

# TRANSFER REPORT SUMMARY

## Changes under Alaska's Halibut IFQ Program, 1995 through 2006

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# EXECUTIVE SUMMARY

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## Introduction

In 1995, the National Marine Fisheries Service-Alaska Region (NMFS-AK) implemented a new Individual Fishing Quota (IFQ) program for management of the “fixed gear” sablefish and halibut fisheries off Alaska. These programs were developed by the North Pacific Fishery Management Council (NPFMC) and approved by the U.S. Secretary of Commerce.

The purpose of this report is to document and analyze changes that have occurred during the first 12 years of the halibut IFQ program. The report is restricted mainly to topics that can be addressed using National Marine Fisheries Service - Restricted Access Management (NMFS-RAM) administrative and harvest data. Some ancillary data are also used.

This summary contains highlights of a more extensive data provided in the fully detailed report.

## The Halibut IFQ Program Basics

Quota shares (QS) are the basic use-privileges under the halibut IFQ program. QS were issued to qualified applicants who owned or leased a vessel that made legal fixed gear landings of halibut at any time during 1988, 1989, and 1990. Regular QS units were equal to a person’s qualifying pounds for an area. Qualifying pounds for an area were the sum of pounds landed from the person’s best five years of landings over the seven-year period from 1984 to 1990.

The issued QS are specific to one of eight halibut management areas and one of four vessel categories. The IFQ management areas are defined by the International Pacific Halibut Commission (IPHC): 2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E. The four vessel categories include a harvester-processor vessel category (also termed “freezer” herein) and three catcher vessel categories. The three catcher vessel categories are “35 feet or less,” “36 to 60 feet,” and “greater than 60 feet.” In recent years, most QS may be fished on a rural in its own category, or on vessels of smaller size.

A person’s annual IFQ for an area is determined by multiplying their fraction of the total QS units in the area’s QS pool by the total allowable catch (TAC) that was allocated to the area’s IFQ fishery. Adjustments for underages and/or overages from use of IFQ the previous year are then made to determine the QS holder’s final IFQ for the new year.

In Areas 4B, 4C, 4D, and 4E portions of the total allowable catches (TACs) were allocated to Community Development Quotas (CDQs) for communities in western Alaska. In Area 4E the entire TAC was allocated to CDQs and there has been no IFQ fishery. The Council compensated QS holders in the CDQ areas for the reductions in TAC due to CDQs by issuing them “CDQ compensation QS” in non-CDQ areas 2C through 4A.

The QS that were issued are permanently transferable and some are leasable, albeit with many restrictions that are discussed in the report. The NPFMC wanted to achieve some of the benefits associated with IFQ management but they were concerned that the program not lead to radical changes that would hurt communities dependent upon the fishery. As a result, the NPFMC adopted several complex rules in an effort to constrain the changes that could occur under the program. Many of these rules are discussed and explored in the report.

## Topics Covered in the Report

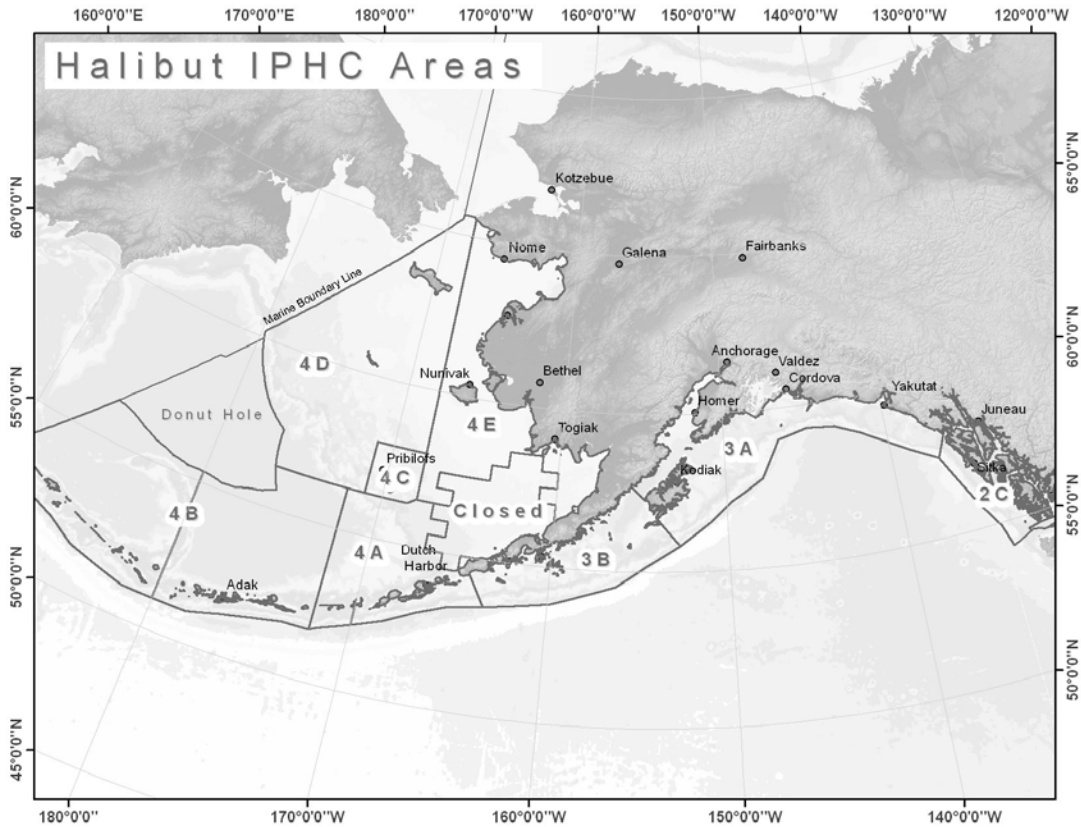
The topics covered in the report include basic data on the extent of consolidation of QS holdings since the beginning of the program, the volume of permanent QS transfers and the price of QS units, and the volume of seasonal QS lease transfers and the price of IFQ leases. The report also includes detailed summary data on permanent transfers, including the amount of QS transferred as sales, gifts, and trades; the relationships between the transferors and transfer recipients; and the finance methods used in sales transfers.

A concern of some persons is that the IFQ program might result in a radical change in the geographic distribution of QS holdings. The report provides an extensive examination of changes in the geographic

distribution of QS holdings under the program. Changes in the distribution of QS holdings are examined by state of residence, by Alaska census area, and by special resident-type designators that classify communities as “local” or “nonlocal” to IFQ management areas and as “rural” or “urban.”

Other QS distribution questions are also examined. These include changes in the distribution of QS by

person-type, changes in the distribution of QS between initial QS recipients and new entrants, and changes in halibut harvest and delivery patterns during the first 12 years of the IFQ program. The report also contains information on the consolidation of IFQ permit holders onto single vessel operations and the underharvest of IFQ during the 1995 through 2006 seasons.



**Figure 1. IPHC Halibut Management Areas**

## Chapter 2 Consolidation of QS Holdings, 1995-2006

The halibut and sablefish IFQ programs allow QS to be permanently transferred. The Council intended some consolidation of QS to spread out the fishing season. It was believed that a longer and slower-paced fishery would improve ex-vessel prices, provide greater safety and less waste, and enhance the profitability of individual fishing operations. However, the Council built many features into the program to constrain the extent and the nature of QS consolidation. Some of the more important features are:

- QS is issued to persons and is specific to one of four vessel categories. Under most circumstances, QS from one vessel category cannot be transferred to another vessel category.
- Some QS is issued in nonseverable “blocks.” A person may hold a maximum of two blocks of QS in an area, and persons with two blocks may not hold unblocked QS for that area.
- During the first two years of the IFQ program, persons could not use, individually or collectively, more than 1% of the QS in Area 2C, more than 0.5% of the QS in Areas 2C, 3A, and 3B combined, or more than 0.5% of the QS in Areas 4A, 4B, 4C, 4D, and 4E combined. The rules allowed some initial issues to exceed some of these restrictions, but these persons were prevented from accumulating more QS.
- In June 1996 the Council approved an amendment that increased the combined total holdership caps in Areas 4A, 4B, 4C, 4D, and 4E from 0.5% to 1.5%. These percentages were then applied to the QS pool in 1996 to establish a set number of QS units that would be used as a yearly cap. The other percentage caps for Area 2C and the combined Areas 2C, 3A, and 3B were also changed to be expressed as fixed amounts of QS units.

Tables 1 and 2 indicate the number of QS holders has declined considerably in Areas 2C through 4A, which are non-CDQ areas. Percentage declines were lower in the CDQ areas 4B through 4D. The overall amount of QS declined slightly due to administrative revocations.

Consolidation of QS holdings has increased the average QS holdings in all areas except 4E, where no IFQ fishery has occurred.

**Table 1. Comparison of Initial Issuance and Year-end 2006 QS units by Management Area**

Area	Initial Amount of QS Units	2006 Year-end QS Units	Net Change in Total QS Units	Percent Change QS Units
2C	59,568,892	59,552,039	-16,853	-0.03
3A	185,492,433	184,911,315	-581,118	-0.31
3B	54,516,403	54,203,176	-313,227	-0.57
4A	14,634,439	14,587,099	-47,340	-0.32
4B	9,293,391	9,284,774	-8,617	-0.09
4C	4,016,352	4,016,352	0	0.00
4D	4,923,638	4,958,250	34,612	0.70
4E	139,999	139,999	0	0.00

**Table 2. Comparison of Initial Issuance and Year-end 2006 QS Holders by Management Area**

Area	Initial QS Holders	2006 Year-end QS Holders	Person Net Change	Percent Change QS Holders
2C	2,388	1,362	-1,026	-43.0
3A	3,071	1,795	-1,276	-41.5
3B	1,056	526	-530	-50.2
4A	531	264	-267	-50.3
4B	152	107	-45	-29.6
4C	81	62	-19	-23.5
4D	69	47	-22	-31.9
4E	104	103	-1	-1.0

Table 3. Initial Issuance and Year-end 2006 QS and QS Holders by Management Area and Vessel Category					
Area	Vessel Category	Initial Amount of QS	2006 Amount of QS	Initial QS Holders	2006 Year end QS Holders
2C	Freezer	1,249,141	1,249,141	31	28
	GT 60 ft.	2,933,494	2,653,410	138	70
	36–60 ft.	45,710,106	46,670,959	1,145	747
	LE 35 ft.	9,676,151	8,978,529	1,096	569
		59,568,892	59,552,039	-----	-----
3A	Freezer	4,773,918	4,773,918	36	35
	GT 60 ft.	68,051,777	68,559,245	300	282
	36–60 ft.	99,004,864	98,878,681	1,496	925
	LE 35 ft.	13,661,874	12,699,471	1,287	695
		185,492,433	184,911,315	-----	-----
3B	Freezer	1,593,155	1,593,155	19	17
	GT 60 ft.	29,863,254	29,987,611	214	178
	36–60 ft.	21,028,414	20,966,072	560	290
	LE 35 ft.	2,031,580	1,656,338	284	93
		54,516,403	54,203,176	-----	-----
4A	Freezer	619,003	619,003	15	12
	GT 60 ft.	8,508,678	8,547,737	140	107
	36–60 ft.	4,378,707	4,370,615	148	91
	LE 35 ft.	1,128,051	1,049,744	237	89
		14,634,439	14,587,099	-----	-----
4B	Freezer	553,489	553,489	8	7
	GT 60 ft.	7,120,537	7,114,526	82	67
	3660 ft.	1,350,369	1,347,763	36	32
	LE 35 ft.	268,996	268,996	27	16
		9,293,391	9,284,774	-----	-----
4C	Freezer	18,876	18,876	1	1
	GT 60 ft.	1,767,422	1,620,607	29	23
	36–60 ft.	1,054,250	867,827	20	13
	LE 35 ft.	1,175,804	1,509,042	31	32
		4,016,352	4,016,352	-----	-----
4D	Freezer	413,936	413,936	5	4
	GT 60 ft.	4,021,310	4,100,095	50	39
	36–60 ft.	488,392	444,219	14	11
		4,923,638	4,958,250	-----	-----
4E	GT 60 ft.	11,176	11,176	2	2
	36–60 ft.	37,032	37,032	7	7
	LE 35 ft.	91,791	91,791	95	93
		139,999	139,999	-----	-----

The halibut IFQ program created four distinct vessel categories in each of the eight halibut management areas. One vessel category consists of harvester-processor vessels (designated “freezer”); the other three consist of catcher vessels less than or equal to 35 feet, from 36 to 60 feet, and greater than 60 feet. Under most circumstances, QS cannot be transferred across vessel categories; however, the regulations allow catcher vessel CDQ compensation QS to be

“swapped” to a different vessel category upon its first transfer.

