	10	0	3	0	18.9%	0.0%	8.8%	0.0%
No, I am close to retiring	4	0	1	0	7.5%	0.0%	2.9%	0.0%
No, I already own 2 permits	2	0	1	0	3.8%	0.0%	2.9%	0.0%
I have not thought about it	2	0	0	0	3.8%	0.0%	0.0%	0.0%
No, I recently bought a permit	2	0	0	0	3.8%	0.0%	0.0%	0.0%
No, I am inheriting a permit	0	2	0	0	0.0%	13.3%	0.0%	0.0%
No, I want to buy a boat	2	0	0	0	3.8%	0.0%	0.0%	0.0%
Not as long as I continue to fish with my family	1	0	0	1	1.9%	0.0%	0.0%	11.1%
No, good set net sites are hard to buy	0	0	0		0.0%	0.0%	0.0%	0.0%
No, I do not want to make fishing my career	0	1	3	0	0.0%	6.7%	8.8%	0.0%
It depends on the price of fish	1	0	0	0	1.9%	0.0%	0.0%	0.0%
Number of people asked	54	16	34	9				

C2.3 How would you finance this permit purchase?

How would you finance this permit purchase?

Table C2.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	35	16	23	6	100.0%	100.0%	100.0%	100.0%
Bank loan (unspecified)	16	6	9	2	45.7%	37.5%	39.1%	33.3%
BBEDC permit loan program	5	5	8	2	14.3%	31.3%	34.8%	33.3%
CFAB	4	1	2	1	11.4%	6.3%	8.7%	16.7%
Alaska Division of Investments	5	0	0	0	14.3%	0.0%	0.0%	0.0%
Family loan	1	2	1	0	2.9%	12.5%	4.3%	0.0%
Cash	3	2	1	0	8.6%	12.5%	4.3%	0.0%
I do not know	0	0	0	1	0.0%	0.0%	0.0%	16.7%
If the seller is local, pay them at the end of each season	1	0	1	0	2.9%	0.0%	4.3%	0.0%
Cash and family loan	0	0	1	0	0.0%	0.0%	4.3%	0.0%
Number of people asked	39	16	23	9				

C3.3 How comfortable are you with taking out a bank loan?

How comfortable are you with taking out a bank loan?

Table C3.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	41	12	23	7	100.0%	100.0%	100.0%	100.0%
Yes, I am comfortable	27	3	18	4	65.9%	25.0%	78.3%	57.1%
No	14	9	5	3	34.1%	75.0%	21.7%	42.9%
Number of people asked	45	16	24	9				

C4.3 Have you taken out loans for other purchases?

Have you taken out loans for other purchases?

Table C4.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	44	14	27	8	100.0%	100.0%	100.0%	100.0%
Yes	34	6	22	5	77.3%	42.9%	81.5%	62.5%
No	10	8	5	3	22.7%	57.1%	18.5%	37.5%
Number of people asked	46	16	27	9				

C5.3 Has this experience made you want to take out another loan?

Has this experience made you want to take out another loan?

Table C5.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	28	5	18	4	100.0%	100.0%	100.0%	100.0%
Yes	17	1	11	2	60.7%	20.0%	61.1%	50.0%
No	11	4	7	2	39.3%	80.0%	38.9%	50.0%
Number of people asked	37	10	20	5				

G2.3 Have you heard of the BBEDC Permit Loan Program?

Have you heard of the BBEDC Permit Loan Program?

Table G2.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	54	16	30	8	100.0%	100.0%	100.0%	100.0%
Yes	43	12	21	7	79.6%	75.0%	70.0%	87.5%
No	11	4	9	1	20.4%	25.0%	30.0%	12.5%
Number of people asked	54	16	34	9				

G3.3 What is your opinion of the BBEDC program?

What is your opinion of the BBEDC program?

Table G3.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	40	11	23	6	100.0%	100.0%	100.0%	100.0%
It is a great program	15	3	9	4	37.5%	27.3%	39.1%	66.7%
I have not heard of the program	5	2	7	1	12.5%	18.2%	30.4%	16.7%
I like the program but do not know much about it	9	3	6	0	22.5%	27.3%	26.1%	0.0%
Program qualifiers need to change to meet a changing permit market	6	1	1	1	15.0%	9.1%	4.3%	16.7%
I do not think BBEDC helps my community	5	2	0	0	12.5%	18.2%	0.0%	0.0%
Number of people asked	41	12	25	7				

G7.3 What are obstacles for people wishing to enter the fishery?

What are obstacles for people wishing to enter the fishery?

