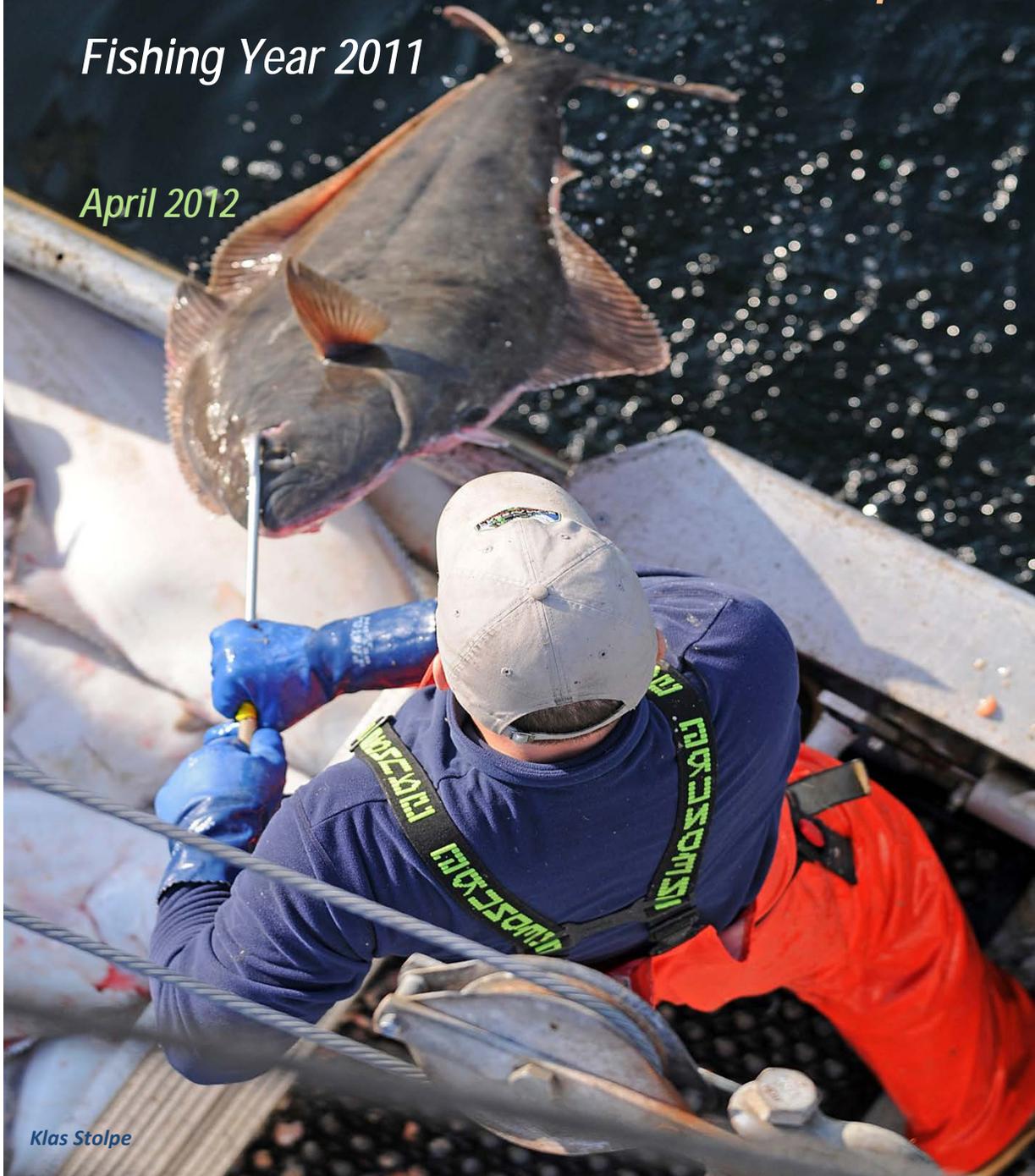


# *Pacific Halibut – Sablefish IFQ Report*

*Fishing Year 2011*

*April 2012*



**NOAA'S National Marine Fisheries Service (NMFS), Alaska Region  
Restricted Access Management (RAM)**

[alaskafisheries.noaa.gov/ram/ifqreports.htm](http://alaskafisheries.noaa.gov/ram/ifqreports.htm)



## RAM Contact Numbers

Telephone (toll free): (800) 304-4846 (select 2)  
Juneau local number: (907) 586-7202 (select 2)  
Facsimile: (907) 586-7354  
E-Mail: RAM.Alaska@noaa.gov  
Internet Home Page: [alaskafisheries.noaa.gov/ram](http://alaskafisheries.noaa.gov/ram)  
Mailing Address: NMFS/RAM  
P.O. Box 21668  
Juneau, Alaska 99802-1668  
Street Address: 709 West 9<sup>th</sup> Street  
Suite 713  
Juneau, Alaska 99801

## IFQ Language

**AKD** NMFS Alaska Enforcement Division; also, NMFS Office of Law Enforcement (OLE)  
**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 Program  
**TAC** Total Allowable Catch

Find this online report and other NOAA Fisheries, Alaska Region, publications at [alaskafisheries.noaa.gov/ram/ifqreports.htm](http://alaskafisheries.noaa.gov/ram/ifqreports.htm).

## Cover Photo



Klas Stolpe action shot captures a fisherman swinging another halibut alongside the rest of the day's catch in Area 2C.

Before joining the *Juneau Empire*, photojournalist Klas Stolpe spent many years writing and providing photography for the *Petersburg Pilot*. Over the years, Stolpe has received several Alaska Press Club and National Newspaper Association awards for photo essays and arts photos.

Photo editors and staff from the *New Orleans Times Picayune* selected "Icicle Runs Smooth Operation," a photo that depicted what pilots see on the water, for best use of story and photos by a journalist. *Rocky Mountain News* photographers selected "Herring Catch" for its winning composition and vibrant color. Closer to home, photographers from the *Puget Sound Business Journal* honored Stolpe in their best scenic photos category.

Through his photography, Stolpe has carried the work of Alaska fishermen across America. Restricted Access Management (RAM) appreciates Klas Stolpe's sharing his photographs in the Pacific Halibut and Sablefish IFQ Report for Fishing Year 2011.



The Pacific Halibut and Sablefish IFQ Report  
Fishing Year 2011  
(March 12, 2011–November 18, 2011)

NOAA Fisheries Service  
Restricted Access Management, Alaska Region  
Juneau, Alaska

April 2012

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## Section 1 TACs, Caps, and Regulations

### 2011 Season

The 2011 Individual Fishing Quota (IFQ) season for halibut and sablefish (black cod) opened at noon Alaska local time (ALT) on March 12, 2011 and ended at noon ALT on November 18, 2011. This section of the report includes information on calculations of 2011 IFQ allocations, 2011 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 (for sablefish) or catch units (halibut), a person's QS holdings, and the sum of all units issued. In this report, the portions allocated to the IFQ Program are referred to as the "IFQ TACS."

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 IFQ 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 2011 IFQ allocations were then adjusted slightly up or down, depending on fishing activities by the persons who fished the QS's resulting 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 2011 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 2011 Quota share pools (QSPs) and total allowable catches (TACs)

<sup>a</sup> QS Pools may include small amounts of QS in "Reserve" (QS that is yet to be issued) and QS that is "Restricted" (QS that has been

Species/Area	2011 Quota Share Pool <sup>a</sup> (units)	2011 IFQ TAC <sup>b,c</sup> (pounds)	Ratio <sup>d,e</sup> (QS:IFQ)
Halibut 2C	59,552,039	2,330,000	25.5588
3A	184,911,315	14,360,000	12.8768
3B	54,203,176	7,510,000	7.2175
4A	14,587,099	2,410,000	6.0527
4B	9,284,774	1,744,000	5.3238
4C	4,016,352	845,000	4.7531
4D	4,958,250	1,183,000	4.1913
4E	139,999	0	0
<b>All Areas</b>	<b>331,653,004</b>	<b>30,382,000</b>	
Sablefish AI	31,932,492	2,738,113	11.6622
BS	18,765,280	2,513,244	7.4666
CG	111,686,632	8,359,843	13.3599
SE	66,120,619	6,481,524	10.2014
WG	36,029,579	2,857,162	12.6103
WY	53,266,430	3,844,822	13.8541
<b>All Areas</b>	<b>317,801,032</b>	<b>26,794,708</b>	

issued but does not yield IFQ to its holder).

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

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

<sup>d</sup> The "ratio" displays the number of units of QS that yield one pound of 2011 IFQ (annual IFQ allocations are computed using additional decimals).

<sup>e</sup> Numbers may differ from published data due to rounding.

## 2011 Quota Share Use and Vessel IFQ Caps

The IFQ rules limit the amount of QS that a person may hold (QS Use Caps) and 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 2011 season. Note the QS use caps are constant, based on the 1996 QSPs. QS use caps are determined “individually and collectively”; that is, by QS held in a person’s name, plus a part of QS held by any entity in which the person is an owner (collectively).

Table 1.2 2011 QS use caps<sup>a</sup>

Species	Applicants %	Size of Relevant	QS Use Cap
Halibut <sup>b</sup>	1% of Halibut 2C QSP	59,979,977 QS units	599,799 QS units
	.5% of Halibut 2C, 3A, 3B QSPs	300,564,647 QS units	1,502,823 QS units
	1.5% of Halibut Area 4 QSPs	33,002,937 QS units	495,044 QS units
Sablefish <sup>b</sup>	1% of Sablefish SE QSPs	68,848,467 QS units	688,485 QS units
	1% of All Sablefish QSPs	322,972,132 QS units	3,229,721 QS units

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

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

Table 1.3 2011 vessel IFQ caps<sup>a</sup>

Species	Vessel Use Cap %	2011 IFQ TAC	Vessel Use Cap
Halibut <sup>b,c</sup>	1% of 2C Halibut IFQ TAC	3,330,000 net pounds	23,300 net pounds
	.5% of All Halibut IFQ TAC	30,382,000 net pounds	151,910 net pounds
Sablefish <sup>b,c</sup>	1% of SE Sablefish IFQ TAC	6,481,524 round pounds	64,815 round pounds
	1% of All Sablefish IFQ TAC	26,794,708 round pounds	267,947 round pounds

<sup>a</sup> Vessel IFQ caps are calculated based on the IFQ TACS only; CDQ TACS are not included in the calculations.

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

<sup>c</sup> The vessel cap for a species was 50,000 pounds if any IFQ derived from Community Quota Entity (CQE)-held QS was landed during 2011.

## Regulatory Changes Effective in 2011

Since the IFQ Program regulations were first published in November 1993, numerous administrative and programmatic changes have been made through regulatory changes. During 2011 no final rules directly affected management of the IFQ Program. To read about final and interpretative rules intended to enhance the conservation of Pacific halibut in other NMFS halibut programs, visit our website at [alaskafisheries.noaa.gov/index/frules/frules.asp?Yr=2011](http://alaskafisheries.noaa.gov/index/frules/frules.asp?Yr=2011).



Bringing in halibut in Area 2C



### Permits and Landings

The 2011 IFQ season opened at noon (ALT) on March 12 and ended at noon ALT on November 18. A total of 5,422 IFQ permits (as defined by unique combinations of species, areas, and vessel categories), including 3,903 halibut permits and 1,519 sablefish permits, were active as of year-end 2011.

When the season ended November 18, those permits had been used by IFQ holders to report 4,453 vessel landings of IFQ halibut and 1,838 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. Halibut 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 2011 IFQ halibut allocations and fixed-gear IFQ landings

Species/Area	Vessel Landings <sup>a</sup>	Area IFQ TAC <sup>b</sup>	Total Harvest	Percent Harvested <sup>c,d</sup>
Halibut 2C	1,292	2,330,000	2,292,926	98
3A	1,898	14,360,000	14,265,007	99
3B	758	7,510,000	7,336,170	98
4A	296	2,410,000	2,286,068	95
4B	120	1,744,000	1,595,524	91
4C/4D	84	2,028,000	1,847,773	91
<b>Total</b>	<b>4,450</b>	<b>30,382,000</b>	<b>29,626,493</b>	<b>98</b>

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

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

<sup>c</sup> Due to over- or underharvest of TAC and rounding, percentages may not total 100 percent.

<sup>d</sup> Permitholders may fish IFQ designated for Area 4C in either Areas 4C or 4D.