In January 1996, the Council approved a “fish down” amendment that allows catcher vessel QS to be used on vessels of the same vessel size class or smaller. The Council did this to allow more flexibility for QS owners to acquire more catcher vessel QS. The amendment allows the use of larger vessel category QS on smaller vessels, except in Area 2C where “fish down” of category B (greater than 60 feet) QS is allowed only for QS blocks worth less than 5,000 pounds (based on 1996 quotas). This amendment became effective August 16, 1996.

Table 3 shows that halibut QS was issued in 30 different area/vessel category combinations. Persons may hold QS for more than one vessel category. There were no qualifying freezer vessels in Area 4E, nor were there vessels in the “35 foot or less” category in Area 4D.

Consolidation is indicated by the decrease in the number of persons holding QS in the respective vessel categories. Substantial consolidation has occurred in many vessel categories, particularly those in Areas 2C through 4A.

As stated, the amount of QS in vessel categories has not changed much because QS transfers across vessel categories are only allowed by special rules for the “swap” of CDQ compensation QS. Administrative revocations of QS may also change the amount of QS within a vessel category.

## Chapter 3 QS Transfers and QS Prices

Consolidation of QS and changes in the distribution of QS can occur through permanent transfers of QS. The report provides a broad overview of the extent of permanent transfers of QS in the first 12 years of the program. Any transaction resulting in a permanent change of ownership is treated as a transfer. These include regular transfers, sweep-ups of small QS blocks, and administrative transfers due to court action or other causes.

Area	Year	Mean Price \$/IFQ	Total IFQs Transferred Used for Pricing	Mean Price \$/QS	Total QS Transferred Used for Pricing	Number of Sales Used for Pricing
2C	1995	7.58	996,874	1.14	6,629,554	315
	1996	9.13	681,056	1.37	4,539,813	289
	1997	11.37	517,715	1.92	3,057,477	211
	1998	10.14	220,894	1.79	1,253,771	106
	1999	N/A	N/A	N/A	N/A	N/A
	2000	8.20	423,347	1.15	3,006,920	95
	2001	9.22	412,990	1.36	2,806,238	100
	2002	8.97	363,474	1.28	2,550,052	84
	2003	9.76	274,537	1.39	1,926,434	93
	2004	13.70	365,513	2.41	2,073,407	93
	2005	18.06	311,907	3.31	1,699,765	72
	2006	18.43	246,540	3.29	1,380,274	77
	3A	1995	7.37	1,792,912	0.79	16,658,196
1996		8.40	1,582,609	0.90	14,724,748	352
1997		9.78	1,276,525	1.32	9,443,198	294
1998		8.55	666,649	1.20	4,743,875	157
1999		N/A	N/A	N/A	N/A	N/A
2000		7.94	614,960	0.79	6,212,009	120
2001		8.63	771,815	1.02	6,519,428	145
2002		8.35	711,255	1.02	5,810,732	124
2003		9.81	565,653	1.20	4,629,364	126
2004		13.88	875,829	1.88	6,463,336	157
2005		18.07	385,893	2.49	2,803,054	96
2006		18.09	586,035	2.46	4,301,567	116
3B		1995	6.53	225,912	0.44	3,323,670
	1996	7.88	323,160	0.53	4,760,536	165
	1997	8.58	605,744	1.43	3,634,335	157
	1998	7.92	169,833	1.62	832,225	49
	1999	N/A	N/A	N/A	N/A	N/A
	2000	7.84	464,711	2.19	1,666,773	44
	2001	8.74	739,936	2.68	2,413,081	49
	2002	7.09	663,248	2.25	2,087,216	42
	2003	8.01	769,927	2.53	2,436,231	46
	2004	11.16	498,167	3.21	1,730,918	42
	2005	13.53	415,646	3.27	1,718,360	27
	2006	15.83	428,693	2.96	2,147,624	42
	4A	1995	5.64	114,616	0.74	873,519
1996		6.68	160,899	0.87	1,230,691	65
1997		6.67	383,112	1.35	1,889,914	90
1998		6.39	71,280	1.54	295,358	29
1999		N/A	N/A	N/A	N/A	N/A
2000		6.62	456,840	2.27	1,333,201	42
2001		7.72	349,190	2.65	1,019,050	32
2002		6.06	173,517	2.07	507,079	17
2003		5.94	275,440	2.02	808,422	33
2004		9.64	248,645	2.29	1,045,246	23
2005		10.48	348,980	2.47	1,481,217	37
2006		11.43	310,125	2.62	1,350,404	28
4B		1995	6.14	34,716	1.23	173,523
	1996	5.03	51,769	1.00	260,336	7

Area	Year	Mean Price \$/IFQ	Total IFQs Transferred Used for Pricing	Mean Price \$/QS	Total QS Transferred Used for Pricing	Number of Sales Used for Pricing
4B cont.	1997	5.15	294,051	1.54	980,663	30
	1998	7.24	94,579	2.18	313,790	11
	1999	N/A	N/A	N/A	N/A	N/A
	2000	4.80	367,338	2.03	1,097,211	23
	2001	5.72	464,187	2.42	181,883	20
	2002	4.64	65,507	1.67	454,412	6
	2003	4.55	163,662	1.64	759,522	13
	2004	8.1	238,591	1.96	985,437	12
	2005	7.49	63,139	1.46	324,243	8
	2006	C	7,850	C	54,558	2
4C	1997	6.29	48,681	0.91	336,313	7
	1998	5.67	33,902	1.14	169,265	
	1999	N/A	N/A	N/A	N/A	N/A
	2000	3.68	27,570	0.94	107,811	6
	2001	5.47	100,428	1.4	392,724	8
	2003	5.54	47,020	1.4	186,058	3
	2004	5.74	62,540	1.23	292,075	5
	2005	5.46	86,607	1.23	383,147	7
	2006	0	0	0	0	0
4D	1996	C	27,358	C	237,858	3
	1997	5.85	82,294	0.99	485,517	11
	1998	6.07	49,986	1.39	218,677	11
	1999	N/A	N/A	N/A	N/A	N/A
	2000	4.31	37,604	1.26	128,852	5
	2001	6.44	107,734	1.87	370,961	7
	2002	5.56	115,755	1.62	396,655	8
	2003	6.86	120,944	1.96	422,009	8
	2004	C	79,669	C	328,087	3
	2005	9.09	19,557	2.33	76,317	4
	2006	0	0	0	0	0

Estimates of QS prices are based upon analyses of sales transactions where price information was available. Table 4 provides these estimated prices for QS sold with the associated current year IFQ.

Table 4 indicates that average halibut prices in dollars per IFQ tended to increase each year from 1995 to 1997, then drop in 1998. The price tended to increase again from 2000 to 2006. In some areas very few transactions occurred.

QS transfer rates were relatively high in non-CDQ areas 2C through 4A. The average QS transfer rates over all years in these areas ranged from 8% in Area 3A to 13.7% in Area 4A. Average QS transfer rates were lower in 4E.

## Chapter 4 Halibut QS Leases

The Council's IFQ program provides for restricted leasing of QS on a seasonal basis. Holders of freezer vessel QS can lease all of the IFQ associated with their QS. During the first two years of the IFQ program, holders of catcher vessel QS could lease up to 10% of their QS. However, the regulations allowing for leasing of catcher vessel QS expired in 1998 and have not been renewed.

There were 483 halibut lease transactions over the first 12 years of the IFQ program. All but 18 of the leases occurred in Areas 2C through 4A. In areas where leases occurred, lease rates were low, ranging from 0.5% in Area 4B to 1.4% in Area 4D over the 1995-2006 period.

Leasing of halibut QS was largely confined to freezer processor vessels. There were no leases of freezer vessel QS in Areas 4E; however, in other areas QS lease rates for freezer vessel QS ranged from .5% in Area 4B to 1.4% on Area 4D over the 12 years from 1995 to 2006.

Very little catcher vessel QS was leased, and catcher vessel QS lease rates were less than 1% in all areas and vessel categories during the first 12 years of the IFQ program.

Area	Year	Total Leased QS	QS Lease Rate(%)	Total Unique Lessors	Lessor Rate(%)
2C	1995	170,260	0.3	7	0.3
	1996	268,393	0.5	12	0.6
	1997	425,965	0.7	15	0.9
	1998	518,925	0.9	14	0.8
	1999	611,975	1.0	16	1.0
	2000	679,071	1.1	16	1.0
	2001	855,697	1.4	18	1.2
	2002	844,015	1.4	19	1.3
	2003	509,705	0.9	13	0.9
	2004	579,967	1.0	11	0.8
	2005	757,893	1.3	17	1.2
	2006	704,506	1.2	14	1.0
	ALL YRS	6,926,372	1.0	172	0.9
3A	1995	1,401,793	0.8	12	0.4
	1996	1,892,265	1.0	25	1.0
	1997	1,365,302	0.7	19	0.8
	1998	1,513,511	0.8	14	0.6
	1999	1,427,786	0.8	13	0.6
	2000	1,545,521	0.8	13	0.6
	2001	2,554,579	1.4	12	0.6
	2002	2,509,525	1.4	13	0.6
	2003	2,906,696	1.6	13	0.7
	2004	2,345,131	1.3	12	0.6
	2005	2,059,648	1.1	11	0.6
	2006	1,346,530	0.7	9	0.5
	ALL YRS	22,868,287	1.0	166	0.6
3B	1995	491,569	0.9	5	0.5
	1996	744,933	1.4	13	1.6
	1997	439,227	0.8	9	1.3
	1998	500,535	0.9	7	1.0
	1999	329,206	0.6	5	0.8
	2000	700,633	1.3	7	1.1

Area	Year	Total Leased QS	QS Lease Rate(%)	Total Unique Lessors	Lessor Rate(%)
3B Cont.	2001	646,256	1.2	6	1.0
	2002	386,502	0.7	4	0.7
	2003	479,041	0.9	6	1.0
	2004	744,586	1.4	5	0.9
	2005	749,127	1.4	6	1.1
	2006	1,028,050	1.9	9	1.1
	ALL YRS	7,239,665	1.1	82	1.1
4A	1995	228,184	1.6	3	0.6
	1996	163,133	1.1	10	2.3
	1997	144,378	1.0	4	1.0
	1998	186,537	1.3	5	1.4
	1999	185,803	1.3	4	1.2
	2000	109,728	0.8	3	1.0
	2001	152,332	1.1	3	1.0
	2002	143,642	1.0	3	1.0
	2003	77,907	0.5	2	0.7
	2004	182,193	1.2	3	1.1
	2005	106,214	0.7	3	1.1
	2006	78,066	0.5	2	0.8
	ALL YRS	1,680,051	1.0	45	1.1
	4B	1995	224,317	2.5	3
2000		93,319	1.0	1	0.9
2001		47,534	0.5	1	0.9
2002		46,930	0.5	1	0.9
2003		46,401	0.5	1	0.9
2005		43,410	0.5	1	1.0
2006		47,536	0.5	1	0.9
ALL YRS		549,447	0.5	9	0.6
4C	1999	174,832	4.4	1	1.4
	2000	174,831	4.4	1	1.4
	2001	174,831	4.4	1	1.6
	ALL YRS	524,494	1.2	3	0.4
4D	1997	390,361	8.1	3	4.9
	1998	268,572	5.7	3	5.4
	ALL YRS	658,933	1.1	6	0.9
4E	ALL YRS	0	0.0	0	0

The small number of catcher vessel QS leases may have been due partially to the interaction of the blocking rules and the 10% leasing restriction for catcher vessel QS during most of the first two years of the IFQ program.

Regulations changed in September 1996, allowing persons to lease 10% of the IFQ associated with their blocked QS. However, this change did not affect catcher vessel QS lease rates during the 1997 and 1998 seasons. The use of a hired skipper may have been a better alternative than leasing for some initial QS recipients. The NPFMC adopted regulations in 1997 that further constrain this practice.

Price information was available for some leases. For all areas, the average lease price of freezer vessel QS was \$.84 per pound of IFQ in 1995, \$.99 per pound of IFQ in 1996, \$.67 per pound of IFQ in 1997, and \$.36 per pound of IFQ in 1998. In 2000 the lease rate increased to \$1.00 and in 2005 it was \$1.43.



# Chapter 5 Types of QS Transfers, Financing of Transfers, Relationships Between Transferors and Transfer Recipients, and Use of Brokers

Persons who transfer QS must complete a transfer application form. Information on the form includes the type of transfer (sale, gift, trades, or other), the relationship between the transferor and transfer recipient (family, friend, business partner, or “no relationship”), and the type of financing. RAM also collects information on the use of brokers.

