



## **Report to the Fleet Fishing Year 2000**



Harbor Lights, Kodiak, Alaska

NOAA Fisheries

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**Alaska Region, NOAA Fisheries (NMFS)  
Restricted Access Management (RAM)  
Prepared June 2008**



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## IFQ LANGUAGE

ALT	Alaska local time
BSAI	Bering Sea and Aleutian Islands
Council	North Pacific Fishery Management Council
FMP	Fishery Management Plan
GOA	Gulf of Alaska
IFQ	Individual Fishing Quota
IPHC	International Pacific Halibut Commission
MSA	Magnuson-Stevens Fishery Conservation and Management Act
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
QS	Quota Share
QSP	Quota Share Pool
RAM	Restricted Access Management
TAC	Total Allowable Catch

Pacific Halibut–Sablefish IFQ Report  
Fishing Year 2000



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## SECTION I

### THE 2001 HALIBUT AND SABLEFISH IFQ SEASON

The 2001 Individual Fishing Quota (IFQ) season for halibut and sablefish opened at noon on March 15. Fishing was allowed for a full 240 days until noon on November 15, 2001. This section of the report includes information on how your 2001 IFQ amounts were calculated, the 2001 Quota Share (QS) Use and Vessel IFQ Caps, any changes to the regulations that were in effect for this fishing year (in particular, the new Cost Recovery Program), and other issues.

#### *HOW YOUR ANNUAL IFQ PERMIT AMOUNTS WERE CALCULATED*

Once the fisheries managers determined the 2001 Total Allowable Catch (TAC) limits for each halibut and sablefish regulatory area, Restricted Access Management (RAM) applied some simple math to calculate your IFQ.

For each area in which you hold QS, the amount of QS you hold was divided by the amount of all the QS that has been issued for that area (this is the Quota Share Pool, or QSP). The resulting fraction was then multiplied by the TAC for that area. The equation yielded the number of pounds of IFQ that you may harvest for the 2001 season. Simply stated, the above explanation can be expressed as follows:

$$QS \div QSP \times TAC = IFQ$$

In many cases, the 2000 IFQ allocations were then adjusted slightly (up or down), depending on fishing activities by the persons who fished the QS's IFQ the prior year. If you (or last year's IFQ holder) recorded overages (caught more fish than the permit allowed), IFQ amounts that were not handled as an enforcement action (i.e., permit violation) were deducted from the 2001 season's IFQ.

On the other hand, if you (or the IFQ holder) did not catch as many pounds as allowed by the IFQ permit, up to 10 percent of the final 2000 IFQ amount, or the amount remaining uncaught, was added to the 2001 IFQ.

The adjustment "follows" the QS. This means that if the QS transferred from one person to another, the remaining balances of QS holders were adjusted by adding or subtracting remaining balances of persons who fished the IFQ. Then all 2001 adjustments were calculated. In short, your 2001 IFQ amounts were adjusted by overages and underages due to last year's under- and overfishing by persons who fished the IFQ, regardless of who that may have been.

The annual TACs for both halibut and sablefish were set by the International Pacific Halibut Commission (IPHC) and the North Pacific Fishery Management Council (Council) somewhat in advance of the 2001 season. The QSPs were calculated using January 31 figures. Table 1.1 shows those amounts. It also shows the "ratio" between the QSP and the TAC for each area; this ratio shows how many units of QS are needed to yield one pound of IFQ.

Table 1.1 2001 Quota Share Pools (QSPs) and Total Allowable Catches (TACs)

Species and Area	2001 Quota Share Pool <sup>a</sup> (units)	2001 IFQ TAC <sup>b,c</sup>	Ratio <sup>d</sup> (QS:IFQ)
Halibut 2C	59,633,843	8,780,000	6.7920
3A	184,902,586	21,890,000	8.4469
3B	53,907,509	16,530,000	3.2612
4A	14,503,996	4,970,000	2.9183
4B	9,284,774	3,928,000	2.3637
4C	3,969,186	1,015,000	3.9105
4D	4,869,276	1,421,000	3.4267
4E	139,999	0	0
<b>All Areas</b>	<b>331,211,169</b>	<b>58,534,000</b>	
Sablefish AI	31,932,492	3,306,900	9.6563
BS	18,768,845	1,375,670	13.6434
CG	111,765,502	9,541,509	11.7136
SE	66,030,961	7,407,456	8.9141
WG	36,029,105	3,544,997	10.1634
WY	53,231,066	3,944,029	13.4966
<b>All Areas</b>	<b>317,757,971</b>	<b>29,120,561</b>	

<sup>a</sup> QS Pools may include small amounts of QS in “Reserve” (QS that is yet to be issued) and QS that is “Restricted” (QS that has been issued, but which does not yield IFQ to its holder).

<sup>b</sup> IFQ TACS do not include pounds that have been set aside for the CDQ Program.

<sup>c</sup> Halibut weights are in net (headed and gutted) pounds; sablefish weights are in round pounds.

<sup>d</sup> The “ratio” displays the number of units of QS that yield one pound of 2001 IFQ.

### *2001 QS USE AND VESSEL IFQ CAPS*

The IFQ rules place definite limits on the amount of QS that yields IFQ that any one person may hold (QS Use Caps), and on the amount of total IFQ pounds that can be landed from one vessel during any season (Vessel IFQ Caps). The following tables display the caps in effect during the 2001 season (note that halibut QS Use Caps are constant, based on the 1996 QSPs).

Table 1.2 2001 QS Use Caps

Species	Applicable Percent	Size of Relevant QSPs <sup>a</sup> (pounds)	QS Use Cap (QS:IFQ)
Halibut	1% of 2C QSP	59,979,977 QS Units	599,799 QS Units
	.5% of 2C, 3A, 3B QSPs	300,564,647 QS Units	1,502,823 QS Units
	1.5% of Area 4 QSPs	33,002,937 QS Units	495,044 QS Units
Sablefish	1% of SE QSPs	66,030,961 QS Units	660,310 QS Units
	1% of All QSPs	317,757,971 QS Units	3,177,580 QS Units

<sup>a</sup> The “Relevant” QSPs for calculating use caps for halibut are the 1996 QSPs; for sablefish, the 2001 QSPs are used.

Table 1.3 2001 Vessel IFQ Caps<sup>a</sup>

Species	Vessel Use Cap %	2001 IFQ TAC (pounds)	Vessel Use Cap (QS:IFQ)
Halibut <sup>b</sup>	1% of 2C IFQ TAC	8,780,000 net pounds	87,800 net pounds
	.5% of All IFQ TAC	58,534,000 net pounds	292,670 net pounds
Sablefish <sup>b</sup>	1% of SE IFQ TAC	7,407,456 round pounds	74,075 round pounds
	1% of All IFQ TAC	29,120,561 round pounds	291,206 round pounds

<sup>a</sup> Vessel IFQ Caps are calculated on the IFQ TAC only; CDQ TACs are not included in the calculations.

<sup>b</sup> Halibut weights are in net (headed and gutted) pounds, and sablefish weights are in round pounds.

## *IFQ Rule Changes For 2001*

Since the IFQ Program regulations were first published in November 1993, numerous administrative and programmatic changes have been made through regulatory changes. Some of these have been major (such as the “Fish-Down” provisions that came into effect in late 1996), while many have been “technical” in nature. The following significant program changes were adopted for 2001.

- Effective retroactively on March 15, 2000, [66 FR 13672 \(March 7, 2001\)](#) corrected the procedure described for payment of IFQ fees that incorrectly included notarizing the fee payment section. This final rule corrects 65 FR 14919 (March 20, 2000) (<http://www.fakr.noaa.gov/frules/IFQCRP.pdf>), effective March 15, 2000, that implemented the Cost Recovery Program for the IFQ Program. For further explanation of the “Cost Recovery” (Fee) Program, please see Section IV (page 27) of this report or visit the RAM website at <http://www.alaskafisheries.noaa.gov/ram/ifqreports.htm> and select the 1999 Report to the Fleet for RAM’s “Special Notice” (pages 2–4) in the Special Reports and Publications section. Fishing year 2000 is the first year cost recovery fees were levied; these fees are due January 31, 2001.
- Effective June 20, 2001, Final rule [66 FR 27908 \(May 21, 2001\)](#) amended, refined, and corrected current IFQ regulations. Amid other changes, this final rule brought the following program changes:
  - 1 broadened the definition of an IFQ landing to include vessels that are removed from the water and put on trailers;
  - 2 added gear type to the information required on a completed IFQ landing report;
  - 3 amended the submission of appeals to allow appeals to initial administrative decisions to be submitted by facsimile machine;
  - 4 in landings involving multiple registered buyers, clarified the information required for a shipment report by identifying which registered buyer is responsible for compliance with shipment report requirements;
  - 5 amended the survivorship transfer provisions to allow temporary transfer of a deceased QS holder’s QS and IFQ to a designated beneficiary;
  - 6 required annual updates on the status of corporations, partnerships, and other collective entities holding QS; this provision ensures up-to-date shareholder information for management.



## SECTION II

### THE 2000 IFQ SEASON IN REVIEW

The 2000 IFQ season opened on March 15. A total of 6,892 IFQ permits (as defined by unique combinations of species, areas, and vessel categories), including 5,128 halibut permits and 1,764 sablefish permits, were active as of year-end 2000. When the season ended on November 15, those permits had been used by IFQ holders to report 7,212 vessel landings of IFQ halibut and 2,007 of sablefish, for a total harvest of 98 percent of the IFQ halibut TAC and 92 percent of the IFQ sablefish TAC. The table below displays those landings by species, regulatory area, and IFQ pounds.

