



Pacific Halibut–Sablefish IFQ Report
Fishing Year 2007



Fleetscape, Sand Point, Alaska

Photograph is courtesy of NOAA Fisheries

Alaska Region, NOAA Fisheries (NMFS)
Restricted Access Management (RAM)
April 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 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

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Since May 2007, the *Report to the Fleet* publications have been under new title.

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SECTION 1

TACs, Caps, and Regulations

2007 SEASON

The 2007 Individual Fishing Quota (IFQ) season for halibut and sablefish opened at noon Alaska local time (ALT) on March 10 and ended at noon ALT on November 15. This section of the report includes information on calculations of 2007 IFQ amounts, 2007 quota share (QS) use and vessel IFQ caps, and changes to the regulations that came into effect for that fishing year.

CALCULATIONS

Annual IFQ permit amounts are calculated using a simple formula dependent on annual total allowable catch (TAC) limits, a person's QS holdings, and the sum of all units issued.

For each area in which a person holds QS, the amount of QS held is divided by the amount of all the QS issued for that area (the Quota Share Pool, or QSP). The resulting fraction is then multiplied by the TAC for that area. The equation yields the number of pounds of IFQ that a person is entitled to harvest for a year, derived from QS held. Simply stated, it looks like this:

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

In many cases, the 2007 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. The U.S. adopted annual "TACs" for halibut and sablefish based on recommendations by the International Pacific Halibut Commission (IPHC) and the North Pacific Fishery Management Council (Council), respectively, before the 2007 season started. The annual permit accounts were calculated using January 31 QSPs. Table 1.1 shows those amounts and the "ratio" between the QSP and the TAC for each area; this ratio shows how many units of QS were needed to yield one pound of IFQ.

Table 1.1 2007 Quota share pools (QSPs) and total allowable catches (TACs)

Species and Area	2007 Quota Share Pool ^a (units)	2007 IFQ TAC ^{b,c} (pounds)	Ratio ^{d,e} (QS:IFQ)
Halibut 2C	59,552,039	8,510,000	6.10
3A	184,911,315	26,200,000	7.06
3B	54,203,176	9,220,000	5.88
4A	14,587,099	2,890,000	5.05
4B	9,284,774	1,152,000	8.06
4C	4,016,352	933,250	4.30
4D	4,958,250	1,306,550	3.80
4E	139,999	0	0
<i>All Areas</i>	<i>331,653,004</i>	<i>50,211,800</i>	
Sablefish AI	31,932,492	3,716,956	8.59
BS	18,790,367	2,627,883	7.15
CG	111,686,632	10,917,179	10.23
SE	66,120,619	7,429,502	8.90
WG	36,029,579	4,356,290	8.27
WY	53,266,430	4,402,586	12.10
<i>All Areas</i>	<i>317,826,119</i>	<i>33,450,396</i>	

^a 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).

^b IFQ TACs do not include pounds that have been set aside for the CDQ program.

^c Halibut weights are in net (headed and gutted) pounds, and sablefish weights are in round pounds.

^d The "ratio" displays the number of units of QS that yield one pound of 2007 IFQ.

^e Numbers may differ from published data due to rounding.

2007 QUOTA SHARE USE AND VESSEL IFQ CAPS

The IFQ rules place limits on the amount of QS that yields IFQ that a person may hold (QS Use Caps) and on the amount of total IFQ pounds that can be landed from one vessel during a season (vessel IFQ caps). The following tables display the caps in effect during the 2007 season. Note the QS use caps are constant, based on the 1996 QSPs.

Table 1.2 2007 QS use caps

	Applicable %	Size of Relevant QSPs ^a	QS Use Cap
Halibut	1% of 2C QSP	59,979,977 QS units	599,799 QS units
	.5% of 2C, 3A, 3B	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	68,848,467 QS units	688,485 QS units
	1% of All QSPs	322,972,132 QS units	3,229,721 QS units

^a The “Relevant” QSPs for calculating the use caps for both halibut and sablefish are the 1996 QSPs.

Table 1.3 2007 vessel IFQ caps^a

	Vessel Use Cap %	2007 IFQ TAC	Vessel Use Cap
Halibut ^b	1% of 2C IFQ TAC	8,510,000 net lbs	85,100 net lbs
	.5% of All IFQ TAC	50,211,800 net lbs	251,059 net lbs
Sablefish ^b	1% of SE IFQ TAC	7,429,502 round lbs	74,295 round lbs
	1% of All IFQ TAC	33,450,396 round lbs	334,504 round lbs

^a Vessel IFQ caps are calculated based on the IFQ TACs only; CDQ TACs are not included in the calculations.

^b Halibut weights are in net (headed and gutted) pounds, and sablefish weights are in round pounds.

REGULATORY CHANGES EFFECTIVE IN 2007

Since the IFQ Program regulations were first published in November 1993, numerous administrative and programmatic changes have been made through regulatory changes. The following significant program changes were adopted during the 2007 fishing year:

NMFS published new regulations (72 FR 44795, August 9, 2007) that modify the IFQ Program for the fixed-gear commercial Pacific halibut and sablefish fisheries. This final rule was effective September 10, 2007, except for the information collection requirements, which were effective January 28, 2008.

- This final rule adopted five major program changes:
 1. allowed temporary transfers of IFQ for medical reasons,
 2. required a vessel monitoring system for vessels harvesting sablefish in the Bering Sea and Aleutian Islands,
 3. amended the block program for halibut by allowing a QS holder to hold three rather than two, by dividing halibut blocks in 3B and 4A that yield more than 20,000 pounds (9.1mt) into a block of 20,000 pounds and the remainder unblocked, and by increasing the halibut sweep-up level in 2C and 3A to 5,000 pounds (2.3 mt).
 4. allowed Category D QS to be fished on vessels less than or equal to 60 ft length overall in areas 3B and 4C, and
 5. provided for Category B catcher vessel QS for Area 2C halibut and Southeast Outside District sablefish to be fished on catcher vessels of any length rather than on vessels greater than 60 ft LOA.

- Vessel Documentation for Hired Masters

This final rule adopted a documentation requirement that an IFQ permit holder must submit to prove ownership of a documented vessel that a hired master will use. However, it did not include a proposed 12-month vessel ownership requirement for QS owners who use hired skippers.

- This final rule also adopted two administrative changes:
 1. clarified the existing regulation that once an IFQ permit holder has caught his or her total sablefish IFQ, the IFQ permit holder cannot catch additional IFQ sablefish in Alaska State or Federal waters.
 2. eliminated the term “IFQ card” and replaced it with “IFQ hired master permit.” The final rule extended this change to the CDQ Program, changing the term “CDQ card” to “CDQ hired master permit.” IFQ Permit holders are no longer issued “IFQ cards.”

Seabird Bycatch Reduction and Avoidance Measures

NMFS issued a final rule (72 FR 71601, December 18, 2007), effective January 17, 2008, that revised the seabird avoidance measures for the Alaska hook-and-line groundfish and halibut fisheries. The final rule strengthened gear standards for small vessels and eliminated certain unnecessary seabird avoidance requirements. This action was needed to revise seabird avoidance

measures based on the latest scientific information and to reduce unnecessary regulatory burdens and associated costs. See “NMFS Protected Resources Seabird Report” in Section 5 of this report for more information about this regulation, including a website with guides to understanding seabird bycatch reduction and avoidance measures.



**Kodiak Cannery Row viewed from the mouth of the Buskin River
NOAA Fisheries**

SECTION 2

The 2007 IFQ SEASON IN REVIEW

PERMITS AND LANDINGS

The 2007 IFQ season opened at noon (ALT) on March 10 and ended at noon ALT on November 15. A total of 6,082 IFQ permits (as defined by unique combinations of species, areas, and vessel categories), including 4,481 halibut permits and 1,601 sablefish permits, were active as of year-end 2007.

When the season ended November 15, those permits had been used by IFQ holders to report 6,646 vessel landings of IFQ halibut and 1,945 of sablefish, for a total harvest of approximately 98 percent of the IFQ halibut TAC and 90 percent of the IFQ sablefish TAC. The following tables display those landings by species, regulatory area, and IFQ pounds as reported by Registered Buyers. Area 4E is excluded because 100 percent of the TAC is allocated to the CDQ fishery in that area. These tables exclude at-sea discards.

Table 2.1 2007 IFQ halibut allocations and fixed-gear IFQ landings

Species/Area	Vessel Landings ^a	Area IFQ TAC ^b	Total Harvest	Percent Harvested ^{c,d}
Halibut 2C	2,675	8,510,000	8,304,159	98
3A	2,725	26,200,000	25,957,340	99
3B	737	9,220,000	9,216,714	100
4A	289	2,890,000	2,775,332	96
4B	88	1,152,000	1,088,443	94
4C	80	933,250	106,930	11
4D	52	1,306,550	1,879,795	144
Total	6,646	50,211,800	49,328,713	98

^a 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.

^b Halibut weights are in net (headed and gutted) pounds.

^c Due to over- or underharvest of TAC and rounding, percentages may not total 100 percent.

^d Permit holders may fish IFQ designated for Area 4C in either Areas 4C or 4D. In 2007, the total amount of 4C allocation harvested in 4D was 856,410 pounds. This resulted in an apparent, but allowable, "excessive harvest" in Area 4D.

Table 2.2 2007 IFQ sablefish allocations and IFQ landings

Species/Area	Vessel Landings ^a	Area IFQ TAC ^b	Total Harvest	Percent Harvested ^c
Sablefish AI	75	3,716,956	1,608,434	43
BS	137	2,627,883	1,763,887	67
CG	632	10,917,179	10,862,813	100
SE	664	7,429,502	7,356,705	99
WG	181	4,356,290	4,092,359	94
WY	256	4,402,586	4,389,985	100
Total	1,945	33,450,396	30,074,183	90

^a 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.

^b Sablefish weights are in round pounds.

^c Due to over-or-underharvest of TAC and rounding, percentages may not total 100 percent.



Harborside, Kodiak, Alaska

NOAA Fisheries

RATE OF IFQ HARVEST

Halibut

Figure 2.1 displays the pattern and rate of IFQ halibut harvest by month, year, and percent of TAC for the IFQ fishing years. Since 1995, the monthly pattern of the IFQ halibut harvest has been consistent, although season dates varied by as much as a few weeks among years.

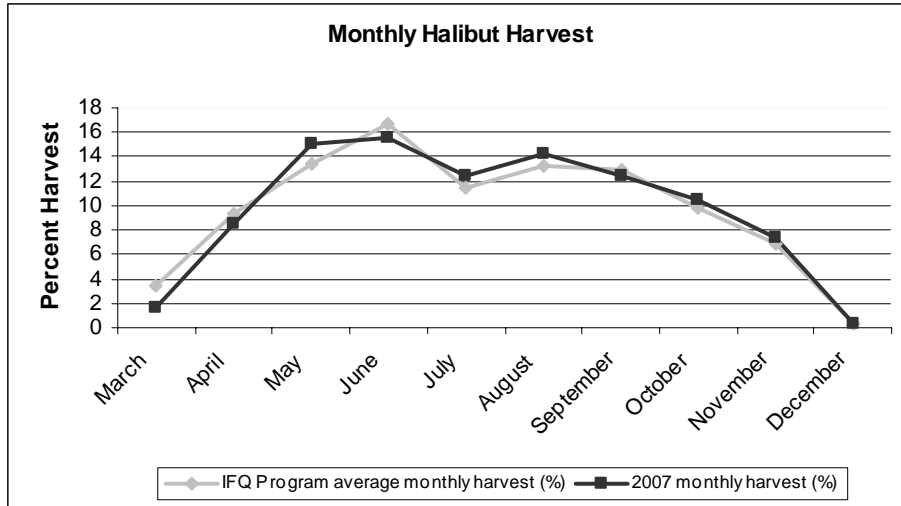


Figure 2.1 Average Monthly IFQ Halibut Harvest (1995–2007) and 2007 Monthly Halibut Harvest (%)

Sablefish

Figure 2.2 displays the pattern and rate of IFQ sablefish harvest by month, year, and percent of TAC for the IFQ fishing years. Since 1995, the monthly pattern of the IFQ sablefish harvest has been consistent, although season dates varied by as much as a few weeks among years.

