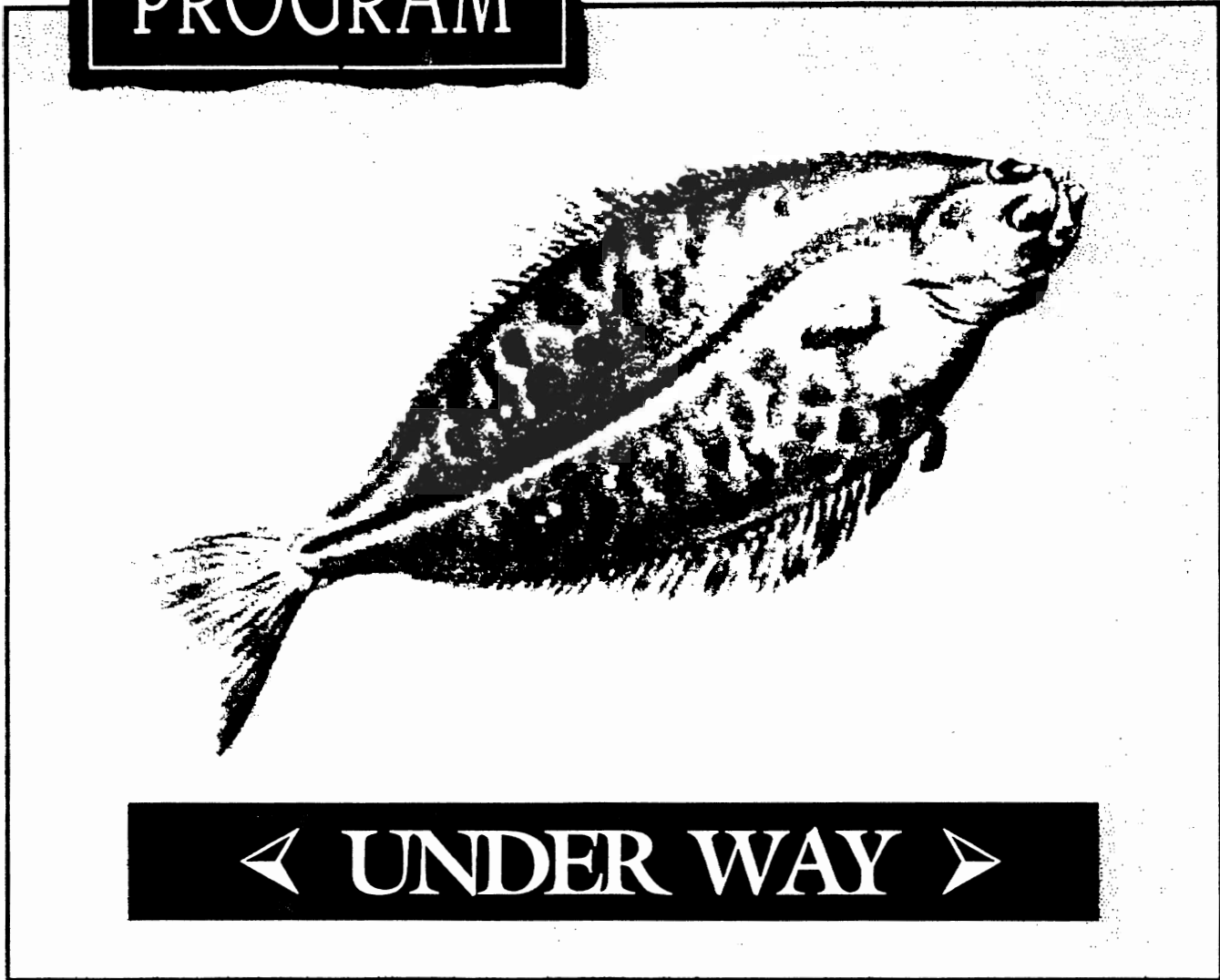


THE  
IFQ  
PROGRAM



*February 1995*

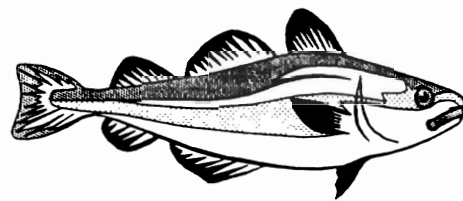


◀ UNDER WAY ▶

➤ This publication is only a summary of the IFQ program, and is not intended to create any rights enforceable in law. For further clarification and legal precision, please refer to the Federal Register (50 CFR 676).

This booklet is published by the National Marine Fisheries Service (NMFS) Restricted Access Management (RAM) Division, with assistance from NMFS Enforcement. If you have any questions please call 1-800-304-4846. The RAM Division can also be reached at (907) 586-7202, NMFS Enforcement at (907) 586-7225.

## Introduction



The North Pacific Fishery Management Council (Council) and the Secretary of Commerce (Secretary), believe that Individual Fishing Quotas, or IFQ, are the most appropriate system for managing the fixed-gear Pacific halibut and sablefish (blackcod) fisheries of the Gulf of Alaska, and the Bering Sea and Aleutian Islands (BS/AI). The Council, in response to demands for change from fishermen, processors, marketers and management, wrestled earnestly with the problems caused by traditional open access fisheries. The entry of more and more fishermen caused a build-up of excessive harvesting capability and processing capacity. This resulted in shorter seasons and dangerous "derby" openings which put lives, gear and product quality at risk.

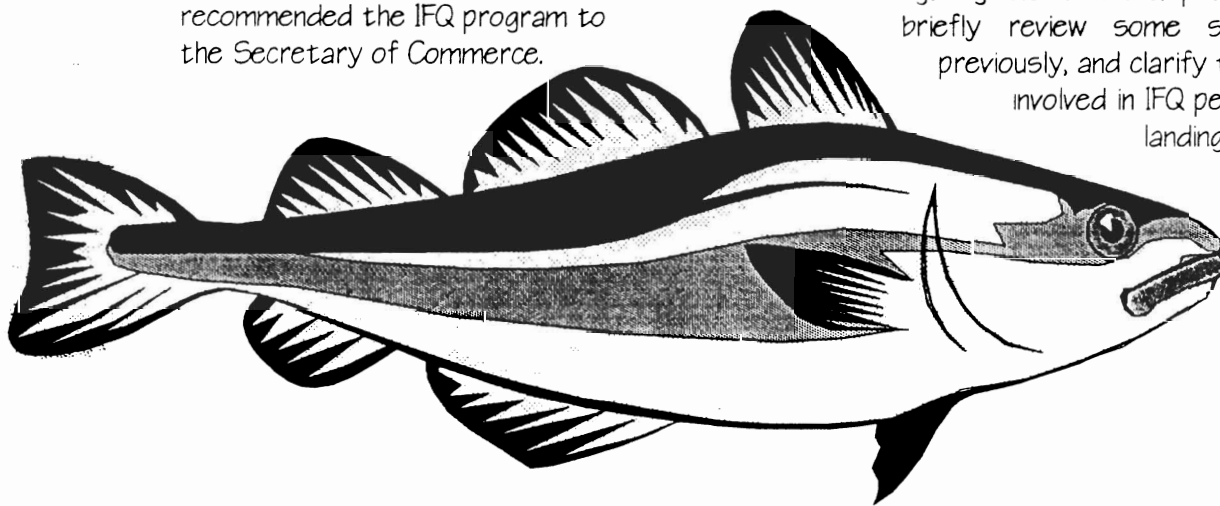
Investigation of alternate management regimes began in the late 1970s and continued through the 1980s. In a series of public meetings and workshops, fishermen, marketing experts, and others in the industry (as well as interested members of the general public), discussed their views and provided suggestions. Fisheries management systems from around the world, including other Individual Transfer Quota programs, were analyzed in depth. Finally, in December 1991, after closely scrutinizing open access fisheries, license limitations, fishing allotments, and even several combinations of these, the Council recommended the IFQ program to the Secretary of Commerce.

With the need to limit access to the fisheries, the Council set out to design the allocation of quota shares (QS) in the most equitable way possible. They determined that this would be to initially issue QS to those who had already made substantial financial investment and had assumed a large proportion of risk as owners or lessees of vessels participating in the halibut or sablefish fixed-gear fisheries.

After public comments on a proposed Rule, the Secretary approved a fishery management plan amendment along with new regulations, and on November 9, 1993, the Final Rule was published in the Federal Register and IFQ became law. IFQ regulations can be found in the Code of Federal Regulations (CFR) at; 50 CFR, part 676. Other relevant regulations can be found in parts 301, 672, 675 and 677.

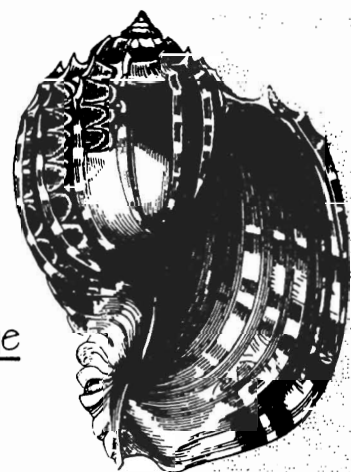
## Purpose

The purpose of this booklet is to explain some features of the IFQ program which will come into play when the 1995 fishing season gets under way. Our previous booklet, **The IFQ Program - Insights & Updates** (February 1994), provided detailed background and focused primarily on eligibility and the methods for figuring QS and IFQ pounds. Here we will briefly review some subjects covered previously, and clarify the requirements involved in IFQ permits, harvesting, landings and reportings.



# Table of Contents

## *The IFQ Program - Under Way*



|  | <u>Page</u> |
|--|-------------|
| How the System Works                                   | 3           |
| The Community Development Quota Program ( or CDQ )     | 3           |
| Terminology - A Refresher Course                       | 4           |
| The Appeals Process                                    | 5           |
| How Do I Transfer Quota Share or IFQ?                  | 6           |
| Regulatory Areas and Vessel Categories                 | 7           |
| QS Use and Vessel IFQ Harvest Caps                     | 8           |
| The Block Amendment                                    | 9           |
| Owner-On-Board Restrictions                            | 10          |
| Restrains On Consolidation of Quota Share              | 11          |
| Transfer of QS to Corps & Partnerships vs. Individuals | 12          |
| Fishing with IFQ                                       | 12          |
| More Definitions                                       | 12          |
| Registered Buyer Permits                               | 13          |
| The IFQ Program and other existing regulations         | 14          |
| Overages and Underages                                 | 15          |
| Landing and Reporting Requirements                     | 15          |
| Prior Notice of Landing                                | 16          |
| Vessel Clearance                                       | 16          |
| Primary Ports  | 17          |
| Landing Reports  | 17          |
| Transaction Terminals & Electronic Reporting           | 18          |
| Terminal Availability                                  | 19          |
| Shipment Reports                                       | 19          |
| Transshipment Notification                             | 19          |
| Dockside Sales and Outside Landings                    | 20          |
| North Pacific Fisheries and Research Plan              | 20          |
| Some Helpful Phone Numbers                             | 21          |
| Changes in the Wind                                    | 22          |
| Acronyms and Abbreviations                             | 22          |
| TimeLine   | Back Cover  |

## How the System Works

The IFQ system brings to a close the era of open access to the halibut and sablefish stocks of the North Pacific. The responsibility for this decision was not taken lightly by the Council. They recognized the great changes this would bring, but they felt the need to act, and felt that the benefits to both fishermen and the halibut and sablefish stocks far outweighed the potential problems.

