



MEMORANDUM

To: Glenn Haight, Chairman
Rick Green, Commissioner

Date: January 23, 2025

From: Research and Planning

Subject: PWS Herring Sac Roe Fees

This memo briefs the commissioners on the Prince William Sound (PWS) sac roe herring fishery, its current economic outlook, and the discrepancy between said economic outlook and the \$600 fee set by regulation for the PWS herring sac roe gillnet permit (G34E permit type). Commissioners may modify fees set by the regulatory equation when the fee is not appropriate considering the rate of economic return for the fishery in question.

The PWS sac roe herring fishery has been closed since 1998. Troubles in this fishery started in 1989 when the stock crashed due to the Exxon Valdez oil spill. Since that time recovery has been hampered by disease and age class failures. The fishery opened intermittently between 1989 and 1998 and has been closed since then.

Two different permits exist for this fishery, the G01E (seine) permit type, and the G34E (gillnet) permit type. These are limited entry permits, with a yearly fee calculated as 4/10 of a percent of the average value of the permit in June of the most recent years of available data. The 2025 fee for the G34E permit was based upon the value of the permits in June of 1997, adjusted for inflation. In contrast, the G01E permit fee is based upon more recent data, as permit transactions have occurred as recently as November of 2024. The permit fees assess to \$75 for the G01E permit, and \$600 for the G34E permit. As this fishery has been closed for nearly 30 years, these fees have been waived on a yearly basis by the commission.

Recently, ADFG made it known that they intend to prosecute the fishery, as the guideline harvest level (GHL) is now high enough to warrant a harvest¹. The PWS GHL for 2025 is a total of 3,549 tons across all fisheries (sac roe, spawn on kelp, and food/bait). Out of the total GHL, 2,062 tons is allocated to for harvest as sac roe by G01E permits, and 121 tons is allocated to the G34E permits. With only a total GHL of 121 tons available for harvest by potentially 24 participants, permit holders argue that a \$600 fee is unreasonable.

It is recommended that the commission depart from the fee defined in regulation and instead look to past participation in 1998 as an indication of 2025 participation and the GHL available to predict what the total gross earnings could be. In the table provided below predicted gross earnings is calculated by multiplying the total GHL by the price per ton as reported in Southeast Alaska by the herring sac roe seine fleet (G01A). It should be noted that ADFG management biologists are skilled at managing the harvest of herring, and across the state total harvest is often within 5 percent above or below the total GHL when sufficient market demand

¹ [PWS Herring Seine Announcement #3](#)

is available. It is reasonable to assume that if processors are interested in purchasing and permit holders are willing, all the GHL will be harvested. The regulation fees as well as the recommended fees are outlined in table 1.

Table 1: Permit Fee Calculations

Permit Type	Permit Value	Permit Calculated Value Fee	GHL (Short Tons)	Price per Ton	Predicted Gross Earnings	Predicted Participation	Predicted Average Earnings	AGE Fee	Recommended Fee
G01E	13,700	\$75	2,062	\$844	\$1,739,595	46	\$37,817	\$150	\$75
G34E	141,500	\$600	121	\$844	\$102,081	19	\$5,373	\$75	\$75

We do not recommend any changes to the G01E fee. We believe that the permit value fee of \$75 accurately reflects the current economic outlook for these permit holders. Additionally, if the G01E fishery is successfully prosecuted and permit holders do participate, the revenue generated would cause fees to increase for the next fishing season as more individuals express interest in buying into the fishery, which would cause an increase in permit prices.

We recommend that the fee for the G34E permit be set to \$75. The recommended decreased fee more accurately reflects the economic reality of the fishery. The fee defined by regulation is based upon permit transactions that are 27 years old, this fee does not reflect the current value for this permit type.

The suggested fees would result in a foregone revenue of \$12,600. We note that as these fees have been waived on a yearly basis since 1999. Even with the fees adjusted down, CFEC would generate \$9,675 in addition to the other yearly fee revenue we collect from all other fisheries. This is revenue that has not been generated since the fishery closed in 1998.