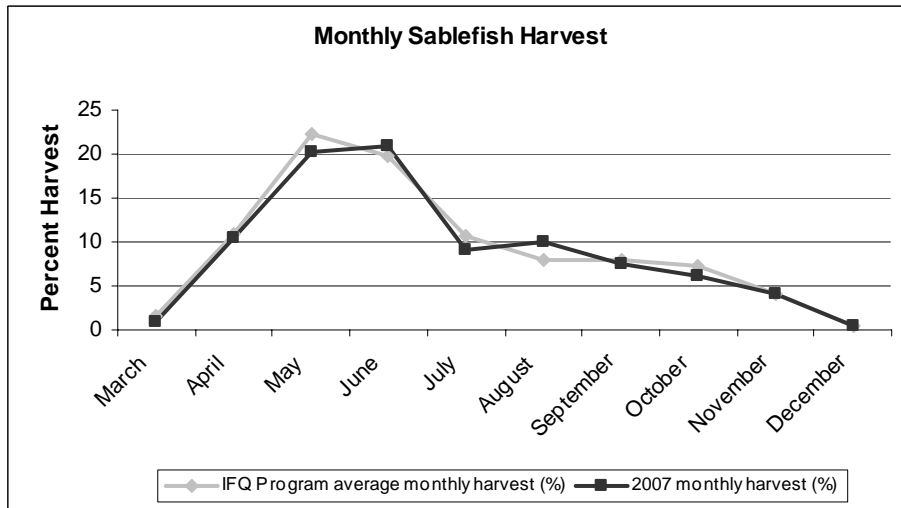


Figure 2.2 Average Monthly IFQ Sablefish Harvest (1995–2007) and 2007 Monthly Sablefish Harvest (%)

ALASKA'S TOP 10 PORTS

Halibut

This table displays the top ten Alaska ports in which IFQ halibut were landed. These top ports have remained relatively constant over the past twelve years, while the percentage of IFQ halibut landed outside Alaska has steadily decreased. No port dropped out of the top ten group in 2007, although Petersburg and Juneau switched port positions with each other to 6th and 7th port, respectively. During 2007 all other ports held their 2006 port positions.

Table 2.3 Top ten Alaska halibut ports in rank order for 2007 performance, 1995–2007

Port	2007 Net pounds landed ^a	2007 Percent of total landed	2007 Rank	2006 Rank	2005 Rank	2004 Rank	2003 Rank	2002 Rank	2001 Rank	2000 Rank	1999 Rank	1998 Rank	1997 Rank	1996 Rank	1995 Rank
Homer	9,868,381	20.01	1	1	1	1	1	1	1	1	1	1	3	2	2
Kodiak	8,566,482	17.37	2	2	2	2	2	2	2	2	2	2	1	1	1
Seward	5,539,427	11.23	3	3	3	3	3	3	4	4	3	3	4	3	5
Sitka	3,484,274	7.06	4	4	5	6	6	7	5	6	6	5	5	5	3
Dutch/Unalaska	3,237,771	6.56	5	5	4	4	4	4	3	3	4	4	2	4	4
Petersburg	2,405,955	4.88	6	7	7	8	8	8	7	7	7	6	6	6	6
Juneau	2,197,704	4.46	7	6	6	7	7	6	6	5	5	7	8	8	13
Sand Point	1,832,735	3.72	8	8	8	5	5	5	11	10	14	13	13	15	15
Yakutat	1,690,367	3.43	9	9	11	19	27	14	10	13	10	10	10	13	10
Cordova	1,424,325	2.89	10	10	9	11	10	10	6	9	9	10	7	7	8
All ports^b	47,959,516	NA													

^a Halibut weights are in net (headed and gutted) pounds.

^b "All ports" includes additional Alaska ports.

Sablefish

As the following table displays, the top ten Alaska ports in which the IFQ sablefish were landed have remained relatively constant over the past twelve seasons. During 2007 no port “fell out” of the top ten, and Seward, the top port, held its port position. Dutch Harbor/Unalaska, Yakutat, and Cordova rose in port rank as Sitka, Homer, Sand Point, and Juneau each slipped one port position.

Table 2.4 Top ten Alaska sablefish ports in rank order for 2007 performance, 1995–2007

Port	2007 Rounded pounds landed ^a	2007 Percent of total landed	2007 Rank	2006 Rank	2005 Rank	2004 Rank	2003 Rank	2002 Rank	2001 Rank	2000 Rank	1999 Rank	1998 Rank	1997 Rank	1996 Rank	1995 Rank
Seward	5,173,959	17.20	1	1	1	1	1	1	1	1	1	1	1	1	1
Dutch/Unalaska	4,419,584	14.70	2	3	2	2	3	3	3	3	2	2	2	2	2
Sitka	4,351,430	14.47	3	2	3	3	2	2	2	2	4	4	4	4	3
Kodiak	3,485,491	11.59	4	4	4	4	5	5	4	4	3	3	3	3	4
Yakutat	1,824,228	6.07	5	7	5	5	4	4	5	6	5	6	9	8	9
Homer	1,711,417	5.69	6	5	8	6	7	9	12	13	12	12	11	11	12
Sand Point	1,364,691	4.54	7	6	9	14	12	10	10	7	6	5	5	6	5
Petersburg	1,243,096	4.13	8	8	10	9	8	7	9	10	8	9	10	5	7
Cordova	937,478	3.12	9	10	7	8	9	6	7	5	7	7	8	13	9
Juneau	886,532	2.95	10	9	6	7	6	8	6	9	9	10	7	7	8
<i>All ports^b</i>	28,435,314	<i>NA</i>													

^a Sablefish weights are in round pounds.

^b “All ports” includes additional Alaska ports.

HIRED SKIPPER ACTIVITY

A central policy of the IFQ Program is that those who hold catcher-vessel QS and receive annual IFQ permits should, over time, exercise the harvest privilege themselves. This is the so-called “owner-onboard” policy, which does not apply to “freezer vessel” (category “A”) shares that may be leased without restriction. The IFQ Program is designed so that eventually all catcher-vessel IFQ will be fished by the QS/IFQ holders.

An element of the program is that, during a transitional period, some persons may (and others must) designate a “master” (or “hire a skipper”) to do the fishing authorized by their annual IFQ permit. Under current regulations, the IFQ permit holder may not hire a skipper unless the permit holder holds an ownership interest of at least 20 percent of the vessel upon which the IFQ is to be fished by that skipper (an exception to this rule results in a small number of permit holders allowed to hold less than 20 percent). One way of looking at this provision is that it is a “grandfather” provision — vessel owners who, before the IFQ Program was implemented, were able to hire someone else to run the vessel owners’ boats, may continue to do so. However, as individuals depart from the fishery, and as corporations and partnerships dissolve over time, the new entrants who take their place must be onboard when the fish are caught.

During the 2007 IFQ season, 319 distinct skippers participated in the IFQ fisheries for both species in all areas and QS categories. Of these skippers, 282 Hired Skippers harvested 20,325,611 pounds of IFQ halibut (head off, gutted), which was approximately 41 percent of the IFQ halibut landed. Also during the season, 195 Hired Skippers harvested 17,645,368 pounds of sablefish (round weight), which was approximately 59 percent of IFQ sablefish landed.

Persons who “must” hire masters are all nonindividuals; persons who “may” hire masters are individual initial issuees. Under federal regulations, at any time an individual initial issuee may form a new solely owned corporation and transfer in QS holdings. In such cases, the individual loses his/her initial issuee status. Initial issuee individuals with NMFS loans must be onboard for the loan duration and are subject to other contract provisions. Although masters may not be used by individuals in areas 2C (halibut) and SE (sablefish), these persons are included because they may purchase QS in other areas at any time. Persons who cannot hire masters are individuals who are not initial issuees. Table 2.5 summarizes Category B, C, and D QS holders and their ability to hire masters.

Table 2.5 2007 Category B, C, and D QS holders, their ability to hire Masters, and percentages of the B, C, and D QS pool held

Species	Number of persons who must hire masters	“Must hire” persons as percent of total B, C, D holders	Percent B, C, and D QS pool held by “must hire” persons	Number of persons who may hire masters	“May hire” persons as percent of total B, C, D holders	Percent B, C, and D QS pool held by “may hire” persons	Number of persons who may not hire masters	“May not hire” persons as percent of total B, C, D holders	Percent B, C, and D QS pool held by “may not hire” persons	Total number of B, C, D QS holders
Halibut	139	5	20	1,841	60	52	1,075	35	28	3,055
Sablefish	89	11	28	422	53	47	290	36	25	801

Table 2.6 displays the number of hired skippers who fished during 2007 by species, area, TAC, and IFQ pounds and percent TAC harvested. Individuals who initially received QS may not hire a skipper to fish their IFQ permit in 2C(halibut) or SE (sablefish). These data include QS of all categories.

Table 2.6 Number of Hired Skippers by species, area, TAC, IFQ pounds, and percent TAC harvested

Species/Area	Number of Hired Skippers	IFQ Pounds harvested	Area IFQ TAC	Percent TAC
Halibut 3A	151	4,890,907	26,200,000	18.7
3B	84	2,379,080	9,220,000	25.8
4A	35	659,082	2,890,000	22.8
4B	18	231,924	1,152,000	20.1
4C	1	23,444	933,250	2.5
4D	15	512,280	1,306,550	39.2
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Sablefish AI	11	126,924	3,716,956	3.4
BS	7	132,415	2,627,883	5.0
CG	73	2,845,272	10,917,179	26.1
WG	25	1,088,005	4,356,290	25.0
WY	43	895,257	4,402,586	20.3

EFFECTS OF UNDERAGE AND OVERAGE ADJUSTMENTS OF ANNUAL IFQ PERMITS ON FUTURE YEAR PERMITS

IFQ regulations provide for administrative adjustment of IFQ permits because of underages and overages of QS the prior year. If IFQ pounds remain unfished, a “use it or lose it” provision limits the amount of poundage that may be carried over to the following year. If a person exceeds a permit by a small percentage, the next year the QS holder may see a permit account debit; since 1998, a large permit overage results in enforcement action without future administrative adjustment. Therefore, the debit or credit adjustment to the QS holder’s permit may be less than the actual number of pounds that were under- or overfished the prior year.

NMFS applies administrative adjustments at the beginning of each fishing year when annual IFQ accounts are created and IFQ pounds are allocated to QS holders. Administrative adjustments “follow the QS” so that the adjustment is computed for the permit of the person(s) who, at the beginning of a year, holds the QS associated with the IFQ that was under- or overfished the prior year.

The following tables show the net adjustments to 2007 IFQ halibut and sablefish permits from

under- and overfished IFQ pounds during 2006, including adjustment *averages* from 1996 through 2007. “Net adjustment” is the sum of all credits and debits applied to all IFQ permits.

In every year since the beginning of the program, adjustments from underages (including permits entirely unfished) have exceeded those from overages, resulting in net positive adjustments to IFQ permits. In 2007 this trend continued; had all additional adjustment pounds been harvested with no underfishing, the allotted annual IFQ TAC would have been exceeded by the pounds and percentages indicated in the tables.

Table 2.7 Net Adjustments to IFQ halibut permits with yearly averages, derived from underages and overages of prior year permits

Species/category	2007	Averages 1996 ^a –2007
Halibut ^b		
All areas net adjustment	771,626	940,776
All areas annual IFQ TAC	50,211,800	54,308,483
All areas percentage by which TAC could be exceeded	2	2

^a The IFQ Program started in 1995; the first adjustments were made to 1996 annual IFQ permits.

^b Halibut data are in net weight (head off, gutted) pounds.

Table 2.8 Net Adjustments to IFQ sablefish permits with yearly averages, derived from underages and overages of prior year permits

Species/category	2007	Averages 1996 ^a –2007
Sablefish ^b		
All areas net adjustment	865,629	911,245
All areas annual IFQ TAC	33,450,396	32,295,884
All areas percentage by which TAC could be exceeded	3	2

^a The IFQ Program started in 1995; the first adjustments were made to 1996 annual IFQ permits. The 1996 adjustment data are not available.

^b Sablefish data are in round weight pounds.

REGISTERED BUYERS

An IFQ Registered Buyer (RB) must report landings of IFQ halibut and sablefish. Table 2.9 displays the number and types of Registered Buyer permits issued by RAM for 2007 and the number of Registered Buyers that reported landings this fishing season. RBs must obtain a permit for each facility at which IFQ fish or CDQ halibut is received and each catcher-processor vessel. RAM issued 155 fewer permits in 2007 than in 2006, yet the percentage of reported landings rose by eight percent this fishing year.

Table 2.9 Number and type of Registered Buyer permits, 2007

Type of RB ^a	Permits Issued	Permits with Landings	Percent Reporting Landings ^b
Buyer-Broker	102	32	31
Catcher-Seller	219	50	23
Retail	42	18	43
Mothership	5	0	0
Tender	13	4	31
Catcher-Processor	90	33	37
Restaurant	16	3	19
Shoreplant	119	77	65
Other	30	10	33
Total (not additive)	483	173	36

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

^b Because percentages are rounded, they may differ slightly from actual data.

Although ten fewer RB permits were used to report halibut landings than in 2006 (and four more were used to report sablefish landings), the number of mean pounds reported for both species increased. For a broader between-year comparison spanning the last ten years, parentheses in Table 2.10 show the 1997 fishing-year counts of significantly more Registered Buyers and less IFQ harvest yield for both species. Over the last decade, the number of Registered Buyers has dropped by more than half for those reporting halibut landings and by about one third for sablefish landings. Mean pounds per RB have risen steadily for both IFQ species over the past ten years.

Table 2.10 Mean IFQ pounds and landings by species, 1997 (in parentheses) and 2007

Species	Registered Buyers Reporting Landings	Mean Pounds
Halibut	135 (275)	365,398 (179,253)
Sablefish	82 (128)	366,833 (223,838)

ELANDINGS

Registered Buyers must report IFQ landings electronically using the Internet (with permission, a backup paper submission system is available). Real-time accounting of individual harvests contributes significantly to accurate management of each IFQ holder's IFQ accounts and supports inseason transfers. Of two Internet systems available, the more comprehensive one, the Interagency Electronic Reporting System (IERS) and its data-entry component, eLandings, is becoming the standard reporting method. However, training and transitioning thousands of users to eLandings is still in progress. During 2007, Registered Buyers reported 9,376 vessel landings: 5,717 through IERS, 3,399 by the NMFS Web, and 260 manually. Figure 2.3 illustrates the transition toward IERS.