Table 2.2 2011 IFQ sablefish allocations and IFQ landings

Species/Area	Vessel Landings <sup>a</sup>	Area IFQ TAC <sup>b</sup>	Total Harvest	Percent Harvested <sup>c</sup>
Sablefish AI	124	2,738,113	1,684,207	62
BS	204	2,513,244	1,055,427	42
CG	575	8,359,843	8,274,128	99
SE	540	6,481,524	6,452,159	100
WG	179	2,857,162	2,748,249	96
WY	216	3,844,822	3,827,053	100
<b>Total</b>	<b>1,838</b>	<b>26,794,708</b>	<b>24,041,223</b>	<b>90</b>

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

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

<sup>c</sup>Due to over-or underharvest of TAC and rounding, percentages may not total 100 percent.



Black Cod Processing—from Splay to Array

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 has been consistent, although season dates varied by as much as a few weeks among years. Some landings are made and reported after the season closes (post-November 18). During May through August the 2011 monthly halibut harvest (percent of total landings) was slightly higher than the IFQ Program monthly averages. However, in October and November IFQ Program monthly averages were higher.

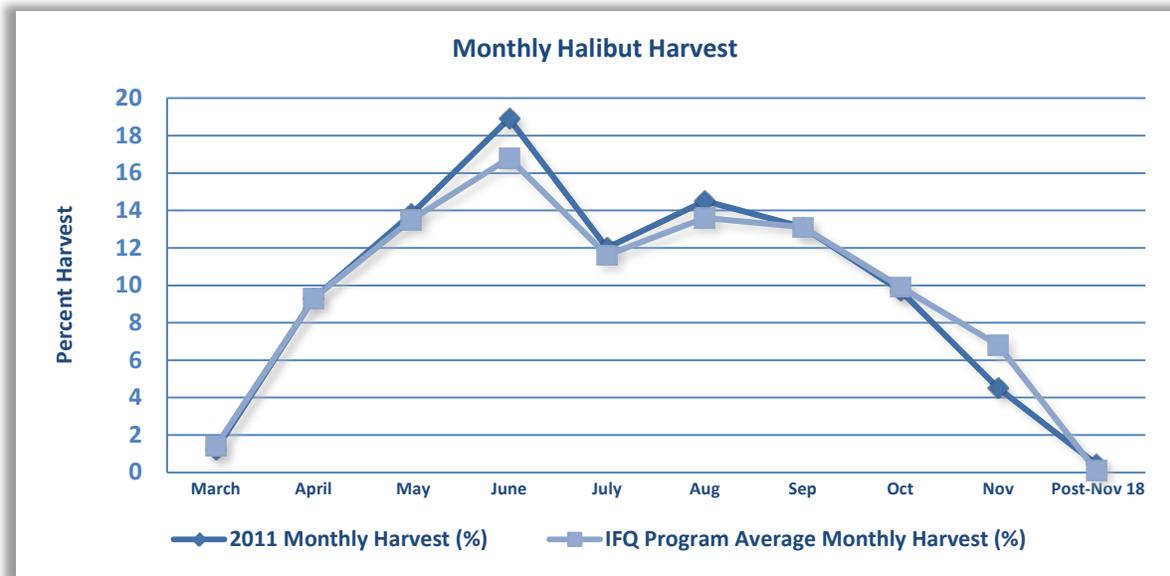


Figure 2.1 2011 Monthly Halibut Harvest (%) and Average Monthly IFQ Halibut Harvest (1995–2011)

### 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 has been consistent, although season dates varied by as much as a few weeks among years. Some landings are made and reported after the season closes. Early in the 2011 sablefish fishing year (April and May), monthly harvest (percent of total landings) surpassed IFQ Program monthly averages. However, the IFQ Program monthly averages remained slightly higher through July, August, September, and in November.

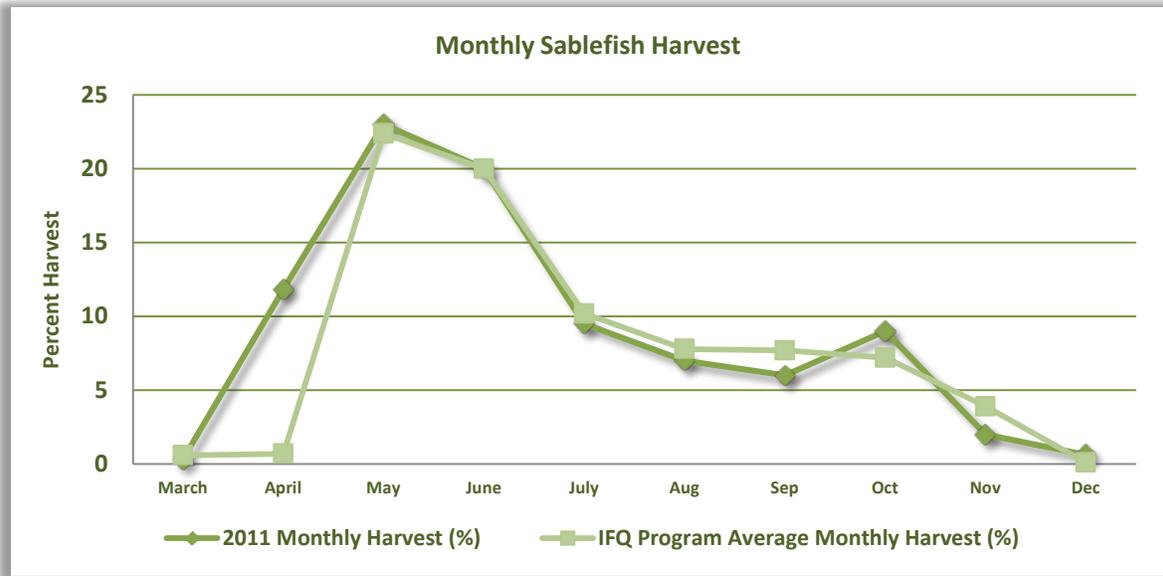


Figure 2.2 2011 Monthly Sablefish Harvest (%) and Average Monthly IFQ Sablefish Harvest (1995–2011)

## Alaska's Top 10 Ports

### Halibut

Table 2.3 displays the top ten Alaska ports in which IFQ halibut was landed. During 2011 the top four ports remained unchanged, while Sand Point rose from seventh to fifth port, pushing Sitka to sixth. Atkutan rose from tenth to seventh, and Juneau and Petersburg, respectively, slipped to eighth and ninth. Cordova ranked tenth, a position it also held in 2006 and 2007. The percentage of IFQ halibut landed outside Alaska has steadily decreased; primary “outside” ports include Seattle and Bellingham.

Table 2.3 Top ten Alaska IFQ halibut ports in rank order, 1995–2011

Port <sup>a</sup>	2011 Net pounds <sup>b,c,d</sup>	2011 Percent total Landed <sup>c,d</sup>	2011 Rank	2010 Rank	2009 Rank	2008 Rank	2007 Rank	2006 Rank	2005 Rank		
Homer	5,602,098	18.91	1	1	1	1	1	1	1		
Kodiak	5,556,759	18.76	2	2	2	2	2	2	2		
Seward	3,503,326	11.83	3	3	3	3	3	3	3		
Dutch/Unalaska	2,759,320	9.31	4	4	4	4	5	5	4		
Sand Point	*	*	5	7	10	5	8	8	8		
Sitka	1,301,520	4.39	6	5	5	6	4	4	5		
Atkutan	*	*	7	10	8	9	11	14	13		
Juneau	1,069,186	3.61	8	6	6	8	7	6	6		
Petersburg	920,944	3.11	9	8	7	7	6	7	7		
Cordova	876,310	2.96	10	12	11	11	10	10	9		
All ports	29,623,468	100	NA <sup>e</sup>								

Table 2.3 (continued)

Port <sup>a</sup>	2004 Rank	2003 Rank	2002 Rank	2001 Rank	2000 Rank	1999 Rank	1998 Rank	1997 Rank	1996 Rank	1995 Rank
Homer	1	1	1	1	1	1	1	3	2	2
Kodiak	2	2	2	2	2	2	2	1	1	1
Seward	3	3	3	4	4	3	3	4	3	5
Dutch/Unalaska	4	4	4	3	3	4	4	2	4	4
Sand Point	5	5	5	11	10	14	13	13	15	15
Sitka	6	6	7	5	6	6	5	5	5	3
Atkutan	14	17	27	32	30	29	26	22	25	30
Juneau	7	7	6	6	5	5	7	8	8	13
Petersburg	8	8	8	7	7	7	6	6	6	6
Cordova	11	10	10	6	9	9	10	7	7	8

<sup>a</sup> “All ports” includes all ports used by the fleet.

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

<sup>c</sup> Asterisk represents confidential data.

<sup>d</sup> Sum includes all port data.

<sup>e</sup> NA = nonapplicable

## Sablefish

As Table 2.4 displays, the top ten Alaska ports in which IFQ sablefish was landed have remained relatively constant over past program seasons, with Seward holding the top spot for the seventeenth program year in a row. Sitka and Kodiak remained second- and third-ranked ports, respectively, as the top three ports remained unchanged. Fourth-ranked Yakutat and seventh-ranked Juneau each increased their position by one, as Sand Point jumped from ninth to the sixth port. Other Alaska ports (“Other AK”) fell one position to fifth, and Dutch/Unalaska, always in the top four ports until 2010, fell to ninth port.

Table 2.4 Top ten Alaska IFQ sablefish ports in rank order, 1995–2011

Port <sup>a</sup>	2011 Rounded pounds landed <sup>b,c,d</sup>	2011 Percent of total landed <sup>c,d</sup>	2011 Rank	2010 Rank	2009 Rank	2008 Rank	2007 Rank	2006 Rank	2005 Rank		
Seward	4,316,406	17.95	1	1	1	1	1	1	1		
Sitka	3,802,599	15.82	2	2	2	2	3	2	3		
Kodiak	3,036,117	12.63	3	3	3	4	4	4	4		
Yakutat	*	*	4	5	6	5	5	7	5		
Other AK	1,771,699	7.37	5	4	4	*	23	No data			
Sand Point	*	*	6	9	9	7	7	6	9		
Juneau	*	*	7	8	8	9	10	9	6		
Cordova	*	*	8	11	* <sup>c</sup>	11	9	10	7		
Dutch/Unalaska	1,070,370	6.19	9	6	4	3	2	3	2		
Akutan	*	*	10	10	12	10	12	12	14		
All ports	24,041,223	100	NA <sup>e</sup>								

Table 2.4 (continued)

	2004 Rank	2003 Rank	2002 Rank	2001 Rank	2000 Rank	1999 Rank	1998 Rank	1997 Rank	1996 Rank	1995 Rank
Seward	1	1	1	1	1	1	1	1	1	1
Sitka	3	2	2	2	2	4	4	4	4	3
Kodiak	4	5	5	4	4	3	3	3	3	4
Yakutat	5	4	4	5	6	5	6	9	8	9
Other AK	No data									
Sand Point	14	12	10	10	7	6	5	5	6	5
Juneau	7	6	8	6	9	9	10	7	7	8
Cordova	8	9	6	7	5	7	7	8	13	9
Dutch/Unalaska	2	3	3	3	3	2	2	2	2	2
Akutan	13	17	NL <sup>f</sup>				16	NL <sup>f</sup>		21

<sup>a</sup> “All ports” includes all ports used by the fleet.

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

<sup>c</sup> Asterisk represents confidential data; port rank is not always retrievable due to masking of confidential data.

<sup>d</sup> Sum includes all port data.

<sup>e</sup> NA = nonapplicable

<sup>f</sup> NL = no reported landings in Akutan for sablefish

### **Hired Skipper (Hired Master) Activity**

A central policy of the IFQ Program is that those who hold catcher-vessel QS and receive annual IFQ permits should exercise the harvest privilege themselves over time. This is the so-called “owner-onboard” policy, which applies to catcher-vessel QS/IFQ in categories B, C, and D, but not to category A (“freezer vessel”) shares, which may be leased without restriction. Except in a few highly specific leasing situations, the IFQ Program is designed so that eventually catcher-vessel IFQ will be fished by the QS/IFQ holders.

An element of the program for catcher vessel (CV) QS/IFQ is that, during a transitional period, some individual IFQ holders may (and nonindividuals must) designate an “IFQ Hired Master” (referred to as a “Hired Skipper” or “Skipper”) to do the fishing authorized by their annual IFQ permit. Under regulations established in 1998, the IFQ permit holder may not hire a Skipper unless the IFQ 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 being allowed to hold less than 20 percent). This “grandfather” provision enables vessel owners (who were able to hire someone else to run their boats prior to the IFQ program) to continue to hire Skippers. However, as individuals leave the fishery and as corporations and partnerships dissolve or change over time by adding shareholders or members, new entrants who take their place must be onboard when the fish are caught. With such regulatory requirements, it is inevitable that over time there will be an increasing number of individual QS holders who may not hire Skippers to fish their IFQ. By both consolidation and regulation, eventually all catcher vessel QS/IFQ will be held by persons who must be onboard during harvest of their IFQ.