Responsibility for implementing and administering IFQs fell to the National Marine Fisheries Service (NMFS), and the new Restricted Access Management Division (RAM). During implementation, NMFS has worked closely with industry representatives, the Council, and the International Pacific Halibut Commission (IPHC) to make the necessary adjustments, to interpret regulations, and to establish policies that provide for flexibility and ease the transition to the IFQ program.

The six month application period for QS began January 17th, 1994, and closed July 15th, 1994. The NMFS/RAM staff has been researching claims and resolving discrepancies between the official landings database and fishermen's records, as well as addressing thousands of inquiries about all aspects of the program.



NMFS began issuing QS in November, 1994, with roughly 5,500 fishermen receiving halibut QS and about 1,100 receiving sablefish QS. NMFS will continue until all claims are finally accepted or denied, and those whose claims are denied will have an opportunity to appeal the denials. Quota share issued following a successful appeal will be added to whatever QS you may hold; no "interim QS" will be issued before or during the appeals process.

## The Community Development Quota Program (or CDQs)

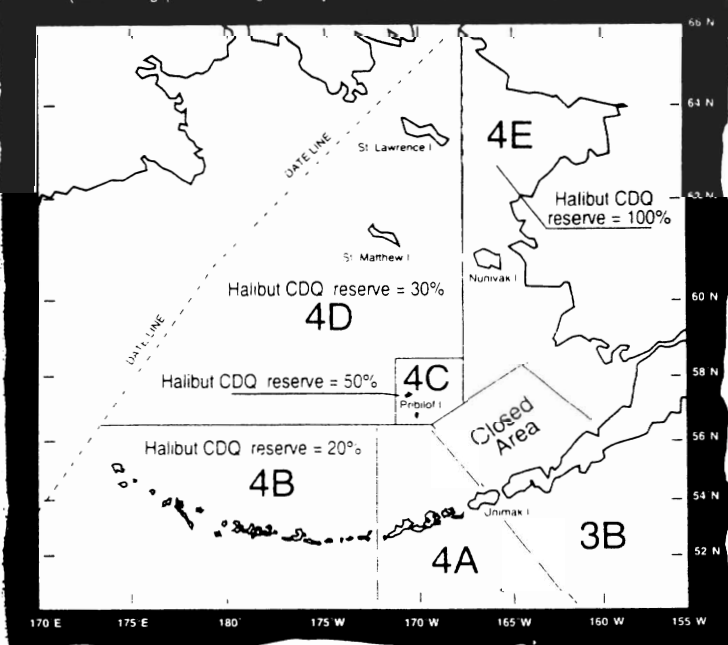
As a result of a unique and fundamental lack of economic opportunities, the communities of western Alaska have largely been unable to participate in the benefits of the fisheries that have developed in their own waters. The Council thought it appropriate to assist them to join the industry, and allocated a portion of the annual Total Allowable Catch or TAC from each regulatory area in the region (BS/AI) for harvest by the various groups representing local villages.

The acronym CDP stands for Community Development Plan, which is a social and economic plan developed by participating communities and approved by the Governor of the State of Alaska, the Council and the Secretary. Community Development Quota, or CDQ, means the amount of halibut or sablefish assigned to an approved CDP.

Those fishermen who receive QS in the CDQ areas, and who will give up some of their IFQ for the CDQ program, have been compensated with a small amount of QS, which has been added to the Quota Share Pool in each of the non-CDQ areas. This award of compensatory QS will only happen once.

### Halibut Management Areas

(showing percentage of quota reserve for CDQ program)



## Terminology - A Refresher Course

**Quota Share or QS** - This is a permit. Each type of QS permit is defined by species, IFQ regulatory area, vessel category and block status. The number of your QS units is constant, unless you increase or decrease your holdings through transfers. Your permit is used as the basis for the annual calculation of your IFQ. The amount of your QS allocation is determined by your fixed-gear commercial landings on vessels you owned or leased during the base years (1984-1990 for halibut, 1985-1990 for sablefish). For each type of QS, your initial QS award is based on the sum of your best five year's landings.

**Quota Share Pool or QSP** - For each IFQ species and regulatory area, this is the total of all QS issued. This figure will remain relatively constant, with small adjustments resulting from successful appeals or from actions taken by enforcement. For determination of annual IFQ pounds, each QSP is fixed on January 31 of each year.

**Total Allowable Catch or TAC** - The annual harvestable amount of halibut or sablefish for an IFQ regulatory area. The Secretary, in consultation with the Council, annually determines the sablefish TAC for each regulatory area. And each year in January the IPHC sets the harvest limits for the halibut in its management zones. Regulatory areas for halibut and sablefish are different and should not be confused.

**Individual Fishing Quota or IFQ** - This is the permit that displays the pounds of fish that you are allowed to harvest each year. It is calculated annually on January 31 by taking the amount of QS you hold and dividing that number by the QSP, for your species and area. The resulting figure (your fractional amount of the harvestable fish) is then multiplied by the appropriate TAC for the year.

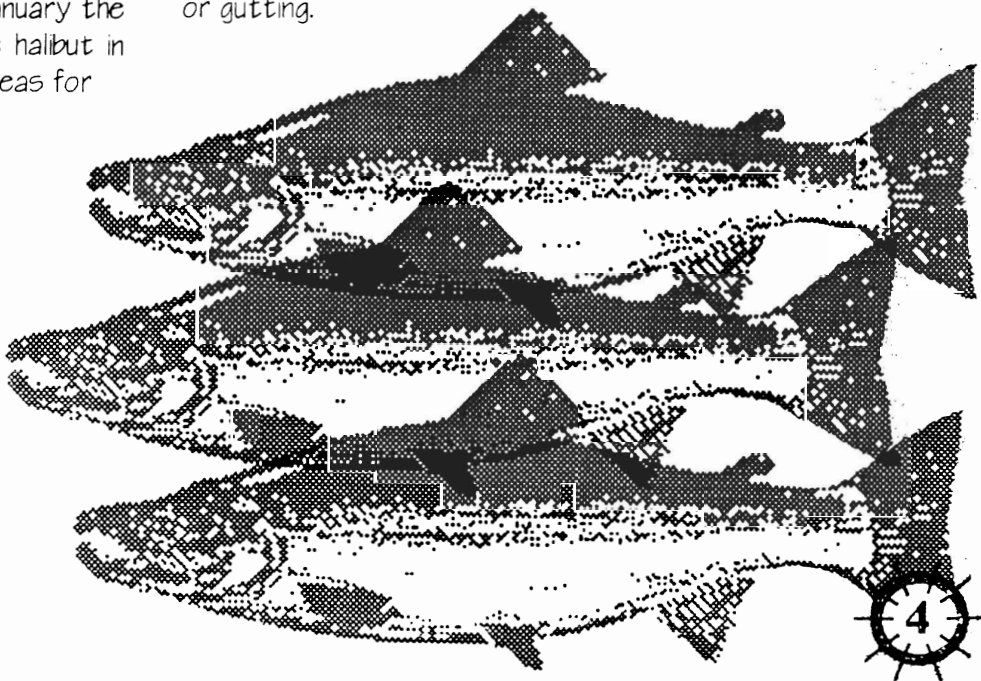
Mathematically it is determined like this:

$$(QS/QSP) \times TAC = IFQ$$

Because the QSP may vary slightly from year to year, and the Secretary and the IPHC must establish annual TACs appropriate to the health of the fish stocks, your IFQ will vary from year to year.

**IFQ crewmember** - This is any individual who has at least 150 days experience working as part of the harvesting crew in any United States commercial fishery, or any individual who receives an initial allocation of QS. For purposes of this definition, "harvesting" means work that is directly related to the catching and retaining of fish. Work in support of harvesting but not directly involved with harvesting is not considered harvesting crew work. Only those who receive QS by initial issuance, or IFQ crewmembers, may receive and use catcher vessel QS and the IFQ which results from it, by transfer.

**Freezer vessel** - Refers to any vessel that has the capacity to freeze or otherwise process some or all of its catch. The federal definition of processing includes, but is not limited to, cooking, canning, smoking, salting, drying, freezing, and rendering into meal or oil, but does not mean only icing, bleeding, heading or gutting.



## More Terminology

**Catcher vessel** - Refers to any vessel that is used to catch fish which are then headed, gutted, bled, and iced, or otherwise retained as unprocessed fish on-board.

**IFQ halibut** - Refers to any Pacific halibut that is harvested with fixed gear in waters off Alaska.

**IFQ sablefish** - Refers to any sablefish harvested with fixed gear in waters off Alaska by persons holding an IFQ permit, excluding sablefish harvested in Prince William Sound, or under a State of Alaska Limited Entry program.

**IFQ landing** - This means the unloading or transferring of any IFQ halibut, IFQ sablefish, or products thereof, from the harvesting vessel.

**Trip** - This means the period beginning when a vessel operator begins harvesting IFQ species and ending when the vessel operator lands any species.

**Vessel length overall or LOA** - This is the horizontal distance, rounded to the nearest foot, between the foremost part of the stem and the aftermost part of the stern, excluding bowsprits, rudders, outboard motor brackets, and similar fittings or attachments.

## The Appeals Process

Although the initial allocation of QS is substantially completed, appeals will undoubtedly be on-going, and a brief review of the process is appropriate here. If any portion of your QS claim is denied in an initial administrative determination by the NMFS/RAM Division, you will be notified in writing that you have 60 calendar days in which to file an appeal. Your appeal must be in writing, and must describe clearly why you believe the determination is in error. You must indicate what additional evidence you can provide to support your argument, such as skipper's logs or crew affidavits. The 60 day clock starts from the day the initial administrative determination was issued.

If you file an appeal, you are referred to as an appellant, and it will be an appeals officer who decides your case. Appeals must be made on substantive factual issues; those which only challenge the IFQ regulations will not be accepted.

You may also request a hearing to clarify one or more issues. Whether to grant a hearing, either written or oral, is at the discretion of the appeals officer. If you are granted a hearing, you will be provided at least 30 days to prepare for the hearing. Hearings will normally be held in Juneau, Alaska, unless the appeals officer decides another location would better serve the interests of justice.