Table 2.1 2000 IFQ Halibut and Sablefish Allocations and Landings

Species/Area	Vessel Landings <sup>a</sup>	Area IFQ TAC <sup>b</sup>	Total Harvest	Percent Harvested <sup>c</sup>
<b>Halibut 2C</b>	3,037	8,400,000	8,191,769	98
3A	2,571	18,310,000	18,066,096	99
3B	863	15,030,000	14,940,624	99
4A	370	4,970,000	4,861,514	98
4B	176	3,928,000	3,626,754	92
4C	153	1,015,000	731,358	72
4D	42	1,421,000	1,378,038	97
<b>Total</b>	<b>7,212</b>	<b>53,074,000</b>	<b>51,796,153</b>	<b>98</b>
<hr/>				
<b>Sablefish AI</b>	115	3,21535,189	1,774,827	55
BS	91	1,29996,305	685,682	53
CG	668	10,10995,886	10,037,052	99
SE	746	7,83962,944	7,786,613	99
WG	147	3,241005,171	3,105,942	96
WY	240	4,23920,627	4,234,389	100
<b>Total</b>	<b>2,007</b>	<b>29,926,122</b>	<b>27,624,505</b>	<b>92</b>

<sup>a</sup> Vessel landings include the number of reported landings by participating vessels reported by IFQ regulatory area; each such landing may include harvests from multiple IFQ permit holders.

<sup>b</sup> Halibut weights are reported in net (headed and gutted) pounds; sablefish weights in round pounds.

<sup>c</sup> Due to over- or underharvest of TAC and rounding, percentages may not equal totals shown.

The following tables display the rate of IFQ harvest by month, year, and percent of TAC for each of the past six IFQ seasons.

Table 2.2 Relative Rate of Halibut IFQ Harvest as a Percent of Total Annual Harvest

<b>Month Ending<sup>a</sup></b>	<b>1995</b> (TAC = 37,422,000) <sup>b</sup>	<b>1996</b> (TAC = 37,422,000)	<b>1997</b> (TAC = 51,116,000)	<b>1998</b> (TAC = 55,708,000)	<b>1999</b> (TAC = 58,390,000)	<b>2000</b> (TAC = 53,074,000)
April 14	3	11	9	8	12	10
May 14	7	14	13	11	14	14
June 14	15	15	19	13	18	19
July 14	9	10	11	12	11	10
August 14	10	12	12	14	12	14
September 14	16	15	14	13	13	12
October 14	14	11	10	11	10	10
End of Year	11	6	8	9	7	8
<b>Total Percent</b>	<b>85%</b>	<b>94%</b>	<b>96%</b>	<b>91%</b>	<b>97%</b>	<b>98%</b>

<sup>a</sup> Retention of halibut after November 15 or other season end date is prohibited.

<sup>b</sup> Data include IFQ TACs only; CDQ allocations are not included.

Table 2.3 Relative Rate of Sablefish IFQ Harvest as a Percent of Total Annual Harvest

<b>Month Ending<sup>a</sup></b>	<b>1995</b> (TAC = 45,658,049) <sup>b</sup>	<b>1996</b> (TAC = 35,319,897)	<b>1997</b> (TAC = 30,233,885)	<b>1998</b> (TAC = 29,845,875)	<b>1999</b> (TAC = 27,154,059)	<b>2000</b> (TAC = 29,9236,122)
April 14	9	15	11	8	8	11
May 14	21	24	24	17	20	23
June 14	22	20	20	19	20	20
July 14	11	10	10	12	17	13
August 14	4	8	11	11	7	7
September 14	8	7	7	10	8	8
October 14	7	5	8	11	9	7
End of Year <sup>c</sup>	7	3	4	5	5	3
<b>Total Percent</b>	<b>89%</b>	<b>92%</b>	<b>95%</b>	<b>93%</b>	<b>94%</b>	<b>92%</b>

<sup>a</sup> Retention and reporting of sablefish after November 15 or other season end date is required if IFQ permit includes sablefish balance.

<sup>b</sup> Data include IFQ TACs only; CDQ allocations are not included.

## *ALASKA'S TOP TEN PORTS*

### **Halibut**

As the following table displays, the “Top Ten” Alaska ports in which IFQ halibut were landed have remained relatively constant over the first six seasons, as has the percentage of IFQ halibut landed outside of Alaska.

Table 2.4 Top Ten Alaska Halibut Ports in Rank Order for 2000 Performance, 1995–2000

<b>Port</b>	<b>2000 Net Pounds Landed<sup>a</sup></b>	<b>2000 Percent of Total Landed</b>	<b>2000 Rank</b>	<b>1999 Rank</b>	<b>1998 Rank</b>	<b>1997 Rank</b>	<b>1996 Rank</b>	<b>1995 Rank</b>
<b>Homer</b>	9,569,581	18.5	1	1	1	3	2	2
<b>Kodiak</b>	9,258,799	17.9	2	2	2	1	1	1
<b>Dutch/Unalaska</b>	7,860,877	15.2	3	4	4	2	4	4
<b>Seward</b>	5,503,351	10.6	4	3	3	4	3	5
<b>Juneau</b>	2,646,156	5.1	5	5	7	8	8	13
<b>Sitka</b>	2,331,546	4.5	6	6	5	5	5	3
<b>Petersburg</b>	1,693,862	3.3	7	7	6	6	6	6
<b>Adak</b>	1,433,583	2.8	8	12	N/A	N/A	N/A	N/A
<b>King Cove</b>	1,152,293	2.2	9	13	14	12	12	11
<b>Sand Point</b>	1,103,722	2.1	10	14	13	13	17	15
<b>All “Outside”<sup>b</sup></b>	<b>2,176,771</b>	<b>4.2</b>	<i>N/A</i>					
<b>All Ports<sup>c</sup></b>	<b>51,796,153</b>	<b>100%</b>	<i>N/A</i>					

<sup>a</sup> Halibut weights are in net (headed and gutted) pounds.

<sup>b</sup> “All Outside” includes ports outside Alaska.

<sup>c</sup> “All ports” includes additional Alaska ports.

## Sablefish

As the following table displays, the “Top Ten” Alaska ports in which IFQ sablefish were landed have remained relatively constant over the first six seasons, as has the percentage of IFQ sablefish landed outside of Alaska.

Table 2.5 Top Ten Alaska Sablefish Ports in Rank Order for 2000 Performance, 1995–2000

Port	2000 Net Pounds Landed <sup>a</sup>	2000 Percent of Total Landed	2000 Rank	1999 Rank	1998 Rank	1997 Rank	1996 Rank	1995 Rank
<b>Seward</b>	6,764,318	24.5	1	1	1	1	1	1
<b>Dutch/Unalaska</b>	3,780,177	13.7	2	4	4	4	4	3
<b>Sitka</b>	3,543,881	12.8	3	2	2	2	2	2
<b>Kodiak</b>	2,499,925	9.0	4	3	3	3	3	4
<b>Juneau</b>	1,472,704	5.3	5	7	7	8	13	19
<b>Homer</b>	1,426,469	5.1	6	5	6	9	8	9
<b>Yakutat</b>	1,184,701	4.3	7	6	5	5	6	5
<b>Hoonah</b>	1,100,461	4.0	8	10	8	6	9	10
<b>Cordova</b>	1,048,221	3.8	9	9	10	7	7	8
<b>Petersburg</b>	1,005,557	3.6	10	8	9	10	5	7
<i>All “Outside”<sup>b</sup></i>	<i>1,541,509</i>	<i>5.6</i>	<i>N/A</i>					
<i>All Ports<sup>c</sup></i>	<i>27,624,505</i>	<i>100%</i>	<i>N/A</i>					

<sup>a</sup> Sablefish weights are in round pounds.

<sup>b</sup> “All Outside” includes ports outside Alaska.

<sup>c</sup> “All ports” includes additional Alaska ports.

## **2000 HIRED SKIPPER ACTIVITY**

During the 2000 IFQ season, a total of 310 Hired Skippers participated in the fishery. Hired Skippers harvested 38 percent (19,924,827 pounds) of the halibut TAC and 48 percent (14,398,910 pounds) of the sablefish TAC. Only nonindividuals and QS initial issuee individual QS holders may hire skippers to fish their IFQ. Individuals may not use Halibut Area 2C or Sablefish Area SE. To use a Hired Skipper, an IFQ permitholder must own a proportion of the vessel the skipper will use.

## **2000 OVERRAGES AND UNDERAGES**

Under the IFQ regulations, nonconfiscated amounts of IFQ permit “overage adjustments” are to be deducted from the following year’s IFQ permit amounts. “Underage adjustments” are added, although the actual amounts remaining may be limited under regulations. A total of 5,128 halibut permits and 1,764 sablefish permits (by area and category) were issued at the start of the 2001 fishing year. Table 2.6 shows the net adjustments to 2001 IFQ halibut and sablefish permits from under- and overfished permits during 2000. “Net adjustment” is the sum of all credits and debits applied to all 2001 IFQ permits.