### ***A General Look at Hired Skipper Activity***

In earlier reports, the Hired Skipper activities have been reported as the total amount of landings by Hired Skippers, expressed in absolute numbers and as a percent of the IFQ TAC. This represents total skipper activity for all IFQ permit holders and QS/IFQ types. Using that approach for the 2011 IFQ season, we see that, overall, 322 distinct skippers participated in the IFQ fisheries for both species in all areas and QS categories. Of these Skippers, 282 persons harvested 15,149,143 pounds of IFQ halibut (head off, gutted), which was approximately 50 percent of the entire IFQ TAC. Also during the season, 199 Hired Skippers harvested 14,830,793 pounds of sablefish (round weight), approximately 55 percent of the IFQ TAC.

This section provides a general look at Hired Skipper use for all QS and by all types of IFQ permit holders. Specifically, Table 2.5 displays the numbers of Hired Skippers who fished during 2011 by species, area, TAC, IFQ pounds, and percent TAC landed. This table includes all types of quota, whether or not fished by a Hired Skipper. Individuals who initially received QS may not hire a skipper to fish their IFQ permit in 2C (halibut) or SE (sablefish), although they may for other areas. Although these data include QS of all categories, the data are not additive across areas because some skippers fished in more than one area for the same or other IFQ permit holders.

Table 2.5 Summary of Skipper IFQ landings with TAC and numbers of Skippers and hirers during 2011 by species and area<sup>a</sup>

Species/Area <sup>a,b,c</sup>	Number of Hired Skippers	Number of Hirers	Total Skipper IFQ Pounds Landed	Average IFQ Pounds Per Skipper	IFQ TAC	Total Skipper Percent TAC	Total IFQ Landed	Percent Total Skipper IFQ Pounds Landed
Halibut 2C	24	29	60,650	2,527	2,330,000	2.60	2,292,926	2.65
3A	219	271	6,869,563	31,368	14,360,000	47.84	14,265,007	48.16
3B	156	166	4,574,715	29,325	7,510,000	60.91	7,336,170	62.36
4A	60	66	1,346,330	22,439	2,410,000	55.86	2,286,068	58.89
4B	34	38	1,164,305	34,244	1,744,000	66.76	1,595,524	72.97
4C/ 4D <sup>a,b</sup>	26	30	1,133,580	43,599	2,028,000	55.90	1,847,773	61.34
<b>Totals for Halibut</b>	<b>282</b>	<b>326</b>	<b>15,149,143</b>	<b>53,720</b>	<b>30,382,000</b>	<b>49.86</b>	<b>29,623,468</b>	<b>51.14</b>
Sablefish AI	32	34	1,451,130	45,348	2,738,113	53.00	1,684,207	86.16
BS	42	34	767,824	18,282	2,513,244	30.55	1,055,427	72.75
CG	126	148	6,628,634	52,608	8,359,843	79.29	8,274,128	80.11
SE	41	49	1,054,053	25,709	6,481,524	16.26	6,452,159	16.34
WG	54	67	2,323,401	43,026	2,857,162	81.32	2,748,249	84.54
WY	78	98	2,605,751	33,407	3,844,822	67.77	3,827,053	68.09
<b>Totals for Sablefish</b>	<b>199</b>	<b>206</b>	<b>14,830,793</b>	<b>74,527</b>	<b>26,794,708</b>	<b>55.35</b>	<b>24,041,223</b>	<b>61.69</b>

<sup>a</sup> Area 4C can be fished in 4D, which accounts for irregular percentages in these areas.

<sup>b</sup> Areas 4C and 4D are combined due to confidentiality.

<sup>c</sup> Area 4E has no IFQ allocation.

### ***A More Selective Look at Hired Skipper Use***

Data above provide a broad picture of use of Hired Skippers under the Program. To evaluate the potential and actual use of Hired Skippers effectively, it is important to focus on a subset of data, excluding and qualifying information as follows.

Eligible Person and QS/IFQ type: This section focuses on persons holding catcher vessel QS and IFQ. Category “A” IFQ is excluded as fully leaseable; these data would mask the effects of Skipper use. With some exceptions, *eligible person* means a person who could, or has, hired a Skipper

to fish catcher vessel IFQ. This group includes all nonindividuals (who must hire Skippers) and individual initial issuees who hold QS in areas other than just 2C (halibut) and SE (sablefish). In areas 2C and SE, individual QS holders must always be onboard. Excluded from “eligible” for years prior to 2000 are individuals who used NMFS loan funds to purchase QS. Before that year, such persons were required to be onboard during all of their IFQ harvests, even if they held initial issuee status and QS outside of 2C and SE. After 1999, a legal review of regulations and MSA loan provisions resulted in a policy change: the requirement to be onboard is now a NMFS loan contract provision rather than a permanent change of Hired Skipper privileges; in subsequent years, these individuals are not excluded from eligible “persons.” The group of QS holders who may never hire Skippers are “IFQ crewmembers,” individual citizens who demonstrated 150 days of U.S. commercial fishing experience and who only acquired QS by transfer; these persons must be onboard a vessel when their IFQ is harvested. The primary focus of this section is on eligible “persons,” their Hired Skippers, harvestable pounds (and percent of TAC landed), and landings.

**In sum, and unless otherwise noted, for this report a person “eligible” to hire a Skipper  
a NMFS loan,  
or a *nonindividual person* that held catcher vessel QS/IFQ.**

We must consider a number of additional data assumptions and qualifiers:

**Effects of time:** Other sections of this annual report display clear evidence of the general decrease over time of QS holders, including loss of initial issuees. Such persons typically are replaced by IFQ crewmembers or heirs of deceased individual QS holders, neither of whom may hire Skippers. Also, this section uses year-end data. Although Hired Skipper and QS/IFQ transfer applications may be approved at any time, Skippers are presumed to have been hired for an IFQ holder for the entire year, and IFQ pounds available to eligible persons and their Hired Skippers as of year-end are assumed to have been fully available to both persons for the entire year.

**Changes in program privileges:** Several program changes or provisions and other factors fall into this category:

- From 1995 through 1998, nonindividuals were not required to formally hire Skippers to fish their IFQ. So, for clarity and comparability, some data reflect changes or comparisons among years only for 1998 on.
- For 1995 through 1997, a small fraction of catcher vessel QS could be leased. This provision was little used and is ignored herein.
- Under federal regulations, at any time an individual initial issuee may form a new solely owned corporation and transfer in their initially issued QS holdings. In most such cases, the individual loses his/her initial issuee status.
- As discussed above, from 1995 through 1999, otherwise qualified individuals who received NMFS loans to purchase or refinance QS were considered to have permanently lost the ability to hire Skippers; as a result, data for those years include only persons who had not received NMFS loans. Thereafter, such persons are included in counts of persons eligible to hire Skippers.
- Hired Skippers may not be used by otherwise eligible individual IFQ permitholders for areas 2C and SE. Such individuals are excluded

from “eligible to hire Skippers” if all the IFQ they hold is in one or both areas; however, they may purchase QS in other areas at any time.

- Council recommended changes to Hired Skipper provisions. If approved by the Secretary of Commerce:
  - A. one change would require the IFQ holder to have a full 12-month ownership of a vessel for NMFS to approve a Hired Master application;
  - B. To speed the transition to an owner-onboard fleet, with few exceptions, catcher vessel (categories B, C, and D class) QS transferred after February 12, 2010 could not be fished by a Hired Skipper.

Data anomalies: This includes results of data rounding, missing data, and fishing violations, such as fishing in prohibited areas.

Fishing activity: Each year, a number of persons do not use (fish) their IFQ or do not hire skippers, even if eligible. In the following data, we note these distinctions and inclusions/exclusions.

**Because of all these factors, the following data must be viewed as estimates of the use and activities of Hired Skippers, of persons who hired them, and of relevant quota and landings.**

### Use of Hired Skippers by Individuals

In this section we show hired skipper data for skippers hired by individual QS holders holding IFQ for halibut and sablefish, showing eligible person pools over time, annual TACs, fishable pounds, and landings by skippers fishing for individuals. Program averages and percent change include fishing years 1998 through 2011 due to different data-retrieval methods used in 1995 through 1997. Data may have been revised from those used in earlier publications.

Table 2.6 Number of individual halibut QS holders and their use of Hired Skippers, 1995–2011

Halibut	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Number of all individuals	2,861	2,790	2,615	2,452	2,364	2,242	2,179	2,162	2,135	2,059	2,011
Number of all individuals eligible to hire Skippers	2,664	2,387	2,127	1,949	1,815	1,675	1,576	1,521	1,445	1,349	1,295
Individual QS holders eligible to hire Skippers and had IFQ landings	1,327	1,296	1,209	1,005	982	942	859	845	798	749	727
Eligible Individual QS holders with landings and who hired skippers	76	108	125	110	116	125	137	135	153	159	172
Number of Skippers hired by eligible individuals with landings	72	93	103	98	110	135	147	143	158	149	174

Table 2.6 (continued)

Halibut	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Number of all individuals	1,970	1,845	1,724	1,675	1,638	1,605	-34.5%	2,004
Number of all individuals eligible to hire Skippers	1,233	1,141	1,051	1,002	960	916	-53.0%	1,352
Individual QS holders eligible to hire Skippers and had IFQ landings	715	733	711	679	665	629	-37.4%	789
Eligible Individual QS holders with landings and who hired skippers	181	187	201	210	216	205	86.4%	165
Number of Skippers hired by eligible individuals with landings	185	187	198	209	214	210	114.3%	166

Table 2.7 Percent of individual halibut QS holders and their use of Hired Skippers, 1995–2011

Halibut	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Number of all individuals	2,861	2,790	2,615	2,452	2,364	2,242	2,179	2,162	2,135	2,059	2,011
Percent of all individuals eligible to hire Skippers	93%	86%	81%	79%	77%	75%	72%	70%	68%	65%	64%
Percent of individual QS holders eligible to hire Skippers and had IFQ landings	50%	54%	57%	52%	54%	56%	55%	56%	55%	56%	56%
Percent of eligible individual QS holders with landings and who hired skippers	6%	8%	10%	11%	12%	13%	16%	16%	19%	21%	24%
Average number of Skippers hired per eligible individual with landings	0.95	0.86	0.82	0.89	0.95	1.08	1.07	1.06	1.03	0.94	1.01

Table 2.7 (continued)

Halibut	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Number of all individuals	1,970	1,845	1,724	1,675	1,638	1,605	-34.5%	2,004
Percent of all individuals eligible to hire Skippers	63%	62%	61%	60%	59%	57%	-27.8%	67%
Percent of individual QS holders eligible to hire Skippers and had IFQ landings	58%	64%	68%	68%	69%	69%	33.2%	60%
Percent of eligible individual QS holders with landings and who hired skippers	25%	26%	28%	31%	32%	33%	197.8%	22%
Average number of Skippers hired per eligible individual with landings	1.02	1.00	0.99	1.00	0.99	1.02	15.0%	1.0

Table 2.8 Number of individual sablefish QS holders and their use of Hired Skippers, 1995–2011

Sablefish	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Number of all individuals	528	521	505	486	473	459	459	465	471	464	464
Number of all individuals eligible to hire Skippers	496	467	423	401	376	341	324	314	298	287	279
Individual QS holders eligible to hire Skippers and had IFQ landings	317	296	269	232	214	195	185	179	161	157	154
Eligible individual QS holders with landings and who hired skippers	30	44	51	46	53	56	64	65	71	77	85
Number of Skippers hired by eligible Individuals with landings	30	43	52	45	55	71	80	82	95	91	101

Table 2.8 (continued)

Sablefish	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Number of all individuals	459	448	450	441	432	445	-8.4%	458
Number of all individuals eligible to hire Skippers	268	261	259	253	243	239	-40.4%	296
Individual QS holders eligible to hire Skippers and had IFQ landings	156	155	151	154	151	154	-33.6%	171
Eligible individual QS holders with landings and who hired skippers	94	90	86	91	92	96	108.7%	76
Number of Skippers hired by eligible individuals with landings	110	105	105	117	118	122	171.1%	93

Table 2.9 Percent of individual sablefish QS holders and their use of Hired Skippers, 1995–2011

Sablefish	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Number of all individuals	528	521	505	486	473	459	459	465	471	464	464
Percent of all individuals eligible to hire Skippers	94%	90%	84%	83%	79%	74%	71%	68%	63%	62%	60%
Percent of individual QS holders eligible to hire Skippers and had IFQ landings	64%	63%	64%	58%	57%	57%	57%	57%	54%	55%	55%
Percent of eligible Individual QS holders with landings and who hired skippers	9%	15%	19%	20%	25%	29%	35%	36%	44%	49%	55%
Average number of Skippers hired per eligible individual with landings	1.00	0.98	1.02	0.98	1.04	1.27	1.25	1.26	1.34	1.18	1.19

Table 2.9 (continued)

Sablefish	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Number of all individuals	459	448	450	441	432	445	-8.4%	458
Percent of all individuals eligible to hire Skippers	58%	58%	58%	57%	56%	54%	-34.9%	64.4%
Percent of individual QS holders eligible to hire Skippers and had IFQ landings	58%	59%	58%	61%	62%	64%	11.4%	58.0%
Percent of eligible Individual QS holders with landings and who hired skippers	60%	58%	57%	59%	61%	62%	214.4%	46.4%
Average number of Skippers hired per eligible individual with landings	1.17	1.17	1.22	1.29	1.28	1.27	29.9%	1.2

### Annual IFQ TACs, 1995–2011

Total annual IFQ TAC is the entire IFQ allocation for all areas. As Table 2.10 indicates, over time, specified TACs have fluctuated. Since 1995 total IFQ TACs for halibut have changed  $\pm 18.8$  percent and for sablefish  $\pm 41.3$ . TACs are shown in head off-gutted pounds for halibut and round pounds for sablefish. TAC minus category “A” quota provides an estimate of “unleasable” TAC.

