



# *Halibut & Sablefish Community Quota Share Purchase Program*

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# Halibut & Sablefish IFQ Program

- Halibut and Sablefish IFQ Program implemented in 1995; initial allocation of QS was made to eligible persons based on catch history
- Only original QS holders and individuals who qualify as crew members (150 sea days in any US commercial fishery) are eligible to purchase catcher vessel QS

# Identifying a problem

- Substantial relative decline in the amount of QS and number of QS holders in small, rural, Gulf of Alaska communities since IFQ Program began, compared to that of larger communities
- Small, remote communities have few alternative economic opportunities
- Transfer of QS out of small communities affects employment and has related social and economic impacts
- The North Pacific Council identified this trend as a problem, whether caused or exacerbated by, the design of the IFQ Program



# Purpose of community purchase program

- Allow eligible communities to establish a non-profit entity (Community Quota Entity - CQE) to purchase halibut and sablefish QS on behalf of an eligible community or communities
- Intent is to:
  - minimize adverse impacts of IFQ Program on small communities
  - provide for sustained participation in halibut/sablefish fisheries in small communities
  - develop or protect fisheries-based economies by allowing communities to hold a long-term investment in nearby fisheries
- IFQ permit authorizes the CQE to fish a specified number of pounds of fish. Upon receipt of the annual IFQ permit, the CQE may then lease all or part of the IFQ pounds to one or more residents of the community the CQE represents

# Primary analytical focus

## 1. Distributional impacts of status quo vs. proposed amendment

- Processing sector
- Harvesting sector
- General infrastructure
- Employment
- Support services
- Tax revenues
- Population & demographic data

## 2. Defining community eligibility

# Target communities - Fishery dependence

Determining whether a community is fishery-dependent:

- Is this fishery a principal source of employment in the community? What percentage of overall employment can be attributed to this fishery?
- Does this fishery provide a principal source of revenue to the community? What percentage of overall revenues can be attributed to this fishery compared to all other industries?



# Determining eligibility criteria

The Council creates a set of criteria by which to evaluate communities for eligibility in a particular program

Intent is to be objective and measurable:

- Must be a recognized place – U.S. Census
- Population - <1,500 persons
- Location – not on road system
- Landings & participation thresholds – X number of lbs during a series of years

# Landings & participation criteria

- Necessary for analysis and implementation
- Fishticket data and CFEC permit data used to link a particular landing to a skipper's community of residence or vessel owner's residence
- Can evaluate relative dependency on a fishery compared to other fisheries (confidentiality issues)
- Does not necessarily represent use pattern of vessel
- Does not account for crew member residency
- Recreational and subsistence data is lacking compared to commercial fisheries data



# Implementation issues

Data to determine residency is important if benefits of a program are limited to residents of specific communities.

Possible requirements include:

- Mailing address in community
- Address used for AK permanent fund check
- Permanent domicile for 12 months
- Affidavit from resident

# Where are we now?

- Program implemented June 2004
- 42 eligible communities
- As of April 2006, 8 non-profits (CQEs) representing 9 communities have incorporated and been approved by NMFS to purchase QS
- None of the CQEs have yet purchased QS

# Where are we going?

- CDQ Program – eligibility recently addressed in Congress (SAFETEA-LU, 2005)
- Pending Gulf of Alaska groundfish rationalization programs:
  - community purchase of groundfish QS
  - initial allocation of QS to eligible communities
- Halibut charter fishery – moratorium on charter permits in the Gulf of AK with exception of rural communities with under-developed charter industry