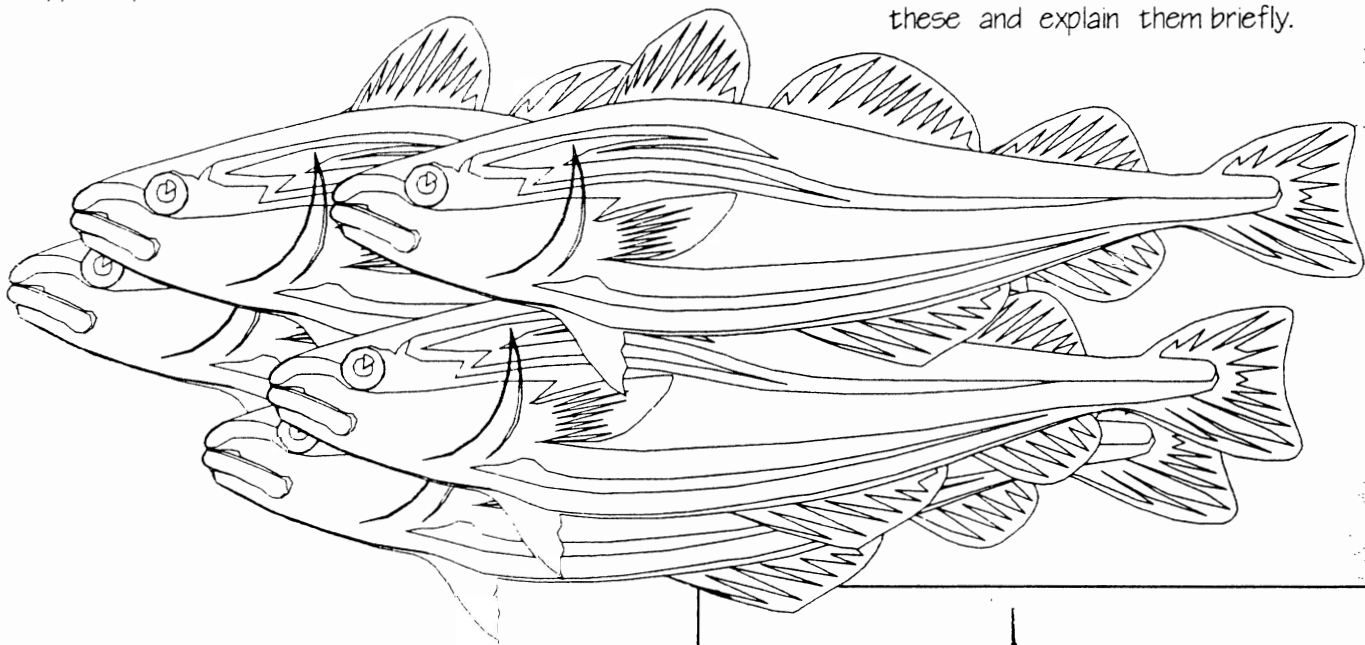
The appeals officer will ultimately prepare a written decision, which normally will become final 30 days after it is issued. Within that 30 days, the Regional Director **may** decide to review the appeals officer's decision if he feels there are reasons to do so. Upon review, the Regional Director may affirm the decision, reverse it, modify it, or ask the appeals officer to reconsider the case. Any consideration by the Regional Director will be based solely on the existing record and without an



additional hearing. All pertinent testimony and evidence should already have been presented at this time. If your appeal to the appeals officer is ultimately denied, you have exhausted your administrative options with NMFS, and you may appeal to Federal District Court.

Again, note that the IFQ program differs from the State of Alaska's Limited Entry program, in that no "interim QS" will be issued while disputes are being settled through the appeals process.

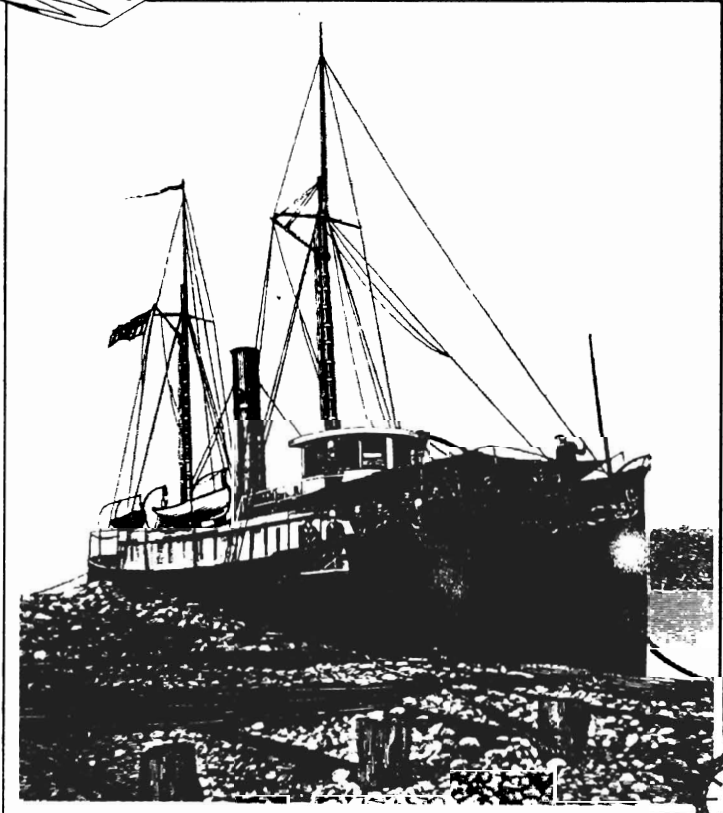
have been incorporated into the IFQ system to maintain, as much as possible, the current character of the fleet, to allow for new entrants and crew members, and to protect Alaskan coastal economies dependent on fishing. Consolidation of QS into too few hands was, and continues to be, a real concern of the Council and of the Secretary. The provisions mentioned above were designed to slow consolidation and to limit the degree to which it can take place. We'll look at each one of these and explain them briefly.



### How Do I Transfer Quota Share or IFQ ?

Before we can talk about how QS and IFQ are transferred by sale, lease, gift, operation of law, or security agreement, we need to understand some of the policies built into the system. IFQs were adopted to alleviate some serious problems suffered by the fishing industry, and they were meant to bring change. One of the greatest concerns about the program has been that under this management regime, some desirable characteristics of the fisheries will change as well.

Use caps, owner-on-board restrictions, vessel IFQ harvest caps, vessel categories, and the block amendment are the safeguards which

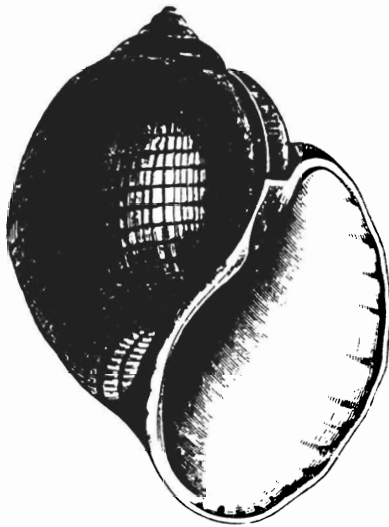


## Regulatory Areas and Vessel Categories

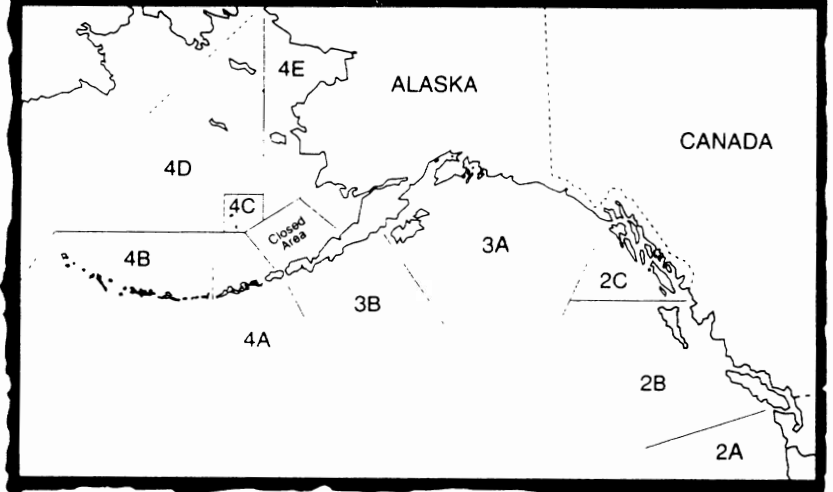
Quota share and IFQ are issued specifically for an IFQ regulatory area and a vessel category and may not be used on vessels in any other category with one exception; catcher vessel IFQ may be fished on-board a freezer vessel, as long as the length overall of the freezer vessel corresponds to the vessel category issued with the catcher vessel IFQ, and as long as no processed fish are on-board the freezer vessel during the same trip. Note the federal definition for processed fish applies, and is different from the State of Alaska's definition.

### Vessel Categories

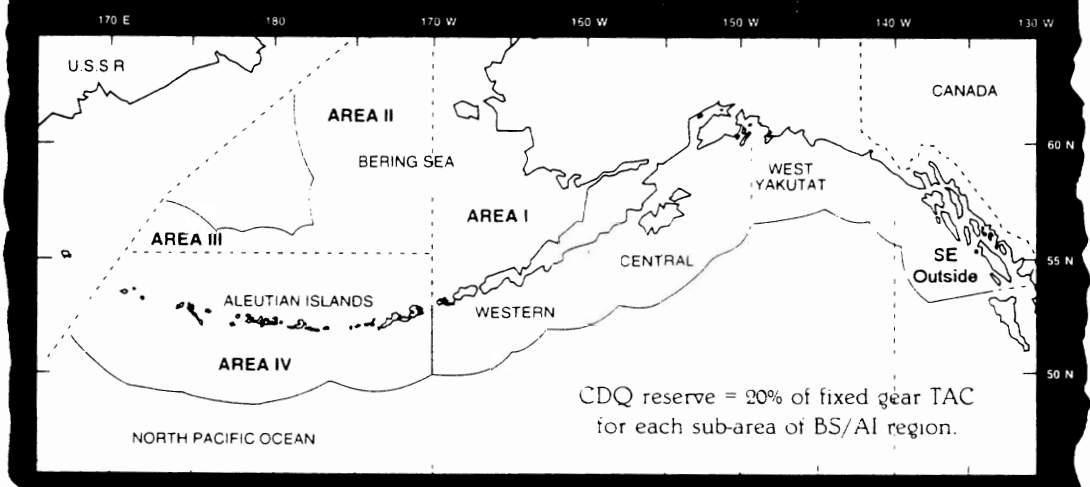
| Vessel length | Freezer Vessel (any length) | Catcher Vessel |         |
|---------------|-----------------------------|----------------|---------|
|               |                             | Sablefish      | Halibut |
| Over 60'      | A                           | B              | B       |
| 35' to 60'    |                             | C              | C       |
| 0 to 35'      |                             |                | D       |