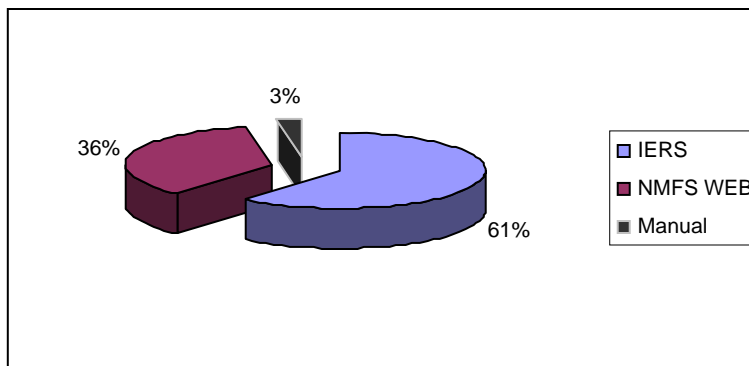


Figure 2.3 Reporting Methods (%) for IFQ Halibut and Sablefish Landings, 2007

NOAA IFQ ENFORCEMENT ACTIVITIES



NOAA IFQ Enforcement Office, Kodiak, Alaska NOAA Fisheries

Partners

The U.S. Coast Guard and the National Marine Fisheries Service (NMFS) Alaska Enforcement Division (AED/AKD) enforce the regulations that govern fishing under the IFQ Program. In addition, AED has created a partnership with the State of Alaska Department of Public Safety through Joint Enforcement Agreements (JEAs). These JEAs assist AED in enforcing IFQ and other federal fishing regulations. The AED and U.S. Coast Guard periodically report on enforcement activities to the Council. More detailed enforcement information is available online at nmfs.noaa.gov/ole/ak_alaska.html.

Joint Enforcement Agreements (JEAs)

The Alaska State Troopers assist AED/AKD by using Troopers and Public Safety Technicians to carry out dockside boardings and inspections and at-sea patrols. The state conducts these duties under authority of a Cooperative Enforcement Agreement and is funded through JEAs.

AED and Trooper inspection methods vary and include audits, inspections, and Community Oriented-Policing and Problem Solving (COPPS) contacts. An IFQ audit consists of a vessel boarding with a full examination of all fish, permits, logbooks, and other checks that are specific to that offload. An audit includes monitoring the offloading of fish throughout the entire offload. However, an IFQ inspection does not include monitoring the entire offloading process. An IFQ COPPS contact is a short interaction between authorities and the vessel operator, intended primarily to answer the operator's questions and to provide regulatory information. Because NMFS AED is primarily responsible for offload monitoring, accounting for IFQ shipments, and investigating fraud and other illegal activities, vessel inspections, audits, and educational outreach continue to be major components of the IFQ enforcement strategy.

During 2007, JEA conducted 268 inspections with an additional 212 audits and no COPPS contacts.

AED Effort

In 2007 the AED and State of Alaska personnel (through JEAs) completed 661 IFQ halibut and sablefish vessel boardings. This number includes both halibut and sablefish vessel boardings because AED boardings are intended to ensure compliance with all IFQ and IPHC regulations and do not focus on collecting species-specific data. JEA resources focused not only on IFQ halibut and sablefish but also on Bering Sea crab inspections and audits. The increased crab monitoring reduced the number of IFQ halibut and sablefish vessel boardings in 2007 by State of Alaska personnel. However, the percentage of IFQ halibut and sablefish vessels boarded by

NOAA and JEA personnel has nearly doubled since 2004. This is due to the trend of increasing boardings and decreasing IFQ halibut and sablefish offloads.

Of the 6,646 documented IFQ halibut landings, the IFQ database flagged 454 (6.8 percent) potential violations for landing errors. Most errors were administrative, caused by Registered Buyers entering incorrect information on an IFQ Landing Report.

Table 2.11 shows the number of agency IFQ vessel boardings for each inspection method and COPPS contact during the fishing season.

Table 2.11 IFQ vessel boardings for combined halibut and sablefish, 2007

Boardings	IFQ Inspections	IFQ Audits	IFQ COPPS	Agency Total
NOAA	138	22	21	181
JEA	268	212	0	480
Total	406	234	21	661

Figure 2.3 shows the numbers and types of violations of IFQ halibut regulations in 2007. The Prior Notice of Landing (PNOL) violations were of two types—either no PNOL (20) or inaccurate information provided on the PNOL (16). Note that data in Figure 2.3 exclude IPHC halibut violations. PNOL violations composed 38 percent of all IFQ halibut violations, overages made up 37 percent, and reporting 22 percent. Permits (3 percent) were the least percentage of violations.

Compared with fishing year 2006 IFQ halibut violations, PNOL violations doubled and overage violations rose from 26 to 34. Permit violations decreased by more than half. During 2007 the number of reporting violations did not change from those in fishing year 2006, but total observed violations increased by 22 since last season.

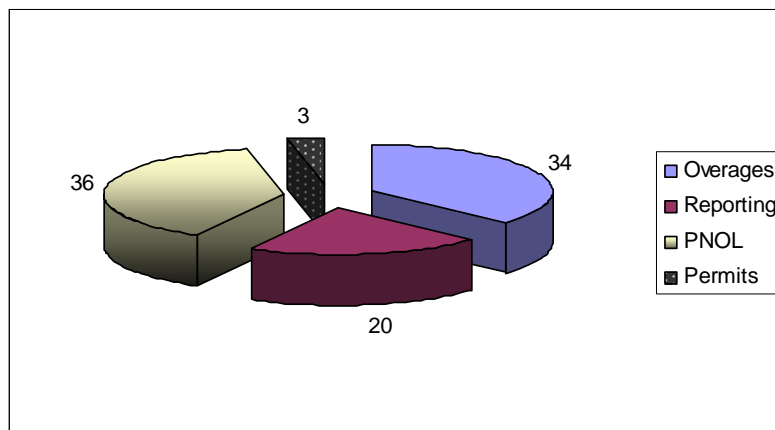


Figure 2.3 Types and numbers of IFQ Halibut Violations in 2007

AED 2007 Season Summary

Figure 2.4 shows the percentage of IFQ halibut or sablefish violations compared with violations in other halibut programs. For a broader IFQ violation view, Figure 2.5 illustrates the percentage of IFQ violations compared with other violation types during 2007. Both figures clearly illustrate that IFQ violations are a principal concern for regulation compliance.

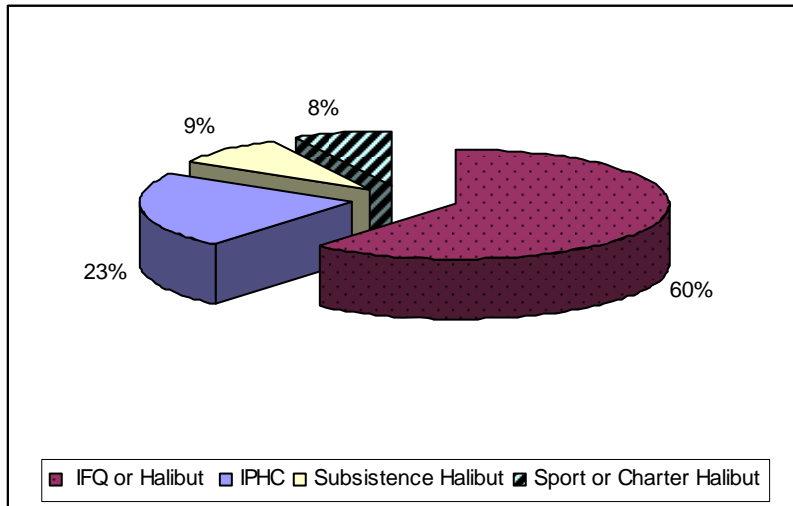


Figure 2.4 IFQ Violations (%) Among Halibut Programs, 2007

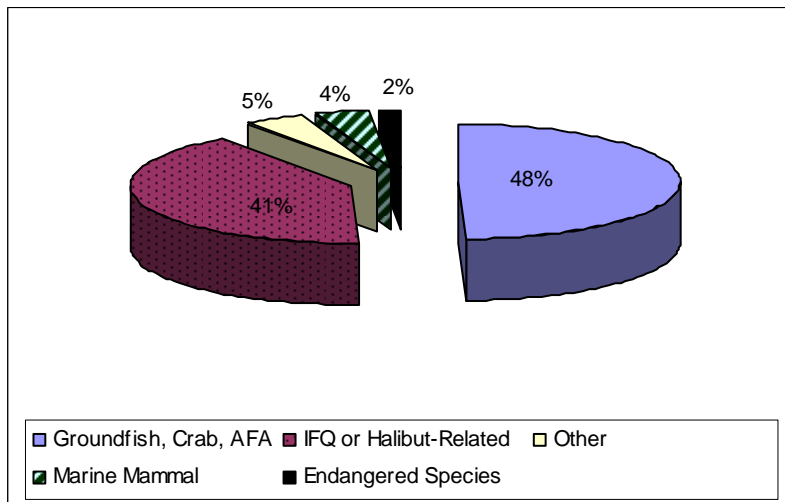


Figure 2.5 IFQ Violations (%) Among Regulation Types, 2007

U.S. COAST GUARD IFQ ENFORCEMENT

Duties

The U.S. Coast Guard focuses its efforts at sea. Since 2006 NMFS Alaska Enforcement Division (AED) has monitored offloads and provided after-hours surveillance.

IFQ Patrol Effort

IFQ enforcement patrol effort by smaller cutters (patrol boats and buoy tenders) in Alaska remained relatively unchanged in 2007 (Figure 2.6). Although major cutter hours were down 28 percent from those in 2006, effort was still much higher than during 2001–2005.

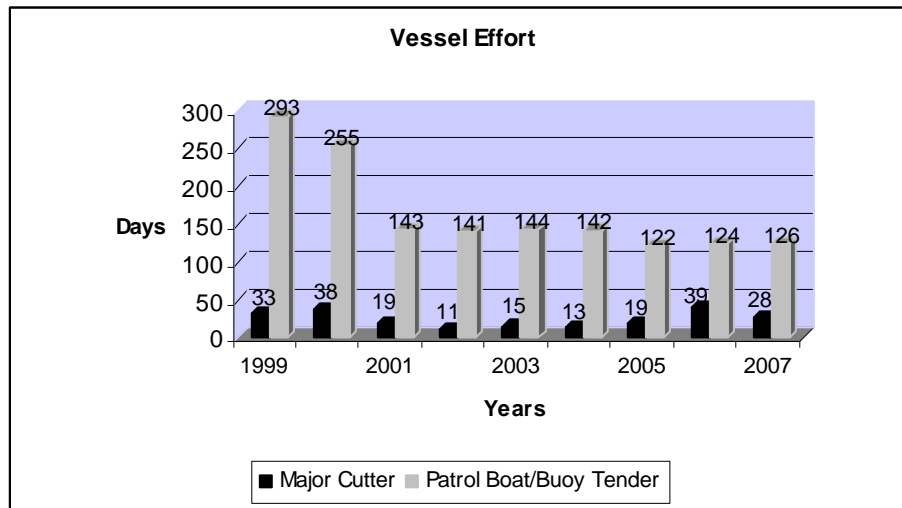


Figure 2.6 1999–2007 IFQ Patrol Effort

Aircraft IFQ Patrol Effort

Stability of the IFQ fishery and very low rates for significant IFQ violations and Search and Rescue (SAR) cases have allowed the USCG to gradually shift some patrol effort to maritime security and other fisheries mission areas. This trend is evident during 2007 in helicopter IFQ patrol hours (down 35 percent since 2004). Helicopter patrols in 2007 totaled 719 hours, a 10 percent decrease from the 798 hours during 2006. However, HC-130 aircraft IFQ patrol hours remained the same as the 2006 effort (228 hours). HC-130 hours are expected to return to the higher levels of 2004 and 2005 when a disabled HC-130 is replaced.

IFQ At-Sea and Dockside Effort

After eliminating shoreside enforcement in 2006, during 2007 USCG enforcement personnel focused exclusively on at-sea boardings, which declined 11 percent (176) from the 198 boardings during 2006. However, boardings were, on average, 36 percent higher than boardings completed from 2003 through 2005. Protecting resources through at-sea boardings was possible this year because of AED's increased capacity to monitor offloads with their personnel and through JEAs with the State of Alaska. Historically, shoreside violations detected by the USCG have

consistently been minor and generally administrative. Consequently, the USCG determined that more significant resource protection was possible by at-sea boardings. Table 2.12 displays recent dockside IFQ monitoring effort and at-sea boardings and violations. Fewer at-sea boardings during 2007 may account for the lower quantity and rate of observed violations, which were at an historic low. However, the quantity of violations observed may reflect an increase in compliance by the fact that the USCG violation rate (5.7 percent) has dropped nearly in half since 2005 and 2006, when rates were 10 percent.