Through 2006, “priced sales” (price information reported) were the predominant transfer type. Apart from Area 4E, where there was only two transfers of very small amounts of QS, the percentage of QS transferred as priced sales ranged from 61.7% in Area 4C to 80.7% in Area 4C. The percentage of QS transferred as “other sales” (a sale with no price information reported), “gifts,” and “trades” was relatively small in most areas.

Brokers were used in a high percentage of halibut QS transfers. Brokers were involved in 47.1% of the transactions in 1995, 51.2% in 2000, 49.9% in 2002, and 51.1% of the transactions in 2006.

In most areas, the majority of the QS that was transferred between parties indicated “no relationship.” Apart from Area 4E, the percentage of QS transferred with no relationship between the transferor and transfer recipient ranged from 48.9% in Area 4C to 72.6% in Area 4D during the first 12 years of the program.

Apart from Area 4E, the percentage of QS that was transferred between family members ranged from 11.8% in Area 4D to 25.6% in Area 4C over the program.

The percentage of QS that was transferred between friends ranged from 4.9% in Area 4D to 18.2% in Area 4A over the 12 year period.

“Personal Resources” were the primary source of financing indicated for “priced sale” transfers. The percentage of QS transferred in “priced sales” transactions that indicated “personal resources” as a finance source ranged from 39.3% in Area 4C to 72.5% in Area 4B over the 12 year period.

The percentage of QS transferred in priced sale transactions that indicated “bank” as a finance source ranged from 10.8% in Area 4B to 32.4% in Area 4C over the 12 year period.

The percentage of QS transferred in priced sale transactions that indicated “seller” as a finance source ranged from 4.6% in Area 4C to 14.0% in Area 4B over the 12 year period.

Alaska’s Department of Commerce and Economic Development and the Commercial Fishing and Agricultural Bank financed a small number of QS transfers in non-CDQ areas. “Processors” also provided a source of financing in a small number of transfers.

A NMFS Loan program was implemented in 1998 and provided approximately 5 million a year for purchase and refinance of QS.

**Table 6. Nature of QS Transfers by Percent 1995-2006**

Area	Priced Sales	Other Sales	Trades	Gifts	Unknown
2C	70.1	1.3	2.8	19.9	5.9
3A	73.2	2.1	2.2	14.1	8.4
3B	68.9	3.8	3.4	15.5	8.3
4A	74.7	2.2	2.6	16.5	4.0
4B	78.6	1.0	1.3	14.7	4.5
4C	75.5	0.0	5.6	4.8	14.1
4D	80.7	6.3	3.0	5.5	4.4
4E	0.0	27.3	0.0	0.0	72.3

**Tables 7. Relationships Between Transfer Parties: Percent of QS Transferred, 1995-2006**

Area	Family	Friends	Partners	No Relation	Missing
2C	28.1	8.8	1.0	58.9	3.2
3A	19.8	6.3	4.5	64.0	5.4
3B	22.8	5.4	5.2	61.5	5.2
4A	12.8	13.5	2.8	67.5	3.4
4B	13.8	12.3	2.7	66.6	4.8
4C	19.7	11.3	2.0	63.5	3.4
4D	7.5	12.3	3.5	75.0	1.8
4E	72.7	0.0	0.0	27.3	0.0

## Chapter 6 “Sweep-ups” of Small QS Blocks

Prior to the IFQ program, the halibut fishery was characterized by short derby-like openings with a large turnover of participants. The Council’s initial allocation methodology included persons who owned or leased a vessel(s) with landings in the halibut fishery at any time during the 1988, 1989, or 1990 seasons.

Because of this, large numbers of persons with only a small amount of landings histories received a small initial allocation of QS. The IFQ regulations put initial QS allocations into non-severable blocks if the amount of the QS was worth less than 20,000 pounds of a hypothetical IFQ. Many of the QS blocks were very small and some were too small, to make a fishing trip worthwhile.

To enhance consolidation of these blocks, the Council adopted a “sweep-up” provision for small blocks of QS. Originally it allowed a QS holder to acquire a number of small blocks and combine them into a single block as long as that single block was still equivalent to less than 1,000 pounds of a hypothetical IFQ. In December 1996 the sweep-up block size limit was raised to 3,000 pounds of a hypothetical halibut IFQ.

Chapter 6 shows the extent to which the sweep-up provisions were used during the first 12 years of the halibut IFQ program. The tables in this section are based on the new higher sweep-up limits.

Table 8 shows the percentage of QS in small “sweepable” blocks ranged from 3.6% in Area 4B to 16.0% in Area 3B at year-end 2006.

Sweepable blocks were a substantial percentage of the total *blocked* QS in each area, ranging from 9.9% in Area 4B to 26.1% in Area 4C.

Substantial percentages of QS holders hold sweepable blocks. Persons holding sweepable blocks represented 33.6% of all QS holders in Area 4B and 57.1% of all QS holders in Area 4A at year-end 2006.

In 1997, the number of sweep-up transactions increased substantially over previous years. In 1998 the number decreased to levels closer to those similar to 1995 and 1996. The increase in 1997 may have been related to the higher sweep-up limits that went into effect in late 1996.

**Table 8. Persons Holding Sweepable Halibut QS Blocks, Number of Sweepable Blocks, and Total Sweepable QS Holdings at Year-end 2006**

Area	Total Amount of QS	Total Number of QS Holders	Total Blocked QS	Total Persons Holding Blocked QS	Total Sweepable QS	Percent of Total QS	Percent of Blocked QS	Persons Holding Sweepable QS	Percent of Total Persons	Percent of Persons Holding Blocked QS
2C	59,552,039	1,358	42,177,590	1,223	8,232,595	13.8	19.5	769	56.9	62.9
3A	184,911,315	1,842	65,358,947	1,573	13,786,363	7.5	21.1	1,051	57.1	66.8
3B	54,262,333	526	35,517,973	448	8,671,150	16.0	24.4	283	53.8	63.2
4A	14,587,099	265	10,418,621	186	1,791,210	12.3	17.2	102	38.5	54.8
4B	9,284,774	107	3,332,789	87	329,867	3.6	9.9	36	33.6	41.4
4C	4,016,352	62	2,095,233	53	556,328	13.9	26.6	31	50.0	58.5
4D	4,958,250	47	2,428,959	39	327,075	6.6	13.5	17	36.2	43.6
4E	139,999	103	139,999	103	0	0.0	0.0	0	0.0	0.0

## Chapter 7 Changes in QS Holdings by Type of Person

Under the Council's IFQ program, QS can be held by individuals (natural persons who were initial QS recipients), corporations, one-owner corporations, estates, partnerships, crew (natural persons who were not initial QS recipients but who met the qualifications to acquire QS), and other entities. However, the Council has included provisions which should encourage QS to move gradually to individual owner-operators.

Table 9 shows, by person-type, the amount and percentage of QS held and the number and percentage of QS holders. Data are provided for the fishery at initial issuance and at year-end 2006.

Area	Person Type	2000 Total QS Holdings	2006 Total QS Holdings	2000 Total QS Holders	2006 Total QS Holders
2C	Corporation	973,655	680,662	43	31
	Estates	59,678	9,394	7	3
	Individual	55,437,909	55,181,156	1,461	1,261
	Partnership	318,787	254,050	8	5
	Skipper	2,843,814	3,426,777	63	62
3A	Corporation	39,980,773	38,486,268	122	103
	Estates	586,422	17,962	9	4
	Individual	125,832,235	120,803,357	1,822	1,530
	Non Profit	452,445	709,914	1	1
	Partnership	2,734,057	1,744,107	24	12
	Skipper	15,316,654	22,765,543	120	144
	Sole proprietorship	0	384,164		1
3B	Corporation	16,398,511	15,441,022	78	68
	CQEA	0	151,234		1
	Estates	355,990	0	4	0
	Individual	30,685,056	29,380,614	447	362
	Non Profit	8,498	304,803	1	1
	Partnership	1,415,447	707,319	10	6
	Skipper	5,044,007	7,853,940	69	87
Sole proprietorship	0	364,244		1	
4A	Corporation	4,239,783	3,313,632	53	38
	Estates	32,695	18,708	2	1
	Individual	8,049,462	6,666,555	187	155
	Non-Profit	2,256	190,598	1	1
	Partnership	384,055	177,105	6	3
Skipper	1,795,745	4,220,501	66	66	
4B	Corporation	3,732,168	3,157,869	26	23
	Estates	62,077	66,655	1	1
	Individual	3,413,398	3,100,343	54	52
	Non-Profit	370,314	426,241	1	2
Skipper	1,706,817	2,533,666	31	29	
4C	Corporation	768,518	777,474	12	8
	Estates	0	12,077	1	0
	Individual	1,177,078	1,408,784	22	17
	Partnership	96,089	96,089	1	1
Skipper	1,974,667	1,674,762	33	36	

Area	Person Type	2000 Total QS Holdings	2006 Total QS Holdings	2000 Total QS Holders	2006 Total QS Holders
4D	Corporation	2,284,773	2,113,946	18	16
	Individual	1,839,183	902,502	23	12
	Non Profit	122,473	178,001	1	2
	Partnership	55,528		1	
	Skipper	567,319	1,763,801	9	17
4E	Corporation	11,685	11,176	3	3
	Estates	0	0	2	2
	Individual	1,882	1,882	41	65
	Skipper	126,432	126,432	58	33

Individual persons initially issued QS held the highest percentage of any person-type in all areas except 4D and 4E, both at initial issuance and at year end 2006. Apart from Areas 4D individuals held between 18.2% (Area 4D) and 92.7% (Area 2C) at the end of 2006.

Crew persons, meaning individuals (natural persons) who were not initial QS recipients, acquired QS in all areas except Area 4E.

The percentage of the QS held by corporations, (regular corporations, sole-owner, and new corporations) varied considerably between areas. In Areas 2C and 4E only 1.1% and 8.3% of the respective QS was held by corporations at the end of 2006. In contrast, the percentage of QS held by all corporations in other areas varied from 19.1% in Area 4C to 42.6% in Area 4D.

The percentage of QS held by partnerships was relatively small, ranging from 0.4% in Area 2C to 1.2% in Area 4A at end of 2006.

## Chapter 8 Changes in the Distribution of Halibut QS By State of Residence

Prior to the IFQ program, persons participating in the halibut fishery came from Alaska and from other states, particularly Washington and Oregon. A concern in Alaska is that QS might move to holders outside of Alaska thereby reducing the economic benefits of the halibut fishery to Alaska.

Table 10 examines the distribution of QS and QS holders by state of residence (Alaska, Washington, Oregon, and other). The table provides a broad overview of how these distributions have changed in the first twelve years of the IFQ program.

In all areas, the QS holdings of persons from Oregon and other states were small relative to the holdings of persons from Alaska and Washington. From initial issuance through 2006, persons from Alaska showed slight increases in QS holdings in Areas 2C, 3A, 4A, 4B, 4C and 4D and slight decreases in QS holdings in Areas 3B and 4E.

Persons from Washington held the majority of the QS in Areas 4B and 4D both at initial issuance and at year-end 2006. The percentage of the QS held by persons from Washington varied from 9.8% in Area 4E to 50.2% in Area 4D at year-end 2006.

The average QS holdings of persons from Washington were considerably higher than the average QS holdings of persons from Alaska in most areas.

Area	State	Initial Amount Of QS	2006 Amount of Area QS	Initial Number of QS Holders	2006 Number of QS Holders	2006 Average Holdings
3A Cont.	Other	4,990,415	4,885,556	62	36	135,710
		2,150,709	3,751,509	42	34	110,339
		54,171,893	54,203,176	1,057	526	
4A	AK	7,065,931	7,522,178	377	174	43,231
	WA	5,426,055	5,097,815	109	57	89,435
	OR	1,342,610	1,228,791	31	14	87,771
	Other	716,740	738,315	16	19	38,859
		14,551,336	14,587,099	533	264	
4B	AK	3,242,733	3,638,966	80	55	66,163
	WA	5,365,129	4,211,262	52	36	116,980
	OR	466,964	537,381	14	5	107,476
	Other	218,565	897,165	7	11	81,560
		9,293,391	9,284,774	153	107	
4C	AK	2,199,603	1,885,402	48	40	47,135
	WA	1,180,825	1,671,563	24	15	111,438
	OR	498,399	288,285	5	3	96,095
	Other	90,359	171,102	3	4	42,776
		3,969,186	4,016,352	80	62	
4D	AK	621,683	1,579,957	22	16	98,747
	WA	3,482,437	2,486,678	38	21	118,413
	OR	612,624	616,246	6	6	102,708
	Other	73,747	275,369	2	4	68,842
		4,790,491	4,958,250	68	47	
4E	AK	127,392	125,798	98	93	1,354
	WA	12,507	13,727	5	7	1,961
	Other	100	474	1	3	33
		139,999	139,999	104	103	

Area	State	Initial Amount Of QS	2006 Amount of Area QS	Initial Number of QS Holders	2006 Number of QS Holders	2006 Average Holdings
2C	AK	49,265,458	49,158,937	1,971	1,119	43,931
	WA	7,935,513	7,431,845	321	166	44,770
	OR	1,043,596	834,181	45	18	46,343
	Other	1,314,823	2,127,076	51	59	36,052
		59,559,390	59,552,039	2,388	1,362	
3A	AK	118,477,479	120,993,340	2,436	1,375	81,263
	WA	42,609,089	43,245,147	391	234	206,295
	OR	15,232,359	13,641,526	121	81	170,726
	Other	9,002,001	11,072,468	124	105	105,452
		185,320,928	184,911,315	3,072	1,795	
3B	AK	28,012,423	27,947,556	780	360	77,632
	WA	19,018,346	17,618,555	173	96	183,527

## Chapter 9 Changes by Management Area, Rural-Urban, Local-Nonlocal

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Under Alaska's limited entry program, there has been a movement of permits away from holders who live in rural areas that are "local" to limited fisheries to holders who live in urban areas that are "nonlocal" to the limited fisheries. Some persons are concerned that similar results might occur under the halibut IFQ program.