Table 2.6 Effect of Overage/Underage adjustments on 2001 IFQ Allocations

Species	2001 Permits with Underages	Total Underage Adjustment	2001 Permits with Overages	Total Overage Adjustment	Net 2001 IFQ Pounds <sup>a</sup>
<b>Halibut</b>	3,426	1,225,956	896	384,209	841,747
<b>Sablefish</b>	1,156	813,771	328	183,376	630,395

<sup>a</sup> The “Net 2001 IFQ Pounds” column displays the total number of IFQ pounds that are available *above* the TAC for the 2001 halibut and sablefish IFQ season.

## *USE OF TRANSACTION TERMINALS*

In 2000, Registered Buyers reported IFQ landings by using electronic Transaction Terminals. This “real-time” accounting of individual harvests contributes significantly to management of each IFQ holder’s IFQ account.

During the first two IFQ seasons, technical problems were experienced with the remote Transaction Terminals; however, by the end of 1996, most of the problems had been worked out. Since that time, electronic reporting was the norm, rather than the exception.

The following table shows the increase in electronic reporting of IFQ landings over time. A “transaction” is a report by vessel, person, harvest area, and species.

Table 2.7 Use of Transaction Terminals, 1996–2000

<b>Reporting Year</b>	<b>Number of “Transactions”</b>	<b>Number of “Transactions” Using Transaction Terminals</b>	<b>Percent Reported by Transaction Terminal</b>
1996	11,196	5,908	53
1997	12,753	11,294	89
1998	11,801	11,062	94
1999	12,852	12,451	97
2000	11,438	10,985	96

## **REGISTERED BUYER INFORMATION**

An IFQ Registered Buyer (RB) must report landings of IFQ halibut and sablefish. The following table displays the numbers and types of RB permits that RAM issued and that were used to report landings for the 2000 IFQ season.

Table 2.8 Number of RB Permits Issued and Used for 2000 by Type

Type of RB	Number of Permits Issued	Number Reporting Landings	Percent Reporting Landings
Buyer-Broker	122	43	35
Catcher/Seller	526	121	23
Retail	33	16	48
Mothership	14	0	0
Tender	20	5	25
Catcher/Processor	112	38	34
Restaurant	21	8	38
Shoreside	132	89	67
Other	5	2	40
<b><i>Unique Total or Percent of Permits</i></b>	<b><i>797</i></b>	<b><i>250</i></b>	<b><i>31</i></b>

<sup>a</sup> Permit applicants select all relevant “Types of Registered Buyer” operations; as a result, numbers are not additive across types.

<sup>b</sup> Because percentages are rounded, they may differ slightly from actual data.

The following table displays the varying amounts of IFQ landings reported by RBs during the 2000 IFQ season. The numbers show that there are significant differences in the amounts of IFQ harvests that were reported by those buyers. As the above table shows, most RB permits were issued to independent catcher-sellers, and only 31 percent of RB permits were used to report landings. Data reported on the following table suggest that a large number of those RBs who did report landings, reported relatively small amounts. This information is consistent with earlier years.

Table 2.9 Mean (Average) and Median IFQ Pounds Reported By RBs for 2000

Species	Number of RBs Reporting Landings	Mean Pounds	Median Pounds
<b>Halibut</b>	196	280,136	30,587
<b>Sablefish</b>	102	212,820	37,470

## 2000 IFQ ENFORCEMENT ACTIVITIES

The U.S. Coast Guard (USCG) and the NMFS Alaska Enforcement Division (AED) enforce the regulations that govern fishing under the IFQ program. As a general rule, AED focuses its enforcement effort shoreside while the Coast Guard focuses its effort at sea. USCG also conducts shoreside enforcement consisting of monitoring offloads and after-hours surveillance of high-threat areas. The AED is primarily responsible for offload monitoring, accounting for IFQ shipments, and investigating fraud and other illegal activities.

During 2000, USCG personnel conducted 204 at-sea boardings, monitored 149 offloads, and spent 1,324 hours on focused after-hours surveillance. These activities resulted in the detection of 24 fisheries violations, with most violations involving logbooks, seabird avoidance, and permits not onboard. USCG enforcement effort did not uncover any significant violations this year.

Also during 2000, the AED officers and agents conducted 611 dockside boardings. Of these boardings, 531 were conducted in the eight staffed ports (excluding Anchorage). Statewide, AED boarded 414 unique vessels, which represents 26 percent of the fleet; repeat boardings of the same vessel were discouraged. The violations discovered were mostly overages and logbook violations. The overall compliance rate by the fleet as derived from boardings was 95 percent.

## 2000 VESSEL SAFETY STATISTICS

In addition to its enforcement responsibilities, the USCG also monitors safety at sea. During the 2000 IFQ season, the USCG conducted three Search and Rescue (SAR) missions on IFQ vessel distresses in Alaska (compared with six in 1999, none in 1998, nine in 1997, seven in 1996, and 15 in 1995). One of the 2000 SAR events resulted in the loss of the vessel (compared with three in 1999). For a broader cross-fishery comparison, the USCG responded to an average of 28 SAR missions, two vessel sinkings, and two lives lost each year during the short “derby” openings before 1995. Figure 2.1 illustrates SAR cases, sinkings, and lives lost during 1999 and 2000.

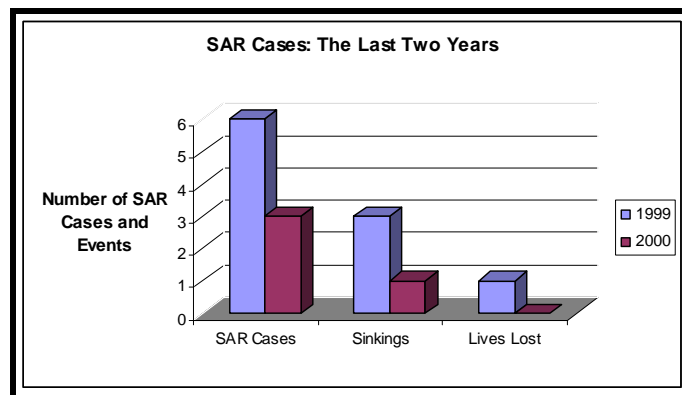


Figure 2.1 USCG IFQ Search and Rescue Cases, 1999–2000



## SECTION III

### THE IFQ PROGRAM—BY THE NUMBERS

One way of assessing the performance of a program that restricts access to fisheries is to quantify as many elements as possible and report on those data to the fleet, fisheries managers, the general public, and policymakers. That is the purpose of this section of the Report to the Fleet.

Quite simply, these data simply display the results of decisions made by the thousands of QS holders — decisions to appeal determinations, to buy or sell QS, to fish or join with other QS holders on a vessel, etc. We report these data generally without comment, allowing only the numbers to speak.

On the following pages, we discuss initial issuance, appeals, consolidation of QS holders and of vessels, “IFQ Crewmembers” who have entered the fishery after the IFQ Program began, vessel participation, and updates from the North Pacific Loan Program.

#### *INITIAL ISSUANCE OF QS, DETERMINATIONS, AND APPEALS*

During the initial application period, more than 6,000 persons applied for more than 9,000 QS certificates (by area, species, and vessel category).

From that pool of applications, approximately 1,100 were determined not to be eligible for QS, while some 650 others challenged part or all of the official records used to determine who received QS and the amount and type. All applicants whose claims, in whole or in part, were denied, received an Initial Administrative Determination (IAD) from RAM.

Although the application period formally ended in July of 1994, a few applications were received after that date, including 2000. These were denied with IADs.

Of the approximately 1,800 IADs issued by RAM, fewer than 10 percent were appealed to the Office of Administrative Appeals by the end of 2000. The following table summarizes the issues that gave rise to the appeals.

Table 3.1 Appeals from RAM IADs on IFQ Program Applications as of Year-End 2000

<b>Reasons for IFQ Appeals</b>	<b>Number</b>
Basic Eligibility for Quota Share Issuance	48
Ownership/Lease Conflicts	42
Untimely Applications	36
Additional Qualifying Pounds	20
Successor-in-Interest Determinations	13
Vessel Category Determinations	8
Challenge to IFQ Regulations	7
Miscellaneous/Other Reasons	5

### **Disposition of Administrative Appeals**

Table 3.2 Status of IFQ Appeals

<b>Status of IFQ Appeals as of Year-End 2000</b>	<b>Number<sup>a</sup></b>
Decisions Issued (Final Determinations)	146
Appeal Settled or Dismissed (Final Determinations)	31
Decisions Pending	2

### **Appeals of Final Agency Actions**

A Decision of the Office of Administrative Appeals becomes a Final Agency Action 30 days after it is published, unless the Regional Administrator decides otherwise. An appellant may appeal a Final Agency Action to the federal courts. As of year-end 2000, 11 of the 146 Final Agency Actions on IFQ appeals had been appealed to the U.S. District Court (and some were further appealed to the Ninth Circuit Court of Appeals. The following table identifies and shows the status of those appeals as of year-end 2000.