Table 2.12 Comparison of USCG at-sea and dockside IFQ boarding and monitoring, 2005–2007

IFQ Boardings/Violations	2007 Violations	2006 Violations	2005 Violations
At-Sea boardings	176	198	102
Dockside monitors ^a	0	0	44
Boardings/monitors w/fishery violations	10	19	14
Violation rate (percent) ^b	6%	10%	10%

^aNOAA Enforcement handled after-hours surveillance of ports and shoreside monitoring of offloads. USCG involvement in shoreside enforcement was eliminated in 2006.

^b Because percentages are rounded, they may differ slightly from USCG published data.

Table 2.13 displays at-sea violations in recent years. During 2007, one significant violation occurred with IFQ sablefish bycatch. The violation for retaining sablefish bycatch in an area without quota took place on a vessel targeting rockfish. The vessel also represents one of the IFQ SAR cases (Fig 2.7 in this section).

Table 2.13 At-sea IFQ fisheries violations, 2005–2007

Violation Type	2007 Violations (20 on 19 Vessels)	2006 Violations (20 on 19 Vessels)	2005 Violations (10 on 8 vessels)
Permit/Cardholder not onboard	2	4	5
Insufficient seabird avoidance	2	7	3
Log violation	5	5	2

IFQ Vessel Safety

During 2007 the total number of safety violations dropped, due partly to fewer boats boarded in 2007. However, the safety violation rate among IFQ vessels dropped from 20 percent to 14 percent. Table 2.14 shows by type and number most of the 2007 safety violations, compared with those in recent fishing years. Some violations were not included in the table due to a lack of multiyear comparisons among violation types. Excluded violations include inoperative radio/compass (2), boating while intoxicated (1), inoperative alarms (1), hull markings/documentation (5), insufficient safety drills/instructions/plans (3), and no stability letter (1).

The USCG terminated one IFQ vessel voyage due to a combination of safety concerns, including failure to carry sufficient survival suits for the number of crew onboard, expired EPIRB registration, and insufficient visual distress signals.



Raft check Photo is courtesy of USCG

Table 2.14 IFQ fleet at-sea safety violations by type and number, 2003–2007

Safety Violation Types	2007 Violations	2006 Violations	2005 Violations	2004 Violations	2003 Violations
Expired/missing life raft/hydro ^a	2	10	7	6	11
Insufficient visual distress signals	5	9	3	6	7
Expired/missing EPIRB ^b /hydro	12	9	8	4	8
Insufficient/expired fire extinguishers	3	4	5	3	5
Insufficient survival suits	5	7	7	2	3
Unserviceable/missing life ring	1	3	4	1	6
Exposed hazards	0	0	3	1	3
No marine sanitation device	0	0	1	1	2
No sound-producing device	4	2	1	1	1

^a hydro, or HRU, is a hydrostatic release unit that holds life rings or an Emergency Position Indicating Radio Beacon (EPIRB). If a vessel takes on water, a wet “hydro” releases what it is holding to let it rise to the water’s surface.

^b An EPIRB is an emergency device that uses a radio signal to alert satellites or passing airplanes to a vessel's position.

2007 Search and Rescue (SAR)

The number of IFQ SAR cases in 2007 was unchanged from the number of cases in 2006. However, two vessels were lost during 2007, compared with three in 2006. No fatalities occurred in 2007. Figure 2.7 displays the SAR safety record during the last nine years.

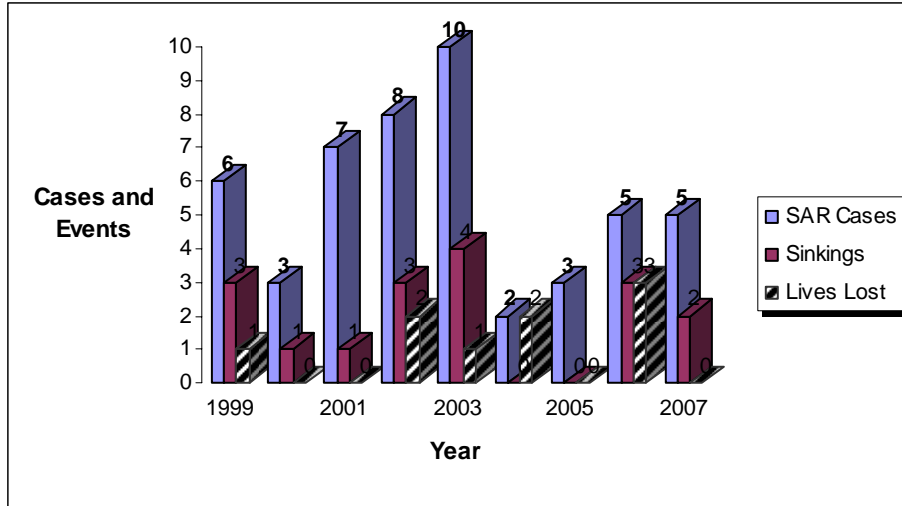


Figure 2.7 USCG IFQ Search and Rescue Cases, 1999–2007

SECTION 3

THE 2007 IFQ SEASON BY THE NUMBERS

INTRODUCTION

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

Quite simply, these data reflect the decisions of thousands of quota shareholders—decisions to appeal determinations, to buy or sell quota share, to fish or join with other quota shareholders on a vessel. We report these data generally without comment, allowing only the numbers to speak.

On the following pages, we present information on appeals, consolidation of quota shareholders 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.

DETERMINATIONS AND APPEALS

The Office of Administrative Appeals (OAA) adjudicated most initial issuance appeals prior to 2007. Infrequently, RAM receives an inquiry about eligibility for initial QS or other program features. Table 3.1 provides the cumulative status of IFQ appeals. The three most common causes of IFQ Program appeals have been basic eligibility, vessel owner/lease conflicts, and untimely applications. For more information on published OAA decisions, visit the OAA online at alaskafisheries.noaa.gov/appeals.

APPEALS OF FINAL AGENCY ACTIONS

A Decision of the OAA typically becomes a Final Agency Action 30 days after it is published. An appellant may appeal a Final Agency Action to the federal courts, and a small percentage has done so in IFQ cases. During 2007, no new IFQ appeals were filed; at year-end, 190 IFQ appeals had been filed with the OAA, and of those one case was decided but was accepted for reconsideration and remains pending.

Table 3.1 Status of IFQ Appeals 1994–2007

Cumulative Status of IFQ Appeals at year-end 2006	Number
Decisions issued (Final Determination)	160
Appeal settled or dismissed (Final Determination)	29
Appeals pending	1
<i>Total IFQ appeals^{a,b,c}</i>	<i>190</i>

^a Cases are counted once and include only the most recent OAA action.

^b The number of cases is approximate because some appeals were split into multiple cases.

^c Data exclude filings withdrawn by appellants.102

Table 3.2 Status of appeals to federal courts, year-end 2007

Case Title (Nature of Dispute)	Status of Appeal
Dell v. NMFS (Lease/Ownership)	Ninth Circuit Court Judgment for Defendant (NMFS)
Smee v. NMFS (Lease/Ownership)	Ninth Circuit Court Judgment for Defendant (NMFS)
Cole v. NMFS (Lease/Ownership)	Ninth Circuit Court Judgment for Defendant (NMFS)
Gates v. NMFS (Lease/Ownership)	Ninth Circuit Court Judgment for Defendant (NMFS)
West v. NMFS (Ownership Conflict)	District Court Judgment for Appellant (West)
Foss v. NMFS (Untimely Application)	Ninth Circuit Court Judgment for Defendant (NMFS)
Pancratz v. NMFS (Transfer)	Ninth Circuit Court affirmed District Court Order granting NMFS Partial Summary Judgment and denying appellant's motion for Summary Judgment; appellant's motions for reconsideration and for altering amended decision were denied. Appellant filed motion for rehearing; this motion was denied.
Prowler/Ocean Prowler Partnerships v. NMFS (Ownership Conflict)	District Court Partial Summary Judgment for Defendant (NMFS); Partial Remand. On remand, agency denial was affirmed; to date, the decision has not been reappealed to the federal courts.
Prowler/Ocean Prowler Partnerships v. NMFS (Landings)	Ninth Circuit Court Judgment for Defendant (NMFS)
Petticrew v. NMFS (Regulation Challenge)	Settled prior to Judgment
Ward's Cove Packing v. NMFS (Regulation Challenge)	Ninth Circuit Court Judgment for Appellant (Ward's Cove Packing)

QUOTA SHARE TRANSFER ACTIVITY

Table 3.3 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 2007. The table displays transfers for halibut and sablefish, and both species combined.

Table 3.3 Numbers of approved QS/IFQ transfers 1995–2007^a

Species	Transfer Type	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Halibut	Regular QS/IFQ	1,218	1,397	1,002	544	631	556	588	509	560	494	485	457	553
	IFQ Only (lease)	31	61	52	43	39	49	48	51	39	33	42	42	66
	Sweep-up of Small Blocks	31	63	441	147	154	71	92	62	73	104	52	53	128
	Total Halibut Transfers	1,280	1,521	1,498	730	800	676	728	622	672	631	579	552	747
Sablefish	Regular QS/IFQ	352	351	388	184	238	220	200	174	264	149	197	155	210
	IFQ Only (lease)	76	51	50	57	53	79	67	60	56	47	35	35	34
	Sweep-up of Small Blocks	15	20	82	33	24	29	19	18	25	10	21	13	15
	Total Sablefish Transfers	443	422	521	275	312	328	286	252	345	206	253	203	259
Both Species	Regular QS/IFQ	1,570	1,748	1,390	728	869	776	788	683	824	643	682	612	763
	IFQ Only (lease)	107	112	102	100	92	128	115	111	95	80	77	77	100
	Sweep-up of Small Blocks	46	83	523	180	178	100	111	80	98	114	73	66	143
	Total-All Transfers	1,723	1,943	2,015	1,008	1,139	1,004	1,014	874	1,017	837	832	755	1,006

^a Transactions reflect calendar year activity.

Table 3.4 summarizes the transfer of QS/IFQ between Alaskans and Non-Alaskans. The distributive effects of the transfers summarized below have not been dramatic (at least with respect to net gains and losses of QS/IFQ by Alaskans compared with Non-Alaskans).

Additional information on changes in QS holdings and consolidation in the halibut and sablefish fisheries is on our website at alaskafisheries.noaa.gov/ram

Table 3.4 Changes in halibut QS holdings between initial issuance and year-end 2007^a

Area	Initially Issued ^a				Held at Year-end 2007			
	Alaskan ^b		Non-Alaskan ^b		Alaskan		Non-Alaskan	
	Number of Persons	QS Units	Number of Persons	QS Units	Number of Persons	QS Units	Number of Persons	QS Units
2C	1,971	49,265,458	418	10,303,434	1,063	48,282,144	239	11,269,895
3A	2,436	118,598,696	637	66,893,737	1,277	110,413,272	390	74,498,043
3B	780	28,061,266	278	26,455,137	351	27,027,153	167	27,175,943
4A	377	7,069,344	156	7,565,095	172	7,806,163	76	6,780,936
4B	80	3,242,733	73	6,050,658	55	3,667,466	48	5,617,308
4C	48	2,199,603	33	1,816,749	33	1,679,408	21	2,329,178
4D	22	665,856	47	4,257,782	16	1,553,054	32	3,405,196
4E	98	127,392	6	12,607	93	125,901	10	14,098
Total unique persons^c	3,976		855		2,434		642	

^a "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.

^b 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.

^c 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 3.5 Changes in sablefish QS holdings between initial issuance and year-end 2007^a

Area	Initially Issued ^a				Held at Year-end 2007			
	Alaskan ^b		Non-Alaskan ^b		Alaskan		Non-Alaskan	
	Number of Persons	QS Units	Number of Persons	QS Units	Number of Persons	QS Units	Number of Persons	QS Units
AI	49	7,112,625	87	24,405,551	31	8,163,915	62	23,747,520
BS	63	7,111,748	82	11,514,928	50	5,928,487	62	12,861,651
CG	396	43,441,061	248	68,103,400	222	41,259,568	175	70,426,777
SE	467	42,775,495	249	23,822,984	278	42,586,959	154	23,533,660
WG	108	8,523,936	125	27,562,419	71	8,169,721	94	27,858,662
WY	251	18,495,325	206	34,975,111	122	17,807,646	136	35,458,776
Total unique persons^c	721		334		510		345	

^a “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.

^b 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.

^c 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 CERTIFICATE (TEC)

Besides the GOA Community Purchase Program, 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.

Table 3.6 displays the number of TECs issued by state of residence to IFQ crewmembers since the program began in 1994. It also shows how many of those IFQ crewmembers were holding QS at year-end 2007.

Table 3.6 Summary of Transfer Eligibility Certificate (TEC) issuance 1994–2007 and crewmembers holding QS at year-end 2007

Residency	Crewmember TECs issued 1994–2007	Crewmembers holding QS/IFQ year-end 2007
Alaskan ^a	2,099	852
Non-Alaskan ^a	887	308
Total^b	2,986	1,160

^a Designation of “Alaskan” and “Non-Alaskan” is premised on the applicant’s most recently self-reported address.