The report analyzed changes in QS holdings within Alaska and between Alaska and other states using special resident-type classifications. All communities within Alaska are classified as "rural" or "urban" based upon 2000 census definitions, and as "local" or "nonlocal" to each halibut management area. Persons within each community can then be placed into one of five resident-types relative to the halibut management area for which a QS applies. These resident types are defined below.

**Alaska Rural Local (ARL):** *Alaska* resident residing in a *rural* community that is *local* to the halibut management area.

**Alaska Urban Local (AUL):** *Alaska* resident residing in an *urban* community that is *local* to the halibut management area.

**Alaska Rural Nonlocal (ARN):** *Alaska* resident residing in a *rural* community that is *nonlocal* to the halibut management area.

**Alaska Urban Nonlocal (AUN):** *Alaska* resident residing in an *urban* community that is *nonlocal* to the halibut management area.

**Nonresident:** *Nonresidents* of Alaska

The amount of QS held by each resident type may change for three reasons: QS can be transferred to other resident types; QS holders can move to a place with a different resident-type classification (migration); or QS can be administratively issued or revoked. Both transfers and migrations were important causes of changes in the distribution of QS holdings.

Quota share transfers may occur between persons in the same resident category (intracohort) or between persons of different resident categories (crosscohort).

The percentages of intracohort and cross-cohort transfers varied widely by resident-type and management area, although intracohort transfers may have been more likely for the majority of areas and resident-types. Intracohort transfers were especially prevalent among nonresidents.

Alaska Rural Locals received QS in all management areas except 4D. Their largest shares of initial QS allocations came in Area 4E (59.3%), 4C (34.0%), and 2C (30.1%). By the end of 2006, ARL holdings had declined in Areas 2C, 3B, and 4A and had risen in Areas 3A, 4C and 4E.

Alaska Urban Locals received an initial allocation of QS in Areas 2C (50.3%), 3A (43.1%), and 4A (2.5%) only. By year-end 2006 AULs also held a very small percentage of the QS in Area 4B. AUL holdings had increased in Area 2C and 4A and declined in Area 3A.

Alaska Rural Nonlocals received small percentages of the QS in all management areas. These percentages ranged from less than 1% in Areas 2C, 4C, and 4D up to 6.2% in Area 4A at initial issuance. By year-end 2006, ARN holdings had declined in Areas 2C, 3A, 3B, and 4A and risen in Areas 4B, and 4D.

Alaska Urban Nonlocals received QS in all areas and received over 20% of the QS in Areas 3B, 4A, 4B, 4C, and 4E at initial issuance. AUN holdings had increased in areas 3A, 3B, 4A, and 4D and declined in the other areas by year-end 2006.

Nonresidents received QS in every area. They received over half of the QS in Areas 4A, 4B, and 4D and over 35% in six of the areas. By year-end 2006, nonresident QS holdings had increased slightly in Areas 3B and 4E and declined in all other areas. The net result of transfer activity lowered Nonresident QS holdings in all areas except Area 4E.

**Table 11. Initial Allocation and Year-end 2006 QS Holdings by Area and State**

Area	Resident Type	Initial Amount of QS	2006 Amount Of QS	Initial Pct. Of Area QS	2006 Pct. Of Area QS	Change In Total QS	Percent Change In Total QS	Percent Change QS Holder
2C	AK Rural Local	17,932,755	12,780,127	30.1	21.4	-5,152,628	-28.7	-53.7
	AK Rural Non-Local	362,838	89,850	0.6	0.2	-272,988	-75.2	-78.3
	AK Urban Local	29,974,773	35,800,065	50.3	60.1	5,825,292	19.4	-27.7
	AK Urban Non-Local	995,092	488,895	1.7	0.8	-506,197	-50.9	-66.1
	Nonresident	10,293,932	10,445,574	17.3	17.5	151,642	1.5	-47.2
		59,559,390	59,604,511					
3A	AK Rural Local	14,928,786	37,484,789	8.1	20.1	22,556,003	151.1	-25.9
	AK Rural Non-Local	4,206,395	4,583,988	2.3	2.5	377,593	9.0	-53.1
	AK Urban Local	79,834,467	42,930,257	43.1	23.0	-36,904,210	-46.2	-58.9
	AK Urban Non-Local	19,507,831	26,933,770	10.5	14.4	7,425,939	38.1	-12.4
	Nonresident	66,843,449	74,986,723	36.1	40.1	8,143,274	12.2	-36.2
		185,320,928	186,919,527					
3B	AK Rural Local	5,563,706	3,843,515	10.3	7.2	-1,720,191	-30.9	-51.2
	AK Rural Non-Local	2,075,980	7,227,722	3.8	13.5	5,151,742	248.2	-31.8
	AK Urban Non-Local	20,372,737	16,876,319	37.6	31.6	-3,496,418	-17.2	-64.0
	Nonresident	26,159,470	25,489,303	48.3	47.7	-670,167	-2.6	-45.5
			54,171,893	53,436,859				
4A	AK Rural Local	50,264	0	0.3	0.0	-50,264	-100.0	-100.0
	AK Rural Non-Local	907,184	2,809,116	6.2	18.6	1,901,932	209.7	-48.2
	AK Urban Local	364,612	987,736	2.5	6.5	623,124	170.9	36.8
	AK Urban Non-Local	5,743,871	3,725,326	39.5	24.7	-2,018,545	-35.1	-66.9
	Nonresident	7,485,405	7,565,592	51.4	50.1	80,187	1.1	-46.5
		14,551,336	15,087,770					
4B	AK Rural Local	160,045	211,726	1.7	2.2	51,681	32.3	-18.2
	AK Rural Non-Local	207,969	1,241,065	2.2	13.2	1,033,096	496.8	140.0
	AK Urban Local	0	0	0.0	0.0	0	0.0	NA
	AK Urban Non-Local	2,874,719	2,186,175	30.9	23.2	-688,544	-24.0	-46.9
	Nonresident	6,050,658	5,784,194	65.1	61.4	-266,464	-4.4	-32.9
		9,293,391	9,423,160					
4C	AK Rural Local	1,350,336	1,564,779	34.0	39.6	214,443	15.9	0.0
	AK Rural Non-Local	23,170	174,871	0.6	4.4	151,701	654.7	400.0
	AK Urban Non-Local	826,097	145,752	20.8	3.7	-680,345	-82.4	-75.0
	Nonresident	1,769,583	2,065,134	44.6	52.3	295,551	16.7	-37.5
			3,969,186	3,950,536				
4D	AK Rural Non-Local	29,451	546,699	0.6	10.9	517,248	1756.3	150.0
	AK Urban Non-Local	592,232	1,033,258	12.4	20.6	441,026	74.5	-45.0
	Nonresident	4,168,808	3,448,020	87	68.6	-720,788	-17.3	-37.0
		4,790,491	5,027,977					
4E	AK Rural Local	82,993	74,860	59.3	53.3	-8,133	-9.8	-10.8
	AK Rural Non-Local	4,937	10,062	3.5	7.2	5,125	103.8	20.0
	AK Urban Non-Local	39,462	40,876	28.2	29.1	1,414	3.6	10.5
	Nonresident	12,607	14,525	9.0	10.4	1,918	15.2	33.3
			139,999	140,323				

# Chapter 10 Distribution of Halibut QS by Census Area

There have been concerns that the IFQ program might result in a dramatic restructuring that could increase the role of the halibut fishery in some areas while reducing its effect in other areas. Table 12 provides another view of the changes in the geographic distribution of QS holdings since initial issuance.

In this section, QS holders from Alaska are assigned to census areas by their addresses. Persons who reside outside of Alaska were put into a single "Outside Alaska" category. The distribution of QS and QS holders were examined at initial issuance and at year-end 2006.

Census areas where Alaskans hold relatively high percentages of QS (10% or more of the area QS at year-end 2006) are Juneau, Petersburg/Wrangell, and Sitka (Area 2C); Kodiak (Areas 3A, 3B, 4A, 4B, and 4C), Kenai Peninsula (Areas 3A, 3B, and 4A), Aleutian Islands West (Area 4C), and Bethel (Area 4E).

Persons who reside outside of Alaska held substantial portions of the QS in all areas except 4E, ranging from 15.8% in Area 2C to 79.5% in Area 4D by the end of 2006. They held more than 50% of the QS in areas 4A, 4B, and 4D at both initial issuance and year-end 2006.

The number of persons who held QS declined in most census areas. This parallels the overall decline in QS holders due to transfers and QS consolidation.

The percent decline of QS holders for non-CDQ management Areas 2C through 4A is relatively high for some census areas. This may be partially due to QS holders for CDQ areas transferring their CDQ compensation QS.

**Table 12. Initial Allocation and Year-end 2006 QS Holdings and QS Holders, by Management Area and Census Area**

Area	Census Area	Initial Amount of QS	2006 Amount of QS	Initial No. of QS Holders	2006 No. of QS Holders
2C Cont.	Fairbanks				
	N. Star	135,026	132,653	10	7
	Haines	2,221,074	1,635,339	84	41
	Juneau	5,781,122	6,353,788	256	168
	Kenai Pen.	261,476	66,220	34	9
	Ketchikan	3,296,194	3,964,590	147	95
	Kodiak				
	Borough	146,856	15,954	32	7
	Lake and Pen.	1,275	0	4	0
	MatSu Borough	56,261	142,309	8	9
	Nome	57	21,237	1	2
	Prince of Wales	4,551,549	2,719,590	221	99
	Sitka	9,936,267	10,270,730	328	243
	SKG\YAKIANG	4,717,537	2,771,930	223	90
	Valdez\CDV	19,219	4,158	7	2
	PSGWrangell	17,498,696	20,864,225	459	311
	Yukon\Koyuk	3,001	0	1	0
Outside Alaska	10,293,932	10,393,102	417	243	
		59,559,390	59,552,039	2,389	1,362
3A	Aleutians East	248,743	40,767	7	2
	Aleutians West	608,367	6,927,099	54	9
	Anchorage				
	Borough	7,414,783	462,951	270	152
	Bethel	211,899	3,899	42	2
	Bristol Bay	17,218	40,767	11	4
	Denali Borough	0	1,416	0	3
	Dillingham	10,292	804,622	21	17
	Fairbanks				
	N. Star	310,882	47,149	29	17
	Haines	484,623	532,506	18	11
	Juneau	3,126,721	4,763,916	82	60
	Kenai Pen.	35,932,979	30,952,398	841	458
	Ketchikan	1,201,311	960,563	20	8
	Kodiak				
	Borough	43,718,157	32,515,780	457	248
	Lake and Pen.	55,577	5,737	10	2
	MatSu Borough	1,818,439	2,621,693	65	45
	NW Arctic	149	0	1	0
	Prince of Wales	462,841	55,284	24	3
	Sitka	5,930,471	10,707	130	106
	SKG\YAKIANG	3,837,390	6,730,683	108	62
	SE Fairbanks	1,987	2,418,935	2	9
	Valdez\CDV	3,408,866	1,338,214	156	106
	Wade Hampton	0	7,795,688	0	3
	PSGWrangell	9,673,870	12,726,130	86	67
	Yukon\Koyuk	1,914	7,129	4	1
Outside Alaska	66,843,449	73,173,668	636	419	
		185,320,928	184,910,600	3,074	1,794
3B	Aleutians East	4,474,522	3,288,412	104	52
	Aleutians West	251,080	265,136	50	9
	Anchorage				
	Borough	2,688,992	1,969,160	65	25
	Bethel	61,923	0	42	0
	Bristol Bay	7,835	927	11	4
	Dillingham	3,007	306,177	21	16
	Fairbanks				
	N. Star	23,646	81,942	2	1
	Juneau	247,227	367,369	11	3
	Kenai				
	Peninsula	5,299,803	6,149,353	181	93
	Ketchikan	170,192	0	5	0
Kodiak					
Borough	10,343,667	12,530,681	201	117	