Table 3.3 Status of Appeals to Federal Courts

<b>Case Title (Nature of Dispute)</b>	<b>Status of Appeal</b>
<b>Dell v. NMFS</b> (Lease/Ownership)	Ninth Circuit Court Judgment for Defendant (NMFS)
<b>Smee v. NMFS</b> (Lease/Ownership)	Ninth Circuit Court Judgment for Defendant (NMFS)
<b>Cole v. NMFS</b> (Lease/Ownership)	Ninth Circuit Court Judgment for Defendant (NMFS)
<b>Gates v. NMFS</b> (Lease/Ownership)	Ninth Circuit Court Judgment for Defendant (NMFS)
<b>West v. NMFS</b> (Ownership Conflict)	District Court Judgment for West (Appellant)
<b>Foss v. NMFS</b> (Untimely Application)	Ninth Circuit Court Judgment for Defendant (NMFS)
<b>Prowler Partnership/Ocean Prowler Partnership v. NMFS</b> (Ownership Conflict)	District Court: Partial Summary Judgment for Defendant (NMFS); Partial Remand to Defendant (NMFS)
<b>Prowler Partnership/Ocean Prowler Partnership v. NMFS</b> (Landings)	Ninth Circuit Court Judgment for Defendant (NMFS)
<b>Ocean Prowler v. NMFS</b> (Landings)	District Court Judgment for Defendant (NMFS)
<b>Petticrew v. NMFS</b> (Regulation Challenge)	Settled prior to Judgment
<b>Ward's Cove v. NMFS</b> (Regulation Challenge)	District Court — Pending

## *QUOTA SHARE TRANSFER ACTIVITY*

Compared with the first three years of the program, QS and IFQ transfer activity declined significantly after 1997. The following table (for halibut, sablefish, and both species combined) displays a summary of QS/IFQ transfer activities (numbers of approved transfer applications) from the beginning of the program in late 1994 through year-end 2000.

Table 3.4 Numbers of Approved QS/IFQ Transfers by Calendar Year, 1995–2000

<b>Species</b>	<b>Transfer Type</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>Halibut</b>	Regular QS/IFQ	1,217	1,397	1,004	539	611	605
	IFQ Only (“lease”)	31	61	53	43	39	49
	Sweep-up of Small Blocks	31	63	441	148	150	75
	<b>Total Halibut Transfers</b>	<b>1,279</b>	<b>1,521</b>	<b>1,498</b>	<b>730</b>	<b>800</b>	<b>729</b>
<b>Sablefish</b>	Regular QS/IFQ	352	351	388	185	237	238
	IFQ Only (“lease”)	76	51	51	57	53	79
	Sweep-up of Small Blocks	15	20	82	33	22	29
	<b>Total Sablefish Transfers</b>	<b>443</b>	<b>422</b>	<b>521</b>	<b>275</b>	<b>312</b>	<b>346</b>
<b>Both Species</b>	Regular QS/IFQ	1,569	1,748	1,392	724	848	843
	IFQ Only (“lease”)	107	112	104	100	92	128
	Sweep-up of Small Blocks	46	83	523	181	172	104
	<b>Total All Transfers</b>	<b>1,722</b>	<b>1,943</b>	<b>2,019</b>	<b>1,005</b>	<b>1,112</b>	<b>1,075</b>

The overall distributive effects of the transfers summarized above have not been dramatic (at least with respect to net “gains” and “losses” of QS/IFQ by Alaskans v. Non-Alaskans).

The following table summarizes the transfer of QS/IFQ between Alaskans and Non-Alaskans. As in the past, the total amount of QS held by Alaskans continues to increase as a result of transfer activity (with the exception of sablefish sweep-ups).

Additional information on changes in QS holdings and consolidation in the halibut and sablefish fisheries is available on our website at [www.alaskafisheries.noaa.gov](http://www.alaskafisheries.noaa.gov).

Table 3.5 Changes in Halibut QS Holdings between Initial Issuance and Year-end 2000

Area	Initially Issued <sup>a</sup>				Year-end 2000			
	Alaskan <sup>b</sup>		Non-Alaskan <sup>b</sup>		Alaskan		Non-Alaskan	
	Number of Persons	QS Units <sup>c</sup>	Number of Persons	QS Units <sup>c</sup>	Number of Persons	QS Units	Number of Persons	QS Units
2C	1,971	49,265,458	417	10,293,932	1,287	49,802,806	257	9,683,995
3A	2,436	118,591,502	636	66,843,449	1,617	118,117,810	404	65,801,953
3B	780	28,061,266	277	26,159,470	425	27,689,544	170	25,750,491
4A	376	7,065,931	155	7,485,405	202	6,903,745	103	7,538,293
4B	80	3,242,733	73	6,050,658	55	3,192,856	56	6,031,684
4C	48	2,199,603	32	1,769,583	43	2,365,954	25	1,595,466
4D	22	665,856	46	4,168,808	16	1,124,534	36	3,744,742
4E	98	127,392	6	12,607	94	120,828	8	17,313
<b>Total Unique Persons<sup>d</sup></b>	<b>3,976</b>		<b>854</b>		<b>2,907</b>		<b>634</b>	

<sup>a</sup> “Initially Issued” means QS that is initially issued to its first holder. Initial issuance was accomplished primarily at the beginning of the IFQ Program but continued because of adjudicated appeals.

<sup>b</sup> Designation of “Alaskan” or Non-Alaskan” is premised on holders’ self-reported business mailing address; NMFS/RAM makes no effort to verify residency. Changes over time between “Alaskan” and “Non-Alaskan” QS holdings result from QS transfers and QS holders’ address changes. Persons with unknown addresses are excluded from this table.

<sup>c</sup> Total QS units for a species/area may differ from published QS pool sizes as a result of QS units not assigned to any person (for example, units in reserve or revoked midyear).

<sup>d</sup> The number of QS holders is not additive across areas or species. “Total Unique Persons” represents the unique number of QS holders for each species.

Table 3.6 Changes in Sablefish QS Holdings between Initial Issuance and Year-end 2000

Area	Initially Issued <sup>a</sup>				Year-end 2000			
	Alaskan <sup>b</sup>		Non-Alaskan <sup>b</sup>		Alaskan <sup>b</sup>		Non-Alaskan <sup>b</sup>	
	Number of Persons	QS Units <sup>c</sup>	Number of Persons	QS Units <sup>c</sup>	Number of Persons	QS Units <sup>c</sup>	Number of Persons	QS Units <sup>c</sup>
AI	49	7,112,625	87	24,405,551	38	9,862,883	65	22,048,552
BS	62	7,090,226	82	11,514,928	55	7,225,348	60	11,411,246
CG	395	43,422,477	247	68,055,072	282	45,887,163	158	65,396,231
SE	466	42,774,622	247	23,734,199	314	42,962,139	175	22,578,949
WG	107	8,523,462	125	27,562,419	82	9,796,287	90	25,751,064
WY	250	18,494,619	205	34,938,242	164	19,588,155	134	33,452,684
<b>Total Unique Persons<sup>d</sup></b>	<b>720</b>		<b>332</b>		<b>579</b>		<b>296</b>	

<sup>a</sup> “Initially Issued” means QS that was initially issued to its first holder. Initial issuance was accomplished primarily at the beginning of the IFQ Program but continued because of adjudicated appeals.

<sup>b</sup> Designation of “Alaskan” or Non-Alaskan” is premised on holders’ self-reported business mailing address; NMFS/RAM makes no effort to verify residency. Changes over time between “Alaskan” and “Non-Alaskan” QS holdings result from QS transfers and QS holders’ address changes. Persons with unknown addresses are excluded from this table.

<sup>c</sup> Total QS units for a species/area may differ from published QS pool sizes as a result of QS units not assigned to any person (for example, units in reserve or revoked midyear).

<sup>d</sup> The number of QS holders is not additive across areas or species. “Total Unique Persons” represents the unique number of QS holders for each species.

### Transfer Eligibility Certificates

Eligibility to receive catcher vessel QS by transfer is restricted to those persons who received QS by initial issuance and those individuals who can demonstrate they have served as a member of the harvesting crew in any U.S. fishery for no fewer than 150 days. Those individuals are designated as “IFQ Crewmembers” and receive Transfer Eligibility Certificates (TECs) from RAM. Persons wanting to obtain freezer QS also must apply to be recognized as transfer eligible but have no participant requirements.

Table 3.7 displays the total number of TECs issued to IFQ Crewmembers, by residence, since the inception of the program. It also shows how many of those IFQ Crewmembers were holding QS at the end of 2000.

Table 3.7 Summary of TEC (“IFQ Crewmember”) Issuance (1994–2000) and “Crewmembers” Holding QS as of Year-End 2000

Claimed Residency <sup>a</sup>	“Crewmember” TECs Issued (1994–2000)	“Crewmembers” Holding QS/IFQ (Year-End 2000)
Alaskan	1,480	689
Non-Alaskan	563	213
<b>Total</b>	<b>2,043</b>	<b>902</b>

<sup>a</sup> Designation of “Alaskan” and “Non-Alaskan” is premised on the most recent address provided by the applicants. RAM makes no attempt to determine, or to verify, a person’s legal residence. Persons without addresses are excluded.

### **Quota Acquired by “IFQ Crewmembers” by Species, Area, and Residence Category**

The following table displays “Alaskan” and “Non-Alaskan” IFQ Crewmember holdings of QS as of the end of 2000 (as expressed in 2000 IFQ pound equivalents and as a percentage of the 2000 area TACs).