### Halibut Management Areas



### Sablefish Regulatory Areas





## QS Use and Vessel IFQ Harvest Caps

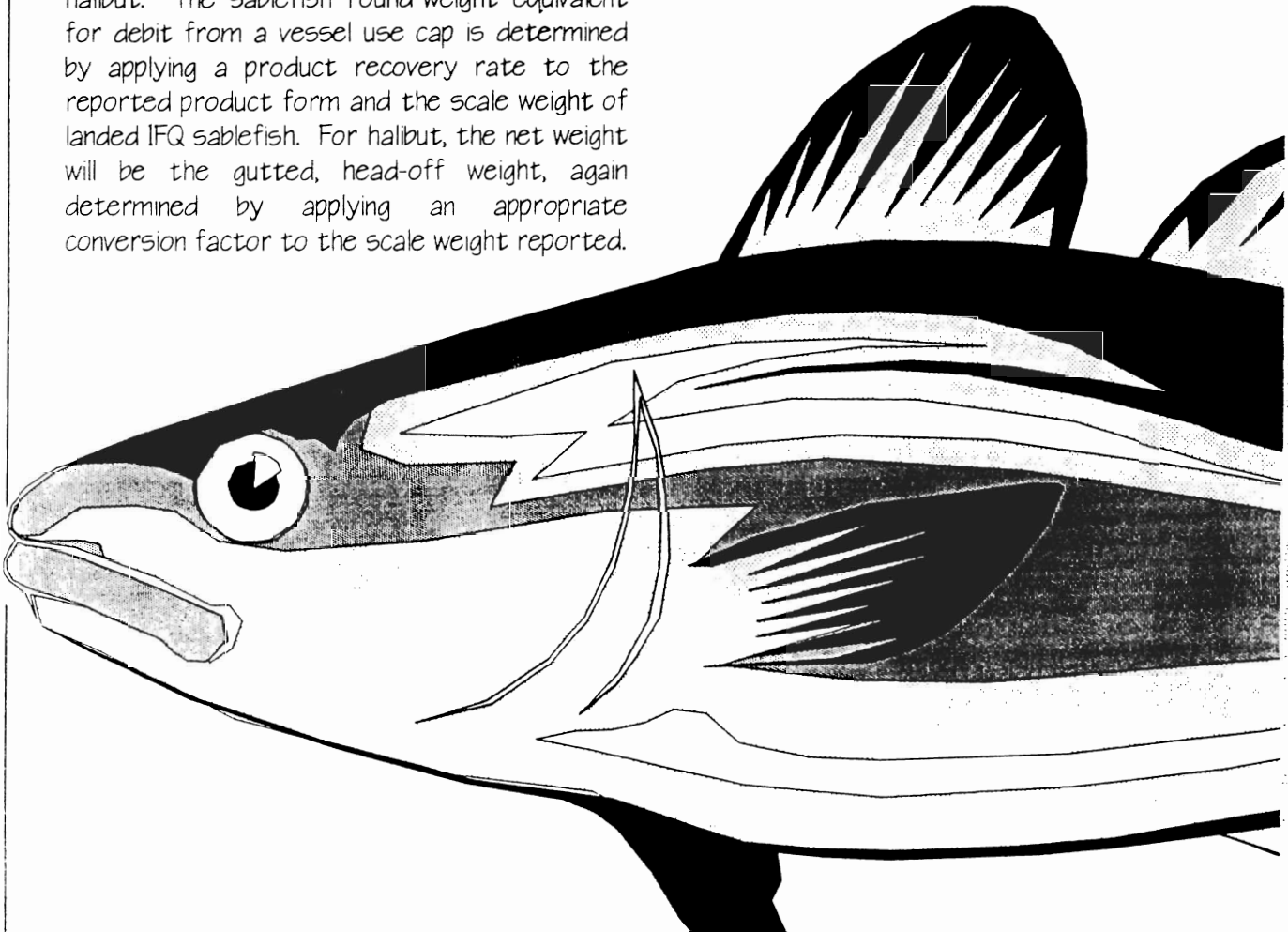
While QS use caps govern how much QS a person may hold, vessel IFQ harvest caps pertain to how many IFQ pounds a vessel may land in any fishing year. We include a chart summarizing this information here, however for a more complete discussion on both QS use and vessel IFQ harvest caps, please refer to **Insights & Updates**.

One further note of explanation; if you receive an approved allocation, for either halibut or sablefish, in excess of these use limits you may catch and retain all of that IFQ with a single vessel. Two fishermen may **not**, however, catch their approved IFQ together on one vessel if the total amount would exceed the vessel IFQ harvest limitations, even if they co-own the vessel.

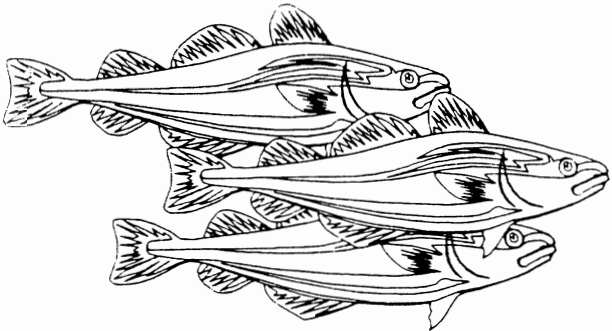
As with QS and IFQ, vessel IFQ caps are measured in round-weight equivalents for sablefish, and IPHC "net weight" equivalents for halibut. The sablefish round-weight equivalent for debit from a vessel use cap is determined by applying a product recovery rate to the reported product form and the scale weight of landed IFQ sablefish. For halibut, the net weight will be the gutted, head-off weight, again determined by applying an appropriate conversion factor to the scale weight reported.

### QS Use and Vessel IFQ Harvest Caps

|                  | Area                            | Cap  |
|------------------|---------------------------------|------|
| <b>Halibut</b>   | 2C                              | 1%   |
|                  | 2C, 3A, 3B                      | 1/2% |
|                  | 4A, B, C, D, E                  | 1/2% |
| <b>Sablefish</b> | Gulf of Alaska and BS/AI Region | 1%   |
|                  | East of 140°W                   | 1%   |



## The Block Amendment



The block amendment restricts the number of blocks of QS that may be held by a person, as well as the manner in which some QS and IFQ are transferred. QS permits (for each species, regulatory area and vessel category) are issued as blocked or unblocked. The calculation that determines whether QS is blocked or unblocked has already been completed and will not be repeated.

For each species and regulatory area, if the QS which is awarded to you would result in less than 20,000 lbs of IFQ, using 1994 TACs, it will be blocked. On the other hand, any allocations equal to or greater than 20,000 lbs of IFQ will be issued in unblocked status, and you can divide these into smaller amounts, or combine them with newly-purchased QS as long as the use caps are not exceeded.

When transferred, these blocked QS, or the IFQ that results from them, cannot be combined or broken down, with the following exception: a "sweep-up" provision allows you to combine very small blocks into one larger block as long as the resultant block would yield QS equal to less than 1,000 lbs of IFQ for halibut, or less than 3,000 lbs of IFQ for sablefish (again, based on the 1994 TACs).

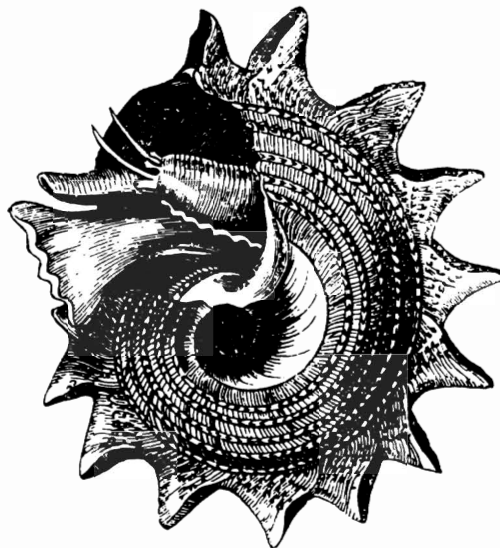
Below is a chart showing the QS amounts which result in 20,000 lbs of IFQ using 1994 TACs. In accordance with regulations, these figures were calculated by NMFS/RAM on October 17, 1994.

| Halibut<br>IFQ Area | Initial awards of QS greater than<br>this column remain unblocked | Sweep-up<br>Equivalent |
|---------------------|---|------------------------|
| 2C                  | 102,920   | 5,146                  |
| 3A                  | 135,580   | 6,779                  |
| 3B                  | 260,800   | 13,040                 |
| 4A                  | 150,640   | 7,532                  |
| 4B                  | 86,920  | 4,346                  |
| 4C                  | 113,700   | 5,685                  |
| 4D                  | 127,940   | 6,397                  |
| 4E                  | 27,940  | 1,397                  |

### Sablefish IFQ Area

|                       |         |        |
|-----------------------|---------|--------|
| SE Outside (SE)       | 82,260  | 12,339 |
| West Yakutat (WY)     | 97,600  | 14,640 |
| Central Gulf (CG)     | 103,760 | 15,564 |
| West Gulf (WG)        | 165,740 | 24,861 |
| Aleutian Islands (AI) | 128,060 | 19,209 |
| Bering Sea (BS)       | 546,000 | 81,900 |

Under these regulations, and subject to the QS use caps for each species and in each regulatory area, you may hold no more than two blocks, or one block together with unblocked QS, or unblocked QS by itself. In this manner, the Council has sought to ensure that relatively small blocks of QS will always be available, and cannot ultimately be controlled by large corporations or a few individuals. Combined with the assignment of vessel categories, the block amendment is designed to keep the character of the fishing fleet much as it is now.



The following chart may help explain the limits imposed by the block regulations.

## Ownership Options for Quota Share

### FOR EACH REGULATORY AREA

= Unblocked Quota Share     
  = Blocked Quota Share

IF YOU OWN:

THEN YOU MAY PURCHASE:

|   |   |
|---|---|
| <span style="border: 1px solid black; display: inline-block; width: 30px; height: 15px;"></span>  | <span style="background-color: black; display: inline-block; width: 20px; height: 10px;"></span> and <span style="border: 1px solid black; display: inline-block; width: 30px; height: 15px;"></span> |
| <span style="border: 1px solid black; display: inline-block; width: 30px; height: 15px;"></span> <span style="background-color: black; display: inline-block; width: 30px; height: 15px;"></span> | <span style="border: 1px solid black; display: inline-block; width: 30px; height: 15px;"></span>  |
| <span style="background-color: black; display: inline-block; width: 30px; height: 15px;"></span>  | <span style="background-color: black; display: inline-block; width: 20px; height: 10px;"></span> or <span style="border: 1px solid black; display: inline-block; width: 30px; height: 15px;"></span>  |
| <span style="background-color: black; display: inline-block; width: 30px; height: 15px;"></span> <span style="background-color: black; display: inline-block; width: 30px; height: 15px;"></span> | To purchase additional quota share, you would need to sell one or both blocks   |

## Owner-on-board Restrictions

In an effort to keep the IFQ program from changing the mostly "owner-operated" nature of the fisheries, a few rules have been established about the QS holder being on board (for catcher vessel QS), and hiring masters. Freezer vessel QS may, without exception, be fished by hired masters on behalf of QS holders.

If you receive your catcher vessel QS upon initial issuance, and if you hold an ownership interest in the vessel on which the IFQ halibut or sablefish are harvested, you may hire a

master to fish your IFQ. In Southeast Alaska (halibut area 2C and sablefish area SE east of 140 degrees west longitude), however, **only** corporations or partnerships may hire masters. Other than these exceptions, you must be physically on-board the vessel harvesting your IFQ halibut or sablefish. The exemptions to the requirement for QS holder being on-board are not transferable. Hiring a master or a captain is **not** the same as leasing QS or IFQ pounds. Leasing is a form of transfer which will be described in the next section.