Table G7.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	57	16	51	9	100.0%	100.0%	100.0%	100.0%
Finding crew	11	1	7	2	19.3%	6.3%	13.7%	22.2%
Finding a market	9	3	6	1	15.8%	18.8%	11.8%	11.1%
Having the experience to become captain	8	2	2	0	14.0%	12.5%	3.9%	0.0%
Cost of associated gear including net, motors, cabins, lease payments, etc.	5	0	3	0	8.8%	0.0%	5.9%	0.0%
I do not see any obstacles	5	3	3	2	8.8%	18.8%	5.9%	22.2%
Expense of permits and boats	8	1	3	2	14.0%	6.3%	5.9%	22.2%
Not thinking about the business side of fishing including taxes	6	0	9	0	10.5%	0.0%	17.6%	0.0%
Finding a good set net site	0	1	7	0	0.0%	6.3%	13.7%	0.0%
Taking time off from work to fish	2	1	2	0	3.5%	6.3%	3.9%	0.0%
Paperwork	0	0	2	0	0.0%	0.0%	3.9%	0.0%
I do not know	1	2	0	0	1.8%	12.5%	0.0%	0.0%
No job	0	1	0	0	0.0%	6.3%	0.0%	0.0%
The unpredictability of the run	1	1	2	0	1.8%	6.3%	3.9%	0.0%
It is risky and dangerous work	1	0	0	0	1.8%	0.0%	0.0%	0.0%
Childcare	0	0	1	0	0.0%	0.0%	2.0%	0.0%
Getting along with your family	0	0	0	1	0.0%	0.0%	0.0%	11.1%
Captain not paying crew	0	0	0	1	0.0%	0.0%	0.0%	11.1%
Criminal record	0	0	1	0	0.0%	0.0%	2.0%	0.0%
High cost of living in the region	0	0	3	0	0.0%	0.0%	5.9%	0.0%
Number of people asked	54	16	36	9				

A7.3 Do you have another job?

Do you have another job?

Table A7.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	53	15	34	9	100.0%	100.0%	100.0%	100.0%
Yes, I have at least a part-time job	32	10	222	6	60.4%	66.7%	652.9%	66.7%
No	18	5	8	3	34.0%	33.3%	23.5%	33.3%
I am retired	3	0	4	0	5.7%	0.0%	11.8%	0.0%
Number of people asked	54	16	34	9				

A8.3 Do you think people can still make enough money from salmon fishing that they do not have to another job?

Do you think people can still make enough money from salmon fishing that they do not have to another job?

Table A8.3

	Number of responses				Percentage of responses			
	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew	Drift Permit Holders	Drift Crew	Set Net Permit Holders	Set Net Crew
TOTAL	50	16	32	7	100.0%	100.0%	100.0%	100.0%
Yes	12	5	12	1	24.0%	31.3%	37.5%	14.3%
No	36	10	20	6	72.0%	62.5%	62.5%	85.7%
Maybe	2	1	0	0	4.0%	6.3%	0.0%	0.0%
Number of people asked	54	16	34	9				

**APPENDIX C
AGE TABLES AND ANALYSIS**

These additional tables provide insight on differences between age groups.

A6.4 Do your friends and family fish?

Do your friends and family fish?

Table A6.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	43	52	25	100.0%	100.0%	100.0%
Yes	31	39	9	72.1%	75.0%	36.0%
No	12	13	16	27.9%	25.0%	64.0%
Number of people asked	46	52	25			

K1.4 How did you get your permit?

How did you get your permit?

Table K1.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	22	48	24	100.0%	100.0%	100.0%
Family gifted them their permit	12	21	5	54.5%	43.8%	20.8%
Limited Entry	0	12	18	0.0%	25.0%	75.0%
Bought a permit	1	4	0	4.5%	8.3%	0.0%
Loan from Alaska State Division of Investments	3	2	0	13.6%	4.2%	0.0%
Loan from CFAB	0	4	1	0.0%	8.3%	4.2%
Family emergency transferred them their permit	3	0	0	13.6%	0.0%	0.0%
BBEDC permit loan program	1	2	0	4.5%	4.2%	0.0%
Friend loaned them the money to buy a permit	1	1	0	4.5%	2.1%	0.0%
Won the permit in a lawsuit	1	0	0	4.5%	0.0%	0.0%
Paid the renewal fees owed on my father's permit	0	1	0	0.0%	2.1%	0.0%
Traded a drift permit for a set net permit and a boat	0	1	0	0.0%	2.1%	0.0%
Number of people asked	26	45	24			

C2.4 How would you finance this permit purchase?

How would you finance this permit purchase?