Table 3.8 Quota Held by “IFQ Crewmembers”<sup>a</sup> by Species, Area, and Residence at Year-End 2000

Species/Area	“Alaskan” IFQ Pounds <sup>b,c,d</sup>	“Non-Alaskan” IFQ Pounds <sup>b,c,d</sup>	Total 2000 IFQ Pounds	Percent of Area IFQ TAC <sup>e</sup>
<b>Halibut</b> 2C	1,319,125	392,654	1,711,779	20.4
3A	2,006,030	888,532	2,894,562	15.8
3B	1,582,237	865,467	2,447,704	16.3
4A	574,537	429,447	1,003,984	20.2
4B	243,766	653,676	897,442	22.8
4C	159,273	32,778	192,051	18.9
4D	71,325	149,667	220,992	15.6
<b>Halibut total</b>	<b>5,956,293</b>	<b>3,412,221</b>	<b>9,368,514</b>	<b>17.6</b>
<b>Sablefish</b> AI	36,901	146,680	183,581	5.7
BS	25,267	50,594	75,861	5.8
CG	338,639	441,846	780,485	7.7
SE	581,901	547,105	1,129,006	14.4
WG	120,702	159,904	280,606	8.6
WY	147,905	166,248	314,153	7.4
<b>Sablefish total</b>	<b>1,251,315</b>	<b>1,512,377</b>	<b>2,763,692</b>	<b>9.2</b>

<sup>a</sup> An “IFQ Crewmember” is an individual who did not receive QS/IFQ by initial issuance, but who applied for, and was issued, a TEC.

<sup>b</sup> “Alaskan” and Non-Alaskan” are premised on the holders’ self-reported business mailing address; NMFS/RAM makes no effort to verify a person’s state of legal residence.

<sup>c</sup> Persons without known addresses are excluded.

<sup>d</sup> Pounds are derived from QS held and are not adjusted by prior year fishing activity.

<sup>e</sup> IFQ TACs do not include pounds that have been set aside for the CDQ Program.

## Interests Against QS

Since mid-1995 RAM has informally recorded claimed interests against QS on behalf of creditors. Most lending institutions take advantage of this service, although there is no legal requirement these interests be reported to RAM and these notations do not legally perfect the creditors' interest in the QS.

The following table shows, by species and type of creditor, the number of reports of interest that RAM recorded as of year-end 2000. Note this table displays the number of interests filed against identifiable QS ranges (blocks, ranges of unblocked QS) and not against quota shareholders.

Table 3.9 Number of Asserted Interests Recorded by RAM Against QS Ranges At Year-End 2000<sup>a</sup>

Type of Person Asserting Interest	Halibut	Sablefish	Total Number of Interests Asserted <sup>b,c</sup>
Private Banks (and CFAB/credit unions)	919	519	1,438
State of Alaska (Division of Investments)	183	51	234
States of Alaska/WA (Child Support)	22	9	31
Private Lenders (other than banks)	236	101	337
CDQ Groups	36	0	36
NMFS Financial Services Branch	140	53	193
Internal Revenue Service	77	9	86
<b>Total—All NMFS Recorded Interests</b>	<b>1,613</b>	<b>742</b>	<b>2,355</b>

<sup>a</sup> Table displays interests voluntarily reported to RAM; interests may be recorded in other venues.

<sup>b</sup> More than one person may have reported an interest against the same range of QS units.

<sup>c</sup> An interest is counted once for each range of QS units for which it is reported.



## *CONSOLIDATION OF QS*

Over time in the IFQ Program, QS has consolidated into the hands of fewer persons (including original issuees and new QS holders) than the number that received QS by initial issuance. The following tables show, by area and size of holding, how transfer activities have led to consolidation of QS. In these tables, the area data are not additive; quota shareholders may (and many do) hold QS in more than one management area for both halibut and sablefish. In addition, the number of persons holding QS that yields IFQ of differing amounts has changed from the report published in 2000. These minor changes result from two causes:

- tables are updated to count persons who received QS through settlements and appeal determinations, and
- to make data comparable over time, tables display the number of quota shareholders in categories of “Size Holdings,” using pound equivalents. This report for fishing year 2000 uses 2000 IFQ pound equivalents.

Table 3.10 Consolidation of Halibut QS, Initial Issuance Through Year-End 2000; Numbers of Persons Holding Halibut QS by Area and Size of Holdings, Expressed in 2000 IFQ Pounds

<b>Area<sup>a,b</sup></b>	<b>Size of IFQ Holdings (2000 IFQ Pounds)</b>	<b>Number of Initial Issuees</b>	<b>Holders as of End of 1996<sup>c</sup></b>	<b>Holders as of End of 1997</b>	<b>Holders as of End of 1998</b>	<b>Holders as of End of 1999</b>	<b>Holders as of End of 2000</b>
<b>2C</b>	3,000 or less	1,562	1,150	997	946	897	853
	3,001-10,000	611	499	496	499	480	475
	10,001-25,000	194	217	215	201	204	201
	over 25,000	20	29	33	39	42	47
	<b>2C Total</b>	<b>2,387</b>	<b>1,895</b>	<b>1,741</b>	<b>1,685</b>	<b>1,623</b>	<b>1,576</b>
<b>3A</b>	3,000 or less	1,930	1,497	1,316	1,228	1,143	1,092
	3,001-10,000	639	507	510	502	498	502
	10,001-25,000	311	305	304	303	300	296
	over 25,000	190	206	208	209	215	209
	<b>3A Total</b>	<b>3,070</b>	<b>2,515</b>	<b>2,338</b>	<b>2,242</b>	<b>2,156</b>	<b>2,099</b>
<b>3B</b>	3,000 or less	460	325	239	204	180	166
	3,001-10,000	253	189	149	134	116	105
	10,001-25,000	174	135	141	145	146	149
	over 25,000	168	175	180	182	188	187
	<b>3B Total</b>	<b>1,055</b>	<b>824</b>	<b>709</b>	<b>665</b>	<b>630</b>	<b>607</b>

Continued

Table 3.10 (Continued) Consolidation Of Halibut QS, Initial Issuance Through Year-End 2000;  
Numbers of Persons Holding Halibut QS by Area and Size of Holdings, Expressed in  
2000 IFQ Pounds

Area <sup>a,b</sup>	Size of IFQ Holdings (2000 IFQ Pounds)	Number of Initial Issues	Holders as of End of 1996 <sup>c</sup>	Holders as of End of 1997	Holders as of End of 1998	Holders as of End of 1999	Holders as of End of 2000
<b>4A</b>	3,000 or less	266	201	167	144	127	112
	3,001-10,000	124	95	76	75	69	57
	10,001-25,000	81	72	68	66	71	74
	over 25,000	58	67	68	69	70	69
	<b>4A Total</b>	<b>529</b>	<b>435</b>	<b>379</b>	<b>354</b>	<b>337</b>	<b>312</b>
<b>4B</b>	3,000 or less	25	20	19	17	12	12
	3,001-10,000	41	37	32	30	28	26
	10,001-25,000	44	41	32	32	27	28
	over 25,000	42	43	47	45	50	48
	<b>4B Total</b>	<b>152</b>	<b>141</b>	<b>130</b>	<b>124</b>	<b>117</b>	<b>114</b>
<b>4C</b>	3,000 or less	20	19	20	17	17	16
	3,001-10,000	29	28	24	22	21	19
	10,001-25,000	20	20	20	19	19	20
	over 25,000	11	13	13	14	14	14
	<b>4C Total</b>	<b>80</b>	<b>80</b>	<b>77</b>	<b>72</b>	<b>71</b>	<b>69</b>
<b>4D</b>	3,000 or less	9	8	7	6	5	4
	3,001-10,000	20	18	15	12	12	10
	10,001-25,000	23	27	18	18	13	14
	over 25,000	16	15	19	20	23	23
	<b>4D Total</b>	<b>68</b>	<b>68</b>	<b>59</b>	<b>56</b>	<b>53</b>	<b>51</b>
<b>ALL</b>	3,000 or less	2,725	2,306	2,014	1,912	1,801	1,738
	3,001-10,000	1,121	934	913	906	880	868
	10,001-25,000	569	546	529	520	529	533
	over 25,000	413	441	457	457	467	471
	<b>Total All Areas<sup>d</sup></b>	<b>4,828</b>	<b>4,227</b>	<b>3,913</b>	<b>3,795</b>	<b>3,677</b>	<b>3,610</b>

<sup>a</sup> Halibut data do not include Area 4E; there is no IFQ allocation for that area.

<sup>b</sup> The area data in the table are not additive; QS holders may hold QS in more than one administrative area.

<sup>c</sup> Person counts for each year reflect holders of QS regardless of whether or not they were initial issues.

<sup>d</sup> "Total All Areas" shows unique numbers of persons.