## Restraints on Consolidation of Quota Share

Both QS and/or IFQ may be transferred, through sale, gift, or lease. To be eligible for these transfers, you must be a United States Citizen, and have either received QS initially, or currently qualify as an IFQ crewmember. You will be given a **Transfer Eligibility Certificate or TEC**, either with your initial QS award or, for persons not initially awarded QS, upon approval of an application to NMFS/RAM. Applications for TECs have been widely distributed by the RAM Division, and are also available upon request.

NMFS may approve some transfers of QS by operation of law or security agreement that result in QS being issued to persons who are not eligible to fish the IFQ. Such QS will be issued but remains restricted, and such persons will not receive the associated IFQ fishing privileges. The QS will remain restricted until the person meets the eligibility requirements, or the QS are transferred to an eligible person.

Transfer applications must be completed by both the QS holder and the intended recipient. They must be accompanied by the original QS certificate and be approved by the NMFS Regional Director, and they are subject to some restrictions.



There are several possible types of transfers:

➤ **Transfer of QS without current year's IFQ.** You may permanently transfer QS, along with future IFQ pounds. You may fish the remaining current year's IFQ pounds. In future years the new QS holder would receive the annually-calculated IFQ permit;

➤ **Transfer of QS with IFQ.** You may permanently transfer QS along with any current year's remaining IFQ pounds. The new holder of QS would receive the IFQ permit for the current year as well as in future years; or

➤ **Transfer by lease a portion of your IFQ.** You may transfer, to eligible persons, no more than 10% of your catcher vessel QS for any species or regulatory area. Blocks may not be split to provide for a lease. Leasing of catcher vessel IFQ is allowed only during 1995, 1996, and 1997. As with other transfers, leases must be requested on a transfer application and must be approved by the Regional Director before becoming effective. Any amount of freezer vessel QS may be leased, on an annual basis, upon approval by the Regional Director.

➤ Catcher vessel QS and IFQ may not be transferred under any conditions of repossession or resale. In other words, you may not sell your QS to a friend with the understanding that in two years that friend will resell the QS back to you. This restriction does not apply to authorized leases, transfers required by operation of law, or to transfers resulting from enforcing the terms of a security agreement; you may be required to furnish a copy of any such agreement to NMFS.

➤ Freezer vessel QS is not subject to the same restrictions as catcher vessel QS, including lease restrictions, and may be freely transferred. Freezer vessel QS is, however, subject to the block rules, to the restricted classification, and to the QS and vessel IFQ harvest caps.

## Transfer of QS to Corporations & Partnerships vs. Individuals

In general, when catcher vessel QS is transferred, it may only be transferred to a person who received an initial award of QS or to an individual who is a qualified IFQ crewmember; in Southeast Alaska (halibut area 2C and sablefish area SE or east of 140 degrees west longitude) you may only transfer to an individual.

An exception to the prohibition of transferring QS or IFQ to a person other than an individual is permitted if you are transferring your QS to your own solely-owned corporation. Such a transfer, however, does not exempt you from the requirement to be physically on-board the vessel when fishing with catcher vessel IFQ for halibut in area 2C or with catcher vessel IFQ for sablefish in the Southeast (SE) area.

## Fishing With IFQ

We've taken a look at how IFQ came about. We've explained who qualifies for QS and how to appeal decisions you feel were made in error. We've discussed what's been built into the regulations to help maintain the character of the fleet, and we've talked about how QS and IFQ can be transferred and leased. Now let's look at just what it means to fish under IFQ.

There are some permits required. There are some rules to know about how to fish and when and where to land your IFQ fish. There are some reports to be filed and notices to be given. And there are the inevitable circumstances which raise good questions; for example what should a registered buyer do if you come in with more halibut than allowed on your IFQ card? Would the buyer know that information? For starters, let's clarify some terms.

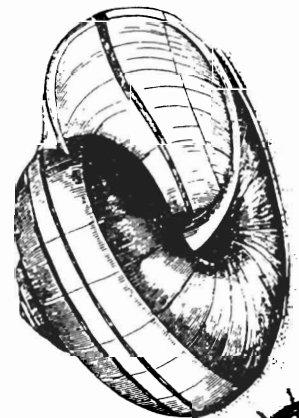
## More Definitions

**An IFQ permit** - This authorizes the person identified to harvest IFQ halibut or IFQ sablefish from a specified IFQ regulatory area, during open season in the appropriate year, until the amount harvested equals the permit amount. The permit will show the specified vessel category as well. It is issued annually, and is transferable with restrictions. A copy must be on-board the harvesting vessel when IFQ fish are landed.

**An IFQ card** - This authorizes the individual identified to land IFQ halibut or IFQ sablefish for debit against the specified IFQ permit. The permit holder and the card holder may be one and the same person, but if the permit holder has hired someone to land his or her IFQ pounds, the card will show the name of the IFQ permit holder, the IFQ permit number, and the name of the individual authorized to actually land IFQ fish. This card is issued annually, is not transferable, and must also be on-board the harvesting vessel with the person to whom it was issued, until the IFQ fish are landed.

A Personal Identification Number or PIN will be issued with the card. If the IFQ card is lost or stolen, you must notify NMFS in writing to prevent unauthorized use of your IFQ privileges. If you fire a master, or wish to change the individual responsible for landing your IFQ fish, you must notify NMFS in writing.

**A CDQ permit** - This authorizes the managing organization shown to harvest halibut or sablefish with fixed gear from a specified area. It is issued annually, is not transferable, and a copy must be on-board any fishing vessel operated by or for the organization.



## Definitions Continued

**A CDQ card** - This authorizes an individual to land halibut or sablefish for debit against a CDQ allocation. It will show the CDP name and the CDQ permit number. It is issued annually, is not transferable, and must be on-board the harvesting vessel with the person to whom it was issued, until the CDQ fish are landed.

**An IFQ landing** - This means the unloading or transferring of any IFQ halibut, IFQ sablefish, or products thereof, from the harvesting vessel.

**Dockside sale** - This means the transfer of IFQ halibut or IFQ sablefish from the person who harvested it to individuals for personal consumption, and not for resale.

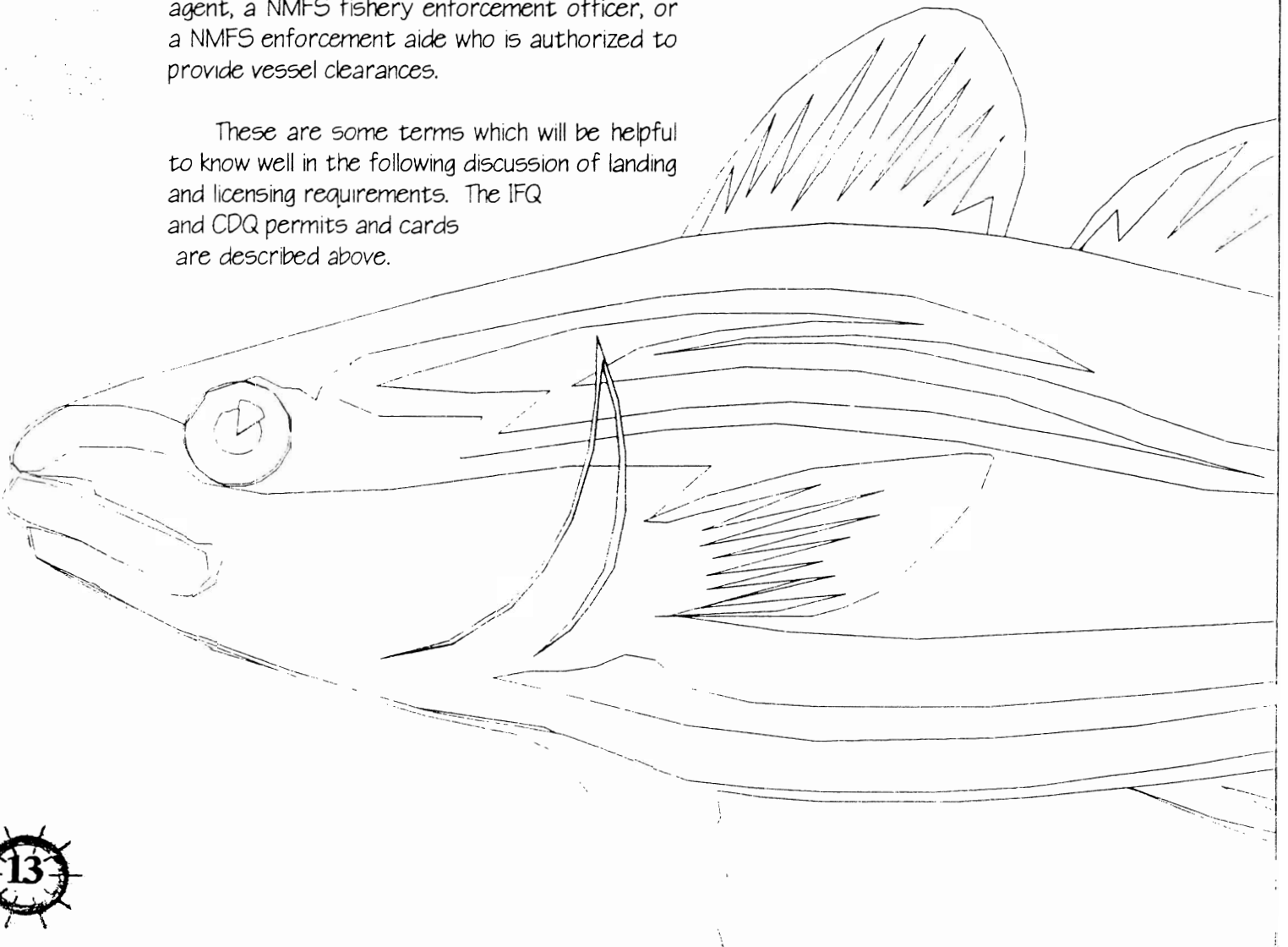
**Clearing officer** - This means a NMFS special agent, a NMFS fishery enforcement officer, or a NMFS enforcement aide who is authorized to provide vessel clearances.

These are some terms which will be helpful to know well in the following discussion of landing and licensing requirements. The IFQ and CDQ permits and cards are described above.

An important permit not yet covered is the Registered Buyer permit.

### Registered Buyer Permit

A Registered Buyer permit is required for any person(s) (which includes partnerships or corporations) who receive IFQ halibut or sablefish from the IFQ fisherman, except when the fish is transferred: in a dockside sale, outside an IFQ regulatory area, or outside the State of Alaska. In these three situations it is the IFQ fisherman who must hold the Registered Buyer permit. Note that some persons must hold Registered Buyer permits even if they do not actually purchase fish. For example, custom-processors of IFQ fish may pay no money, and may return the fish to the



fisherman, but they will still need a Registered Buyer permit. Registered Buyer permits are required for CDQ landings as well, since these are IFQ fish.

Each person who receives IFQ halibut or sablefish, or who harvests and transfers IFQ halibut or sablefish in the manner described above, must hold a valid Registered Buyer permit. This means that **each** plant, processing vessel, tendering vessel, fish buyer, fish market, and fish broker must apply for and receive a Registered Buyer permit to lawfully receive or transfer IFQ halibut or sablefish in the manner described above.