**Table 12. Initial Allocation and Year-end 2006 QS Holdings and QS Holders, by Management Area and Census Area**

Area	Census Area	Initial Amount of QS	2006 Amount of QS	Initial No. of QS Holders	2006 No. of QS Holders
2C	Aleutians East	4,175	568	2	1
	Aleutians West	171,048	79,209	48	5
	Anchorage				
	Borough	380,243	112,374	32	11
	Bethel	74,586	0	43	0
	Bristol Bay	4,589	667	10	3
	Dillingham	5,207	3,396	22	16

Table 12. Initial Allocation and Year-end 2006 QS Holdings and QS Holders, by Management Area and Census Area						
Area	Census Area	Initial Amount of QS	2006 Amount of QS	Initial No. of QS Holders	2006 No. of QS Holders	
3B cont.	Lake and Pen.	1,050,965	555,103	26	10	
	MatSu Borough	295,998	237,589	14	5	
	Prince of Wales	39,313	70	3	1	
	Sitka	1,523,669	674,498	21	7	
	SE Fairbanks		95,012		2	
	SKG\YAK\ANG	232,579	28,817	8	2	
	Valdez\CDV	67,892	259,903	5	4	
	PSG\Wrangell	1,230,113	1,099,183	11	8	
	Yukon Koyukuk	0	38,224		1	
	Outside Alaska	26,159,470	26,254,799	277	161	
		54,171,893	54,202,355	1,058	521	
4A	Aleutians East	264,962	318,500	23	10	
	Aleutians West	450,431	1,060,905	67	39	
	Anchorage Borough	526,816	312,774	21	7	
	Bethel	16,439	0	42	0	
	Bristol Bay	14,794	245	11	4	
	Dillingham	799	365	21	15	
	Fairbanks					
	N. Star	0	85,393	0	2	
	Juneau	98,817	92,488	3	4	
	Kenai Pen.	1,941,229	1,882,026	75	36	
	Ketchikan	80,293	0	4	0	
	Kodiak Borough	2,573,135	2,702,484	63	37	
	Lake and Pen.	1,037	0	5	0	
	MatSu Borough	152,125	120,790	9	4	
	Prince of Wales	10,093	18	2	1	
	Sitka	509,819	304,625	16	5	
	SKG\YAK\ANG	135,616	181	4	2	
	Valdez\CDV	6,067	427,276	3	1	
	PSG\Wrangell	283,459	172,039	8	3	
Yukon Koyukuk	0	42,069	0	1		
Outside Alaska	7,485,405	7,064,921	155	90		
		14,551,336	14,587,099	532	264	
4B	Aleutians West	217,591	308,056	16	13	
	Anchorage Borough	34,129	75,797	2	2	
	Dillingham	0	370,314	0	1	
	Haines	0	22,392	0	1	
	Juneau	110,956	2,368	3	1	
	Kenai Pen.	569,966	559,817	16	8	
	Ketchikan	1,686	72,270	1	1	
	Kodiak Borough	1,538,104	1,469,712	27	20	
	MatSu Borough	33,685	340	2	1	
	Sitka	382,474	272,771	8	3	
	SKG\YAK\ANG	41,459	41,459	1	1	
	Valdez\CDV	56,991	269,475	1	2	
	PSG\Wrangell	255,692	174,195	3	1	
	Outside Alaska	6,050,658	5,645,808	73	52	
			9,293,391	9,284,774	153	107

Area	Census Area	Initial Amount of QS	2006 Amount of QS	Initial No. of QS Holders	2006 No. of QS Holders	
4C	Aleutians West	1,478,344	1,564,779	32	31	
	Anchorage Borough	119,592	49,883	2	1	
	Juneau	8,747	0	1		
	Kenai Pen.	97,629	154,673	3	4	
	Kodiak Borough	469,828	95,869	8	3	
	Sitka	25,463		2	0	
	SKG\YAK\ANG		20,198	0	1	
	Outside Alaska	1,769,583	2,130,950	32	22	
			3,969,186	4,016,352	80	62
	4D	Aleutians West	67,584	0	1	0
Anchorage Borough		84,640	179,557	1	2	
Dillingham		0	122,473	0	1	
Juneau		24,235	213,044	1	1	
Kenai Pen.		76,708	380,732	2	2	
Kodiak Borough		207,837	623,069	10	7	
Sitka		40,479	17,588	2	1	
SKG\YAK\ANG		14,118	43,494	1	2	
PSG\Wrangell		106,082	0	4	0	
Outside Alaska		4,168,808	3,378,293	46	31	
		4,790,491	4,958,250	68	47	
4E	Aleutians East	3,878	3,878	1	1	
	Aleutians West	4,184	4,184	1	1	
	Anchorage Borough	5,090	14,101	9	13	
	Bethel	73,808	72,790	42	44	
	Bristol Bay	4,934	6,378	10	10	
	Dillingham	3,585	1,908	21	16	
	Kenai Pen.	638	354	2	1	
	Kodiak Borough	6,791	6,791	2	2	
	Lake and Pen.	1,372	0	4	0	
	MatSu Borough	20,324	12,156	2	1	
Prince of Wales	83	83	1	1		
Valdez\CDV	489	489	1	1		
PSG\Wrangell	2,216	2,216	2	2		
Outside Alaska						
		12,607	14,671	6	10	
		139,999	139,999	104	103	



# Chapter 11 New Entrants in the Fishery

New persons may enter the halibut fishery by acquiring QS through transfer. Any person who is a U.S. Citizen can acquire harvester-processor (category A) QS; however, only persons who are initial QS recipients or IFQ crewmembers may receive catcher vessel QS through transfer. Under the IFQ program, an IFQ crew member is defined as any individual who has at least 150 days experience working as part of a harvesting crew in any United States commercial fishery or as any individual who receives an initial allocation of QS.

New persons may also enter the fishery by regulations that allow an individual to transfer QS to the individual's solely owned corporation (a new entity).

New persons might also enter the fishery because of transfers due to court order, operation of law, or as part of a security agreement. However, in these latter cases IFQ is not assigned unless the person receiving the QS transfer meets the eligibility requirements.

Finally, a new program in 2004 allows non-profits corporations' permission to hold QS on behalf of the communities and lease IFQ for use by residents. This program was designed to protect economies of certain group of communities that are fisheries dependent

This chapter provides the distribution of QS ownership between initial QS recipients and new entrants at year-end 2006. New entrants to the management area, to the halibut fishery, and to the IFQ program are all differentiated.

It is important to note that a new entrant to a management area may have been an initial QS recipient in some other management area(s). Correspondingly, a new entrant to the halibut IFQ program may have been an initial QS recipient in the sablefish fishery.

Table 13 indicates the amount and percentage of halibut QS which was held by new entrants to the area at the end of each year. It also shows the number of QS holders (persons) who were new entrants to the area, and their average QS holdings.

By the end of 2006, new entrants to management areas held significant amounts of the QS in each

management area except 4E, where all of the TAC is allocated to CDQs and where very few transfers have occurred. Excluding Area 4E, the percentage of QS held by new entrants to each management area ranged from 22.0% in Area 3A to 33.0% in Area 4A

Other tables in the detailed report indicate that the percentage of QS holders represented by new entrants to either the halibut or the sablefish IFQ programs also ranged from 27.6% in Area 4D to 38.5% in Area 4B at year end 2006.

A substantial portion of the persons who had QS leases were new entrants. This is true in all areas from Area 2C through 4A during the 1995-2006 period.

**Table 13. New Entrants to the Management Area: Amount of QS Held and Number of QS Holders**

Area	Year	Total QS Held By New Entrants	% of QS Held By New Entrants	Avg. QS Held By New Entrants	New Entrants For Area	Pct. Who Are New Entrants
2C	1995	3,814,780	6.5	28,050	136	6.4
	1996	7,113,974	12.1	28,230	252	13.1
	1997	8,740,811	14.7	30,778	284	16.3
	1998	10,050,780	16.9	31,311	321	19.1
	1999	11,598,454	19.5	32,764	354	21.8
	2000	12,143,612	20.4	34,499	352	22.3
	2001	13,895,522	23.3	36,956	376	24.5
	2002	14,812,636	24.8	37,691	393	26.0
	2003	15,968,498	26.8	38,571	414	28.2
	2004	16,953,239	28.5	39,426	430	30.4
	2005	18,495,954	31.4	41,286	448	32.9
2006	19,555,262	33.2	42,327	462	33.2	
3A	1995	10,359,550	5.7	61,664	168	6.1
	1996	19,574,594	10.6	56,249	348	13.7
	1997	23,306,263	12.6	57,264	407	17.4
	1998	25,936,743	14.0	61,172	424	18.9
	1999	29,710,652	16.1	66,766	445	20.6
	2000	29,161,231	16.0	70,438	414	20.4
	2001	32,537,343	18.0	72,628	448	22.2
	2002	34,866,320	19.0	74,501	468	23.5
	2003	39,497,741	21.0	80,117	493	25.4
	2004	40,068,010	22.0	77,202	519	27.8
	2005	40,854,407	22.0	81,707	536	28.8
2006	44,003,904	24.0	82,250	535	24.0	
3B	1995	3,052,648	5.7	63,597	48	5.0
	1996	7,105,067	13.2	55,078	129	15.4
	1997	9,274,451	17.2	63,092	147	20.6
	1998	9,997,912	18.6	66,211	151	22.6
	1999	12,010,896	22.3	70,652	170	26.9
	2000	8,506,033	16.0	64,932	131	21.9
	2001	9,015,434	17.0	65,329	138	23.9
	2002	9,717,313	18.0	66,557	146	25.6
	2003	11,413,947	21.0	72,240	158	27.7
	2004	12,245,565	23.0	76,059	161	29.3
	2005	12,909,668	24.0	81,707	158	29.5
2006	13,526,459	25.8	85,611	158	25.8	
4A	1995	1,236,540	8.7	42,639	29	6.1
	1996	2,606,473	18.1	42,040	62	14.3
	1997	3,610,691	24.9	40,570	89	23.3
	1998	3,625,246	25.0	40,733	89	24.8

**Table 13. New Entrants to the Management Area: Amount of QS Held and Number of QS Holders**

Area	Year	Total QS Held By New Entrants	% of QS Held By New Entrants	Avg. QS Held By New Entrants	New Entrants For Area	Pct. Who Are New Entrants
4A cont.	1999	4,041,402	27.9	44,411	91	26.9
	2000	2,824,711	20.0	43,457	65	21.2
	2001	3,194,080	22.0	48,395	66	22.8
	2002	3,591,152	25.0	49,194	73	25.5
	2003	3,571,486	24.0	50,303	71	25.5
	2004	3,969,124	27.0	52,225	76	27.5
	2005	4,830,395	33.0	57,505	84	31.9
	2006	4,900,139	34.4	56,978	86	34.4
4B	1995	229,965	2.5	32,852	7	4.8
	1996	430,691	4.6	30,764	14	9.9
	1997	1,473,252	15.9	52,616	28	21.2
	1998	1,733,512	18.7	61,911	28	22.6
	1999	2,198,019	23.7	66,607	33	28.2
	2000	1,916,658	20.8	58,081	33	29.7
	2001	2,178,944	23.5	57,341	38	33.9
	2002	2,231,050	24.0	57,206	39	36.1
	2003	2,239,783	24.1	54,629	41	38.0
	2004	2,162,237	23.3	52,737	41	38.3
	2005	2,455,738	26.8	61,393	40	38.5
	2006	2,724,517	200	66,452	41	31.7
4C	1995	86,454	2.2	43,227	2	2.5
	1996	475,032	12.0	95,006	5	6.3
	1997	624,289	15.7	69,365	9	11.7
	1998	655,251	16.5	72,806	9	12.5
	1999	843,211	21.2	76,656	11	15.5
	2000	642,056	16.2	53,505	12	17.6
	2001	719,554	18.2	59,963	12	19.7
	2002	810,783	20.5	62,368	13	21.7
	2003	1,077,286	26.9	71,819	15	24.2
	2004	1,072,404	26.8	67,025	16	25.8
	2005	1,013,296	25.5	59,606	17	28.3
	2006	1,013,296	25.9	63,331	16	25.9
4D	1995	109,563	2.3	54,782	2	3.0
	1996	477,053	10.0	79,509	6	8.8
	1997	964,153	20.1	64,277	15	24.6
	1998	1,165,906	24.6	64,773	18	32.1
	1999	1,067,337	22.1	62,785	17	32.1
	2000	700,303	14.4	63,664	11	21.2
	2001	959,700	19.7	87,245	11	22.0
	2002	973,596	20.0	74,892	13	27.1
	2003	1,164,576	23.5	77,638	15	30.6
	2004	969,802	19.6	69,272	14	28.6
	2005	969,802	19.6	74,600	13	27.7
	2006	969,802	21.5	74,600	13	21.5
4E	1995	0	0.0	0	0	0.0
	1996	0	0.0	0	0	0.0
	1997	1,856	1.3	1,856	1	1.0
	1998	1,856	1.3	1,856	1	1.0
	1999	1,856	1.3	1,856	1	1.0
	2000	0	0.0	0	0	0.0
	2001	0	0.0	0	0	0.0
	2002	0	0.0	0	0	0.0
	2003	698	0.5	698	1	0.5
	2004	698	0.5	698	1	0.5
	2005	698	0.5	698	1	0.5
	2006	698	0.5	698	1	0.5

## Chapter 12 Changes in Landing and Delivery Patterns

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Chapter 12 presents information on halibut harvests and deliveries, both before and after the IFQ program was implemented. Time series data compare deliveries from 1990 through 2006. Tables show the number of persons who recorded landings and compare the seasons before and after implementation of the IFQ program. Other tables show quarterly harvest data, the harvest by state of residence of the QS holder, and comparison of harvests by QS owners with harvests by hired skippers.