Table 3.11 Consolidation of Sablefish QS, initial issuance through year-end 2000; Numbers of Persons Holding Sablefish QS by Area and Size of Holdings, Expressed in 2000 IFQ Pounds

Area <sup>a</sup>	Size of IFQ Holdings (2000 IFQ Pounds)	Number of Initial Issues	Holders as of End of 1996 <sup>b</sup>	Holders as of End of 1997	Holders as of End of 1998	Holders as of End of 1999	Holders as of End of 2000
AI	5,000 or less	60	56	50	48	46	38
	5,001-10,000	22	20	19	19	19	19
	10,001-25,000	21	23	23	20	20	20
	over 25,000	32	31	32	32	27	27
	<b>AI Total</b>	<b>135</b>	<b>130</b>	<b>124</b>	<b>119</b>	<b>112</b>	<b>104</b>
BS	5,000 or less	93	84	78	76	76	69
	5,001-10,000	15	16	18	18	18	16
	10,001-25,000	23	22	20	20	19	18
	over 25,000	13	13	14	14	14	15
	<b>BS Total</b>	<b>144</b>	<b>135</b>	<b>130</b>	<b>128</b>	<b>127</b>	<b>118</b>
CG	5,000 or less	356	296	248	239	229	216
	5,001-10,000	69	52	53	52	48	44
	10,001-25,000	88	77	68	64	58	60
	over 25,000	128	126	123	122	123	126
	<b>CG Total</b>	<b>641</b>	<b>551</b>	<b>492</b>	<b>477</b>	<b>458</b>	<b>446</b>
SE	5,000 or less	372	289	236	215	198	193
	5,001-10,000	110	84	80	78	79	78
	10,001-25,000	139	142	138	133	128	122
	over 25,000	91	94	95	98	99	102
	<b>SE Total</b>	<b>712</b>	<b>609</b>	<b>549</b>	<b>524</b>	<b>504</b>	<b>495</b>
WG	5,000 or less	124	113	94	92	91	83
	5,001-10,000	46	38	39	35	34	31
	10,001-25,000	33	30	30	29	27	30
	over 25,000	28	30	31	32	33	32
	<b>WG Total</b>	<b>231</b>	<b>211</b>	<b>194</b>	<b>188</b>	<b>185</b>	<b>176</b>
WY	5,000 or less	296	237	198	184	164	151
	5,001-10,000	51	45	42	47	45	45
	10,001-25,000	59	58	57	58	56	52
	over 25,000	48	52	53	52	53	54
	<b>WY Total</b>	<b>454</b>	<b>392</b>	<b>350</b>	<b>341</b>	<b>318</b>	<b>302</b>
All	5,000 or less	522	478	420	399	391	379
	5,001-10,000	115	104	114	117	112	115
	10,001-25,000	150	150	153	145	147	143
	over 25,000	264	262	253	258	252	254
	<b>Total All Areas<sup>c</sup></b>	<b>1,051</b>	<b>994</b>	<b>940</b>	<b>919</b>	<b>902</b>	<b>891</b>

<sup>a</sup> The area data in the table are not additive; QS holders may hold QS in more than one administrative area.

<sup>b</sup> Person counts for each year reflect holders of QS regardless of whether or not they were initial issues.

<sup>c</sup> "Total All Areas" shows numbers of unique persons.

## ***VESSEL PARTICIPATION***

The following tables and figures display reductions in the numbers of vessels participating in fixed-gear fisheries under the IFQ Program, compared with years just prior to program implementation. Note that vessel counts are not additive across areas because the same vessels may have participated in the fishery in different areas. After an immediate steep decrease at the start of the IFQ Program, the numbers of vessels continue to decline slowly.

Table 3.12 Numbers of vessels with halibut harvests by area and year, 1992–2000

Species/ Area	Pre-IFQ Program			IFQ Program					
	1992	1993	1994	1995	1996	1997	1998	1999	2000
Halibut									
2C	1,775	1,562	1,461	1,105	1,029	993	836	840	816
3A	1,924	1,529	1,712	1,145	1,104	1,076	899	892	839
3B	478	401	320	332	350	357	325	323	340
4A	190	165	176	140	147	142	120	121	125
4B	82	65	74	57	64	69	47	51	55
4C	62	58	64	35	41	46	30	36	35
4D	26	19	39	27	33	33	22	29	32
Total Vessels <sup>a</sup>	<b>3,452</b>	<b>3,393</b>	<b>3,450</b>	<b>2,057</b>	<b>1,962</b>	<b>1,925</b>	<b>1,601</b>	<b>1,613</b>	<b>1,568</b>

<sup>a</sup>“Total Vessels” shows the total number of unique vessels that participated in the fisheries in any regulatory area.

Table 3.13 Numbers of vessels with sablefish harvests by area and year, 1992–2000

Species/ Area	Pre-IFQ Program			IFQ Program					
	1992	1993	1994	1995	1996	1997	1998	1999	2000
Sablefish									
AI	50	65	61	67	64	56	39	42	43
BS	100	85	61	68	64	55	45	44	53
CG	613	500	602	347	312	291	260	244	228
SE	510	393	488	391	368	339	309	295	280
WG	126	47	30	101	97	91	81	77	77
WY	275	209	265	243	230	206	188	172	158
Total Vessels <sup>a</sup>	<b>1,166</b>	<b>969</b>	<b>1,191</b>	<b>616</b>	<b>565</b>	<b>530</b>	<b>477</b>	<b>463</b>	<b>450</b>

<sup>a</sup>“Total Vessels” shows the total number of unique vessels that participated in the fisheries in any regulatory area.

Figures 3.1 and 3.2 illustrate the consistent pattern of decreasing numbers of vessels in the halibut and sablefish IFQ fisheries since the program began in 1995. The figures reveal initial

precipitous declines that, as expected, gradually slowed over time. Asterisks represent the beginning of the IFQ Program.

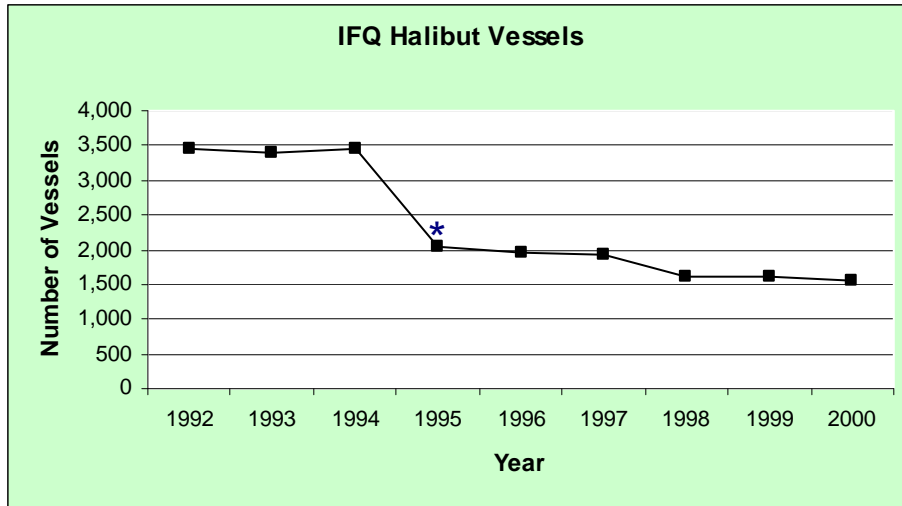


Figure 3.1 Vessel Participation in the IFQ Halibut Fisheries, 1992–2000

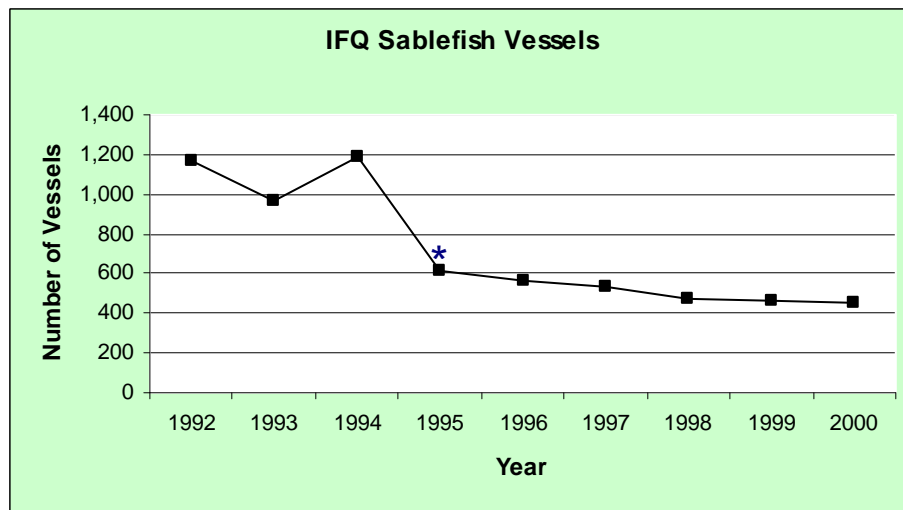


Figure 3.2 Vessel Participation in the IFQ Sablefish Fisheries, 1992–2000

## *IFQ LOANS*

### *THE NORTH PACIFIC LOAN PROGRAM*

Beginning in 1998, the NMFS Financial Services Division (FSD) in Seattle, Washington, began making loans to purchase or refinance QS for “Entry-Level Fishermen” and “Fishermen Who Fish from Small Vessels” under the authority of the MSA’s provisions for IFQ Loans.

Funding for a loan guarantee fund (which will eventually be drawn from receipts from IFQ fee collection) was provided in the Fiscal Year 1998, 1999, and 2000 budgets, which made \$5,000,000 available for the loans during each year. The fiscal year is October 1 through the following September.

The FSD receives far more applications for loans than the available funding will support. Therefore, a lottery has been established for determining application priorities. The following table displays, by borrower’s state of residence, the number of loans and amounts approved during the indicated fiscal years.