Table 2.10 Annual IFQ TACS in thousands of pounds, 1995–2011

Halibut	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Total Annual IFQ TAC	37,422	37,422	51,116	55,708	58,390	53,074	58,534	59,010	59,010	58,942	56,976	53,308	50,212	48,041	43,549	40,298	30,382	-45.5%	51,817
Total TAC Minus A Share lbs	36,499	36,375	49,632	54,095	56,644	51,411	56,724	57,205	57,211	57,230	55,339	51,795	48,781	46,638	42,271	39,098	29,432	-45.6%	50,277

Sablefish	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Total TAC	45,646	35,320	30,234	29,846	27,154	29,926	29,121	29,388	34,864	37,937	35,765	34,546	33,450	29,967	26,488	24,877	26,795	-10.2%	30,723
Total TAC Minus A Share lbs	38,035	29,506	24,856	24,437	21,876	23,709	22,858	22,847	26,940	29,454	28,111	26,693	25,895	23,365	20,573	19,174	20,941	-14.3%	24,062

### Annual Fishable Pounds for Individuals, 1995–2011

“Fishable pounds” are slightly different from TAC pounds in that they include IFQ permit pounds available for harvest (pounds derived from QS  $\pm$  adjustments from prior-year fishing) whether or not fished. In every IFQ Program year, adjusted carryover from the prior year has been greater than underage adjustments, so that fishable pounds have been greater than the specified TAC. For more information about effects of adjustments, see the next section “Effects of Underage and Overage Adjustments of Annual IFQ Permits on Future Year Permits.” In Tables 2.11 and 2.12, we show the numbers of catcher vessel pounds available to individual persons who are “eligible” to hire skippers. “Eligible person” is defined on page 13.

Table 2.11 Annual fishable halibut pounds (in thousands) and percent total catcher vessel IFQ TAC held by persons who could hire Skippers, 1995–2011

Halibut – Individuals	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Fishable IFQ lbs held by individuals eligible to hire Skippers and that had landings	15,923	16,371	22,663	23,995	25,174	21,650	23,747	24,273	23,346	22,268	20,524	19,007	19,309	19,333	17,579	16,159	12,078	-49.7%	20,603
Percent of total IFQ TAC as fishable lbs held by individuals eligible to hire Skippers and that had landings	42.5%	43.7%	44.3%	43.1%	43.1%	40.8%	40.6%	41.1%	39.6%	37.8%	36.0%	35.7%	38.5%	40.2%	40.4%	40.1%	39.7%	-7.7%	39.8%

Table 2.12 Annual fishable sablefish pounds (in thousands) and percent total catcher vessel IFQ TAC held by persons who could hire Skippers, 1995–2011

Sablefish – Individuals	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Fishable IFQ lbs held by individuals eligible to hire Skippers and that had landings	12,668	10,210	8,849	8,388	7,652	7,486	7,292	7,641	8,616	9,257	8,666	7,968	7,711	6,881	6,177	5,559	6,465	-22.9%	7,554
Percent of total IFQ TAC as fishable lbs held by individuals eligible to hire Skippers and that had landings	27.8%	28.9%	29.3%	28.1%	28.2%	25.0%	25.0%	26.0%	24.7%	24.4%	24.2%	23.1%	23.1%	23.0%	23.3%	22.3%	24.1%	-14.2%	24.6%

**Landings by Skippers on Permits Held by “Eligible” Individuals**

Table 2.13 Landed IFQ pounds (in thousands) and percent of TAC/fishable pounds by individuals and Skippers, 1995–2011

Halibut	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Landed IFQ lbs by anyone for individuals eligible to hire Skippers and that had permit landings	14,680	15,757	22,033	22,509	24,165	21,174	22,755	23,773	22,890	21,765	20,087	18,773	19,036	19,115	17,132	15,905	11,688	-48.1%	20,055
Percent of Total IFQ TAC as landed IFQ lbs on permits held by individuals eligible to hire Skippers and that had landings	39.2%	42.1%	43.1%	40.4%	41.4%	39.9%	38.9%	40.3%	38.8%	36.9%	35.3%	35.2%	37.9%	39.8%	39.3%	39.5%	38.5%	-4.8%	38.7%
Landed IFQ lbs by Skippers for individuals eligible to hire Skippers and that had landings	1,352	2,476	3,964	4,419	5,219	5,800	7,414	7,713	8,412	8,358	8,319	8,083	8,613	8,455	8,386	8,399	6,319	43.0%	7,424
Percent of landed IFQ lbs by Skippers for individuals eligible to hire Skippers and that had landings	9.2%	15.7%	18.0%	19.6%	21.6%	27.4%	32.6%	32.4%	36.8%	38.4%	41.4%	43.1%	45.2%	44.2%	48.9%	52.8%	54.1%	175.4%	38.5%
Percent of Total IFQ TAC landed by Skippers	3.6%	6.6%	7.8%	7.9%	8.9%	10.9%	12.7%	13.1%	14.3%	14.2%	14.6%	15.2%	17.2%	17.6%	19.3%	20.8%	20.8%	162.2%	14.8%
Percent of available fishable lbs (held by individuals eligible to hire Skippers and that had permit landings) landed by Skippers	8.5%	15.1%	17.5%	18.4%	20.7%	26.8%	31.2%	31.8%	36.0%	37.5%	40.5%	42.5%	44.6%	43.7%	47.7%	52.0%	52.3%	184.1%	37.6%

Continued

Table 2.13 (Continued)

Sablefish	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Landed IFQ lbs by anyone for individuals eligible to hire Skippers and that had permit landings	11,798	9,816	8,460	7,892	6,932	7,077	6,840	7,093	7,967	8,736	8,108	7,535	7,305	6,569	5,866	5,215	5,914	-25.1%	7,075
Percent of Total IFQ TAC as landed IFQ lbs on permits held by individuals eligible to hire Skippers and that had landings	25.8%	27.8%	28.0%	26.4%	25.5%	23.6%	23.5%	24.1%	22.9%	23.0%	22.7%	21.8%	21.8%	21.9%	22.1%	21.0%	22.1%	-16.5%	23.0%
Landed IFQ lbs by Skippers for individuals eligible to hire Skippers and that had landings	765	2,359	1,971	2,286	1,968	2,387	2,985	3,273	3,901	4,609	4,830	4,969	4,855	4,339	3,983	3,689	4,337	89.7%	3,744
Percent of landed IFQ lbs by Skippers for individuals eligible to hire Skippers and that had permit landings	6.5%	24.0%	23.3%	29.0%	28.4%	33.7%	43.6%	46.1%	49.0%	52.8%	59.6%	65.9%	66.5%	66.1%	67.9%	70.7%	73.3%	153.2%	53.8%
Percent of Total IFQ TAC landed by Skippers	1.7%	6.7%	6.5%	7.7%	7.2%	8.0%	10.3%	11.1%	11.2%	12.1%	13.5%	14.4%	14.5%	14.5%	15.0%	14.8%	16.2%	111.3%	12.2%
Percent of available fishable lbs (held by individuals eligible to hire Skippers and that had permit landings) landed by Skippers	6.0%	23.1%	22.3%	27.2%	25.7%	31.9%	40.9%	42.8%	45.3%	49.8%	55.7%	62.4%	63.0%	63.1%	64.5%	66.4%	67.1%	146.2%	50.4%

### Use of Hired Skippers by Nonindividuals

In this section we show hired skipper data for skippers hired by nonindividual QS holders fishing for halibut and sablefish, showing eligible person pools over time, annual TACs, fishable pounds, and landings by skippers hired by nonindividuals, who, from 1998 on, must hire a Skipper to fish their IFQ. Program averages and percent change include fishing years 1998 through 2011 due to different data-retrieval methods used in 1995 through 1997 and the difference in Hired Skipper hiring requirements (page 11). Data may have been revised from those used in earlier publications.

Table 2.14 Number of nonindividual halibut QS holders and their use of Hired Skippers, 1995–2011

Halibut	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Number of all eligible nonindividuals	348	322	301	229	204	182	173	168	157	151	146	141	135	123	120	117	112	-51.1%	154
Number of nonindividuals that had permit landings	210	189	177	150	136	128	121	121	114	113	112	110	108	99	98	97	95	-36.7%	114
Number of nonindividuals that had permit landings and did hire Skippers	81	86	132	143	129	128	121	121	114	113	112	110	108	100	98	97	95	-33.6%	114
Number of Skippers hired by nonindividuals	84	94	148	165	147	176	181	190	181	181	184	195	178	168	162	157	157	-4.8%	173

Table 2.15 Percent of nonindividual halibut QS holders and their use of Hired Skippers, 1995–2011

Halibut	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Number of all eligible nonindividuals	348	322	301	229	204	182	173	168	157	151	146	141	135	123	120	117	112	-51.1%	674
Percent of nonindividuals that had permit landings	58%	59%	59%	66%	67%	71%	70%	72%	73%	75%	77%	79%	81%	81%	82%	83%	85%	29.5%	590
Percent of nonindividuals that had permit landings and did hire Skippers	40%	46%	75%	95%	95%	100%	100%	100%	100%	100%	100%	100%	100%	101%	100%	100%	100%	4.9%	339
Average number of Skippers hired per nonindividual that had permit landings and did hire Skippers	1.04	1.09	1.12	1.15	1.14	1.38	1.50	1.57	1.59	1.60	1.64	1.77	1.65	1.68	1.65	1.62	1.65	43.5%	1.54

Table 2.16 Number of nonindividual sablefish QS holders and their use of Hired Skippers, 1995–2011

Sablefish	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Number of all eligible nonindividuals	160	156	149	133	128	120	115	112	105	102	97	95	88	84	82	81	78	-41.4%	101
Number of nonindividuals that had permit landings	119	107	104	96	87	85	80	72	69	66	60	61	58	57	57	58	55	-42.7%	69
Number of nonindividuals that had permit landings and did hire Skippers	52	67	87	94	81	84	80	72	69	66	60	61	58	57	57	58	55	-41.5%	68
Number of Skippers hired by nonindividuals	51	67	93	106	95	118	122	110	112	114	115	121	109	104	109	108	105	-0.9%	111

Table 2.17 Percent of nonindividual sablefish QS holders and their use of Hired Skippers, 1995–2011

Sablefish	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Number of all eligible nonindividuals	160	156	149	133	128	120	115	112	105	102	97	95	88	84	82	81	78	-41.4%	101
Percent of nonindividuals that had permit landings	74%	69%	70%	72%	68%	71%	70%	64%	66%	65%	62%	64%	66%	68%	70%	72%	71%	-2.3%	68%
Percent of nonindividuals that had permit landings and did hire Skippers	44%	63%	84%	98%	93%	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	2.1%	99%
Average number of Skippers hired per nonindividual that had permit landings	0.98	1.00	1.07	1.13	1.17	1.40	1.53	1.53	1.62	1.73	1.92	1.98	1.88	1.82	1.91	1.86	1.91	69.3%	1.67

**Annual Fishable Pounds for Nonindividuals, 1995–2011**

As mentioned earlier, *fishable pounds* are not the same as *TAC pounds*. Fishable pounds include all IFQ permit pounds available for harvest (pounds from QS lbs ± adjustments from prior-year fishing) whether or not fished. In every IFQ Program year, adjusted carryover from the prior year has been greater than underage adjustments, so fishable pounds have been greater than the specified TAC. For more information about effects of adjustments, see the next section “Effects of Underage and Overage Adjustments of Annual IFQ Permits on Future Year Permits.”