Table C2.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	34	41	7	100.0%	100.0%	100.0%
Bank loan (unspecified)	16	21	1	47.1%	51.2%	14.3%
BBEDC permit loan program	5	8	2	14.7%	19.5%	28.6%
CFAB	2	6	1	5.9%	14.6%	14.3%
Alaska Division of Investments	1	3	2	2.9%	7.3%	28.6%
Family loan	4	1	0	11.8%	2.4%	0.0%
Cash	4	0	1	11.8%	0.0%	14.3%
I do not know	1	0	0	2.9%	0.0%	0.0%
If the seller is local, pay them at the end of each season	1	1	0	2.9%	2.4%	0.0%
Cash and family loan	0	1	0	0.0%	2.4%	0.0%
Number of people asked	38	44	9			

C3.4 How comfortable are you with taking out a bank loan?

How comfortable are you with taking out a bank loan?

Table C3.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	33	39	11	100.0%	100.0%	100.0%
Yes, I am comfortable	14	29	8	42.4%	74.4%	72.7%
No	19	10	3	57.6%	25.6%	27.3%
Number of people asked	40	45	13			

C4.4 Have you taken out loans for other purchases?

Have you taken out loans for other purchases?

Table C4.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	37	42	16	100.0%	100.0%	100.0%
Yes	18	38	12	48.6%	90.5%	75.0%
No	19	4	4	51.4%	9.5%	25.0%
Number of people asked	42	45	16			

C5.4 Has this experience made you want to take out another loan?

Has this experience made you want to take out another loan?

Table C5.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	16	32	7	100.0%	100.0%	100.0%
Yes	6	22	3	37.5%	68.8%	42.9%
No	10	10	4	62.5%	31.3%	57.1%
Number of people asked	23	42	11			

G2.4 Have you heard of the BBEDC Permit Loan Program?

Have you heard of the BBEDC Permit Loan Program?

Table G2.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	45	50	22	100.0%	100.0%	100.0%
Yes	30	44	18	66.7%	88.0%	81.8%
No	15	6	4	33.3%	12.0%	18.2%
Number of people asked	46	53	25			

G3.4 What is your opinion of the BBEDC program?

What is your opinion of the BBEDC program?

Table G3.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	27	40	17	100.0%	100.0%	100.0%
It is a great program	8	11	7	29.6%	27.5%	41.2%
I have not heard of the program	11	9	5	40.7%	22.5%	29.4%
I like the program but do not know much about it	4	11	3	14.8%	27.5%	17.6%
Program qualifiers need to change to meet a changing permit market	4	4	1	14.8%	10.0%	5.9%
I do not think BBEDC helps my community	0	5	1	0.0%	12.5%	5.9%
Number of people asked	28	45	21			

G7.4 What are obstacles for people wishing to enter the fishery?

What are obstacles for people wishing to enter the fishery?

Table G7.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	36	67	35	100.0%	100.0%	100.0%
Finding crew	5	12	3	13.9%	17.9%	8.6%
Finding a market	2	9	10	5.6%	13.4%	28.6%
Having the experience to become captain	5	6	2	13.9%	9.0%	5.7%
Cost of associated gear including net, motors, cabins, lease payments, etc.	2	5	2	5.6%	7.5%	5.7%
I do not see any obstacles	3	10	3	8.3%	14.9%	8.6%
Expense of permits and boats	6	3	5	16.7%	4.5%	14.3%
Not thinking about the business side of fishing including taxes	2	5	5	5.6%	7.5%	14.3%
Finding a good set net site	2	6	0	5.6%	9.0%	0.0%
Taking time off from work to fish	1	4	1	2.8%	6.0%	2.9%
Paperwork	2	1	1	5.6%	1.5%	2.9%
I do not know	2	1	0	5.6%	1.5%	0.0%
No job	0	2	0	0.0%	3.0%	0.0%
The unpredictability of the run	0	1	2	0.0%	1.5%	5.7%
It is risky and dangerous work	1	0	0	2.8%	0.0%	0.0%
Childcare	1	1	0	2.8%	1.5%	0.0%
Getting along with your family	1	0	0	2.8%	0.0%	0.0%
Captain not paying crew	1	0	0	2.8%	0.0%	0.0%
Criminal record	0	1	0	0.0%	1.5%	0.0%
High cost of living in the region	0	0	1	0.0%	0.0%	2.9%
Number of people asked	46	53	25			

Note: Respondents may have had more than one response.

A7.4 Do you have another job?

Do you have another job?

Table A7.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	42	52	26	100.0%	100.0%	100.0%
Yes, I have at least a part-time job	30	36	9	71.4%	69.2%	34.6%
No	12	15	10	28.6%	28.8%	38.5%
I am retired	0	1	7	0.0%	1.9%	26.9%
Number of people asked	45	52	26			

A8.4 Do you think people can still make enough money from salmon fishing that they do not have to another job?