^b Persons without known addresses are excluded from this table.

QUOTA ACQUIRED BY “IFQ CREWMEMBERS” BY SPECIES, AREA, AND RESIDENCE

Table 3.7 displays “Alaskan” and “Non-Alaskan” IFQ Crewmember holdings of QS at year-end 2007 (as expressed in 2007 IFQ pound equivalents and as a percentage of the 2007 area TACs).

Table 3.7 Quota acquired by “IFQ Crewmembers” by species, area, and residence, year-end 2007^a

Species/Area	Alaskan IFQ Pounds ^{b,c}	Non-Alaskan IFQ Pounds ^{b,c}	Total 2007 IFQ Pounds ^d	Percent Area TAC ^e
Halibut 2C	2,169,774	686,461	2,856,235	33.6
3A	4,111,409	2,203,429	6,314,838	24.1
3B	1,385,682	1,002,515	2,388,196	25.9
4A	675,827	447,054	1,122,882	38.9
4B	163,923	200,542	364,465	31.6
4C	165,487	127,702	293,188	31.4
4D	124,753	159,529	284,282	21.8
Halibut total	8,796,855	4,827,232	13,624,086	

Continued

Table 3.7 Continued

Species/Area	Alaskan IFQ Pounds ^{b,c}	Non-Alaskan IFQ Pounds ^{b,c}	Total 2007 IFQ Pounds ^d	Percent Area TAC ^e
Sablefish AI	93,866	1,114,039	1,207,904	32.5
BS	269,352	597,790	867,143	33.0
CG	564,707	828,513	1,393,220	12.8
SE	1,218,732	921,839	2,140,571	28.8
WG	251,020	481,390	732,410	16.8
WY	213,785	304,108	517,893	11.8
Sablefish total	2,611,462	4,247,679	6,859,141	

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

^b “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.

^c Persons without known addresses are excluded.

^d Pounds are derived from QS held and are not adjusted by prior year fishing activity.

^e Table 1.1 references TAC amounts.

COMMUNITY PURCHASE PROGRAM

First authorized in June 2004, the IFQ Community Purchase Program allows 21 GOA communities to participate in IFQ fisheries for benefit of their own economic welfare and that of individual community residents. Eligible communities may form nonprofit organizations that acquire QS on the commercial market for lease to community residents. Caps on QS holdings in this program and for each community limit the program. As of the end of 2007, 18 communities were represented by 17 nonprofits, and only one nonprofit had acquired QS of an amount equivalent to or less than 0.3 percent of the halibut QS pool in Area 3B. With five months to fish and using five vessels, six participants landed nearly 29,000 pounds of leased IFQ.

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.

Table 3.8 shows, by type of creditor and fish species, the number of reports of interest that RAM recorded as of year-end 2007. Note this table displays the number of interests filed against identifiable QS ranges (blocks, ranges of unblocked QS) and not against quota shareholders.

Table 3.8 Asserted interests recorded by RAM against QS ranges at year-end 2007^a

Type of Person Asserting Interest	Halibut	Sablefish	Total number of interests asserted ^{b,c}
Private Banks (and CFAB/credit unions)	1,117	537	1,654
State of Alaska (Division of Investments)	303	89	392
States of Alaska/WA (Child Support)	28	7	35
Private Lenders (other than banks)	249	137	386
CDQ Groups	15	0	15
NMFS Financial Services Branch	234	92	326
Internal Revenue Service	30	4	34
Total—All NMFS Recorded Interests	1,976	866	2,842

^a Table displays interests voluntarily reported to RAM; interests may be recorded in other venues.

^b More than one person may have reported an interest against the same range of QS units.

^c 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 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 published report for 2006. 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 using pound equivalents; this report uses 2007 IFQ pound equivalents for all years.

CONSOLIDATION OF HALIBUT QS—INITIAL ISSUANCE THROUGH DECEMBER 31, 2007

Table 3.9 Consolidation of halibut QS, initial issuance through year-end 2007; numbers of persons holding halibut QS by area and size of holdings, expressed in 2007 IFQ pounds

Area ^{a,b}	Size of IFQ Holdings ('07 IFQ Pounds)	Number Initial Issuees	Holders End of 1995 ^c	Holders End of 1996	Holders End of 1997	Holders End of 1998	Holders End of 1999	Holders End of 2000	Holders End of 2001	Holders End of 2002	Holders End of 2003	Holders End of 2004	Holders End of 2005	Holders End of 2006	Holders End of 2007
2C	3,000 or less	1,552	1,351	1,144	992	941	892	855	814	794	744	692	655	630	583
	3,001-10,000	618	529	501	498	500	481	474	468	449	454	450	457	463	441
	10,001-25,000	198	218	219	216	203	205	204	204	220	218	221	225	223	229
	over 25,000	20	27	31	35	41	45	49	50	48	50	50	47	46	49
	2C Total	2,388	2,125	1,895	1,741	1,685	1,623	1,582	1,536	1,511	1,466	1,413	1,384	1,362	1,302
3A	3,000 or less	1,737	1,536	1,348	1,189	1,096	1,023	973	927	896	847	785	733	690	578
	3,001-10,000	654	552	503	478	478	462	457	456	462	458	461	446	448	433
	10,001-25,000	377	366	361	360	357	356	355	352	343	344	338	353	348	351
	over 25,000	303	298	303	311	311	315	313	314	316	315	313	310	309	305
	3A Total	3,071	2,752	2,515	2,338	2,242	2,156	2,098	2,049	2,017	1,964	1,897	1,842	1,795	1,667
3B	3,000 or less	558	503	399	291	252	221	202	182	171	162	144	137	121	116
	3,001-10,000	261	215	183	170	165	147	152	147	145	153	149	142	139	142
	10,001-25,000	132	126	124	133	133	144	135	138	141	140	143	145	144	136
	over 25,000	105	111	118	115	115	118	120	119	120	122	121	122	122	125
	3B Total	1,056	955	824	709	665	630	609	586	577	577	557	546	526	519

Continued

Table 3.9 Continued

Area ^{a,b}	Size of IFQ Holdings ^b (*07 IFQ Pounds)	Number Initial Issuees	Holders End of 1995 ^c	Holders End of 1996	Holders End of 1997	Holders End of 1998	Holders End of 1999	Holders End of 2000	Holders End of 2001	Holders End of 2002	Holders End of 2003	Holders End of 2004	Holders End of 2005	Holders End of 2006	Holders End of 2007
4A	3,000 or less	320	277	241	195	170	152	137	117	111	105	106	101	96	85
	3,001-10,000	125	113	103	96	95	91	80	80	80	74	74	68	63	63
	10,001-25,000	58	61	64	59	59	63	65	64	65	67	62	63	66	59
	over 25,000	28	26	27	29	30	31	33	34	34	36	38	39	39	41
	4A Total	531	477	435	379	354	337	315	295	290	282	280	271	264	248
4B	3,000 or less	67	62	58	52	48	41	39	35	32	31	32	33	33	30
	3,001-10,000	53	51	50	44	43	39	39	40	38	40	38	35	35	35
	10,001-25,000	17	18	18	19	18	22	19	21	22	21	22	23	24	22
	over 25,000	15	14	15	15	15	15	16	16	16	16	15	15	15	16
	4B Total	152	145	141	130	124	117	113	112	108	108	107	106	107	103
4C	3,000 or less	21	21	20	21	18	18	17	13	13	13	13	14	14	11
	3,001 - 10,000	32	32	30	26	24	23	20	15	14	14	14	15	14	12
	10,001 - 25,000	18	17	19	18	17	17	18	20	20	22	22	20	20	15
	over 25,000	10	10	11	12	13	13	14	14	14	14	14	14	14	17
	4C Total	81	80	80	77	72	71	69	62	61	63	63	63	62	55
4D	3,000 or less	10	10	9	8	7	6	5	5	3	3	3	3	3	4
	3,001 - 10,000	19	19	18	14	11	11	9	8	8	10	10	9	9	10
	10,001 - 25,000	27	25	28	20	20	17	20	18	18	15	15	13	13	12
	over 25,000	13	13	13	17	18	19	18	19	19	21	21	22	22	22
	4D Total	69	67	68	59	56	53	52	50	48	49	49	47	47	48
All	3,000 or less	2,635	2,482	2,249	1,962	1,855	1,737	1,673	1,600	1,554	1,473	1,369	1,292	1,238	1,090
	3,001 - 10,000	1,140	982	930	889	894	881	867	862	851	850	827	816	840	803
	10,001 - 25,000	607	593	584	586	565	573	572	572	574	573	590	589	575	592
	over 25,000	447	452	464	476	481	486	496	501	510	522	516	521	521	517
	Total All Areas	4,829	4,509	4,227	3,913	3,795	3,677	3,608	3,535	3,489	3,418	3,302	3,218	3,174	3,002

^a Halibut data do not include Area 4E; there is no IFQ allocation for that area.

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

^c Person counts for each year reflect holders of QS regardless of whether or not they were initial issuees.

^d "Total All Areas" shows unique persons.

Table 3.10 Consolidation of sablefish QS, initial issuance through year-end 2007; numbers of persons holding QS by area and size of holdings, expressed in 2007 IFQ pounds

Area ^a	Size of IFQ Holdings ('07 IFQ Pounds)	Number Initial Issues	Holders End of 1995 ^b	Holders End of 1996	Holders End of 1997	Holders End of 1998	Holders End of 1999	Holders End of 2000	Holders End of 2001	Holders End of 2002	Holders End of 2003	Holders End of 2004	Holders End of 2005	Holders End of 2006	Holders End of 2007
AI	5,000 or less	45	41	41	36	33	31	25	23	23	20	20	20	21	23
	5,001-10,000	32	29	29	28	30	30	27	24	23	23	23	25	25	25
	10,001-25,000	21	21	24	24	20	19	20	18	18	17	21	24	23	18
	over 25,000	37	33	36	36	36	32	32	32	34	35	34	31	30	28
	AI Total	135	124	130	124	119	112	104	97	98	95	98	100	99	94
BS	5,000 or less	49	47	45	42	41	41	39	39	37	37	36	36	36	36
	5,001-10,000	45	43	39	36	35	35	30	31	29	26	27	29	29	28
	10,001-25,000	20	18	20	21	21	21	20	18	18	17	21	24	23	18
	over 25,000	31	29	31	31	31	30	30	29	29	33	33	31	30	30
	BS Total	145	137	135	130	128	127	119	117	113	113	117	120	118	112
CG	5,000 or less	315	287	265	221	211	200	192	184	176	174	171	163	158	150
	5,001-10,000	105	90	76	72	72	69	64	62	62	55	57	56	56	58
	10,001-25,000	88	83	80	72	67	61	63	71	70	77	75	64	61	57
	over 25,000	135	126	130	127	127	128	129	126	129	127	126	130	131	133
	CG Total	643	586	551	492	477	458	448	443	437	433	429	413	406	398
SE	5,000 or less	321	279	250	198	180	167	163	150	143	136	130	125	122	116
	5,001-10,000	174	154	133	127	122	117	116	116	111	119	120	110	110	104
	10,001-25,000	134	135	138	134	129	125	119	122	128	113	109	109	99	103
	over 25,000	86	86	88	90	93	95	98	98	99	102	105	108	110	109
	SE Total	715	654	609	549	524	504	496	486	481	470	464	452	441	432

Continued

Table 3.10 Continued

Area ^a	Size of IFQ Holdings ('07 IFQ Pounds)	Number Initial Issuees	Holders End of 1995 ^b	Holders End of 1996	Holders End of 1997	Holders End of 1998	Holders End of 1999	Holders End of 2000	Holders End of 2001	Holders End of 2002	Holders End of 2003	Holders End of 2004	Holders End of 2005	Holders End of 2006	Holders End of 2007
WG	5,000 or less	97	91	88	78	75	75	68	69	67	65	63	62	61	61
	5,001-10,000	51	48	43	36	36	36	35	36	32	32	34	31	29	29
	10,001-25,000	44	36	37	39	35	33	32	30	30	32	33	37	37	36
	over 25,000	40	41	43	41	42	41	41	42	44	45	43	44	44	41
	WG Total	232	216	211	194	188	185	176	177	173	174	173	174	171	167
WY	5,000 or less	244	211	192	154	146	132	119	115	114	106	101	100	90	85
	5,001-10,000	102	95	89	86	85	77	79	76	75	77	72	73	73	74
	10,001-25,000	61	57	59	57	58	55	50	54	49	47	49	43	42	38
	over 25,000	49	53	52	53	52	54	55	55	58	57	58	60	60	62
	WY Total	456	416	392	350	341	318	303	300	296	287	280	276	265	259
All	5,000 or less	523	485	477	418	395	383	375	363	348	330	327	320	314	304
	5,001 - 10,000	111	112	102	110	118	117	115	111	108	113	113	104	109	108
	10,001 - 25,000	156	150	152	155	144	144	138	153	159	159	159	158	150	145
	over 25,000	264	260	263	257	262	258	262	263	272	284	286	293	296	300
	Total All Areas^c	1,054	1,007	994	940	919	902	890	890	887	886	885	875	869	857

^a The area data in the tables are not additive; QS holders may hold QS in more than one administrative area.