In Tables 2.18 and 2.19, we show the numbers of catcher vessel pounds available to individual persons who are “eligible” to hire skippers. “Eligible person” is defined on page 13.

Table 2.18 Annual fishable halibut catcher vessel pounds (in thousands) and percent total catcher vessel IFQ TAC held by persons who could hire Skippers, 1995–2011

Halibut – Nonindividuals	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Fishable IFQ lbs held by nonindividuals with landings	8,947	8,810	12,691	13,985	14,876	13,354	14,246	14,166	13,550	12,659
Percent of total IFQ TAC as fishable lbs held by nonindividuals with landings	23.9%	23.5%	24.8%	25.1%	25.5%	25.2%	24.3%	24.0%	23.0%	21.5%

Table 2.18 (continued)

Halibut – Nonindividuals	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Fishable IFQ lbs held by nonindividuals with landings	11,606	10,495	9,935	9,866	9,153	8,615	6,559	-53.1%	11,647
Percent of total IFQ TAC as fishable lbs held by nonindividuals with landings	20.4%	19.7%	19.8%	20.5%	21.0%	21.4%	21.6%	-13.9%	22.3%

Table 2.19 Annual fishable sablefish catcher vessel pounds (in thousands) and percent total catcher vessel IFQ TAC held by persons who could hire Skippers, 1995–2011

Sablefish – Nonindividuals	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Fishable IFQ lbs held by nonindividuals with landings	13,049	9,858	9,039	8,986	7,763	7,888	7,300	6,896	7,739	8,452	8,158
Percent of total IFQ TAC as fishable lbs held by nonindividuals with landings	28.6%	27.9%	29.9%	30.1%	28.6%	26.4%	25.1%	23.5%	22.2%	22.3%	22.8%

Table 2.19 (continued)

Sablefish – Nonindividuals	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Fishable IFQ lbs held by nonindividuals with landings	7,465	7,090	6,226	5,313	4,916	4,762	-47.0%	7,068
Percent of total IFQ TAC as fishable lbs held by nonindividuals with landings	21.6%	21.2%	20.8%	20.1%	19.8%	17.8%	-41.0%	23.0%

**Landings by Skippers on Permits Held by Nonindividuals**

Table 2.20 Landed IFQ pounds (in thousands of net weight pounds) and percent of TAC/fishable pounds by nonindividuals and Skippers, halibut, 1995–2011

Halibut	1995	1996	1997	1998	1999	2000	2001	2002	2003
Landed IFQ lbs on permits held by nonindividuals	8,411	8,486	12,388	13,140	14,394	13,088	13,973	13,970	13,347
Percent of total IFQ TAC as landed IFQ lbs on permits held by nonindividuals	22.5%	22.7%	24.2%	23.6%	24.7%	24.7%	23.9%	23.7%	22.6%
Landed IFQ lbs by Skippers for nonindividuals	2,748	3,907	10,370	12,838	13,482	13,079	13,973	13,970	13,347
Percent of landed IFQ lbs by Skippers for nonindividuals	32.7%	46.0%	83.7%	97.7%	93.7%	99.9%	100.0%	100.0%	100.0%
Percent of total IFQ TAC landed by Skippers	7.3%	10.4%	20.3%	23.0%	23.1%	24.6%	23.9%	23.7%	22.6%
Percent of available fishable lbs (held by nonindividuals eligible to hire Skippers and that had landings) landed by Skippers	30.7%	44.3%	81.7%	91.8%	90.6%	97.9%	98.1%	98.6%	98.5%

*(Continued)*

Table 2.20 (continued)

Halibut	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Landed IFQ lbs on permits held by nonindividuals	12,445	11,468	10,376	9,971	9,698	8,959	8,517	6,465	-50.8%	7,550
Percent of total IFQ TAC as landed IFQ lbs on permits held by nonindividuals	21.1%	20.1%	19.5%	19.9%	20.2%	20.6%	21.1%	21.3%	-9.8%	21.9%
Landed IFQ lbs by Skippers for nonindividuals	12,378	11,507	10,409	9,971	9,698	8,898	8,528	6,465	-49.6%	7,643
Percent of landed IFQ lbs by Skippers for nonindividuals	99.5%	100.3%	100.3%	100.0%	100.0%	99.3%	100.1%	100.0%	2.4%	99.3%
Percent of total IFQ TAC landed by Skippers	21.0%	20.2%	19.5%	19.9%	20.2%	20.4%	21.2%	21.3%	-7.7%	21.7%
Percent of available fishable lbs (held by nonindividuals eligible to hire Skippers and that had landings) landed by Skippers	97.8%	99.1%	99.2%	100.4%	98.3%	97.2%	98.9%	98.6%	7.4%	97.5%

Table 2.21 Landed IFQ pounds (in thousands of round pounds) and percent of TAC/ fishable pounds by nonindividuals and Skippers, sablefish, 1995–2011

Sablefish	1995	1996	1997	1998	1999	2000	2001	2002	2003
Landed IFQ lbs on permits held by nonindividuals	12,385	9,526	8,705	8,342	7,187	7,415	6,975	6,576	7,079
Percent of total IFQ TAC as landed IFQ lbs on permits held by nonindividuals	27.1%	27.0%	28.8%	27.9%	26.5%	24.8%	24.0%	22.4%	20.3%
Landed IFQ lbs by Skippers for nonindividuals	2,336	3,874	6,502	8,150	6,808	7,416	6,975	6,575	7,070
Percent of landed IFQ lbs by Skippers for nonindividuals	18.9%	40.7%	74.7%	97.7%	94.7%	100.0%	100.0%	100.0%	99.9%
Percent of total IFQ TAC landed by Skippers	5.1%	11.0%	21.5%	27.3%	25.1%	24.8%	24.0%	22.4%	20.3%
Percent of available fishable lbs (held by nonindividuals eligible to hire Skippers and that had landings) landed by Skippers	17.9%	39.3%	71.9%	90.7%	87.7%	94.0%	95.5%	95.3%	91.4%

(Continued)

Table 2.21 (continued)

Sablefish	2004	2005	2006	2007	2008	2009	2010	2011	Percent Change between 1998 and 2011	Average 1998–2011
Landed IFQ lbs on permits held by nonindividuals	7,979	7,726	7,092	6,726	6,056	5,176	4,762	5,028	-39.7%	6,723
Percent of total IFQ TAC as landed IFQ lbs on permits held by nonindividuals	21.0%	21.6%	20.5%	20.1%	20.2%	19.5%	19.1%	18.8%	-32.9%	21.9%
Landed IFQ lbs by Skippers for nonindividuals	7,979	7,726	7,073	6,726	6,056	5,176	4,762	5,028	-38.3%	6,680
Percent of landed IFQ lbs by Skippers for nonindividuals	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	2.4%	99.4%
Percent of total IFQ TAC landed by Skippers	21.0%	21.6%	20.5%	20.1%	20.2%	19.5%	19.1%	18.8%	-31.3%	21.8%
Percent of available fishable lbs (held by nonindividuals eligible to hire Skippers and that had landings) landed by Skippers	94.4%	94.7%	94.7%	94.9%	97.3%	97.4%	96.9%	105.6%	16.4%	95.0%

### Skipper Hiring Summary

Table 2.22 Catcher Vessel (CV) Category B, C, and D QS holders, their ability to hire Skippers, and their percentages of the CV QS pool as of the end of 2011.

Species	Number of persons who must hire Skippers	“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 Skippers	“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 Skippers	“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
	Nonindividuals			Individual Initial Issuees (not 2C and SE)			Crewmembers or 2C and SE			
Halibut	119	.04	18.8	1,013	37.9	39.2	1,543	57.7	42.1	2,675
Sablefish	78	10.1	26.5	247	31.9	33.4	450	58.1	40.1	775

### Skipper Characteristics

In this section we look at some general characteristics of the Skippers themselves. Some Skippers have been QS/IFQ holders in their own right, some were at least part owners of the vessels on which they were hired to fish another person’s IFQ, and some have been shareholders, partners, or other “owners” of the nonindividual QS holding entity that hired them. In addition to data issues and qualifiers described at the start of this section, this examination requires some additional data assumptions and is subject to a data completeness issue. First, we must assume that QS holdings as of the end of the year existed during the entire year. Next, for older data only year-end 2008 vessel and “nonindividual” ownership information was available and was therefore used for all previous data years. Finally, ownership was examined only to the “first level” of ownership; in reality, these relationships are often complex, spanning multiple “levels” for any person and vessel. As a result, vessel and quota ownership by Skippers and, therefore, material participation and investment in IFQ fisheries are likely underestimated.

### Hired Skippers as Holders of QS

#### Individuals

Over time, increasing numbers of Skippers hold their own QS and fish even if not hired by other QS holders. Tables 2.23 and 2.24 show such Skippers from year 2000 through 2011. Their QS can be of any kind and is not limited to one species; they may fish both halibut and sablefish. Note that Skippers fishing IFQ halibut cannot be hired by individual initial issuees for Area 2C and those Skippers fishing for IFQ sablefish cannot be hired by individual initial issuees for Southeast Alaska (SE). Table 2.23 shows that by the end of 2011, of those Hired Skippers hired by individuals to fish B, C, and D shares of halibut and sablefish, nearly 72 percent of IFQ Skippers held their own QS. Since 2010 the percentage of change in the number of Hired Skippers fishing both IFQ halibut and sablefish and holding their own QS was 4.8 percent, reflecting steady incremental growth in this Skipper category.

Table 2.23 Hired Skippers hired by individuals to fish B, C, and D shares and who held their own QS<sup>a</sup>, as of each year-end, 2000–2011

Species	Year	Total number of individual holders of B, C, D QS other than 2C/SE	Total Number of Skippers hired by individuals to fish B, C, D QS	Number of Skippers having their own QS of any kind	Percent of Skippers hired having their own QS of any kind	Numbers of Skippers not having their own QS	Percent of Skippers hired not having their own QS
Halibut	2000	1,722	136	80	58.8	56	41.2
	2001	1,634	147	88	59.9	59	40.1
	2002	1,575	148	96	64.9	52	35.1
	2003	1,506	160	117	73.1	43	26.9
	2004	1,413	150	105	70.0	45	30.0
	2005	1,354	175	120	68.6	55	31.4
	2006	1,294	185	128	69.2	57	30.8
	2007	1,211	188	133	70.7	55	29.3
	2008	1,119	197	138	70.0	59	30.0
	2009	1,076	211	143	67.8	68	32.2
	2010	1,041	217	150	61.9	67	30.9
	2011	998	211	152	72.0	59	28.0

(Continued)

Table 2.23 (continued)

Species	Year	Total number of individual holders of B, and C QS other than 2C/SE	Total Number of Skippers hired by individuals to fish B and C QS	Number of Skippers having their own QS of any kind	Percent of Skippers hired having their own QS of any kind	Numbers of Skippers not having their own QS	Percent of Skippers hired not having their own QS
Sablefish	2000	334	77	51	66.2	26	33.8
	2001	325	80	54	67.5	26	32.5
	2002	314	83	60	72.3	23	27.7
	2003	299	97	71	73.2	26	26.8
	2004	291	94	64	68.1	30	31.9
	2005	277	103	74	71.8	29	28.2
	2006	270	112	81	72.3	31	27.7
	2007	263	110	83	75.5	27	24.5
	2008	258	112	81	72.3	31	27.7
	2009	253	126	87	69.0	39	31.0
	2010	247	127	92	72.4	35	27.6
2011	239	126	95	75.4	31	24.6	
Unique number overall (both species)	2011	1,053	221	159	71.9	62	28.1

<sup>a</sup> Skippers' QS could be of either species.

### Nonindividuals

Since 2010 the numbers of Hired Skippers (hired by nonindividuals) without their own QS and fishing for IFQ halibut and sablefish decreased from 80 Skippers to 73, an 8.7 percent change. Table 2.24 shows that the numbers of Hired Skippers hired by nonindividuals to fish B, C, and D Shares and who held their own QS at year-end (88 Hired Skippers in the combined fisheries) were similar percentages (halibut Hired Skippers, 55 percent; sablefish Hired Skippers, 59 percent).