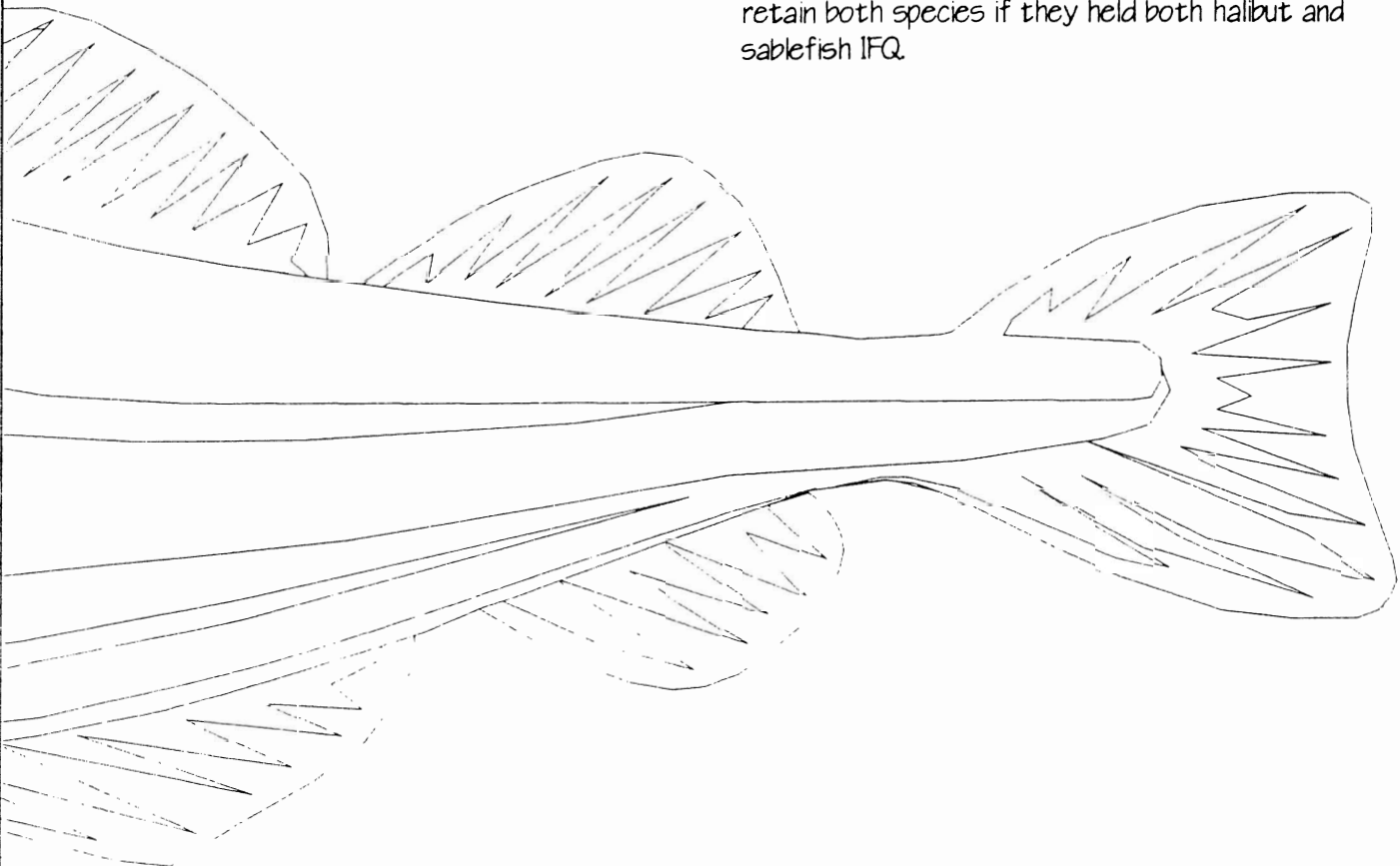
Registered Buyer permits are issued annually, are not transferable, and authorize the person identified to receive or make an IFQ landing at any time during the fishing year for which it is issued. A legible copy must be present at the location of each IFQ landing, and it must be made available for inspection upon the request of any authorized officer or NMFS clearing officer.

## The IFQ Program and other existing regulations

For clarification, note that the IFQ program covers the commercial harvest of fixed gear halibut and sablefish, and **does not** include or affect sport or charter fishing, or the sablefish fisheries of Prince William Sound, or any fishery under a State of Alaska Limited Entry program. Also, as a general rule, the IFQ program does not supersede or nullify any existing federal or state laws regarding fisheries.

The IPHC determines halibut seasons at their annual January meeting. They consider carefully the biological health of the resource, as well as the implications of the new IFQ management regime.

The IFQ sablefish season is established by the NMFS Regional Director. This allows the Director to take into consideration the opening date of the Pacific halibut season, and to coordinate both fisheries. This should cut down on discard mortalities and allow fishermen to retain both species if they held both halibut and sablefish IFQ.



IFQ fisheries for halibut and sablefish are subject to seasons, size limits, overfishing restrictions, and other directed fishing standards. If, in the course of fishing, you harvest halibut or sablefish with fixed gear and you have an IFQ card on-board with unused IFQ pounds for that species, you **must** keep the fish, unless other regulations (such as minimum size) apply.

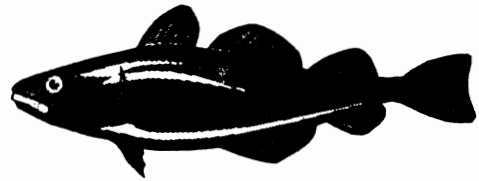
Conversely, if you don't have an IFQ card on-board with sufficient unused pounds, you may not keep the fish even if the season is open. By-catch is governed by existing groundfish regulations. For example, Pacific cod or rockfish that are taken when IFQ halibut or sablefish are on-board must be kept, unless State of Alaska laws require them to be discarded.

## Overages and Underages

If you land more pounds than remain on your IFQ permit you have an **overage**. In addition to any penalties which may be assessed, the Regional Director will deduct an amount equal to the overage from the following year's IFQ amount. This adjustment will be specific for each regulatory area and will affect whomever holds the QS permit the following year.

In general, the amount of overage which exceeds 10% of the total amount of pounds remaining in your annual IFQ account **prior to that landing**, will be forfeited. There is an exception to this 10% rule. If the delivery of an IFQ species exceeds the amount remaining in your annual IFQ account by less than 400 lbs, forfeiture would be waived. This will eliminate a situation where one large halibut in excess of your IFQ would result in forfeiture.

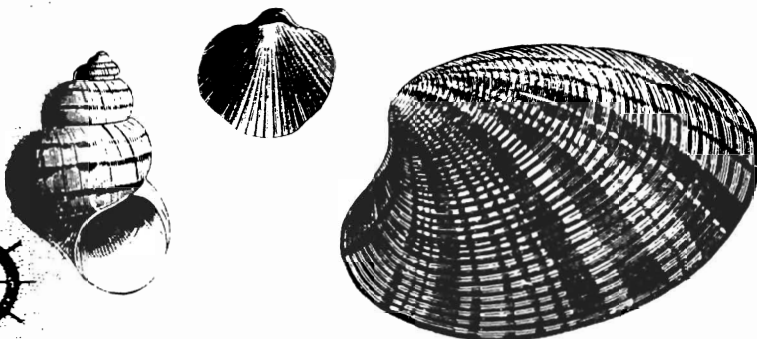
**Underages** up to 10% of your annual IFQ account for the current fishing year will be credited to your IFQ account for the following fishing year. Underages in excess of 10% will expire at the end of the current year. This provision is designed to take the pressure off of harvesting right up to the last pound, and help prevent overfishing. Any overages or underages affecting your IFQ account will apply to whomever fishes the IFQ permit in subsequent years, whether that is you or someone to whom you have transferred QS or IFQ pounds.



## Landing and Reporting Requirements

All landing and reporting requirements for IFQ fishing are **in addition to** any existing requirements which apply to the fisheries, and these landing and reporting requirements apply even if IFQ fish are taken incidentally in non-IFQ fisheries (such as a halibut retained by a salmon fisherman who has valid halibut IFQ). If you anticipate difficulty complying with any of these requirements, please contact the NMFS Enforcement office. You must also contact NMFS Enforcement if any reports already submitted to NMFS need correction.

The system which has been designed for reporting IFQ catch requires each of the following; prior notice of landing, vessel clearance, landing reports, shipment reports and transshipment notification. We'll examine each requirement below. Remember - registered buyers must keep copies of all reports and receipts for three years; you must make them available for inspection upon request by an authorized officer or a clearing officer.





## Prior Notice of Landing

The operator of any vessel from which an IFQ landing is made is required to report to NMFS **at least** six hours before landing. You must give notice by calling the toll-free telephone number listed on the IFQ permit at least six hours before making the landing.

Because landings may begin only between 6 am and 6 pm Alaska local time, and landings must be reported within six hours, a landing report must be made between 6 am and midnight Alaska local time, and give vessel identification, an estimated date and time of arrival, the name and location of the registered buyer, the number of IFQ permits that will be used to make the landing, as well as estimated IFQ pounds aboard.

## Vessel Clearance

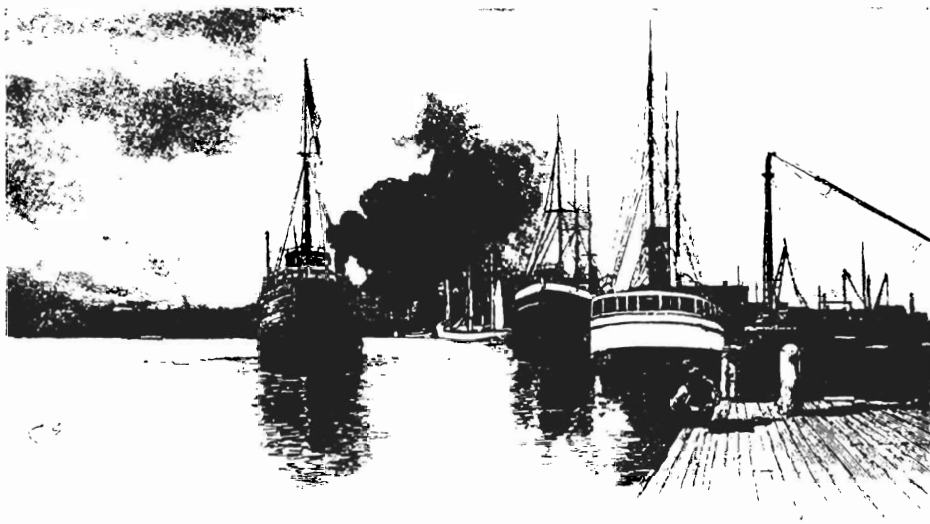
**Each** person making an IFQ landing anywhere other than in an IFQ regulatory area or in the State of Alaska must be a registered buyer, and obtain pre-landing written clearance for the vessel. You must provide the weight of IFQ halibut or IFQ sablefish on-board to a clearing officer. Again, a "clearing officer" means a NMFS special agent, a NMFS enforcement officer, or a NMFS enforcement aide who is authorized to provide vessel clearances.