The percentages of the Alaska halibut harvest delivered to Alaska, WA, and other states have not changed substantially in the first eleven years of the IFQ program, as Figure 3 illustrates.

The Kodiak Island Borough census area and the Kenai Peninsula/Anchorage aggregated area received the highest percentages of the halibut pounds delivered in Alaska, respectively averaging 22.7% and 26.7% of the statewide halibut deliveries over the 1995-2006 period.

Some areas have shown changes in the percentage of Alaska deliveries since inception of the IFQ program in 1995. For example, the percentage of halibut pounds delivered to the Sitka Borough, the Juneau Borough, and the Wrangell/Petersburg census area have increased slightly during the first four years of the program over 1990 to 1994 levels, whereas the percentage of halibut pounds delivered to the Valdez-Cordova census area and the Ketchikan/Prince of Wales aggregated area has decreased from 1990 to 1994 levels. Other census areas show 1995-2006 percentages that fluctuate within the ranges of 1990 to 1994 levels.

In many areas, the number of persons who recorded landings from 1995 through 2006 was roughly equivalent to the average number of persons who recorded landings over the 1990 to 1994 period; however, there were fairly large percentage decreases in persons with landings in Areas 2C, 3A, and 4C.

Most of the halibut harvest in the first 12 years of the IFQ program occurred in the second and third quarters of each year in all management areas.

From 1995 to 2006 in Areas 2C, 3A, 3B, 4A, and 4C, the majority of IFQ permit holders with landings used QS held by Alaska residents. QS Holder from Alaska were also credited with the majority of pounds harvested in Areas 2C, 3A, and 4C in these years.

In Areas 4B and 4D, the highest percentage of IFQ permit holders with landings in the 1995-2006 seasons used QS held by WA residents. WA QS Holder were also credited with the majority of the halibut harvest in these areas and years.

Hired skippers were widely used in all areas except Area 2C during the first 12 years of the program. The use of hired skippers increased in all areas over the 1995-2006 time period. In 2006, the percentage of the harvest attributed to hired skippers was only 2.5% in Area 2C, but in other areas it ranged from 35.0% in Area 3A to 66.8% in Area 4D.

Use of hired skippers was more common in the harvester-processor vessel category and the “greater than 60 feet” catcher vessel category.

Note that more restrictive rules in Area 2C kept the number of operations with hired skippers much lower than other areas.

In all management areas except Area 2C, an individual who received an initial QS allocation in the catcher vessel categories B, C, or D does not have to be on board the vessel and sign IFQ landing reports if that individual owns at least a 20% interest in the vessel on which the IFQ are harvested, and the individual is represented on the vessel by a hired skipper. Because this exemption is confined to initial QS recipients only, the number of fishing operations where hired skippers are allowed should decrease over time as initial QS recipients transfer their QS holdings.

Corporations or partnerships may also use hired skippers, but they are also restricted to owning at least a 20% interest in the vessel on which the QS is fished. Persons who hold freezer vessel QS may use hired skippers to operate the vessels and sign IFQ landing reports in any management area, and they do not have to own the vessel that is used in the fishing operation.

Some “hired skippers,” may have actually been de facto QS lease arrangements. Ostensibly using a hired skipper was one way QS holders could circumvent IFQ program regulations that limited

catcher vessel QS leases to 10% of a person’s QS holding early in the program. The NPFMC addressed this by passing the 20% minimum vessel ownership percentages that were implemented in 1998.

**Table 14. Alaska Halibut Landings by QS Holders and Hired Skippers, 1995-2006**

Area	Year	QS Holders With Landings	Landing by QS Holders	QS Holder Landing % of Total	Hired Skippers With Landings	Landing by Hired Skipper	Skipper Landing % of Total	Total Landing
2C	1995	1,307	7,646,188	99.2	19	62,226	0.8	7,708,414
	1996	1,301	8,323,774	98.8	28	100,644	1.2	8,424,418
	1997	1,253	9,384,833	98.2	32	172,432	1.8	9,557,265
	1998	1,091	9,288,212	97.5	38	240,666	2.5	9,528,878
	1999	1,085	9,604,838	97.9	33	201,679	2.1	9,806,517
	2000	1,078	8,001,485	97.7	37	190,284	2.3	8,191,769
	2001	1,014	7,975,000	97.6	33	195,172	2.4	8,170,172
	2002	1,039	8,233,136	97.6	35	199,235	2.4	8,432,371
	2003	1,031	8,037,313	97.5	36	204,954	2.5	8,242,267
	2004	1,024	9,867,549	97.8	33	219,867	2.2	10,087,416
	2005	988	10,225,876	97.8	29	233,570	2.2	10,459,446
2006	1001	10,107,047	97.8	33	229,061	2.2	10,336,108	
3A	1995	1,457	15,214,222	85.7	115	2,532,904	14.3	17,747,126
	1996	1,456	15,462,551	80.1	151	3,842,811	19.9	19,305,362
	1997	1,356	16,671,796	68.9	202	7,513,367	31.1	24,185,163
	1998	1,163	15,943,600	65.0	213	8,575,452	35.0	24,519,052
	1999	1,172	16,160,050	66.7	200	8,063,941	33.3	24,223,991
	2000	1,129	11,596,476	64.3	207	6,447,719	35.7	18,044,195
	2001	1,097	13,267,299	63.0	208	7,804,168	37.0	21,071,467
	2002	1,121	14,691,622	65.1	190	7,865,953	34.9	22,557,575
	2003	1,110	14,389,182	64.6	192	7,888,619	35.4	22,277,801
	2004	1,070	15,484,090	62.9	197	9,115,978	37.1	24,600,068
	2005	1,039	15,225,715	60.8	212	9,825,387	39.2	25,051,102
2006	1,038	15,048,617	60.3	220	9,897,292	39.7	24,945,909	
3B	1995	379	2,462,537	78.2	67	684,763	21.8	3,147,300
	1996	404	2,395,549	68.6	87	1,097,674	31.4	3,493,223
	1997	383	4,864,069	55.6	126	3,890,024	44.4	8,754,093
	1998	336	5,150,471	48.7	132	5,417,610	51.3	10,568,081
	1999	347	6,782,006	51.4	140	6,400,834	48.6	13,182,840
	2000	342	7,621,794	51.0	145	7,318,830	49.0	14,940,624
	2001	320	7,581,919	47.1	145	8,500,225	52.9	16,082,144
	2002	324	8,379,205	48.9	156	8,740,572	51.1	17,119,777
	2003	327	8,082,740	47.2	157	9,057,865	52.8	17,140,605
	2004	303	7,076,900	46.2	157	8,255,624	53.8	15,332,524
	2005	297	6,081,498	46.8	156	6,912,801	53.2	12,994,299
2006	291	4,973,804	46.3	154	5,779,371	53.8	10,753,175	
4A	1995	146	1,062,404	67.6	38	508,494	32.4	1,570,898
	1996	145	1,035,775	59.7	58	698,426	40.3	1,734,201
	1997	139	1,366,130	49.4	60	1,396,598	50.6	2,762,728
	1998	121	1,519,992	47.5	62	1,680,618	52.5	3,200,610
	1999	124	2,017,582	48.6	65	2,133,293	51.4	4,150,875
	2000	129	2,374,011	48.8	68	2,487,503	51.2	4,861,514
	2001	112	2,024,674	42.0	72	2,798,964	58.0	4,823,638
	2002	118	2,269,599	45.8	75	2,682,125	54.2	4,951,724
	2003	112	2,089,418	42.7	67	2,806,052	57.3	4,895,470
	2004	108	1,426,530	42.9	69	1,897,696	57.1	3,324,226
	2005	108	1,575,170	47.4	63	1,748,827	52.6	3,323,997
2006	108	1,541,063	47.3	63	1,718,602	52.7	3,259,665	
4B	1995	44	1,021,688	81.9	17	225,635	18.1	1,247,323
	1996	40	890,954	54.1	36	754,978	45.9	1,645,932
	1997	47	994,477	38.6	41	1,580,511	61.4	2,574,988
	1998	32	801,741	38.7	33	1,270,138	61.3	2,071,879
	1999	36	966,746	34.9	38	1,807,035	65.1	2,773,781
	2000	43	1,251,757	27.4	51	3,312,704	72.6	4,564,461
	2001	44	1,353,838	30.9	52	3,031,514	69.1	4,385,352
	2002	42	997,944	24.7	53	3,047,258	75.3	4,045,202
	2003	42	978,998	25.6	46	2,848,423	74.4	3,827,421
	2004	39	778,770	29.1	43	1,893,438	70.9	2,672,208
	2005	36	512,266	26.5	34	1,419,846	73.5	1,932,112
2006	32	404,253	26.0	35	1,150,580	74.0	1,554,833	
4C	1995	32	212,589	70.9	5	87,053	29.1	299,642
	1996	33	208,371	70.3	11	88,068	29.7	296,439
	1997	38	356,128	70.6	14	148,440	29.4	504,568

Table 14 cont. Alaska Halibut Landings by QS Holders and Hired Skippers, 1995-2006								
Area	Year	QS Holders With Landings	Landing by QS Holders	QS Holder Landing % of Total	Hired Skippers With Landings	Landing by Hired Skipper	Skipper Landing % of Total	Total Landing
4C Cont.	1998	22	199,052	42.1	14	274,068	57.9	473,120
	1999	31	470,124	61.3	12	297,370	38.7	767,494
	2000	27	417,393	23.9	45	1,328,740	76.1	1,746,133
	2001	23	310,825	17.9	47	1,421,522	82.1	1,732,347
	2002	16	179,925	15.1	45	1,013,498	84.9	1,193,423
	2003	18	168,633	19.0	36	717,483	81.0	886,116
	2004	17	204,504	21.4	41	750,943	78.6	955,447
	2005	8	23,239	4.3	25	518,789	95.7	542,028
2006	8	122,627	24.6	23	375,093	75.4	497,720	
4D	1995	20	288,224	66.9	10	142,591	33.1	430,815
	1996	18	213,344	43.8	23	273,796	56.2	487,140
	1997	13	230,420	30.4	27	526,560	69.6	756,980
	1998	10	280,109	33.2	17	562,703	66.8	842,812
	1999	17	537,437	41.2	22	767,275	58.8	1,304,712
	2000	20	516,597	37.5	23	861,441	62.5	1,378,038
	2001	14	363,891	26.6	25	1,004,984	73.4	1,368,875
	2002	16	420,872	23.9	30	1,338,228	76.1	1,759,100
	2003	19	530,364	27.8	27	1,375,833	72.2	1,906,197
	2004	21	516,730	31.6	27	1,116,704	68.4	1,633,434
	2005	22	525,905	20.8	27	1,999,480	79.2	2,525,385
	2006	26	507,714	21.4	38	1,870,273	86.9	2,377,987

# Chapter 13 Overharvest and Underharvest of IFQs and TACS

The detail report compares actual harvests with the TAC for each management area and year from 1990 through 2006. The report also examines the amount of totally unfished IFQ held by initial QS recipients who have not altered their QS holdings.

Over the 1990 to 1994 time period, harvests that exceeded the TAC were common. In each of the first 12 years of the IFQ program, the TAC was mostly underharvested in all areas. From 1995 through 2006,

TAC and overharvest of the 4D TAC allowed quota holders to cross over to 4d (from 4c) this would explain the drop in percentage of harvest in 4c

By 1998, the percentage of initial QS recipients who had not transferred, leased, or otherwise altered their QS holdings ranged from 36.4% of the initial QS holders in Area 3B to 56.3% of the initial QS holders in Area 4C.