Table 2.24 Hired Skippers hired by nonindividuals to fish B, C, and D shares and who held their own QS<sup>a</sup>, as of each year-end, 2000–2011

Species	Year	Total number of nonindividual holders of B, C, D QS	Total Number of Skippers hired by nonindividuals to fish B, C, D QS	Number of Skippers having their own QS of any kind	Percent of Skippers hired having their own QS of any kind	Numbers of Skippers not having their own QS	Percent of Skippers hired not having their own QS
Halibut	2000	184	178	83	46.6	95	53.4
	2001	175	193	86	44.6	107	55.4
	2002	170	197	90	45.7	107	54.3
	2003	160	188	87	46.3	101	53.7
	2004	155	189	90	47.6	99	52.4
	2005	149	191	100	52.4	91	47.6
	2006	145	200	100	50.0	100	50.0
	2007	139	186	100	53.8	86	46.2
	2008	128	175	97	55.4	78	44.6
	2009	126	167	89	53.3	78	46.7
	2010	123	162	84	51.9	78	48.1
2011	119	159	87	54.7	72	45.3	

(Continued)

Table 2.24 (continued)

Species	Year	Total number of nonindividual holders of B and C QS	Total Number of Skippers hired by nonindividuals to fish B and C QS	Number of Skippers having their own QS of any kind	Percent of Skippers hired having their own QS of any kind	Numbers of Skippers not having their own QS	Percent of Skippers hired not having their own QS
Sablefish	2000	119	130	64	49.2	66	50.8
	2001	114	139	63	45.3	76	54.7
	2002	111	135	66	48.9	69	51.1
	2003	105	130	61	46.9	69	53.1
	2004	102	129	63	48.8	66	51.2
	2005	98	130	73	56.2	57	43.8
	2006	95	132	72	54.5	60	45.5
	2007	88	120	69	57.5	51	42.5
	2008	84	113	63	55.8	50	44.2
	2009	82	113	61	54.0	52	46.0
	2010	81	114	61	53.5	53	46.5
2011	78	112	66	58.9	46	41.1	
Unique number overall (both species)	2011	132	161	88	54.7	73	45.3

<sup>a</sup> Skippers' QS could be of either species.

**Hired Skippers as Owners of Vessels They Used for IFQ Fishing**

Table 2.25 shows vessel ownership by Hired Skippers for the last twelve program years. A reasonable presumption is that Skippers would fish vessels they own, especially if they are QS holders in their own right. Hirers also must own the vessels used to fish their catcher vessel IFQ. RAM’s use of only “first level” ownership data underrepresents Skipper vessel ownership. Although the number of IFQ vessels is decreasing, the number of vessels used by Skippers for IFQ fishing is increasing. While the number of Skippers fishing IFQ halibut is increasing, numbers of sablefish Skippers have fluctuated but remained essentially unchanged over time. As fewer IFQ boats entered the water in 2011 (1,052, halibut; 362, sablefish), numbers of Skippers who owned the vessels used to fish IFQ increased, accounting for approximately 31 percent (halibut) and 24 percent (sablefish) of IFQ vessels.

Table 2.25 Hired Skippers’ ownership<sup>a</sup> of vessels used to fish IFQ halibut and sablefish, 2000–2011

Species	Year <sup>b</sup>	Total number of vessels used for IFQ Fishing <sup>c</sup>	Total number of vessels used by Skippers for IFQ Fishing <sup>c</sup>	Total number of Skippers that IFQ Fished	Number of Skippers that owned (1 <sup>st</sup> level) IFQ vessel used by Skippers	Percent of IFQ vessels used and owned by Skippers	Number of Skippers that did not own (1 <sup>st</sup> Level) the IFQ vessel used by Skipper	Percent of IFQ vessels used by Skippers not owned by Skippers
Halibut	2000	1,586	243	267	45	18.5	222	81.5
	2001	1,460	243	259	42	17.3	217	82.7
	2002	1,393	241	265	49	20.3	216	79.7
	2003	1,338	247	271	61	24.7	210	75.3
	2004	1,304	250	277	64	25.6	213	74.4
	2005	1,276	248	278	72	29.0	206	71.0
	2006	1,255	256	292	76	29.7	216	70.3
	2007	1,211	252	279	75	29.8	204	70.2
	2008	1,157	259	287	79	30.5	208	69.5
	2009	1,090	269	295	87	32.3	208	67.7
	2010	1,074	266	287	85	32.0	202	68.0
	2011	1,052	264	282	82	31.1	200	68.9

(Continued)

Table 2.25 (continued)

Species	Year <sup>b</sup>	Total number of vessels used for IFQ Fishing <sup>c</sup>	Total number of vessels used by Skippers for IFQ Fishing <sup>c</sup>	Total number of Skippers that IFQ Fished	Number of Skippers that owned (1 <sup>st</sup> level) IFQ vessel used by Skippers	Percent of IFQ vessels used and owned by Skippers	Number of Skippers that did not own (1 <sup>st</sup> Level) the IFQ vessel used by Skipper	Percent of IFQ vessels used by Skippers not owned by Skippers
Sablefish	2000	450	171	201	20	11.7	181	88.3
	2001	436	156	178	19	12.2	158	87.2
	2002	416	156	178	23	14.7	155	85.3
	2003	409	164	193	25	15.2	170	86.0
	2004	396	161	190	27	16.8	164	83.9
	2005	378	163	191	33	20.2	160	81.0
	2006	372	168	203	38	22.6	165	77.4
	2007	373	172	196	40	23.3	156	76.7
	2008	359	163	184	35	21.5	149	78.5
	2009	363	175	197	36	20.6	160	81.2
	2010	368	174	191	43	24.7	148	75.3
2011	362	176	199	43	24.4	156	75.6	
Unique number overall (both species)	2011	1,081	296	322	93	31.4	229	68.6

<sup>a</sup> Vessel ownership is evaluated to the “first level” only.

<sup>b</sup> RAM does not store vessel ownership by year and cannot re-create ownership at any historical point in time; therefore, RAM used current first-level vessel ownership data as of the end of 2009 for all years prior to 2010.

<sup>c</sup> Includes all IFQ fishing (all areas, quota categories, for all IFQ holder types)

### Hired Skippers as Entity Owners

As Table 2.26 demonstrates, a large percentage of Skippers hired to fish for “nonindividual entities” (that were required to hire a Skipper to fish their IFQ) were, in whole or in part, owners of the hiring entity. Evaluation of entity ownership only at the first level underrepresents Skipper’s hirer ownership. As the numbers of nonindividual entities with IFQ decreased, numbers of hirers, Skippers, and Skipper-owners all decreased.

Table 2.26 Skippers ownership<sup>a,b</sup> of their nonindividual hirer entities for B, C, and D shares, halibut and sablefish, 2000–2011

Species	Year <sup>b</sup>	Total number of nonindividual holders of B, C, and D fishable Lbs <sup>c</sup>	Total number of Skippers hired by nonindividuals to fish B, C, D QS	Number of Skipper owners	Percent of Skippers that are owners of hiring entity	Number of nonowner Skippers	Percent of nonowner Skippers
Halibut	2000	183	178	78	43.8	100	56.2
	2001	174	193	88	45.6	105	54.4
	2002	169	197	82	41.6	115	58.4
	2003	159	188	80	42.6	108	57.4
	2004	154	189	78	41.3	111	58.7
	2005	148	191	75	39.3	116	60.7
	2006	144	200	76	38.0	124	62.0
	2007	139	186	73	39.2	113	60.8
	2008	128	175	66	37.7	109	62.3
	2009	126	167	56	33.5	111	66.5
	2010	123	162	51	31.5	111	68.5
	2011	119	159	49	30.8	110	69.2

(Continued)

Table 2.26 (continued)

Species	Year <sup>b</sup>	Total number of nonindividual holders of B and C fishable Lbs <sup>c</sup>	Total number of Skippers hired by nonindividuals to fish and C QS	Number of Skipper owners	Percent of Skippers that are owners of hiring entity	Number of nonowner Skippers	Percent of nonowner Skippers
Sablefish	2000	118	130	61	46.9	69	53.1
	2001	113	139	65	46.8	74	53.2
	2002	110	135	56	41.5	79	58.5
	2003	104	130	57	43.8	73	56.2
	2004	101	129	51	39.5	78	60.5
	2005	97	130	48	36.9	82	63.1
	2006	94	132	46	34.8	86	65.2
	2007	88	120	45	37.5	75	62.5
	2008	84	113	43	38.1	70	61.9
	2009	82	113	34	30.0	79	70.0
	2010	81	114	31	27.2	83	72.8
2011	78	112	33	29.5	79	70.5	
Unique number overall (both species)	2011	132	161	49	30.4	112	69.6

<sup>a</sup> Ownership is evaluated to the “first level” only.

<sup>b</sup> RAM does not store corporate ownership by year and cannot re-create ownership at any historical point in time; therefore, RAM used current first-level vessel ownership data as of the end of 2010 for all years prior to 2010.

<sup>c</sup> Total number of nonindividual QS holders excludes A shares.

### ***Trends in Hired Skipper Activity***

Over the years, some trends are clear: the number of both nonindividual and individual QS holders who are eligible to hire Skippers has been declining through attrition while the reliance on Hired Skippers has continued and generally increased. The latter is evident by the higher percentages of hirers and Hired Skipper harvests and QS holdings. Additionally, Hired Skippers have a substantial ownership in both vessels they used to fish for others and entities for which they fish.

### ***Conclusion***

The ability to hire a skipper to fish catcher vessel IFQ remains an important element of the IFQ Program. Under current regulations, the practice will eventually disappear as QS/IFQ holders are replaced by new entrants who are required to be onboard when the IFQ is harvested. Until that happens, however, an increasing percentage of the annual IFQ will be harvested by persons other than the QS/IFQ holder even though many such persons are owners of the entities that “hire” them, of the vessels they use for skipper activities, or are IFQ holders and active fishermen in their own right. These trends of attrition of initial issuees and increased use of Hired Skippers may be slowed by some program restrictions recommended by Council that (a) tighten vessel ownership requirements and (b) disallow use of Hired Masters for CV QS transferred after February 12, 2010. Additionally, the medical leasing provision could reduce need for Hired Masters in some cases. The fact that the numbers of catcher vessel QS holding entities are declining does not, in itself, result in fewer IFQ pounds being fished by hired Skippers (although the numbers of such Skippers may decline). The size of each eligible individual and nonindividual QS holder’s IFQ allocations may increase, even as the numbers of QS holders decline through consolidation and program regulation.

## Effects of Under- and Overfishing Adjustments of Annual IFQ Permits on Future Year Permits

IFQ regulations provide for administrative adjustment of IFQ permits as a result of under- and overfishing the “parent” 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 for the holder of the underfished QS. If a person exceeds a permit by a small percentage, the next year the holder of the overfished QS 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 by which the QS was 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 2011 IFQ halibut and sablefish permits from under- and overfished IFQ pounds during 2010, including adjustment averages from 1996 through 2011. “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 2011 this trend continued; had all additional adjustment pounds been harvested with no underfishing, the allotted annual IFQ TAC would have been exceeded by two percent, as indicated in the tables.

Table 2.28 Net Adjustments to IFQ halibut permits with yearly averages, derived from under- and overfishing of prior year permits

Species/category	2011	Averages 1996 <sup>a</sup> –2011
Halibut <sup>b</sup>		
All areas net adjustment	513,154	828,342
All areas annual IFQ TAC	30,382,000	50,873,212
All areas percentage by which TAC could be exceeded	1.7%	1.6%

<sup>a</sup> The IFQ Program started in 1995; the first adjustments were made to 1996 annual IFQ permits.

<sup>b</sup> Halibut data are in net weight (head off, gutted) pounds.

Table 2.29 Net Adjustments to IFQ sablefish permits with yearly averages, derived from under- and overfishing of prior year permits

Species/category	2011	Averages 1996 <sup>a</sup> –2011
Sablefish <sup>b</sup>		
All areas net adjustment	569,991	628,988
All areas annual IFQ TAC	26,794,708	30,979,838
All areas percentage by which TAC could be exceeded	2.1%	2.2%

<sup>a</sup> The IFQ Program started in 1995; the first adjustments were made to 1996 annual IFQ permits. The 1996 adjustment data for sablefish are not available.

<sup>b</sup> Sablefish data are in round weight pounds.