^b Person counts for each year reflect holders of QS regardless of whether or not they were initial issuees.

^c "Total All Areas" shows unique persons.

INITIAL ISSUEES WITH CATEGORY B, C, AND D HALIBUT AND SABLEFISH QS

NOAA Fisheries assigned initial halibut and sablefish IFQ QS to vessel categories, depending on a permitholder's recent participation in the fisheries, including gear type, onboard processing, and numbers of vessels. Tables 3.11–3.14 compare holdings among individual and nonindividual initial issuees holding Category B, C, and D halibut and sablefish QS. Category B QS and its associated IFQ authorizes a permitholder to harvest IFQ species on a vessel of any length, Category C on a vessel less than or equal to 60 ft (18.3 m) LOA, and D a vessel less than or equal to 35 ft (10.7 m) LOA. Area 2C shows the most consolidation for individual initial issuees holding halibut QS, and area 4A the most for nonindividual initial issuee halibut QS holders. Sablefish QS consolidation among individual initial issuees is most evident in AI and, for nonindividuals, in BS.

Table 3.11 Number of individual initial issuee persons holding category B,C, and D Halibut Quota Share (QS) and percent of total B, C, and D QS units held

Area	At Initial Issuance		At Year-end 1995		At Year-end 2000		At Year-end 2005		At Year-end 2007	
	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held
2C	2,223	95.7	1,992	95.1	1,158	77.1	877	66.7	797	64.2
3A	2,812	77.4	2,529	75.0	1,502	60.2	1,175	54.6	1,011	53.3
3B	905	65.3	818	63.2	376	49.7	303	44.6	269	44.2
4A	432	60.3	379	56.5	183	47.5	138	40.5	121	41.9
4B	104	52.3	99	51.1	50	34.3	39	34.1	36	29.0
4C	60	69.9	59	69.6	41	54.9	36	51.1	33	50.0
4D	34	42.9	33	42.2	20	37.0	15	36.1	14	36.2
4E	99	90.3	99	90.3	98	89.0	96	88.5	96	88.5
<i>Unique persons all areas</i>	4,505		4,246		2,595		2,051		1,841	

Table 3.12 Number of nonindividual initial issuee persons holding category B, C, D Halibut quota share (QS) and percent of total B, C, D QS units held

Area	At Initial Issuance		At Year-end 1995		At Year-end 2000		At Year-end 2005		At Year-end 2007	
	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held
2C	134	4.3	105	4.9	52	2.3	37	1.6	31	1.6
3A	223	22.6	189	25.0	148	23.3	117	22.0	109	21.6
3B	132	34.7	119	36.8	85	33.5	69	29.9	67	28.5
4A	84	39.7	84	43.5	53	32.6	38	25.3	28	18.6
4B	40	47.7	40	48.9	24	41.9	21	35.3	19	37.2
4C	20	30.1	20	30.4	13	22.1	9	21.6	7	17.5
4D	30	57.1	29	57.8	17	46.0	15	41.3	14	40.1
4E	5	9.7	5	9.69	5	9.7	5	9.7	5	9.7
<i>Unique persons all areas</i>	283		248		183		146		136	

Table 3.13 Number of individual initial issuee persons holding category B,C, and D sablefish Quota Share (QS) and Percent of total B, C, and D QS units held

Area	At Initial Issuance		At Year-end 1995		At Year-end 2000		At Year-end 2005		At Year-end 2007	
	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held
AI	64	52.5	57	46.9	38	49.8	31	29.2	28	17.0
BS	80	44.0	74	41.3	52	38.8	47	31.7	41	29.7
CG	482	58.5	439	55.0	256	47.8	211	46.8	194	46.3
SE	583	87.9	540	83.8	316	71.7	252	63.1	229	59.0
WG	138	59.1	127	49.5	70	44.8	72	47.3	67	46.1
WY	341	60.5	313	56.2	162	48.9	131	48.4	117	46.6
<i>Unique persons all areas</i>	869		843		546		454		422	

Table 3.14 Number of nonindividual initial issuee persons holding category B, C, D sablefish quota share (QS) and percent of total B, C, D QS units held

Area	At Initial Issuance		At Year-end 1995		At Year-end 2000		At Year-end 2005		At Year-end 2007	
	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held	Nr Individual Issuees	Percent B, C, D QS held
AI	44	47.5	42	53.1	30	37.2	19	16.4	17	13.9
BS	39	56.0	41	58.7	35	51.7	19	20.2	16	16.1
CG	120	41.5	110	45.0	94	43.4	76	38.3	72	37.7
SE	87	12.1	74	16.2	53	12.2	40	9.7	37	9.5
WG	62	40.9	63	50.5	50	40.6	40	33.3	36	27.0
WY	82	39.5	74	43.8	63	43.6	50	39.0	47	40.8
<i>Unique persons all areas</i>	135		118		118		95		88	

CHANGES IN QS HOLDINGS, INITIAL ISSUANCE TO YEAR-END 2007

Over time, fewer persons (overall and initial issuees) hold QS in the fishery. As expected, the rate at which persons have left the IFQ fisheries has decreased. Figure 3.1 shows the percent and number of persons initially issued halibut or sablefish QS who were still holding QS at the end of each year of the IFQ Program.

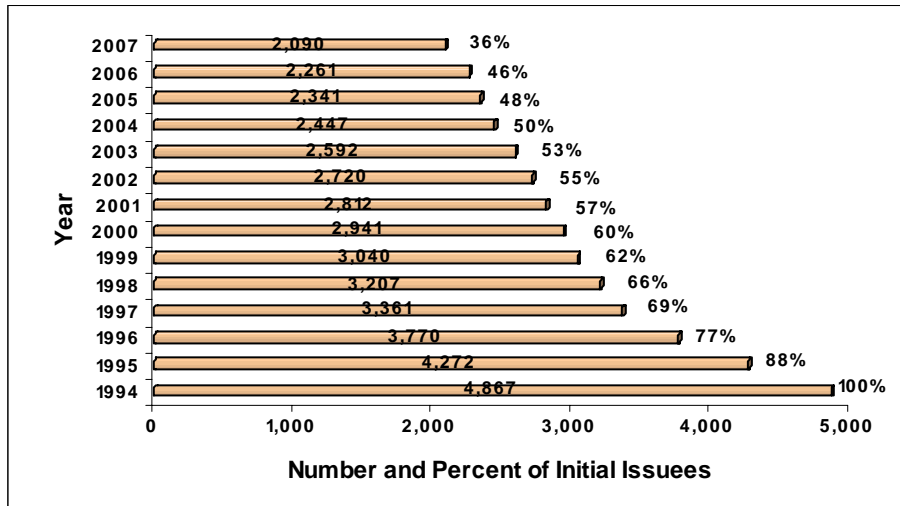


Figure 3.1 IFQ Halibut and Sablefish Initial Issues Holding QS at Year-end, 1994–2007

In contrast, Figures 3.2a and 3.2b illustrate the decrease in numbers of all persons (not just initial issues) holding halibut and sablefish QS, respectively, at each year-end during the program.

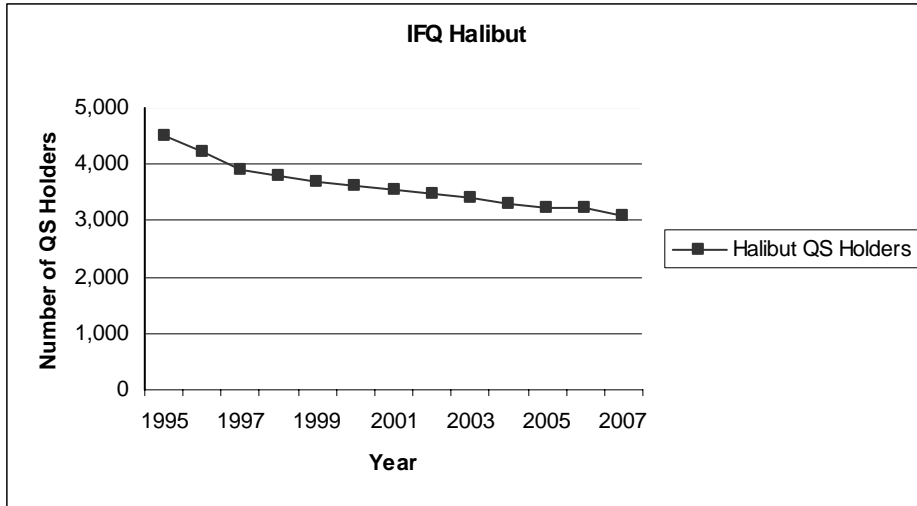


Figure 3.2a IFQ Halibut: All QS Holders, 1995–2007

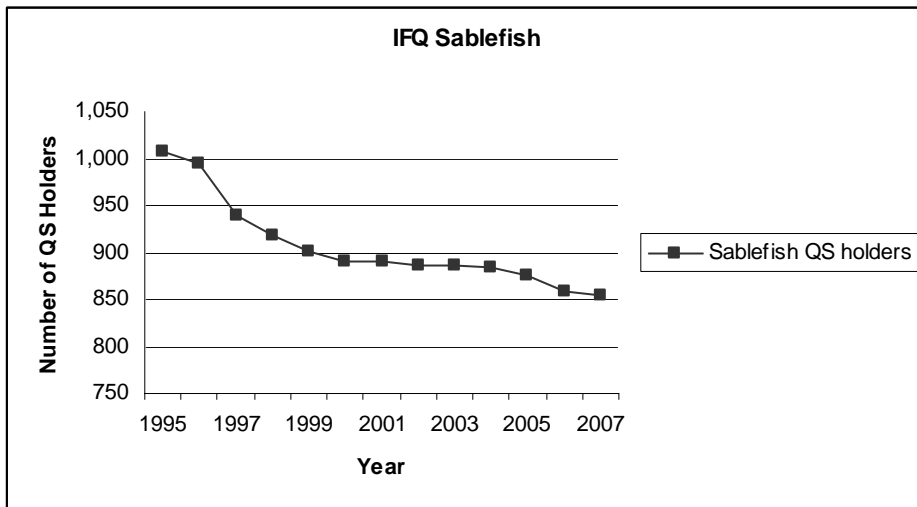


Figure 3.2b IFQ Sablefish: All QS Holders, 1995–2007

VESSEL PARTICIPATION

Tables 3.15 and 3.16 and Figures 3.3a and 3.3b display reductions in the numbers of vessels participating in fixed-gear fisheries under the IFQ Program, compared with years just prior to program implementation. During 2007, 1,503 distinct vessels participated in the halibut and sablefish fishery. 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 continued to decline slowly over time.

Table 3.15 Number of vessels with IFQ halibut harvests by area and year, 1992–2007

Species/ Area	IFQ Program															
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Halibut																
2C	1,775	1,562	1,461	1,105	1,029	993	836	840	827	736	718	706	678	672	682	653
3A	1,924	1,529	1,712	1,145	1,104	1,076	899	892	842	806	750	712	696	670	644	623
3B	478	401	320	332	350	357	325	323	342	329	316	328	303	302	287	287
4A	190	165	176	140	147	142	120	121	127	122	121	114	112	104	93	90
4B	82	65	74	57	64	69	47	51	55	53	53	44	42	38	36	34
4C	62	58	64	35	41	46	30	36	35	29	24	24	24	9	8	6
4D	26	19	39	27	33	33	22	29	33	31	33	26	27	29	30	25
Total vessels ^a	3,452	3,393	3,450	2,057	1,962	1,925	1,601	1,613	1,586	1,460	1,393	1,338	1,304	1,276	1,255	1,211

^a “Total Vessels” shows the total number of *individual* vessels that participated in the fisheries in any regulatory area.

Table 3.16 Number of vessels with IFQ sablefish harvests by area and year, 1992–2007

Species/ Area	IFQ Program															
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Sablefish																
AI	50	65	61	67	64	56	39	42	43	41	38	44	36	34	30	29
BS	100	85	61	68	64	55	45	44	53	42	48	45	38	45	40	37
CG	613	500	602	347	312	291	260	244	228	227	209	204	192	192	189	188
SE	510	393	488	391	368	339	309	295	280	267	262	250	252	234	227	221
WG	126	47	30	101	97	91	81	77	77	76	74	75	73	76	75	73
WY	275	209	265	243	230	206	188	172	158	146	144	136	136	131	128	129
Total vessels ^a	1,166	969	1,191	616	565	530	477	463	450	436	416	409	396	378	372	373

^a “Total Vessels” shows the total number of *individual* vessels that participated in the fisheries in any regulatory area.

Figures 3.3a and 3.3b show a 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.