Of the persons who had not yet altered their QS holdings, some also did not fish their IFQ. In 2006 this percentage ranged from 17.3% of the initial QS holders in Area 3B to 33.8% in Area 4C. On average, these persons held relatively small amounts of QS.

The amount of unharvested TAC decreased in each year in six of the seven areas where an IFQ fishery occurred. However, in 2006 the amount of unharvested TAC increased over 1997 levels in all areas.

In 2005 new regulations allowed harvest of 4C IFQ in either 4C or 4D. This resulted in underharvest of 4C and an overharvest of 4D.

**Table 15 cont. Comparison of Halibut TACs and Landings, by Management Area, 1990 to 2006**

Area	Year	Total Allowable Catch (TAC)	Total Area Landing	Difference TAC (-) Landing	Percent of TAC Landing
3A Cont.	1991	26,600,000	22,926,430	3,673,570	86.2
	1992	26,600,000	26,781,876	-181,876	100.7
	1993	20,700,000	22,737,512	-2,037,512	109.8
	1994	26,000,000	24,843,824	1,156,176	95.6
	1995	20,000,000	17,747,126	2,252,874	88.7
	1996	20,000,000	19,305,362	694,638	96.5
	1997	25,000,000	24,185,163	814,837	96.7
	1998	26,000,000	24,519,052	1,480,948	94.3
	1999	24,670,000	24,310,879	359,121	98.5
	2000	18,310,000	18,066,096	243,904	98.7
	2001	21,890,000	21,071,467	818,533	96.3
	2002	22,630,000	22,560,168	69,832	99.7
	2003	22,630,000	22,281,887	348,113	98.5
	2004	25,060,000	24,601,516	458,484	98.2
2005	25,470,000	25,053,063	416,937	98.4	
2006	25,200,000	24,953,482	246,518	99.0	
3B	1990	8,500,000	8,694,295	-194,295	102.3
	1991	8,800,000	11,934,312	-3,134,312	135.6
	1992	8,800,000	8,622,283	177,717	98.0
	1993	6,500,000	7,855,357	-1,355,357	120.9
	1994	4,000,000	3,860,240	139,760	96.5
	1995	3,700,000	3,147,300	552,700	85.1
	1996	3,700,000	3,493,223	206,777	94.4
	1997	9,000,000	8,754,093	245,907	97.3
	1998	11,000,000	10,568,081	431,919	96.1
	1999	13,370,000	13,217,473	152,527	98.9
	2000	15,030,000	14,940,624	89,376	99.4
	2001	16,530,000	16,082,144	447,856	97.3
	2002	17,130,000	17,119,777	10,223	99.9
	2003	17,130,000	17,140,605	-10,605	100.1
2004	15,600,000	15,334,232	265,768	98.3	
2005	13,150,000	13,003,916	146,084	98.9	
2006	10,860,000	10,796,623	63,377	99.4	
4A	1990	1,800,000	2,503,281	-703,281	139.1
	1991	1,700,000	2,254,990	-554,990	132.6
	1992	2,300,000	2,699,027	-399,027	117.3
	1993	2,020,000	2,560,741	-540,741	126.8
	1994	1,800,000	1,803,462	-3,462	100.2
	1995	1,950,000	1,570,898	379,102	80.6
	1996	1,950,000	1,734,201	215,799	88.9
	1997	2,940,000	2,762,728	177,272	94.0
	1998	3,500,000	3,200,610	299,390	91.4
	1999	4,240,000	4,150,875	819,125	83.5
	2000	4,970,000	4,861,514	108,486	97.8
	2001	4,970,000	4,823,638	146,362	97.1
	2002	4,970,000	4,951,724	18,276	99.6
	2003	4,970,000	4,895,472	74,528	98.5
2004	3,470,000	3,392,035	77,965	97.8	
2005	3,440,000	3,323,997	116,003	96.6	
2006	3,350,000	3,260,395	89,605	97.3	
4B	1990	1,900,000	1,332,988	567,012	70.2
	1991	1,700,000	1,513,422	186,578	89.0
	1992	2,300,000	2,317,361	-17,361	100.8
	1993	2,300,000	1,962,364	337,636	85.3
	1994	2,100,000	2,017,108	82,892	96.1
	1995	1,848,000	1,247,323	600,677	67.5
	1996	1,848,000	1,645,932	202,068	89.1
	1997	2,784,000	2,574,988	209,012	92.5

**Table 15. Comparison of Halibut TACs and Landings, by Management Area, 1990 to 2006**

Area	Year	Total Allowable Catch (TAC)	Total Area Landing	Difference TAC (-) Landing	Percent of TAC Landing
2C	1990	9,500,000	9,705,514	-205,514	102.2
	1991	7,400,000	8,686,934	-1,286,934	117.4
	1992	10,000,000	9,816,892	183,108	98.2
	1993	10,000,000	11,289,516	-1,289,516	112.9
	1994	11,000,000	10,378,542	621,458	94.4
	1995	9,000,000	7,708,414	1,291,586	85.6
	1996	9,000,000	8,424,418	575,582	93.6
	1997	10,000,000	9,557,265	442,735	95.6
	1998	10,500,000	9,528,878	971,122	90.8
	1999	10,490,000	9,896,079	593,921	94.3
	2000	8,400,000	8,191,769	208,231	97.5
	2001	8,780,000	8,170,172	609,828	93.1
	2002	8,500,000	8,432,413	67,587	99.2
	2003	8,500,000	8,242,583	257,417	97.0
2004	10,500,000	10,088,931	411,069	96.1	
2005	10,930,000	10,459,446	470,554	95.7	
2006	10,630,000	10,339,799	290,201	97.3	
3A	1990	31,000,000	28,844,296	2,155,704	93.0

<b>Table 15 cont. Comparison of Halibut TACs and Landings, by Management Area, 1990 to 2006</b>					
<b>Area</b>	<b>Year</b>	<b>Total Allowable Catch (TAC)</b>	<b>Total Area Landing</b>	<b>Difference TAC (-) Landing</b>	<b>Percent of TAC Landing</b>
4B Cont.	1998	2,800,000	2,071,879	728,121	74.0
	1999	3,928,000	2,773,781	1,154,219	70.6
	2000	3,184,000	3,626,754	-442,754	113.9
	2001	3,928,000	3,517,658	410,342	89.6
	2002	3,344,000	3,213,189	130,811	96.1
	2003	3,344,000	3,005,534	338,466	89.9
	2004	2,248,000	2,169,480	78,520	96.5
	2005	1,808,000	1,595,682	212,318	88.3
	2006	1,336,000	1,220,833	115,167	91.4
4C	1990	600,000	529,481	70,519	88.2
	1991	600,000	678,093	-78,093	113.0
	1992	800,000	792,925	7,075	99.1
	1993	800,000	831,018	-31,018	103.9
	1994	700,000	714,882	-14,882	102.1
	1995	385,000	299,642	85,358	77.8
	1996	385,000	296,439	88,561	77.0
	1997	580,000	504,568	75,432	87.0
	1998	795,000	473,120	321,880	59.5
	1999	1,015,000	767,494	247,506	75.6
	2000	1,015,000	731,358	283,642	72.1
	2001	1,015,000	724,815	290,185	71.4
	2002	1,015,000	484,815	530,185	47.8
	2003	1,015,000	424,935	590,065	41.9
2004	860,000	478,274	381,726	55.6	
2005	907,500	78,361	829,139	8.6	
2006	805,000	124,494	680,506	15.5	
4D	1990	600,000	1,005,291	-405,291	167.5
	1991	600,000	1,436,533	-836,533	239.4
	1992	800,000	727,423	72,577	90.9
	1993	800,000	836,160	-36,160	104.5
	1994	700,000	710,901	-10,901	101.6
	1995	539,000	430,815	108,185	79.9
	1996	539,000	487,140	51,860	90.4
	1997	812,000	756,980	55,020	93.2
	1998	1,113,000	842,812	270,188	75.7
	1999	1,421,000	1,304,712	116,288	91.8
	2000	1,421,000	1,378,038	42,962	97.0
	2001	1,421,000	1,368,875	52,125	96.3
	2002	1,421,000	1,360,253	60,747	95.7
	2003	1,421,000	1,421,028	-28	100.0
2004	1,204,000	1,202,152	1,848	99.8	
2005	1,270,500	1,678,464	-407,964	132.1	
2006	1,127,000	1,530,754	-403,754	135.8	
4E	1990	100,000	60,355	39,645	60.4
	1991	100,000	104,297	-4,297	104.3
	1992	130,000	66,818	63,182	51.4
	1993	120,000	64,235	55,765	53.5
	1994	100,000	120,226	-20,226	120.2

Note: TACs and harvests are for commercial harvests only. In years of IFQ fisheries, they exclude CDQ allocations and harvests.

## Chapter 14 Consolidation of IFQ Permit holders on Vessels

One way the IFQ program can reduce the number of fishing operations is through consolidation of QS holdings. Another way is through QS holders' combining to fish their IFQ holdings from a single vessel.

Chapter 16 provides data on harvests and participation in the halibut fishery from 1990 through 2006. These data display the extent to which vessels have been used by more than one person, both before and after the IFQ program was implemented.

Table 16 provides time series data on harvests and participation in the halibut fishery from 1990 through 2006. In Areas 2C, 3A, and 4C, the number of persons and vessels with landings has fallen substantially under the IFQ program. In Areas 3B, 4A, 4B, and 4D there has not been a pronounced change.

Before the IFQ program in 1995, it was not uncommon for more than one CFEC permit holder to make landings from one vessel in the halibut fishery. After the IFQ fisheries were implemented, two or more IFQ permit holders might join together to fish their IFQ off one vessel. Table 16 indicates that in most areas the ratio of the number of unique persons with landings to the number of unique vessels has risen over the 1990–2006 average, which provides some evidence that the practice of multiple persons recording landings off a single vessel has increased under the IFQ program.

Area	Year	Total Landing (pounds)	Persons With Landings	Vessels With Landings	Vessel Landing Days	Pounds per Person	Pounds per Vessel	Persons per Vessel
2C	1990	9,705,514	1,525	1,489	2,605	6,364	6,518	1.02
	1991	8,686,934	1,831	1,805	2,927	4,744	4,813	1.01
	1992	9,816,892	1,786	1,775	3,255	5,497	5,531	1.01
	1993	11,289,516	1,563	1,562	2,575	7,223	7,228	1.00
	1994	10,378,542	1,468	1,461	2,373	7,070	7,104	1.00
	1995	7,708,414	1,319	1,105	2,922	5,844	6,976	1.19
	1996	8,424,418	1,321	1,024	3,248	6,377	8,227	1.29
	1997	9,557,265	1,275	989	3,557	7,496	9,664	1.29
	1998	9,528,878	1,116	826	3,039	8,538	11,536	1.35
	1999	9,806,517	1,107	826	3,383	8,859	11,872	1.34
	2000	8,191,769	1,132	827	3,037	7,237	9,905	1.37
	2001	8,170,172	1,068	736	2,738	7,650	11,101	1.45
	2002	8,432,413	1,094	718	2,758	7,708	11,744	1.52
	2003	8,242,267	1,095	706	2,755	7,527	11,675	1.55
	2004	10,088,134	1,068	678	2,792	9,446	14,879	1.58
	2005	10,459,446	1,042	678	2,956	10,038	15,427	1.54
	2006	10,339,799	1,053	672	3,129	9,819	15,387	1.57
3A	1990	28,844,296	2,457	2,348	4,349	11,740	12,285	1.05
	1991	22,926,430	2,306	2,231	3,393	9,942	10,276	1.03
	1992	26,781,876	1,985	1,924	3,263	13,492	13,920	1.03
	1993	22,737,512	1,554	1,529	2,292	14,632	14,871	1.02
	1994	24,843,824	1,735	1,712	2,693	14,319	14,512	1.01
	1995	17,747,126	1,537	1,145	2,730	11,547	15,500	1.34
	1996	19,305,362	1,553	1,101	2,882	12,431	17,534	1.41
	1997	24,185,163	1,501	1,072	3,215	16,113	22,561	1.40
	1998	24,519,052	1,314	891	2,838	18,660	27,519	1.47
	1999	24,223,991	1,309	890	3,013	18,506	27,218	1.47
	2000	18,066,096	1,310	842	2,571	13,791	21,456	1.56
	2001	21,071,467	1,282	806	2,582	16,436	26,143	1.59
	2002	22,560,168	1,283	750	2,546	17,584	30,080	1.71
	2003	22,281,941	1,269	712	2,552	17,559	31,295	1.78
	2004	24,600,068	1,240	696	2,594	19,839	35,345	1.78
	2005	25,053,063	1,217	670	2,650	20,586	37,393	1.82
	2006	24,953,482	1,206	644	2,687	20,691	38,748	1.87
3B	1990	8,694,295	406	383	537	21,415	22,701	1.06
	1991	11,934,312	624	602	874	19,126	19,824	1.04
	1992	8,622,283	485	478	642	17,778	18,038	1.01