Stephens Pass Catch, Area 2C

## Registered Buyers

An IFQ Registered Buyer (RB) must report landings of IFQ halibut and sablefish. Table 2.30 displays the numbers and types of Registered Buyer permits issued by RAM for 2011 and the number of Registered Buyers that reported landings this fishing season. RBs must obtain a permit for catcher-processors, each mothership, or stationary floating processor and facility at which IFQ fish or CDQ halibut is received. Many RBs hold more than one permit. RAM issued 36 more permits in 2011 than in 2010. Twenty-five percent of permit holders were active in 2011, compared with 29 percent in 2010, 28 percent five years ago (2006), and 32 percent twelve years ago (1999).

Table 2.30 Type and number of RB permits and permit holders with landings, 2011

Type of RB <sup>a</sup>	Permits Issued	Permits with landings	Percent permits with landings	Number Distinct Permit holders	Number Distinct Permit holders with Landings <sup>b</sup>	Percent RB Permit holders with Landings <sup>b</sup>
Buyer-Broker	79	21	27	70	21	30
Catcher-Processor	67	17	25	59	13	22
Catcher-Seller	209	29	14	207	29	14
Mothership	3	0	0	3	0	0
Other	83	17	20	81	17	21
Restaurant	8	1	13	8	1	12
Retail	35	14	40	33	14	42
Shoreplant	101	54	53	66	41	62
Tender	11	2	18	10	2	20
<b>Total (not additive)</b>	<b>450</b>	<b>116</b>	<b>26%</b>	<b>391</b>	<b>98</b>	<b>25%</b>

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

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

During 2011 six fewer RB permits were used to report halibut landings than in 2010 (one fewer permit in the number of sablefish permits with landings), and reported mean pounds per permit decreased for halibut and increased for sablefish (a 77,140 IFQ pound decrease for halibut; a 37,253 IFQ pound increase for sablefish). Table 2.31 shows the number of RB permits with landings in 2011 and the season's mean pounds for both species. The table also shows the number of permit holders with landings and their mean IFQ pounds.

Table 2.31 Mean IFQ landings per RB permit and permit holder by species, 2011

Species	Registered Buyer Permits with landings	Mean IFQ Pounds per permit	Distinct RB Permit holders with landings	Mean IFQ Pounds
Halibut	105	282,128	88	336,630
Sablefish	65	369,865	50	480,824

## eLandings

Registered Buyers must report IFQ landings electronically using the Internet (with permission, a backup paper submission system is available for contingencies such as system outages). Real-time accounting of individual harvests contributes significantly to accurate and timely 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 the standard reporting method.

The largest change in reporting methods took place in 2008, when reporting through IERS jumped to 96 percent from 61 percent due to NMFS outreach through several statewide workshops. During 2010, outreach and interagency coordination continued as several staff on the eLandings team provided training to Community Development Quota (CDQ) groups and met with field staff from Alaska Department of Fish and Game and the International Pacific Halibut Commission to coordinate reporting and record-keeping issues, data query tools, and user support for eLandings.

In 2011 Registered Buyers reported 6,907 landings: 6,650 vessel landings through IERS, 78 through the NMFS Web, and 15 manually in a nearly complete transition toward IERS. RAM could not categorize 164 landings by reporting method. Although reporting methods have changed significantly, some users will continue to depend on both manual and NMFS Web reporting. Figure 2.3 includes CDQ landings, as in older reports.

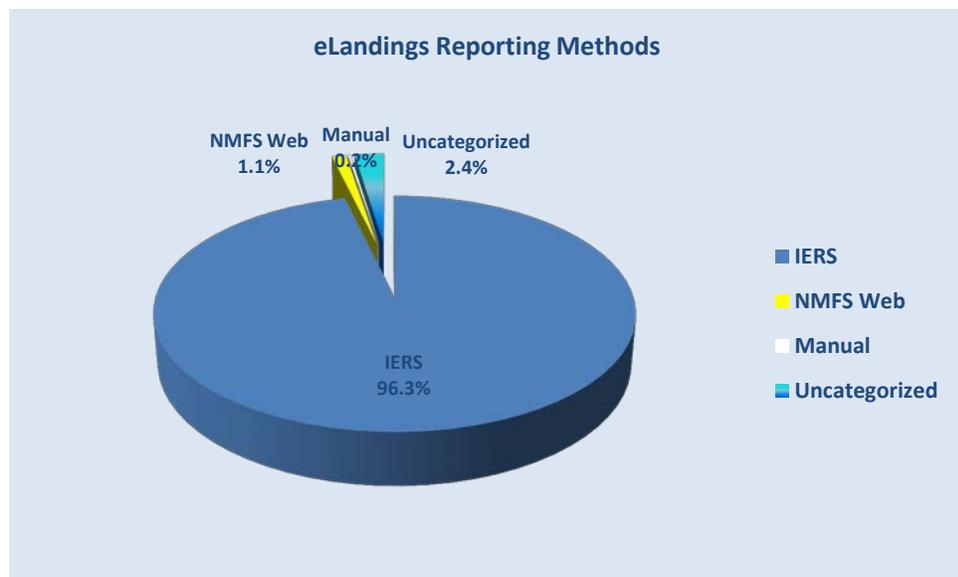


Figure 2.3 Reporting Methods (percent) for IFQ Halibut and Sablefish Landings, 2011

## NOAA IFQ Enforcement

### Activities

#### *Goals*

The Alaska Enforcement Division (AKD) of NOAA Fisheries Office of Law Enforcement (OLE) employs a multifaceted strategy to maximize compliance in the IFQ halibut and sablefish fisheries. The strategy is intended to increase communications and understanding between the regulated users and enforcement personnel and to minimize harm to fishery resources.



NMFS AKD Office, Kodiak, Alaska NOAA Fisheries

#### *Educational Outreach*

AKD strives to maintain a positive and productive relationship with all harvesters and industry personnel. In addition to daily personal interactions on the water, docks, and in processing facilities, AKD contacted thousands of harvesters and industry personnel at organized events, including trade shows, and responded to email and telephone inquiries, providing current regulatory information and guidance to promote compliance and communications.

#### *Patrols, Partnerships, and Inspections*

The U.S. Coast Guard and AKD enforce the regulations that govern fishing under the IFQ Program. AKD patrols provide compliance inspections, a visible deterrent to would-be violators, and availability to stakeholders to receive information and guidance. NOAA OLE works closely with the State of Alaska Wildlife Troopers (AWT) and the US Coast Guard to maximize compliance by sharing information, intelligence, knowledge, and resources. The formalized Cooperative Enforcement Agreement and Joint Enforcement Agreement with the Wildlife Troopers provide the state with federal funding for personnel, equipment, operations, and authorization for State Troopers to enforce federal fishing regulations while engaged in their regular duties.

#### *AKD Effort*

In 2011 NOAA and AWT personnel completed 1,964 vessel inspections at sea and onshore. This number includes both halibut and sablefish vessel boardings because AKD boardings are intended to ensure compliance with all IFQ and IPHC regulations and do not focus on collecting species-specific data.

#### *Investigations*

AKD personnel promptly and thoroughly investigate reports or complaints of IFQ violations. NOAA investigators also regularly analyze IFQ data that may lead to investigations of abnormal activity and missing or questionable information.

#### *Use of Technology*

In 2011, 268 commercial fishing vessels used a Vessel Monitoring System (VMS) satellite transceiver in Alaska. The near real-time tracking capabilities of the VMS assist in ensuring compliance in the IFQ halibut and sablefish fisheries. Among other things, the use of VMS on vessels allows IFQ fishermen to fish multiple regulatory areas on a single trip and to fish halibut in Area 4 without going to port for an Area 4 Vessel Clearance.

## U.S. Coast Guard IFQ Enforcement

### Duties

The U.S. Coast Guard now focuses its efforts at sea. Since 2006 NMFS AKD 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 similar to last season's effort, despite the loss of one patrol boat to major maintenance and the loss of most buoy tender patrols due to USCG response to the Deepwater Horizon oil spill in the Gulf of Mexico. This year major cutter effort remained high, and patrol efforts were augmented with additional operations in each halibut fishery.

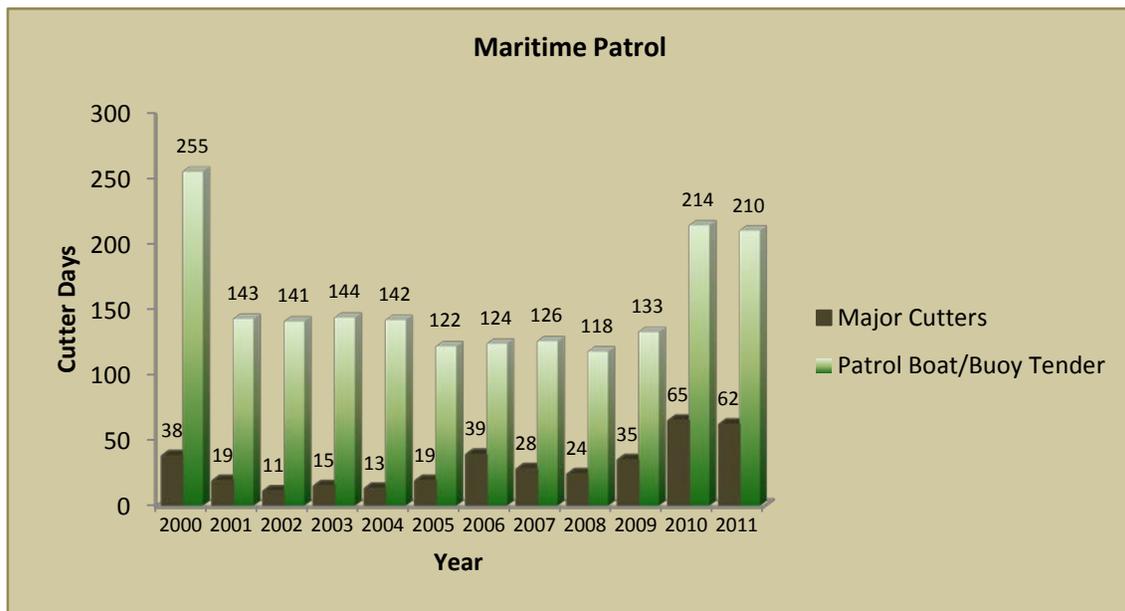


Figure 2.4 USCG Cutter and Patrol Boat Effort, 2000–2011

### 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. Figure 2.5 shows this trend in helicopter IFQ patrol hours (down 55 percent since 2005). However, in 2011 helicopter patrols totaled 457 hours for the IFQ fisheries, down only 11 hours from the 2010 fishing year. Despite generally reduced helicopter patrol hours since 2005 with the introduction of crab rationalization, these patrols have been very effective. The HC-130 aircraft IFQ patrol hours (249) decreased 10-patrol hours from the 2010 effort. Although reduced, aircraft IFQ patrol effort has remained stable over the past three years.

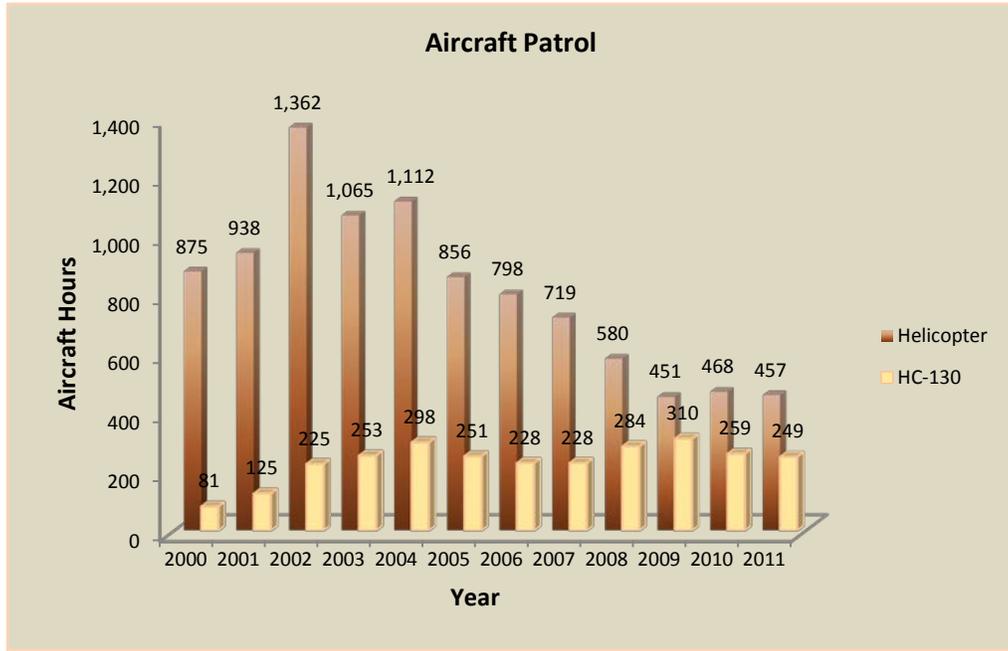


Figure 2.5 USCG Aircraft Patrol Effort, 2000–2011

**IFQ At-Sea and Dockside Effort**

The USCG eliminated shoreside enforcement in 2006, protecting resources through at-sea boardings. This focus was possible because of AKD’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 conducted jointly with NOAA.