Table 3.14 Status of NMFS Loans for Purchase of QS/IFQ by Residence, Fiscal Year, Amount, and Number of Loans, 1998–2000

Borrower’s State of Residence	FY 1998		FY 1999		FY 2000		Cumulative Number of Loans	Cumulative Total Loan Amount
	Loans	Amounts	Loans	Amounts	Loans	Amounts		
<b>Alaska</b>	30	2,504,747	29	2,541,881	23	2,852,759	82	\$7,899,387
<b>California</b>					1	260,000	1	260,000
<b>Colorado</b>					1	60,000	1	60,000
<b>Georgia</b>	1	250,000			2	292,871	3	542,871
<b>Idaho</b>	1	200,000			1	80,000	2	280,000
<b>Michigan</b>			1	61,500			1	61,500
<b>Oregon</b>	1	169,336	3	205,800	3	393,000	7	768,136
<b>Utah</b>	1	114,808					1	114,808
<b>Washington</b>	14	1,761,108	15	2,190,819	8	1,061,370	37	5,013,297
<b><i>FY Totals</i></b>	<b>48</b>	<b>4,999,999</b>	<b>48</b>	<b>5,000,000</b>	<b>39</b>	<b>5,000,000</b>	<b>135</b>	<b>14,999,999</b>

Additional information on the loan program is available at this address:

Financial Service Branch, NW Region  
7600 Sand Point Way NE  
BIN C15700, Building 1  
Seattle, WA 98115

Phone: (206) 526-6122

Fax: (206) 526-6306

## SECTION IV

### IFQ COST RECOVERY (FEE) PROGRAM

On March 15, 2000, a major amendment to the IFQ Program was approved and published in the Federal Register. The rule change requires that all IFQ permit holders who have landings of IFQ halibut or sablefish must pay fees totaling no more than 3 percent of the ex-vessel value of their IFQ landings in a “Cost Recovery” (Fee) Program.

#### **Background**

The obligation to collect fees for IFQ landings is Federal law enacted by Congress. A 1996 amendment to the Magnuson-Stevens Fishery Management and Conservation Act (MSA) required the Secretary of Commerce to adopt regulations to implement the cost recovery program for the Alaska halibut and sablefish IFQ Program.

Under the law, we must collect a fee to recover the costs of managing and enforcing the IFQ Program. Further, 25 percent of any fees collected must be made available for appropriation to support the IFQ loan program. The fee may not exceed 3 percent of the ex-vessel value of the IFQ species landed.

#### **How the System Works**

IFQ permit holders are responsible for fees owed for all landings on their permits, regardless of whether they, or hired skippers, made the landings.

After the end of each IFQ season, RAM will...

1. use Registered Buyer data to calculate a set of “standard ex-vessel prices” for IFQ fish landed by species, month, and port;
2. compile a list of each person’s IFQ permit landings by species, month, and port;
3. apply the appropriate “standard ex-vessel price” to a person’s landings (which results in a “standard ex-vessel value” for each landing);
4. apply the annual fee percentage (3 percent or lower) to each landing’s “standard ex-vessel value”; and
5. sum the “standard ex-vessel values” for all of a person’s landings and permits. This final result is the total fee owed by an IFQ permit holder as based on the standard prices and values.
6. mail permit holders a “bill” that itemizes landings and shows the total annual fee liability. Fees must be paid by no later than January 31 of the year after the calendar year of the landings.

IFQ permit holders have two payment options:

Option One: Pay the amount billed (i.e., the amount based on RAM's calculation of the total "standard ex-vessel value" of all permit landings—see below); or

Option Two: Pay an amount based in whole or in part on "actual" receipts from the sale of IFQ halibut or sablefish. However, if you choose to pay any portion of your fee based on actual receipts, you must be prepared to demonstrate (with those receipts) how much you were paid for those IFQ landings.

***For Registered Buyers acting as shoreside processors:*** Registered Buyers report to RAM how many pounds, by species, month, and port, of IFQ halibut and/or sablefish they purchased and how much they paid for the product. Reports are due at NMFS by October 15<sup>th</sup> of each year.

***Calculating "standard ex-vessel price" and "standard ex-vessel value":*** The Registered Buyer reports are essential for calculating the annual "standard ex-vessel prices" of IFQ fish. Upon receipt of the information, RAM computes the average price paid by species, month, and port (or groups of ports). The resulting numbers are the suite of "standard ex-vessel prices" for that year and the basis for calculating the "standard ex-vessel value" of each landing.

***Calculating the annual fee percentage:*** Regulations allow the fee to be no more than 3 percent of the ex-vessel value of the IFQ fish landed. Late in each fishing year, NMFS computes the costs of managing and enforcing the Program and the value of the IFQ harvest. If costs are less than expected and if prices paid for IFQ fish are higher than expected, the annual fee percentage could be adjusted downward for that year.

To determine the annual fee percentage, RAM considers the costs of management, enforcement, and the total "standard ex-vessel value" of all IFQ fish landed on all permits. If applying a 3 percent fee would recover revenues in excess of those needed, the percentage will be set at less than 3 percent. Notice of the new percentage will be published in the Federal Register and reflected in bills sent to permit holders.

***Payment of the fee:*** IFQ permit holders must pay their fees by January 31<sup>st</sup> of the year following the calendar year in which landings were made. Permit holders can pay fees electronically, online, or through the NMFS Alaska Region office. Failure to pay on time will result in the permit holder's Quota Share (QS)/IFQ becoming nontransferable and the person being ineligible to receive additional QS/IFQ by transfer.

Communication with RAM will provide ample opportunity for each IFQ permit holder to reconcile his or her account. However, if the individual continues not to pay, RAM will produce a formal determination and state the amount due. Any such formal determination may be appealed. **If the formal determination is not appealed and the account remains unpaid or underpaid, the matter will be referred to the U.S. Department of the Treasury for collection.**





Adult Short-Tailed Albatross on Feeding Grounds NOAA Fisheries

## SECTION V

### NMFS PROTECTED RESOURCES YEAR 2000 SEABIRD REPORT

**Research by the Washington Sea Grant Program (WSGP):** A two-year research study was initiated in 1999 to test seabird deterrents on active fishing vessels in two Alaska longline fleets: the IFQ sablefish fishery and the Pacific cod fishery. The goal of the research program is to develop methods to reduce the incidental capture of seabirds in Alaska longline fisheries without decreasing the target catch or increasing the bycatch of other species. Initial research results indicate that using paired streamer lines can reduce seabird bycatch by more than 90 percent. Fishermen who are already using paired lines on their vessels are reporting fewer birds being caught. Your use of effective measures is critical to the reduction of seabird bycatch.

**Revised Regulations:** The Council took final action on recommended changes to the existing seabird measures in April 1999. The NMFS Alaska Region decided to postpone rulemaking to revise the seabird avoidance measures that are required of vessel operators using hook-and-line gear for groundfish and Pacific halibut in waters off Alaska until final research results are available from the WSGP two-year study evaluating the effectiveness of seabird avoidance measures. These results guide the Council and NMFS in revising existing seabird regulations.

**Incidental Take Limits for the Endangered Short-Tailed Albatross:** The U.S. Fish and Wildlife Service (USFWS) anticipated up to two short-tailed albatross could be taken during the two-year period of 2000 and 2001 as a result of the Pacific halibut fishery off Alaska. No short-tailed albatross were reported taken in 2000 in the halibut fishery off Alaska.

The USFWS anticipated up to four short-tailed albatross could be taken during the two-year period of 1999 and 2000 as a result of the groundfish longline fisheries in the Bering Sea and Aleutian Islands (BSAI) and Gulf of Alaska (GOA). This incidental take limit was extended into 2001. No short-tailed albatross were reported taken in 1999 or 2000 in the groundfish longline fisheries off Alaska.

All observations and takes of short-tailed albatross are to be reported to the USFWS (see below). Any short-tailed albatross brought aboard dead must be retained, frozen, and shipped immediately to:

Field Supervisor

U.S. Fish and Wildlife Service, Ecological Services

605 W. 4<sup>th</sup> Avenue, Room G62

Anchorage, Alaska 99501

Phone: (800) 272-4174

Fax: (907) 271-2786

**Logbooks:** Please continue to record in your logbooks (catcher vessel groundfish/IFQ daily fishing or catcher/processor groundfish/IFQ daily cumulative production) what type of seabird avoidance gear you use for each set. NMFS will use this data to make improved estimates of seabird bycatch levels.

**NMFS Developing a Monitoring Plan in the Pacific Halibut Fishery for the Short-Tailed Albatross:** NMFS is required to prepare and implement a plan to investigate all options for monitoring the Pacific halibut fishery in waters off Alaska for take of short-tailed albatross. NMFS recently announced the availability of a report intended to identify the best and most practical options for monitoring the incidental catch of the endangered short-tailed albatross in the Pacific halibut fishery in federally-managed waters off Alaska. NMFS will use the report to prepare and implement a monitoring plan for these seabirds. At the request of NMFS, the IPHC prepared the report to provide information necessary for determining a suitable and cost-effective method to monitor the Pacific halibut fishery for seabird bycatch. NMFS will begin the development of this monitoring plan in early 2001 and will actively seek the input of halibut fishermen, who may be affected by such a plan. NMFS will also work with the USFWS, the IPHC, and the Council. As it becomes available, more information on this developing plan is on the NMFS website at [www.alaskafisheries.noaa.gov](http://www.alaskafisheries.noaa.gov) .