Do you think people can still make enough money from salmon fishing that they do not have to another job?

Table A8.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	42	48	19	100.0%	100.0%	100.0%
Yes	13	12	5	31.0%	25.0%	26.3%
No	27	36	14	64.3%	75.0%	73.7%
Maybe	2	0	0	4.8%	0.0%	0.0%
Number of people asked	45	51	22			

G6.4 As permits have left the region, what changes have you noticed?

As permits have left the region, what changes have you noticed?

Table G6.4

	Number of responses			Percentage of responses		
	Youth	Middle Age	Elderly	Youth	Middle Age	Elderly
TOTAL	45	67	29	100.0%	100.0%	100.0%
I have not noticed anything	14	8	5	31.1%	11.9%	17.2%
People who have sold their permit are destitute	6	10	4	13.3%	14.9%	13.8%
Fewer locals in the fishery	2	9	1	4.4%	13.4%	3.4%
More government assistance	1	4	2	2.2%	6.0%	6.9%
There are a lot of new Outsiders fishing	4	2	1	8.9%	3.0%	3.4%
People who have sold their permits have left the region	2	1	3	4.4%	1.5%	10.3%
Fewer youth fishing	1	2	0	2.2%	3.0%	0.0%
There are few jobs in the villages	0	0	1	0.0%	0.0%	3.4%
Outsiders have bigger and faster boats	0	1	2	0.0%	1.5%	6.9%
There are many abandoned boats	2	1	1	4.4%	1.5%	3.4%
Outsiders are very cutthroat and it has made the fishery unfriendly	0	4	0	0.0%	6.0%	0.0%
Canneries no longer help during the lean times	1	3	0	2.2%	4.5%	0.0%
Since the cannery at Clark's Point closed, there are fewer jobs and people	1	2	1	2.2%	3.0%	3.4%
Former permit holders are fishing as crew	0	0	2	0.0%	0.0%	6.9%
At Igushik, the processors do not buy with trucks so we have to deliver with boats. People could not adapt and sold their permit.	0	2	1	0.0%	3.0%	3.4%
Dillingham has diversified its economy so there are a lot of family who do not fish anymore	1	1	0	2.2%	1.5%	0.0%
We are losing permits because our villages are shifting to a cash economy	0	1	1	0.0%	1.5%	3.4%
The economy in the region is weaker	1	0	1	2.2%	0.0%	3.4%
I do not think Aleknagik has been affected by permit loss because they have jobs in Dillingham	1	2	0	2.2%	3.0%	0.0%
Since the cannery at Clark's Point closed, the store and mechanic are gone	0	2	0	0.0%	3.0%	0.0%
There are fewer crewmember jobs	1	1	1	2.2%	1.5%	3.4%
Towns like Ekuk are seasonal	0	1	0	0.0%	1.5%	0.0%
People could not afford to fish with low prices so they had to sell their permit	0	1	0	0.0%	1.5%	0.0%
After a family member sold their permit, they were able to keep their house	0	1	0	0.0%	1.5%	0.0%
Outsiders bring in drugs and alcohol	1	0	0	2.2%	0.0%	0.0%
Many people continue to stay involved in the fishery	1	0	0	2.2%	0.0%	0.0%
My dad is leasing his permit instead of selling it	1	0	0	2.2%	0.0%	0.0%
Selling permits to Outsiders because no local will buy it	0	1	0	0.0%	1.5%	0.0%
People who were set netters bought a drift permit but did not know how to drift	1	0	0	2.2%	0.0%	0.0%
Elderly people selling their permit rather than giving them to family	0	1	0	0.0%	1.5%	0.0%
Processors are paying a higher price and are processing fish better	0	1	0	0.0%	1.5%	0.0%
Portage Creek and Clark's Point are nearly ghost towns	0	1	0	0.0%	1.5%	0.0%
People are losing their permits because they were not paying their bills	0	1	0	0.0%	1.5%	0.0%
Fishing has gotten slower	1	0	0	2.2%	0.0%	0.0%
For people who have more than one child, who do you give the permit to?	0	0	1	0.0%	0.0%	3.4%
Attitude towards Outsiders is getting worse	1	0	0	2.2%	0.0%	0.0%
At Ekuk, there are more modern buildings and trucks	0	0	1	0.0%	0.0%	3.4%
At Ekuk, fishing operations are becoming bigger with multiple sites	1	0	0	2.2%	0.0%	0.0%
There are more set netters than drifters in Togiak	0	2	0	0.0%	3.0%	0.0%
People have gotten into the sport fishery after selling their permit	0	1	0	0.0%	1.5%	0.0%
Number of people asked	42	53	22			