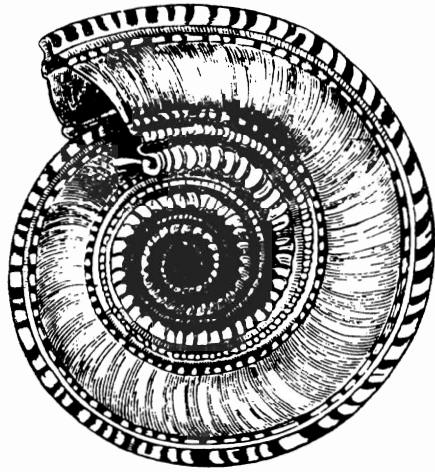
For vessels obtaining clearance at a port in Alaska, clearance must be obtained prior to departing waters in or adjacent to the State of Alaska. For vessels obtaining clearance in Bellingham, leaving Alaska bound for other U.S. ports, you must report to NMFS, Alaska Region, the weight of the IFQ

halibut and/or sablefish on-board and the intended date and time the vessel will obtain clearance. Such reports must be submitted to NMFS, Alaska Region, prior to departing waters in or adjacent to the State of Alaska, and in the manner prescribed by the registered buyer permit.

For vessels leaving Alaska, and bound for a foreign port with IFQ product on-board, clearance must be obtained from a clearing officer at a primary port in the State of Alaska. This must be done **prior** to departing waters in or adjacent to the State of Alaska, so deliveries to Canadian ports are **not** permitted before obtaining vessel clearance. Furthermore, Port Hardy, Prince Rupert and Vancouver, British Columbia, are the **only** Canadian ports where IFQ species may be landed. Please note that these requirements are **in addition to** any Canadian regulations which might apply.

Any person requesting vessel clearance must have valid IFQ and registered buyer permits on-board, as well as one or more valid IFQ cards. These must indicate that IFQ holdings are equal to or greater than all IFQ halibut and sablefish on-board. An IFQ landing report must be filed by the person granted vessel clearance.





## Primary Ports

Though IFQ landings **may be made at any port**, the Secretary has designated 16 Alaskan towns and Bellingham, Washington, as primary ports for the purpose of obtaining vessel clearances. A geographical location (latitude and longitude coordinates) will be described for these primary ports, so that if a boarding is deemed necessary in order to give the vessel clearance, you will be aware of which docking facilities are permitted for the respective ports. There may be a NMFS enforcement officer at each of these 17 ports to provide vessel clearance.

## Primary Ports

|                           |                        |
|---------------------------|------------------------|
| Akutan                    | King Cove              |
| Bellingham                | Kodiak                 |
| Cordova                   | Pelican                |
| Craig                     | Petersburg             |
| Dutch Harbor/<br>Unalaska | St. Paul<br>Sand Point |
| Excursion Inlet           | Seward                 |
| Homer                     | Sitka                  |
| Ketchikan                 | Yakutat                |

## Landing Reports

All IFQ fish must be reported to NMFS by registered buyers. Registered buyers must report IFQ landings within six hours after all fish are landed, and before shipment of the fish or departure of the delivery vessel from the landing site. IFQ landings may only be made between the hours of 6 am and 6 pm Alaska local time (or as authorized by enforcement). Deliveries may continue after the 6 pm deadline if they were begun during the legal period.

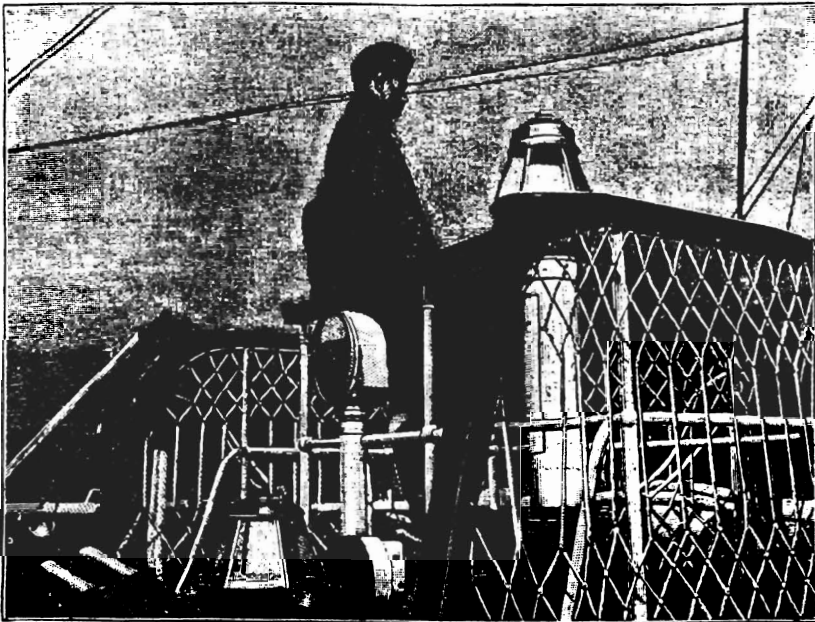
If you have any IFQ fish on-board your vessel, you are required to offload and weigh **all** IFQ fish at the first landing of **any** fish you have on-board. So if you have a load of Pacific cod (a non-IFQ species) as well as some halibut, you must offload, weigh and complete a landing report for all the halibut when you deliver the Pacific cod. If you have sablefish on-board, you are required to offload, weigh and complete a landing report for all the sablefish at the same time. You are not required to sell these fish at this time. After your IFQ landing report is complete, you could fill out a shipment report (which we'll discuss shortly), load the IFQ fish back aboard and deliver elsewhere. This provision for landing reports will help NMFS Enforcement with their tracking of IFQ harvest.

IFQ fish taken in non-IFQ fisheries ( for example, halibut incidentally harvested in the salmon troll fishery ), are still subject to all IFQ requirements. A receiving vendor must be a registered buyer, and a landing report is required as surely as with a large delivery by a 65' longline vessel.

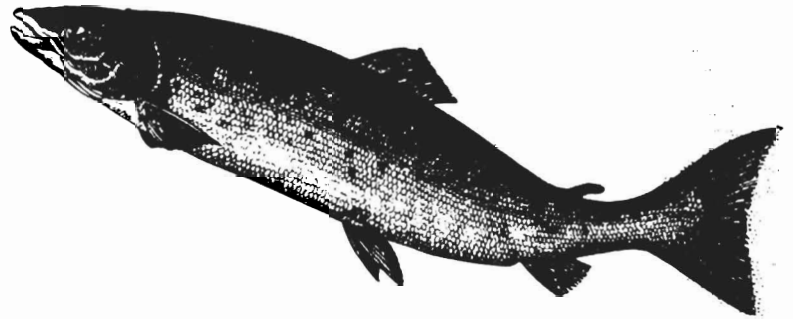
Another provision in the regulations is the right for persons authorized by the IPHC to board vessels and sample all IFQ halibut landings for biological information. All authorized officers, authorized clearing officers, and observers are permitted to board vessels making IFQ landings and verify, inspect and sample all IFQ species. This, again, will help NMFS Enforcement in ensuring that all IFQ species are reported, and it will help the IPHC gather the biological information it needs to adequately assess the health of the halibut stocks.

## Transaction Terminals and Electronic Reporting

Landing reports must be made electronically, using transaction terminals, in much the same manner as a credit card or automated teller transaction. When you deliver, you will pass your IFQ card through the machine. You will then be asked for a four digit PIN number. When you complete these steps, the registered buyer will then take over and enter the required information, guided by function keys. This information includes the registered buyer's number, the vessel's ADF&G number, the fish ticket number, the six-digit Alaska statistical area(s) fished, the product form(s) and pounds, and both the delivered and retained weights. The report is complete when you affirm the information by signing.



"Delivered" weight is the pounds delivered commercially. "Retained" weight is the pounds the fisherman might keep for personal consumption. All IFQ fish must be offloaded during the initial delivery and included in the landing report. Any fish reloaded for further transport must be accompanied by a shipping report, as mentioned earlier, and should not be part of another landing report.



When the landing report is complete, a receipt will be printed in three copies. You sign this and keep one copy. The receipt will display reported products and weights, and total weights deducted from your sablefish or halibut IFQ in appropriate weight units. One copy of the receipt is affixed to the fish ticket, and the remaining one is for the registered buyer.

If there is some problem with the transaction, the electronic response will be similar, again, to that of a credit card check; the registered buyer will be advised to contact NMFS Enforcement before proceeding. This may be triggered by several circumstances, for example if a fisherman is exceeding his permitted IFQ pounds. (To answer our hypothetical question posed earlier - a registered buyer would not know if a fisherman was over his limit, but he would know that Enforcement should be contacted prior to completing the IFQ landing.)

The Transaction Terminal can also be used to indicate the remaining annual balance of IFQ pounds for both the IFQ account and the vessel.



## Terminal Availability

NMFS has obtained roughly 420 Transaction Terminal printer sets for use by registered buyers at appropriate locations, such as harbor master's offices, tenders, brokers, processors and other sites of IFQ fish transfers. Additional terminals may be purchased independently from the vendor. If purchased independently they must be sent to NMFS for installation of the necessary software. There is no charge for the software, although the cost for private purchase of these will be approximately \$850. The terminals dial a database in Juneau, using an 800 number (from the U.S.) or toll number (outside the U.S.), so a phone jack and two standard power outlets are required for operation, as well as three-ply roll paper. Requests for NMFS terminals are included with registered buyer permit applications and are available upon request. If you wish to purchase units privately, contact NMFS/RAM for wiring information.

## Shipment Reports

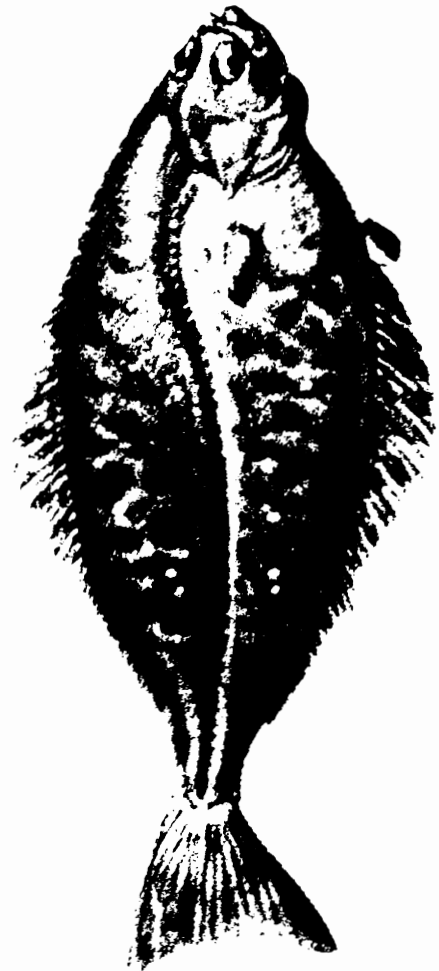
Shipment reports are required of all registered buyers, except in the case of a dockside sale. They must be made **prior** to the shipment or transfer of any IFQ halibut or sablefish to any location other than the IFQ landing. The reports are required to be as directed on the registered buyer permit, and will indicate the following;

- Species and product type being shipped;
- The number of shipping units;
- Fish product weight;
- The name of the shipper and the receiver;
- The name of the consignee and consignor;
- Mode of transportation; and
- The intended route

The registered buyer is responsible for making sure that the shipment report reaches NMFS, Alaska Region, **before** the shipment begins, if the destination is outside Alaska or outside of an IFQ regulatory area. It is also the responsibility of the registered buyer to assure that a copy of the shipment report (or a bill of lading that contains the same information) is with the shipment to all points of sale in Alaska and to the first point of sale outside of Alaska.