**Please report Observations or Interactions with the Short-Tailed Albatross to the USFWS:** Use the form mailed to you with your 2001 IFQ permit (or use the form available on our website at [www.alaskafisheries.noaa.gov/protectedresources/seabirds/repform.pdf](http://www.alaskafisheries.noaa.gov/protectedresources/seabirds/repform.pdf) ). The USFWS is interested in where these birds are being encountered. For additional information, contact NMFS Protected Resources Division at (907)586-7424, or visit the NMFS Alaska Region website at [www.alaskafisheries.noaa.gov/protectedresources/seabirds.htm](http://www.alaskafisheries.noaa.gov/protectedresources/seabirds.htm) .

**APPENDIX**

**DESCRIPTION OF THE**

**HALIBUT AND SABLEFISH IFQ PROGRAM**

**A Brief History of the IFQ Program**

In December of 1991, the Council proposed an IFQ Program as the best alternative to address problems associated with excess harvesting capacity in the Pacific halibut and sablefish longline fisheries off Alaska. The decision to propose an IFQ Program resulted from years of discussion and debate about the best way to address the problems created by overcapitalization in the fisheries (sometimes expressed as “too many boats chasing too few fish”). These problems included short “derby” openings (in most cases, seasons lasted less than a week), lost gear (and resulting “ghost fishing”), gear conflicts, safety concerns, poor product quality, low ex-vessel prices, and a host of other issues.

The IFQ approach was chosen to provide fishermen with the authority to decide the amount and type of investment they wished to make to harvest the resource. By guaranteeing a certain amount of catch at the beginning of the season, and by extending the season over a period of 8 or more months, those who held the IFQ could determine where and when to fish, how much gear to deploy, and how much overall investment in harvesting they would make.

One way to achieve the advantages of such a program was to insure the transferability of quota from one person to another. However, concerns were expressed about allowing quota to be freely transferred. To address the fear that most of the quota could eventually be concentrated into very few hands (thus undermining the economies of fishery-dependent communities), and could be held by persons who do not fish (thus establishing a “landlord” class of quota holders), the Council designed a number of constraints to unrestricted transferability. This was done to ensure that the characteristics of the fleet that existed prior to the IFQ Program (an essentially “owner-operator” fleet of catcher vessels of various lengths) would not be fundamentally changed by the program.

Following further refinement, the Council’s IFQ proposal was approved by the Secretary of Commerce and finally published in the Federal Register in November of 1993. The IFQ Program is administered by the National Marine Fisheries Service, Restricted Access Management (RAM).

During the initial application period, more than 6,000 persons applied for more than 9,000 QS certificates (by area, species, and vessel category). From that pool of applications, RAM determined approximately 1,100 not to be eligible for QS, while some 650 others challenged part or all of the official records used to determine who received QS, what amount, and which type. RAM issued an Initial Administrative Determination (IAD) to all applicants whose claims were denied in whole or in part. An appeal process within the Office of Administrative Appeals (OAA) allowed an appellant to appeal a Final Agency Action (a decision of the OAA that had been published for 30 days) to the federal courts.

## **General IFQ Program Description**

Under the IFQ Program, eligible persons were issued QS based on halibut and sablefish landings made aboard vessels that they owned or leased during the late 1980s and in 1990. Applications for initial issuance of QS were received and processed by RAM. The application deadline was July 1994, and most applications were received in 1994. Issuance of QS to eligible applicants began in November of 1994.

To determine how many pounds of fish a QS holder may harvest during each year's fishing season (i.e., the person's annual IFQ), RAM first establishes the QS Pool (QSP) for both species and each regulatory area. There are eight halibut regulatory areas and six sablefish regulatory areas. The QSP is the sum of all the QS units that have been issued in a given area for each species. RAM calculates the QSP annually (on January 31), which varies slightly from year to year due to administrative adjustments.

After fisheries managers determine what the annual Total Allowable Catch (TAC) will be, each QS holder's QS for the area is divided by that area's QSP and the resulting fraction is then multiplied by the TAC. This equation yields the number of pounds of IFQ that a QS holder may harvest that year, before adjustments for the previous year's fishing activity. Put simply, the above explanation can be expressed in this equation:

$$\text{QS} \div \text{QSP} \times \text{TAC} = \text{IFQ}$$

Note that although a person's QS remains the same, and the QSP may vary by a slight amount from year to year, the TAC may change significantly annually, depending on the condition of the stocks. As the TAC rises, so does each person's IFQ; as it declines, each person's IFQ likewise decreases.

In this manner, the total annual TAC is divided up; those to whom IFQ permits have been issued may then harvest their share at any time during the eight plus-month IFQ halibut and sablefish seasons. Those who do not hold QS are generally excluded from the fisheries, although the program contains several very limited provisions for "leasing" IFQ. Administrative actions provide for some limited adjustments to annual IFQ permit amounts resulting from underages or overages of IFQ the prior year; however, significant fishing in excess of an IFQ permit is a violation.

## **Other Significant Program Elements**

As noted above, the Council took steps to insure that QS would not eventually be consolidated into a very few hands. To accomplish this goal, strict limits on how much QS can be held by any person are imposed on QS holders (persons who received more than the "cap" by initial issuance were "grandfathered" in; however, they may not receive more QS by transfer). Caps on vessel use ensure continued participation by at least a minimum number of vessels. Catcher vessel QS categories help maintain the size stratification of the fleet. Refer to Section 1, page 3, for a breakdown of the annual QS use and vessel IFQ caps.

In addition to the caps, the Council has provided for QS blocking provisions. Under this program element, QS that originally yielded less than 20,000 pounds of IFQ (using the 1994 QSPs and TACs) was issued as a block, and such blocks may not be subdivided upon transfer. Further, no

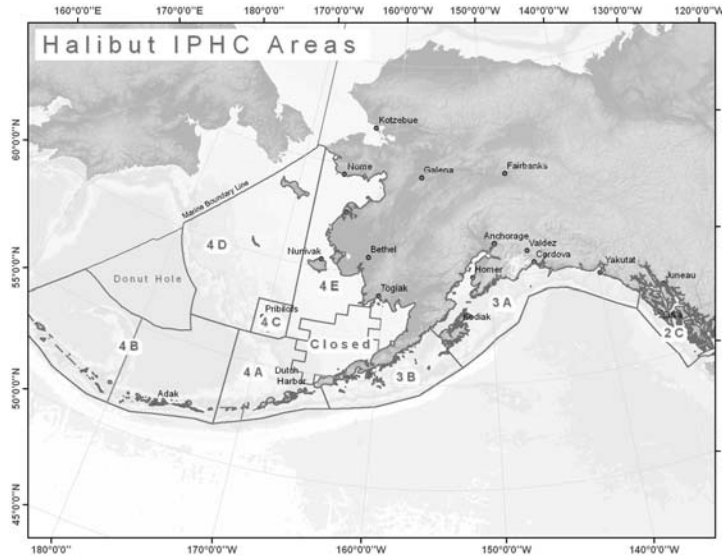
person may hold more than two blocks of QS for the same species in any regulatory area (or one block and unblocked QS up to the cap). In this way, smaller amounts (blocks) of QS will always be available for those who wish to enter the fishery by getting QS by transfer.

To meet the goal of an owner-operated fleet, catcher vessel QS may only be transferred to individuals, and those individuals must be aboard the vessel when the fish are harvested and landed. In recognition of historical fishing practices, initial issuees may hire skippers (with some exceptions) to fish their annual IFQ. Currently, the QS holder must demonstrate that she or he holds at least a 20 percent ownership interest in the vessel on which the IFQ is to be fished.

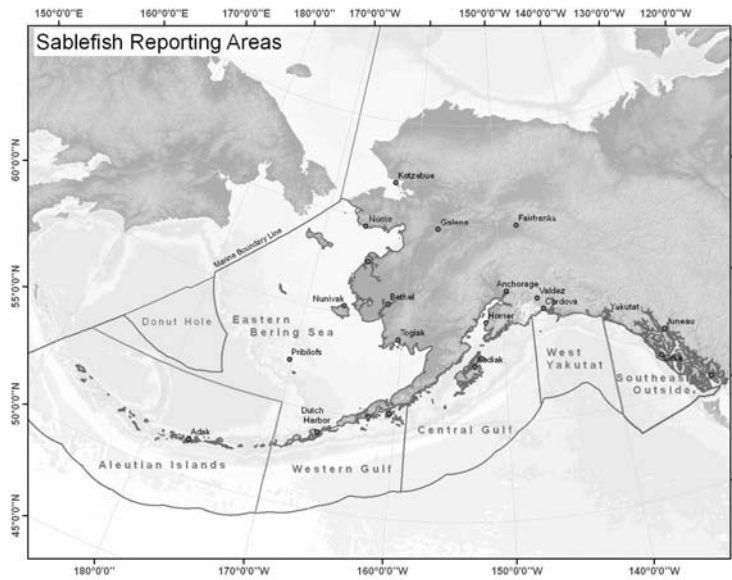
Quota share and the annual IFQ that it yields are classified by species, regulatory area, and vessel category. A variety of restrictions regarding harvesting, landing, and reporting IFQ fish are also in place. Although there is no space here to discuss these in detail, more information about program restrictions is available in the IFQ regulations on the NMFS website [www.alaskafisheries.noaa.gov](http://www.alaskafisheries.noaa.gov) or by contacting RAM.

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# HALIBUT AND SABLEFISH IFQ REGULATORY AREAS



**Figure A.1 Halibut IFQ Regulatory Areas**



**Figure A.2 Sablefish IFQ Regulatory Areas**