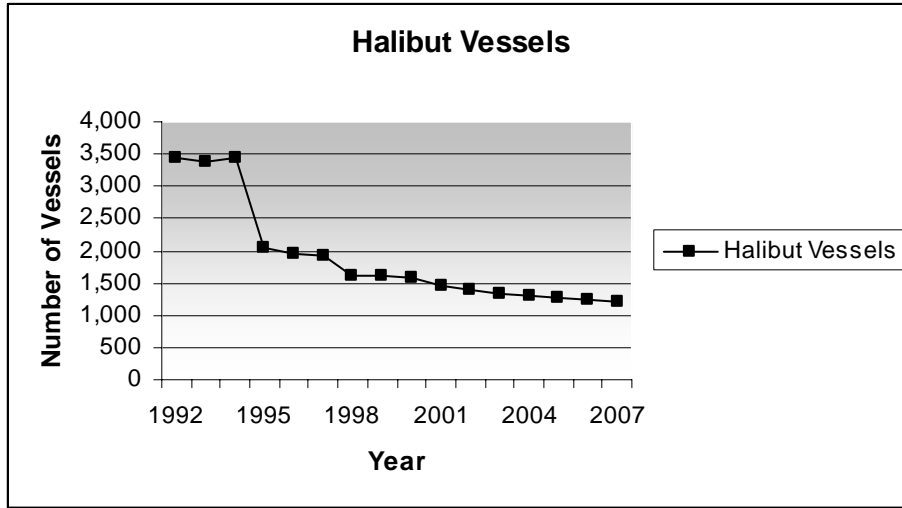


Figure 3.3a Vessel Participation in the IFQ Halibut Fisheries, 1992–2007

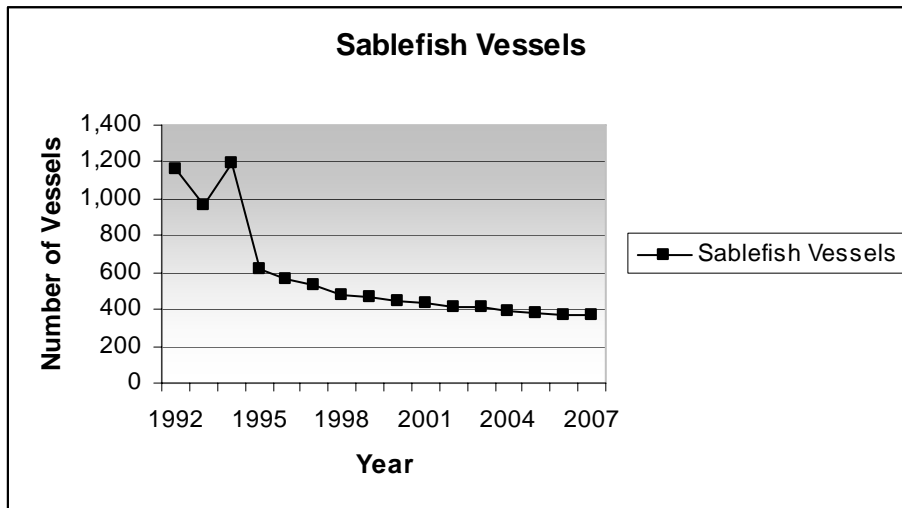


Figure 3.3b Vessel Participation in the IFQ Sablefish Fisheries, 1992–2007

IFQ LOANS

The North Pacific Loan Program

Under the authority of the Magnuson–Stevens Act, the NMFS financial Services Branch in Seattle issues loans to purchase or refinance quota share primarily to entry-level fishermen and those fishing from small vessels. Since fiscal year 1998, congressional appropriations have established a loan fund of \$5,000,000 for each fiscal year. The next table displays the number of loans and amounts approved each fiscal year (FY) by borrowers’ state of residence.

Table 3.17 Status of NMFS loans for purchase of QS/IFQ by residence, fiscal year, amount, and number of loans, 1998–2007

Borrower’s State of Residence	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Cumulative Number of loans	Average loan amount	Cumulative Total loan amount
Alaska	2,704,749	2,942,881	2,852,759	2,506,978	2,898,348	3,886,000	2,412,042	1,921,075	2,623,980	2,859,000	211	130,843	27,607,812
Arizona				185,000	170,187						2	177,594	355,187
California			260,000				272,178		201,912		4	183,523	734,090
Colorado			60,000				150,000	288,000	256,000		4	188,500	754,000
Florida		360,019						360,240			2	360,130	720,259
Georgia	250,000		92,871								2	171,436	342,871
Idaho			80,000	99,564							2	89,782	179,564
Michigan		61,500									1	61,500	61,500
Minnesota					100,000						1	100,000	100,000
Nebraska				200,000							1	200,000	200,000
Nevada					100,000						1	100,000	100,000
Oregon	169,336	205,800	393,000	354,955	100,000	300,000	342,000		368,108	360,000	17	152,541	2,593,199
S. Dakota							100,000	200,000			2	150,000	300,000
Texas							68,780				1	68,780	68,780
Utah	114,808							240,000			2	177,404	354,808
Washington	1,761,107	1,429,800	1,261,370	1,570,914	1,631,465	814,000	1,655,000	1,990,685	1,550,000	1,781,000	93	166,079	15,445,341
Wisconsin				65,089							1	65,089	65,089
FY Totals	5,000,000	5,000,000	5,000,000	4,982,500	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	347	\$144,042	\$49,982,500

SECTION 4

ANNUAL REPORT IFQ FEE (COST RECOVERY) PROGRAM

COST RECOVERY

Section 304(d)(A) of the Magnuson–Stevens Fishery Conservation and Management Act (MSA), enacted in late 1996, obligates NMFS to recover the “actual costs of managing and enforcing” the IFQ Program. The law provides that the fee be paid by IFQ fishermen and premised on the ex-vessel value of fish harvested under the program. The fee cannot exceed 3 percent of the annual ex-vessel value in dollars, goods, and services.

USE OF FUNDS

Receipts from the collection effort are deposited in two accounts. Twenty-five percent (25 percent) of the collections are deposited in the U.S. Treasury. They are available to Congress for annual appropriations to support the North Pacific (IFQ) Loan Program. The other 75 percent is deposited in the “Limited Access System Administrative Fund” (LASAF). Funds in this account are available only to the Secretary of Commerce and must be spent on IFQ Program management and enforcement.

REQUIREMENTS AND RESPONSIBILITIES

The program places responsibilities on two categories of participants: 1) IFQ Registered Buyers who are acting as shoreside processors and 2) IFQ permitholders with landings of halibut or sablefish authorized by their permit.

For IFQ Registered Buyers

Registered Buyers acting as shoreside processors must report the price and amount of purchased pounds of halibut and sablefish by species, month, and port, which are essential for calculating annual standard ex-vessel prices of IFQ fish. Reports are due at RAM by October 15 each year and can be submitted on the Internet or on paper forms.

For IFQ Permitholders

IFQ permitholders are responsible for fees owed for all landings on their permit(s), regardless of whether their IFQ pounds were from their own QS or leased from another quota shareholder and regardless of whether a permitholder or hired skippers made the landings.

Permitholders must pay their fee liability by no later than January 31 of the year after the calendar year of the landings. There are two payment options:

Option 1: Permitholders may pay the amount billed, (RAM’s calculation of the annual fee owed, based on standard prices and values) or

Option 2: Permitholders may pay an amount based in whole or in part on actual ex-vessel value from the sale of their IFQ halibut or sablefish. If they choose this option, they must be prepared to demonstrate, with written documentation, how much they were paid for those IFQ landings.

NMFS Responsibilities

At the end of each IFQ season, NMFS is responsible for these actions:

- ✓ compiles a list of all IFQ landings by species, month, and port or port group;
- ✓ uses shoreside Registered Buyer data to calculate a set of standard ex-vessel prices for IFQ fish landed;
- ✓ applies the appropriate standard ex-vessel price to each landing, creating a standard ex-vessel value for each landing;
- ✓ sums the total standard ex-vessel values of all landings to derive the total ex-value of the year's IFQ fishery;
- ✓ compiles all costs directly attributable to the IFQ fishery;
- ✓ uses direct program costs and total ex-vessel value to calculate the annual fee percentage; and
- ✓ applies the percentage to the standard ex-vessel values to determine the fee owed for each landing;
- ✓ sums the fees owed for all landings on all IFQ permits held by each person. This final figure is the *annual fee* owed by each permitholder, based on standard prices and values.
- ✓ mails IFQ permitholders a summary that itemizes their landings and shows their calculated fee liability. RAM bases the fee liability on the sum of all payments of monetary (in dollars, goods, and services) worth to fishermen for landings of IFQ fish.

Penalties: Failure to pay on time results in NMFS action against the permitholder's quota share holdings and additional monetary charges, fines, and/or permit sanctions. If a permitholder fails to pay by the January 31 due date, his/her QS/IFQ will become nontransferable until the fee liability is satisfied. Also, RAM will issue an Initial Administrative Determination (IAD) to which the permitholder must respond within 30 days. If an account is unpaid for 30 days after the due date, administrative fees, interest, and penalties start to accrue.

If the account is not paid within the 30 days provided by the IAD, in addition to penalties, interest, and fees, the permitholder's IFQ permit account will be sanctioned and the permitholder will be unable to fish until the fee liability is satisfied. Additional fines may also apply.

2006 PAYMENT PERFORMANCE

At the end of the 2006 IFQ season, the fee was computed to be 1.0 percent of the ex-vessel value, premised on program expenditures of \$2,789,047 and total ex-vessel value of \$268,403,752. This percentage is lower than that of any previous Program year. Good compliance was evident with 99.8 percent of those with fee obligations paying by September 30, 2007. Of the 2,398 permitholders billed, only four bills (0.2 percent) were referred to the U.S. Treasury.

CALCULATING THE 2007 FEE

The fee for 2007 rose by 0.2 percent from the 2006 fee to 1.2 percent. This figure derives from at least three sources:

- the total ex-vessel value of the halibut and sablefish fisheries
- the total costs of managing and enforcing the IFQ Program (by actual expenditures during Federal fiscal year 2006)
- the balance in the Limited Access System Administrative Fund (last year's overpayment, if any)

These sources are discussed below.

THE 2007 IFQ COST RECOVERY FEE PERCENTAGE

NMFS announced that the 2007 IFQ fee percentage was set at 1.2. Under cost recovery regulations, IFQ permit holders who used their permits to record landings of halibut or sablefish during the 2007 IFQ fishery were obligated to pay 1.2 percent of the total ex-vessel value from the sale of their halibut or sablefish.

The fee percentage was premised on a total standard ex-vessel value calculated at \$234,866,119 and total program expenditures of \$2,739,602.

Calculating the fee percentage

Effective September 5, 2006, NMFS published a Final Rule (71 FR 44231, August 4, 2006) that changed the manner in which the annual fee percentage is calculated (*See* Page 4 in the Rule Changes in the Pacific Halibut-Sablefish IFQ Report for Fishing Year 2006, Section 1). Specifically, the formula was simplified by eliminating or consolidating some variables:

- The nonpayment rate (NPR) was eliminated because of its negligible effect on the calculation of the fee percentage since the beginning of the program; and
- The LASAF Account Balance (AB) is now automatically incorporated into the DPC rather than treated separately. The fee percentage is calculated using the following formula:

$$[100 \times (\text{DPC})/\text{V}]$$

This is not as complicated as it may seem. It simply means that the Direct Program Costs of management and enforcement (DPC), which now incorporate the LASAF Account Balance, multiplied times 100, is then divided by the fisheries Value (V). The result, rounded to the nearest 0.1 percent, is the *fee percentage*. Table 4.1 shows the 2007 fee percentage computation.

Table 4.1 Detail of formula for calculating the 2007 fee percentage

Factor	Value	Activity
Cost (DPC)	2,739,602	times 100
Fisheries Value (V)	234,866,119	divided by
=	1.2	rounded to nearest 0.1 percent yields

Rate for 2006 IFQ Season = 1.2 percent

COST COMPONENTS OF THE IFQ FEE PROGRAM

The two highest cost components are NMFS Office for Law Enforcement (OLE aka AED) and RAM, respectively. Between years, costs fluctuate due to changes within the programs, such as new purchases of patrol equipment and personnel changes.

Ex-vessel Value of the IFQ Fisheries

Because the fee obligation is premised on a percentage of the ex-vessel value of the IFQ fisheries, it has been necessary to calculate those values. Ex-vessel prices vary from port to port and with the time of year.

RAM used the data to calculate the average ex-vessel value for each species, port, and month. Then the amount of IFQ products delivered to each port, by month, was multiplied by this “standard value.” Generally, the calculations show the total standard ex-vessel value of the two fisheries in 2007 was \$234,866,119.

Halibut	\$172,184,141.00
<u>Sablefish</u>	<u>\$ 62,681,978.00</u>
Total	\$234,866,119.00

Costs of Management and Enforcement

The other part of determining the fee is calculating costs associated with managing and enforcing the IFQ Program. Note these costs are incremental (that is, costs that would not have been incurred but for the IFQ Program). To arrive at these costs, in early September NMFS agency units and the IPHC each calculated their own IFQ-associated costs. Agency units included NMFS/RAM, NMFS Sustainable Fisheries, NMFS OAA, NMFS OMI, and NMFS Office of Law Enforcement. Table 4.2 shows the costs by agency and operating unit.