## Transshipment Notification

If you wish to transfer processed IFQ halibut or sablefish between vessels, you must give **at least 24 hours notice** to a clearing officer. All transshipments must occur in a location authorized by a clearing officer.



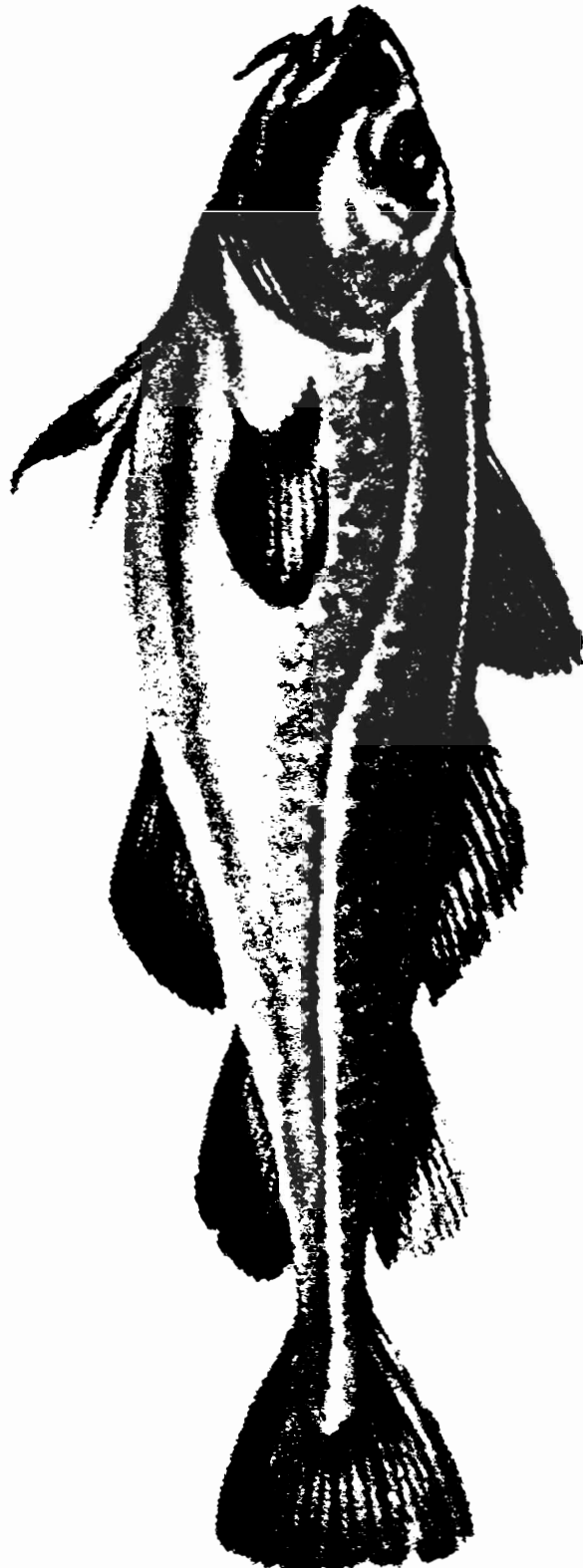
## Dockside Sales and Outside Landings

If you hold a valid IFQ permit, IFQ card, and registered buyer permit, and wish to sell or transfer your IFQ fish dockside, or to a person outside of an IFQ regulatory area or outside Alaska, you may do so. However, you must submit a landing report before any fish are sold, transferred, or removed from the immediate vicinity of the vessel with which they were harvested. You must provide, to the person receiving the IFQ fish, a receipt which indicates the date of sale or transfer, your registered buyer permit number, and the fish product weight. And once again, the IFQ regulations do not supersede or nullify any existing regulations of either the U.S. state or federal governments, or those of foreign governments.

## North Pacific Fisheries Research Plan

A new and separate management program which will affect the IFQ fisheries is the North Pacific Fisheries Research Plan. NMFS has been authorized to assess up to 2% of the exvessel value of halibut, groundfish, and BS/AI king and Tanner crab taken in federally managed fisheries off Alaska. These fees will be assessed beginning in 1995 and will be placed in the North Pacific Fishery Observer Fund to help pay for observer coverage.

If you are a registered buyer, you may be required to pay fees. If you are delinquent in payment, your registered buyer permit could become **invalid**, which would prevent you from legally receiving IFQ fish.





## Some Helpful Numbers

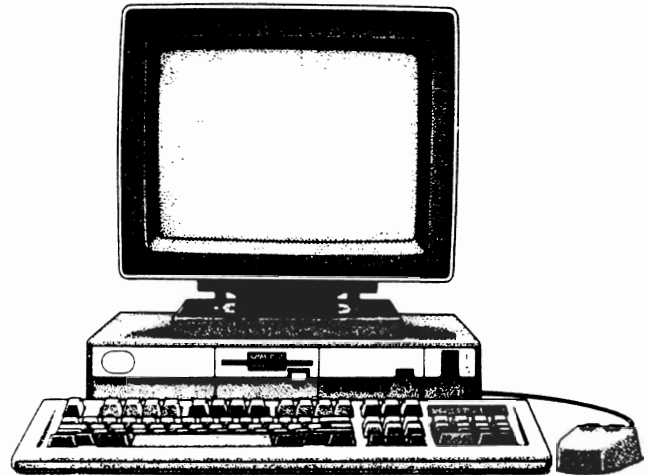
When you have questions or you're unclear about some aspect of the IFQ program, please give us a call; we're here to help. Please use an 800 number to reach us toll free. The local numbers are given as alternatives.

- NOAA NMFS/RAM Division 1 (800) 304-4846 or (907) 586-7202
- NOAA/NMFS Enforcement - 1 (800) 304-4846 or (907) 586-7225
- NOAA/NMFS Fish Mgmt - 1 (800) 304-4846 or (907) 586-7228

Another electronic service available through NMFS is the **Computer Bulletin Board**. This service has been offered by NMFS since 1986, and is an information bank accessible through computers with modems. The **Bulletin Board** provides information about Alaska Region fisheries and marine mammals managed by NMFS. It lists;

- Current regulations
- News releases
- Groundfish fishery openings and closures
- By-catch accumulation
- Reports about QS holdings
- Marine mammal information

Bulletin Board Number is:  
(907) 586-7259



At present, the following IFQ information is available for downloading, in an archival format:

- A complete listing of QS holders, suitable for generating mailing labels;
- A complete listing of fishermen eligible for transfers of QS; and
- A complete listing of QS holders, indicating QS type (species, regulatory area, vessel category and blocked or unblocked status).



## Changes In the Wind

The IFQ program is new to Alaska. It is new to the halibut and sablefish fisheries and new to the fishermen and women who make their living from these resources. As with any new idea, there is growth and transformation as the concepts argued over and discussed in Council meetings and "in port" are brought to the fishing grounds and applied to real situations. As comments and suggestions filter back from fishermen, processors, fisheries biologists, and enforcement personnel, they will be reviewed and considered carefully.

The IFQ program has been called a "work-in-progress", and those involved with its implementation, its enforcement, and its day-to-day workings must cooperate with one another for the program to be successful. Like a storm sweeping across our oceans, IFQs bring the energy and upheaval of change. Like the calm that follows, we feel confident that this new management regime will bring increased safety and sense to the halibut and sablefish fisheries of the North Pacific, and will help preserve both the fish stocks and those dependent on them for years to come.

## Acronyms and Abbreviations

|           |   |
|-----------|---|
| CDP       | Community Development Plan                      |
| CDQ       | Community Development Quota                     |
| CFR       | Code of Federal Regulations                     |
| Council   | North Pacific Fishery Management Council        |
| IFQ       | Individual Fishing Quota                        |
| IPHC      | International Pacific Halibut Commission        |
| ITQ       | Individual Transferable Quota                   |
| LOA       | Length overall                                  |
| NMFS      | National Marine Fisheries Service               |
| NOAA      | National Oceanic and Atmospheric Administration |
| PIN       | Personal identification number                  |
| QS        | Quota share                                     |
| QSP       | Quota share pool                                |
| RAM       | Restricted Access Management (Division)         |
| Secretary | Secretary of the Department of Commerce         |
| TAC       | Total allowable catch                           |
| TEC       | Transfer eligibility certificate                |

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FORERUNNER GRAPHICS



## The IFQ Program Timeline

- Mid-1980's - Council considers limited entry for sablefish fisheries
  - 1985 - Council asks industry to suggest management alternatives to open access
  - 1987 - Council adopts a Statement of Commitment to "develop strategies for license limitation or the use of individual transferable quotas in the sablefish fixed gear fishery"
  - Early 1988 - Workshops are held to get industry and public input, in order to further develop feasible options to the derby fisheries
  - Mid-1988 - Council directs staff to develop five management options for the sablefish fixed gear fishery; 1) continued open access without modification, 2) modified open access, 3) IFQ, 4) license limitation, and 5) a combined license/quota/open access system
  - December 1988 - Council declares status quo unacceptable. Wants to look further into IFQ and license limitation
  - November 1989 - Council analyzes four options for future management of the sablefish fisheries off Alaska; 1) continued open access, 2) license limitation, 3) IFQ, and 4) a combination system called annual fishing allotments
  - April 1990 - Council weighs IFQ against open access management
  - May 1991 - The revised supplement to the Supplemental EIS for sablefish fishery management is released for public review.
- Also, an EIS is in preparation to look at IFQ for the halibut fisheries
- September 1991 - Council provisionally recommends IFQ for both halibut and sablefish fisheries
  - Late 1991 - Draft Implementation Plan made available for review. A public hearing is held
  - December 8th, 1991 - Council recommends IFQ alternative for the halibut and sablefish fixed gear fisheries
  - January 1992 - Council calls for more study of potential effects of the IFQ plan
  - March 1992 - Supplemental analysis made available to the public
  - May 15th, 1992 - A 45 day public comment period announced
  - December 3rd, 1992 - Proposed rule is published. Subsequently receive 92 letters of comment
  - January 29th, 1993 - Secretary of Commerce approves the recommended IFQ program
  - November 9th, 1993 - Final rule is published in the Federal Register, Vol. 58, pg. 59375
  - January 17th, 1994 - Six month application period for initial quota share allocation opens
  - July 15th, 1994 - Application period ends
  - November 1994 - QS issuance and appeals processes begun
  - Spring 1995 - IFQ fisheries begin

Alaska Region - National Marine Fisheries Service  
Restricted Access Management Division

PO Box 21668  
Juneau, Alaska 99802