**Table 16 cont. Summary of Halibut Landing and Participation, 1990-2006**

Area	Year	Total Landing (pounds)	Persons With Landings	Vessels With Landings	Vessel Landing Days	Pounds per Person	Pounds per Vessel	Persons per Vessel
3B cont.	1993	7,855,357	406	401	535	19,348	19,589	1.01
	1994	3,860,240	328	320	499	11,769	12,063	1.03
	1995	3,147,300	436	332	464	7,219	9,480	1.31
	1996	3,493,223	467	349	490	7,480	10,009	1.34
	1997	8,754,093	479	355	711	18,276	24,659	1.35
	1998	10,568,081	438	325	700	24,128	32,517	1.35
	1999	13,182,840	458	322	767	28,783	40,940	1.42
	2000	14,940,624	470	342	863	31,789	43,686	1.37
	2001	16,082,144	452	329	915	35,580	48,882	1.37
	2002	17,119,777	456	316	966	37,543	54,177	1.44
	2003	17,140,605	458	328	1,003	37,425	52,258	1.40
	2004	15,334,232	438	303	894	35,010	50,608	1.45
	2005	13,003,916	421	302	845	30,888	43,059	1.39
2006	10,796,623	417	287	766	25,891	37,619	1.45	
4A	1990	2,503,281	155	153	188	16,150	16,361	1.01
	1991	2,254,990	237	237	257	9,515	9,515	1.00
	1992	2,699,027	197	190	326	13,701	14,205	1.04
	1993	2,560,741	166	165	196	15,426	15,520	1.01
	1994	1,803,462	178	176	229	10,132	10,247	1.01
	1995	1,570,898	180	140	210	8,727	11,221	1.29
	1996	1,734,201	192	147	239	9,032	11,797	1.31
	1997	2,762,728	185	141	277	14,934	19,594	1.31
	1998	3,200,610	166	120	217	19,281	26,672	1.38
	1999	4,150,875	172	120	298	24,133	34,591	1.43
	2000	4,861,514	127	183	370	38,280	26,566	0.69
	2001	4,823,638	122	170	375	39,538	28,374	0.72
	2002	4,951,724	121	175	379	40,923	28,296	0.69
	2003	4,895,470	114	162	384	42,943	30,219	0.70
2004	3,392,035	112	156	299	30,286	21,744	0.72	
2005	3,323,997	104	149	313	31,962	22,309	0.70	
2006	3,260,395	93	150	301	35,058	21,736	0.62	
4B	1990	1,332,988	65	61	133	20,508	21,852	1.07
	1991	1,513,422	84	81	182	18,017	18,684	1.04
	1992	2,317,361	85	82	261	27,263	28,261	1.04
	1993	1,962,364	67	65	132	29,289	30,190	1.03
	1994	2,017,108	75	74	229	26,895	27,258	1.01
	1995	1,247,323	60	57	77	20,789	21,883	1.05
	1996	1,645,932	73	64	81	22,547	25,718	1.14
	1997	2,574,988	82	69	120	31,402	37,319	1.19
	1998	2,071,879	61	47	71	33,965	44,083	1.30
	1999	2,773,781	67	51	117	41,400	54,388	1.31
	2000	3,626,754	55	71	176	65,941	51,081	0.77
	2001	3,517,658	54	72	193	65,142	48,856	0.75
	2002	3,213,189	54	72	176	59,504	44,628	0.75
	2003	3,005,534	47	70	151	63,948	42,936	0.67
2004	2,169,480	46	67	117	47,163	32,380	0.69	
2005	1,595,682	41	58	93	38,919	27,512	0.71	
2006	1,220,833	37	55	78	32,995	22,197	0.67	
4C	1990	529,481	54	51	158	9,805	10,382	1.06
	1991	678,093	53	51	165	12,794	13,296	1.04
	1992	792,925	68	62	315	11,661	12,789	1.10
	1993	831,018	63	58	344	13,191	14,328	1.09
	1994	714,882	66	64	320	10,832	11,170	1.03
	1995	299,642	37	35	127	8,098	8,561	1.06
	1996	296,439	43	41	136	6,894	7,230	1.05
	1997	504,568	48	46	151	10,512	10,969	1.04
	1998	473,120	33	30	89	14,337	15,771	1.10
	1999	767,494	41	36	149	18,719	21,319	1.14
	2000	731,358	35	39	153	20,896	18,753	0.90
	2001	724,815	29	34	156	24,994	21,318	0.85
	2002	484,815	24	28	100	20,201	17,315	0.86
	2003	424,935	25	29	58	16,997	14,653	0.86
2004	478,274	24	30	80	19,928	15,942	0.80	
2005	78,361	9	11	10	8,707	7,124	0.82	
2006	124,494	8	9	116	15,562	13,833	0.89	

**Table 16 cont. Summary of Halibut Landing and Participation, 1990-2006**

Area	Year	Total Landing (pounds)	Persons With Landings	Vessels With Landings	Vessel Landing Days	Pounds per Person	Pounds per Vessel	Persons per Vessel
4D	1990	1,005,291	24	24	25	41,887	41,887	1.00
	1991	1,436,533	48	48	49	29,928	29,928	1.00
	1992	727,423	26	26	27	27,978	27,978	1.00
	1993	836,160	19	19	22	44,008	44,008	1.00
	1994	710,901	40	39	117	17,773	18,228	1.03
	1995	430,815	30	27	28	14,361	15,956	1.11
	1996	487,140	38	33	36	12,819	14,762	1.15
	1997	756,980	38	33	36	19,921	22,939	1.15
	1998	842,812	24	22	24	35,117	38,310	1.09
	1999	1,302,747	36	29	36	36,242	44,990	1.24
	2000	1,378,038	33	39	42	41,759	35,334	0.85
	2001	1,368,875	31	34	38	44,157	40,261	0.91
	2002	1,360,253	34	35	45	40,007	38,864	0.97
	2003	1,421,028	27	35	37	52,631	40,601	0.77
	2004	1,202,152	27	37	32	44,524	32,491	0.73
	2005	1,678,464	29	39	44	57,878	43,038	0.74
	2006	1,530,854	30	42	48	51,028	36,449	0.71
4E	1990	60,355	133	129	273	454	468	1.03
	1991	104,297	64	64	156	1,630	1,630	1.00
	1992	66,818	41	41	146	1,630	1,630	1.00
	1993	64,235	47	47	223	1,367	1,367	1.00
	1994	120,226	75	74	451	1,603	1,625	1.01

## Chapter 15 Annual Ex Vessel Prices

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The term “ex-vessel” refers to activities that occur when a commercial fishing vessel lands or offloads a catch. For example, the price received by a captain (at the point of landing) for the catch is an *ex-vessel* price.

This chapter provides annual estimated ex-vessel prices by management area, including statewide estimates, during 1992 through 2005. The State of Alaska Commercial Fisheries Entry Commission (CFEC) is the source for these data. The commission, within the Alaska Department of Fish & Game, collects summary data from permit holder fish ticket landing records. NMFS-RAM uses CFEC data for Table 15-1, which provides annual ex-vessel price estimates by management area (including statewide estimates) for the 13-year reporting period. Although the primary source for the estimates comes from fish tickets, CFEC also uses ADF&G Commercial Operator's Annual Reports to calculate ex-vessel price estimates.

These estimates reflect catcher-vessel deliveries to shoreside processors for commercial catches only and exclude harvests from discards, test fishing, confiscated catch, personal use, and other unsold harvests.

Estimated prices reflect all IFQ and CDQ commercial delivery/condition types and weighted average ex-vessel prices reported for all fixed-gear types, including longline, troll, jig, handline, and pot.

For Area 4E, The Western Alaska Community Development Quota (CDQ) program, first introduced by the North Pacific Fishery Management Council in 1992, provides residents of Alaska's Bering Sea coastal region an opportunity to participate and share in a portion of the halibut fishery, among several other fisheries. The CDQ program provides the means for starting or supporting commercial fisheries business activities that help sustain an ongoing, regionally based, fisheries-related economy in Western Alaska. To accomplish this, the CDQ program allocates a percentage (7.5%) of all federally managed Aleutian Islands and Bering Sea quotas

for halibut to eligible Western Alaska communities. CDQ data are included in Table 15-1.

In Table 15-1, prices in Area 4E reflect a narrower range in ex-vessel prices from 1992 through 2005, compared with ex-vessel prices in all other statewide areas. Prices in Area 4E ranged from \$0.78 in 1998 to \$2.16 in 2005. Area 3A had the widest range of prices of statewide management areas, with prices ranging from \$0.96 in 1992 to \$3.07 in 2005.

Table 15-1 shows estimated ex-vessel prices were highest during the last six years in Areas 2C, 3A, and 3B, with the highest ex-vessel price of \$3.08 in Area 2C during 2005. Over the entire 13 years, the lowest ex-vessel price was in Area 4E during 1998 when the estimated price was \$0.78. In the same year outside the CDQ communities, the lowest price was \$0.92 in Area 4C. Generally, ex-vessel prices rose in gradual increments in each management area, except prices declined in all areas during 1998 and 2001 and quickly rebounded.

**Table 15-1 Halibut estimated ex-vessel prices by management area and year, including annual statewide estimates, 1992–2007.**

IPHC Area <sup>1</sup>	Year	Estimated ex-vessel price
2C	1992	1.01
	1993	1.27
	1994	2.01
	1995	2.04
	1996	2.26
	1997	2.24
	1998	1.39
	1999	1.99
	2000	2.62
	2001	2.11
	2002	2.22
	2003	2.95
	2004	3.04
	2005	3.08
3A	1992	0.96
	1993	1.21
	1994	1.91
	1995	1.99
	1996	2.24
	1997	2.16
	1998	1.36
	1999	2.09
	2000	2.60
	2001	2.03
	2002	2.23
	2003	2.89
	2004	3.04
	2005	3.07
3B	1992	0.93
	1993	1.21
	1994	1.90
	1995	1.95
	1996	2.16
	1997	2.08
	1998	1.27
	1999	2.06
	2000	2.55
	2001	2.00
	2002	2.20
	2003	2.87
	2004	2.96
	2005	3.01
4A	1992	0.94
	1993	1.25
	1994	1.92

IPHC Area <sup>1</sup>	Year	Estimated ex-vessel price
4A. Cont.	1995	1.89
	1996	2.05
	1997	2.03
	1998	1.07
	1999	1.90
	2000	2.50
	2001	1.96
	2002	2.20
	2003	2.87
	2004	2.89
	2005	2.92
	2006	3.73
	2007	4.28
4B	1992	0.94
	1993	1.28
	1994	1.88
	1995	1.85
	1996	1.92
	1997	1.94
	1998	0.99
	1999	1.66
	2000	2.13
	2001	1.73
	2002	2.14
4C	1992	0.93
	1993	1.08
	1994	1.85
	1995	1.79
	1996	1.96
	1997	1.87
	1998	0.92
	1999	1.45
	2000	2.08
	2001	1.77
	2002	1.48
4D	1992	0.94
	1993	1.23
	1994	1.90
	1995	1.88
	1996	2.03
	1997	1.99
	1998	1.07
	1999	1.90
	2000	2.50
	2001	1.96
	2002	2.20

IPHC Area <sup>1</sup>	Year	Estimated ex-vessel price
4D Cont.	1998	1.01
	1999	1.90
	2000	2.50
	2001	1.93
	2002	2.11
	2003	2.63
	2004	2.84
	2005	2.70
	2006	3.64
	2007	4.00
4E	1992	1.10
	1993	1.14
	1994	1.13
	1995	1.23
	1996	1.21
	1997	1.33
	1998	0.78
	1999	1.37
	2000	2.01
	2001	1.40
Year Average	1992	0.96
	1993	1.23
	1994	1.93
	1995	1.97
	1996	2.19
	1997	2.13
	1998	1.29
Estimated Statewide Ex-Vessel Price	1999	2.00
	2000	2.52
	2001	1.99
	2002	2.19
	2003	2.84
	2004	2.97
	2005	3.00
	2006	3.75
	2007	4.33

<sup>1</sup> IPHC area is that area designated for halibut fishery management by the International Pacific Halibut Commission. There are eight such areas in Alaska and each is included in this table. Of these areas, 4E is the only area that allocates all halibut catch to the CDQ Halibut Permit Program.