Table 4.2 Costs associated with management and enforcement of the IFQ Program, year-end 2007

Cost Category	NMFS RAM	NMFS Enforcement	NMFS Sustainable Fisheries	NMFS OMI	NMFS OAA	IPHC	Total
Personnel Costs ^a	379,619	1,164,700	16,800	105,420	45,114	168,784	1,880,437
Travel ^b	4,247	150,900	9,729	3,199	0	13,167	181,243
Transportation ^c	0	12,300	0	0	0	0	12,300
Printing	1,898	0	0	585	0	0	2,482
Contracts/Training	0	396,300	19,995	0	0	14,934	431,229
Supplies	4,797	29,300	0	440	0	2,613	37,151
Equipment	0	4,300	0	0	0	0	4,300
Rent/Util/Overhead ^d	40,223	130,800	1,285	11,917	2,476	0	186,701
Other	0	2,500	0	0	0	1,259	3,759
Total	430,784	1,891,100	47,809	121,561	47,590	200,757	2,739,602

^a Personnel Costs include COLA and all benefits.

^b Travel includes per diem payments.

^c Transportation includes shipment of items.

^d Rent/Utilities/Overhead includes costs of space and utilities and shared common space and services.

CONCLUSION

This year Registered Buyers and members of the IFQ fleet have continued to comply and cooperate well with fee program requirements. Each year RAM calculates the annual fee using these annual calculations, relying directly on excellent reporting by Registered Buyers. The IFQ fleet participation in 2007 remained strong, further strengthening the IFQ fee program. We expect this reciprocal relationship to continue to sustain the fee program well into the future.

Cost recovery fees do not increase budgets or expenditures. They simply offset funds that would otherwise have been appropriated, except the IPHC expenditures, for which there is no direct appropriation. No budgetary advantage is ever gained by inflating IFQ management and enforcement costs.

SECTION 5

NMFS PROTECTED RESOURCES SEABIRD REPORT

REFINEMENTS TO THE SEABIRD AVOIDANCE REGULATIONS EFFECTIVE JANUARY 17, 2008

Fishermen using hook-and-line gear while fishing for IFQ halibut, CDQ halibut, or IFQ sablefish, or groundfish off Alaska are required to use seabird avoidance measures. For specific requirements see the regulations at § 679.24(e) and §679.42(b)(2). Regulations and a guide to assist you in understanding these regulations are on our website:

alaskafisheries.noaa.gov/protectedresources/seabirds/guide.htm .

At its February 2007 meeting to revise the seabird avoidance requirements, and based on collaborative research by Ed Melvin (Washington Sea Grant Program), the Alaska longline industry, and others, the Council received reports and presentations on both the distribution of seabirds in the Alaska longline fishing grounds and seabird avoidance measures for small longline vessels. The Council recommended that NMFS revise the regulations. After a proposed rule and public comment period, final regulations, published December 18, 2007, will be in effect January 17, 2008. With specified area exceptions (see below), vessels fishing in Prince William Sound (NMFS Area 649), the state waters of Cook Inlet, and Southeast Alaska (NMFS Area 659) are no longer required to use seabird avoidance measures. Hook-and-line vessels 26 to 55 ft LOA fishing in the EEZ are required to adhere to specified standards for seabird avoidance measures. A weather safety standard is established for hook-and-line vessels 26 to 55 ft LOA so that in wind speeds greater than 30 knots, the use of seabird avoidance measures is discretionary. The Seabird Avoidance Plan reporting requirement is no longer required of hook-and-line vessels, and the seabird avoidance requirement for “use of one other device” is eliminated for all hook- and-line vessels.

The specified exceptions for “inside waters” are designated areas in lower Chatham Strait, Dixon Entrance, and the western area of Cross Sound. Hook-and-line vessels fishing in these areas are required to use the same seabird avoidance measures as those required in the EEZ. These requirements are necessary due to the documented occurrence of an endangered species (Short-tailed Albatross) and a USFWS “bird of conservation concern” (Black-footed Albatross).

The final rule is posted on our website: <http://fakr.noaa.gov/protectedresources/seabirds/guide.htm>. See information here for a comprehensive view of the seabird avoidance regulations.

ARE THE SEABIRD BYCATCH REGULATIONS EFFECTIVE?

The NMFS Alaska Fisheries Science Center monitors and estimates the levels of seabird bycatch in the Alaska groundfish fishery. **The implementation of streamer lines as a seabird mitigation measure appears to have resulted in a 68.9% overall reduction in seabird bycatch in the Alaskan demersal groundfish fishery.** The total combined (all Alaska) estimated seabird take in the 2006 demersal longline fishery was 4,531 birds, a 29% reduction from the 6,370 birds taken in 2005 and also 9% lower than the 2004 estimated take of 4,979 seabirds. The 5-year average of

2002 through 2006 is 5,138 birds. This represents a period when there was extensive use of paired streamer lines within the fleet. Many freezer longline operators began voluntarily deploying paired streamer lines in 2002 before February 2004 when paired streamer lines were required for all vessels over 55 feet. During the period prior to vessels deploying streamer lines as a seabird mitigation measure (1993 to 2000), the annual average estimated seabird bycatch was 16,507. For the full report on the 2006 seabird bycatch estimates, go to our website at http://www.afsc.noaa.gov/refm/reem/doc/Alaska_2006seabirdbycatch.pdf .

ALBATROSS BYCATCH

We are particularly interested in albatross bycatch as some species face serious conservation concerns. The Short-tailed Albatross (*Phoebastria albatrus*) is listed as endangered under the US Endangered Species Act. They have been documented taken in the Alaska demersal longline fisheries (last documented take in 1998). Two other albatross species inhabit Alaskan waters and have been taken in the Alaska groundfish longline fisheries. The Black-footed Albatross (*P. nigripes*) and Laysan Albatross (*P. immutabilis*) both breed in the Northwestern Hawaiian Islands and travel to the Gulf of Alaska, the Bering Sea, and Aleutian Islands to forage in the productive offshore waters. The total estimated bycatch of all albatross, for all groundfish fisheries, was 195 birds in 2006. This represents a small increase from the 182 albatross taken in 2005. The demersal longline fishery bycatch of Laysan Albatross decreased from 83 in 2005 to 57 in 2006 (both below the 120 in 2004). Because the trawl fishery estimate was only 2 Laysan, the overall combined take of Laysan Albatross decreased to 59, as opposed to 139 in 2005, and 120 in 2004. No albatross were observed taken in the 2004 trawl fishery. This trend is opposite for Black-footed Albatross. In the demersal longline fishery, the estimated bycatch of Black-footed Albatross was 134 in 2006, up from 43 Black-footed Albatross estimated taken in 2005 and 35 in 2004. **Most of this take occurred in the Gulf of Alaska in the sablefish IFQ fleet.** No black-footed albatross have been observed taken in any of the Alaskan trawl fisheries, 1993–2006. In 2006 there were 2 unidentified albatross, compared with none in 2005 and an estimated 3 in 2004.

FREE STREAMER LINES

Limited supplies of free streamer lines, including the lighter weight line expressly designed for smaller vessels, are still available. For information on how to receive these streamer lines, see our website at alaskafisheries.noaa.gov/protectedresources/seabirds/streamers.htm .

REPORT SHORT-TAILED ALBATROSS SIGHTINGS

In the event of a sighting from your vessel of a short-tailed albatross, we request your cooperation in completing the enclosed U.S. Fish & Wildlife Service (USFWS) form /Endangered Species Encounter Reporting Form. We are coordinating efforts with the USFWS, and they have asked us to seek your assistance with this important sighting information. Completed forms can be mailed to USFWS at the address provided on the form. The form is available on the Internet at alaskafisheries.noaa.gov/protectedresources/seabirds/repform.pdf

“ALASKA SEABIRDS” LAMINATED IDENTIFICATION GUIDES

In addition, the USFWS and NOAA have teamed up with the Marine Conservation Alliance, Washington Sea Grant, Birdsmith Ecological Research, and Fraser Research and Development to produce a laminated three-page guide to common seabirds of Alaska, species that commercial fishermen in Alaskan waters are likely to see. The guide is designed to be helpful in identifying

common seabirds on the water and in the air. If you did not receive the laminated guide "Alaska Seabirds" with a NMFS mailing to Federal Fisheries Permitholders, and you would like the guide, please contact Kim Rivera, NMFS's Seabird Coordinator at 907-586-7424. Email Kim at Kim.Rivera@noaa.gov .

For additional information about the reduction of seabird incidental catch in fisheries and our research on seabird-fishery interactions, please see our websites at

alaskafisheries.noaa.gov/protectedresources/seabirds/guide.htm and at <http://www.afsc.noaa.gov/REFM/REEM/Seabirds/Default.php> .



Adult Short-Tailed Albatross on Feeding Grounds NOAA Fisheries

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 750 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,

there is a limit on the number of blocks a person may hold 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, upon change of a business, 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 issues 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.

Leasing of catcher vessel IFQ is extremely limited. A Community Purchase Program allows authorized GOA communities to form nonprofit organizations that acquire and hold QS for use by community residents. A special “surviving heir” provision allows an immediate family member to receive QS on the death of the holder and to lease out the IFQ for three years. Also, a medical transfer provision allows persons temporarily incapacitated to lease IFQ.

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 alaskafisheries.noaa.gov or by contacting RAM.

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HALIBUT AND SABLEFISH IFQ REGULATORY AREAS

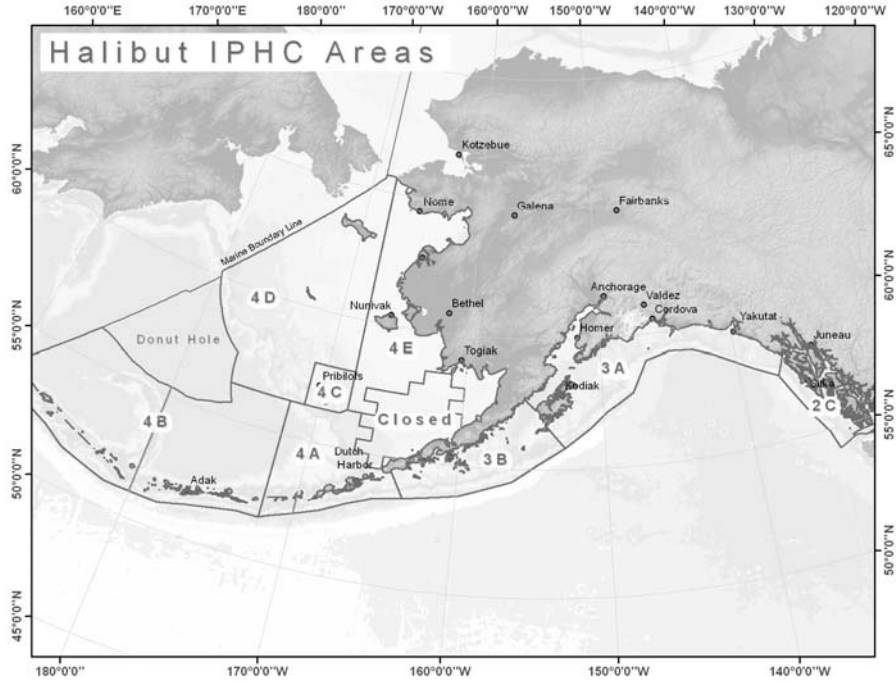


Figure A.1 Halibut IFQ Regulatory Areas.

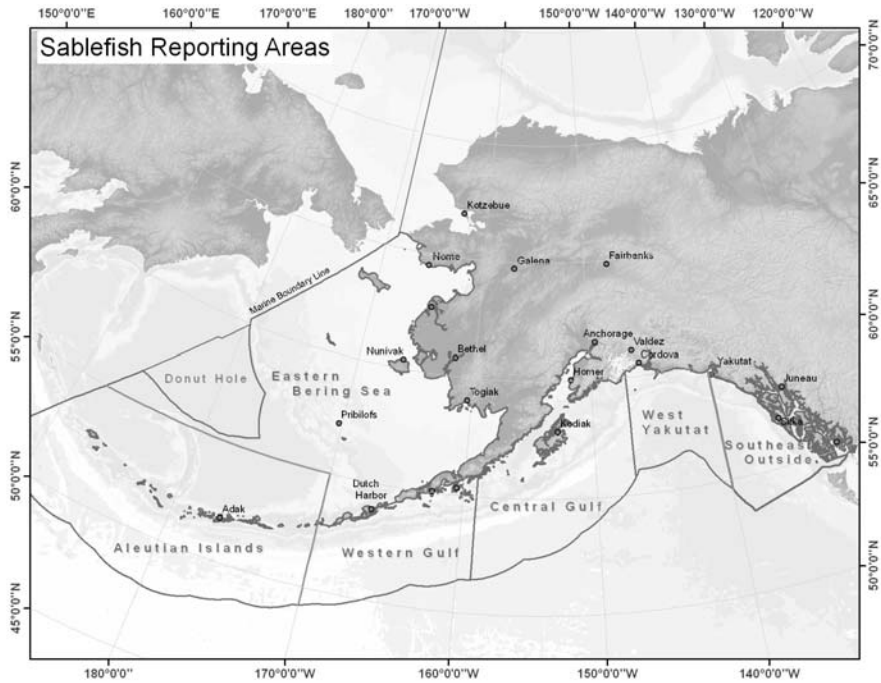


Figure A.2 Sablefish IFQ Regulatory Areas