Until 2009, USCG enforcement personnel boarded only commercial vessels. In 2009 USCG personnel boarded commercial, charter, and unguided sport-caught halibut vessels. During 2011 USCG enforcement personnel focused exclusively on at-sea boardings (396) in all halibut sectors and during these boardings found 21 violations on 211 commercial boardings, 3 violations on 58 charter vessels, and no violations on 127 unguided sport halibut vessels. Table 2.32 displays past dockside IFQ monitoring effort and at-sea boardings with fishery violations. Since 2010, the violation rate (9.9 percent) has doubled, closely approaching the 2005 violation rate (10).

Table 2.32 At-sea IFQ boardings with fishery violations and violation rates (percent), 2005–2011

IFQ Boardings/Violations	2011	2010	2009	2008	2007	2006	2005
At-Sea boardings	396	541	244	136	176	198	102
Dockside monitors <sup>a</sup>	0	0	0	0	0	0	44
Boardings/monitors w/fishery violations	21	10	9	5	10	19	14
Violation rate (percent) <sup>b</sup>	9.9	4.6	7.5	4	6	10	10

<sup>a</sup>NOAA Enforcement handled after-hours surveillance of ports and shoreside monitoring of offloads. USCG involvement in shoreside enforcement was eliminated in 2006.

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

Table 2.33 displays specific at-sea IFQ violations from 2005 through 2011. These selected violations are those that have persisted over time. Other violations are not included because they are occasional or minor administrative discrepancies. During 2011, of 211 boardings at sea, USCG personnel cited 13 vessels for 23 violations. The seven significant commercial IFQ violations in 2011 were for fishing without an IFQ permit, fishing inside a Stellar Sea Lion rookery, failing to carefully release discarded halibut, fishing with insufficient observer coverage (2 vessels), discarding incidentally caught Pacific Cod, and fishing without the Vessel Monitoring System on.

Table 2.33 At-sea IFQ fisheries violations, 2005–2011

Violation Type	2011 Violations (23 on 13 vessels)	2010 Violations (21 on 17 vessels)	2009 Violations (10 on 10 vessels)	2008 Violations (5 on 5 vessels)	2007 Violations (20 on 19 vessels)	2006 Violations (20 on 19 vessels)	2005 Violations (10 on 8 vessels)
Fishing in Closed Area	1	1	2	0	0	0	0
FFP/IFQ Permit/Cardholder not onboard	7	1	1	0	2	4	5
Expired FFP	0	0	1	0	0	0	0
Boarding Ladder	0	0	1	0	0	0	0
Insufficient seabird avoidance	0	0	0	0	2	7	3
Logbook Discrepancy	8	7	5	3	5	5	2



Examining a life raft during a safety inspection

Courtesy USCG

### IFQ Vessel Safety

During 2011 the number of IFQ at-sea safety violations (33 on 20 vessels) decreased slightly with 13 fewer violations than in 2010 (46 safety violations on 26 vessels). The at-sea safety violation rate among IFQ vessels decreased from 12.9 percent to 9.5 percent, an indicator of better safety compliance. The most serious and most common violations are listed in Table 2.34. The most prevalent violations were related to survival suits (quantity, condition), visual distress signals (insufficient quantity, expired), and Type IV life rings (insufficient, unserviceable). Two vessels had their voyages terminated in 2011, one for insufficient survival suits and the other for insufficient fire extinguishers. Table 2.34 shows, since 2009, increased violations for unserviceable or missing visual distress signals, fire extinguishers, sanitation systems, and life rings. The table categorizes 30 at-sea safety violations of 33 total violations on 20 vessels.

Sometimes violations are not listed in the table because they are occasional and unusable for multiyear comparisons. However, this year just a few administrative violations (3 hull markings/documents) are not included among these at-sea safety violations.

Table 2.34 IFQ fleet at-sea safety violations by type and number, 2003–2011

Safety Violation Types	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expired/missing life raft/hydro <sup>a</sup>	3	5	9	9	2	10	7	6	11
Insufficient visual distress signals	9	8	2	9	5	9	3	6	7
Expired/missing EPIRB <sup>b</sup> /hydro	2	4	7	7	12	9	8	4	8
Insufficient/expired fire extinguisher	3	7	0	2	3	4	5	3	5
Insufficient survival suits/light	4	3	8	3	5	7	7	2	3
Unserviceable/missing life ring	6	5	4	2	1	3	4	1	6
Exposed hazards	0	0	0	0	0	0	3	1	3
marine sanitation	2	1	0	0	0	0	1	1	2
No sound-producing device	1	1	1	1	4	2	1	1	1

<sup>a</sup> 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.

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

### 2011 Search and Rescue (SAR)

In 2011 the number of IFQ SAR cases in the IFQ fisheries increased by two from the previous fishing year. For pre-program comparisons, in 1993 and 1994 (the last non-IFQ years) the number of SAR cases reached 26 and 33, respectively. From 2009 through 2011 no lives were lost in the fishery. Figure 2.6 displays the SAR safety record during the last thirteen of seventeen program years.

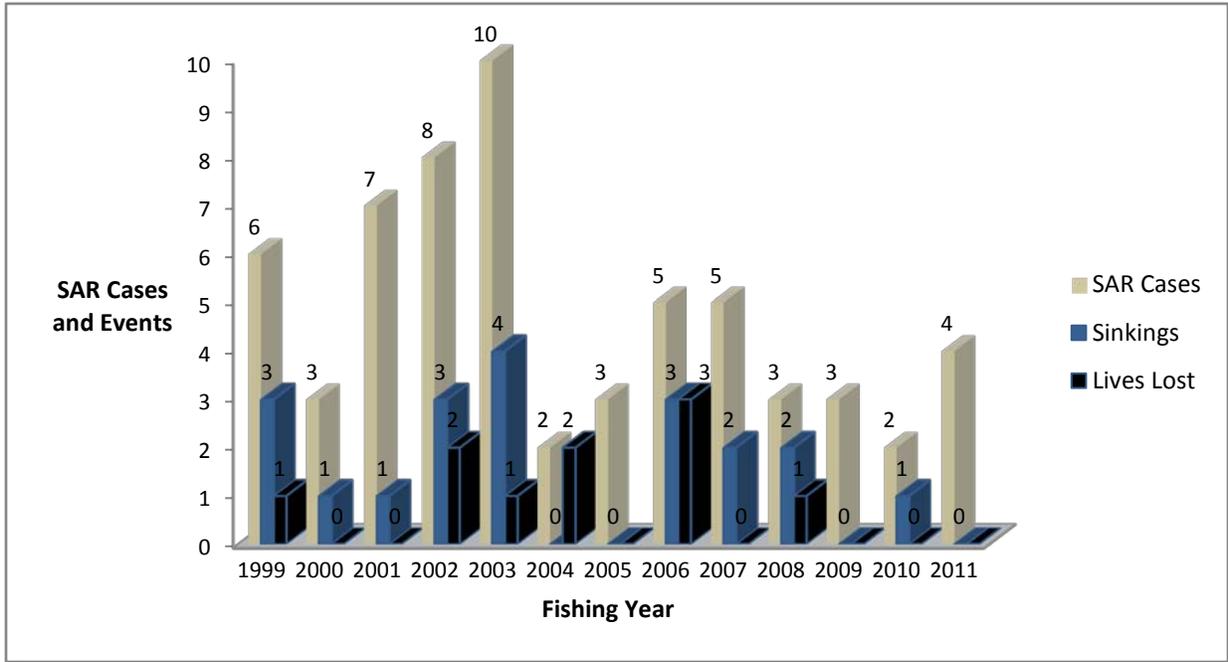


Figure 2.6 USCG IFQ Search and Rescue Cases, 1999–2011

### Enforcement Plans for 2012

The USCG plans to continue joint operations with NOAA and to focus enforcement efforts toward the commercial, charter halibut, and sport-caught halibut fleets.



## Section 3 The 2011 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 vessels, “IFQ crewmembers” that 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 2009. Infrequently, RAM receives an inquiry about eligibility for initial QS, other program features, or a newly denied claim that is appealed. Since August 2010 the National Appeals Office (NAO) has served Alaska Region’s appellants. Table 3.1 provides a 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. During 2011 NAO dismissed two cases. NAO remanded an appeal (under reconsideration) to RAM for the revocation and reissuance of QS and dismissed the case. In another appeal, NAO dismissed a case related to a fisherman’s estate. NAO closed the last IFQ case in February 2011. For more information on published OAA decisions, visit the OAA online at [alaskafisheries.noaa.gov/appeals](http://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.

Table 3.1 Status of IFQ Appeals as of Year-end, 1994–2011

Cumulative Status of IFQ Appeals at year-end 2011	Number
Decisions issued (Final Determination)	159 <sup>a</sup>
Appeal settled or dismissed (Final Determination)	32 <sup>a</sup>
Appeals pending	0
<b>Total IFQ appeals<sup>a,b,c</sup></b>	<b>191</b>

<sup>a</sup> Cases are counted once each and include only the most recent OAA action.

<sup>b</sup> The number of cases is approximate; some appeals were split into multiple cases.

<sup>c</sup> Data exclude filings withdrawn by appellants.

During 2011 no appellants filed new IFQ appeals. At year-end 191 IFQ appeals had been filed with the OAA during the Program.

Table 3.2 Status of appeals to federal courts, year-end 2011

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 Appli- cation)	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 Part- nerships 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 Part- nerships 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 2011. The table displays transfers for halibut and sablefish, and both species combined. Other than in category A QS, leasing of IFQ is limited to a few special circumstances.

Table 3.3 Numbers of approved QS/IFQ transfers 1995–2011<sup>a</sup>

Species	Transfer Type	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Halibut	Regular QS/IFQ	1,218	1,397	1,002	544	631	605	561	530	552	500	473	454	553	468	258	349	313
	IFQ Only (lease)	31	61	52	43	39	49	48	51	39	33	42	42	66	101	136	130	132
	Sweep-up of Small Blocks	31	63	441	147	154	67	86	53	74	94	44	52	128	114	41	42	39
	<b>Total Halibut Transfers</b>	<b>1,280</b>	<b>1,521</b>	<b>1,495</b>	<b>734</b>	<b>824</b>	<b>721</b>	<b>695</b>	<b>634</b>	<b>665</b>	<b>627</b>	<b>559</b>	<b>548</b>	<b>747</b>	<b>683</b>	<b>435</b>	<b>520</b>	<b>484</b>
Sablefish	Regular QS/IFQ	352	351	388	184	238	238	188	183	262	146	200	160	210	159	106	152	157
	IFQ Only (lease)	76	51	50	57	53	79	67	60	56	47	35	35	34	47	50	52	47
	Sweep-up of Small Blocks	15	20	82	33	24	26	20	13	21	11	22	9	15	20	12	8	12
	<b>Total Sablefish Transfers</b>	<b>443</b>	<b>422</b>	<b>520</b>	<b>274</b>	<b>315</b>	<b>343</b>	<b>275</b>	<b>256</b>	<b>339</b>	<b>204</b>	<b>257</b>	<b>204</b>	<b>259</b>	<b>226</b>	<b>168</b>	<b>212</b>	<b>216</b>
Both Species	Regular QS/IFQ	1,570	1,748	1,390	728	869	843	749	713	814	646	673	614	763	627	364	501	470
	IFQ Only (lease)	107	112	102	100	92	128	115	111	95	80	77	77	100	148	186	182	179
	Sweep-up of Small Blocks	46	83	523	180	178	93	106	66	95	105	66	61	143	134	53	50	51
	<b>Total-All Transfers</b>	<b>1,723</b>	<b>1,943</b>	<b>2,015</b>	<b>1,008</b>	<b>1,139</b>	<b>1,064</b>	<b>970</b>	<b>890</b>	<b>1,004</b>	<b>831</b>	<b>816</b>	<b>752</b>	<b>1,006</b>	<b>909</b>	<b>603</b>	<b>733</b>	<b>700</b>

<sup>a</sup> Transactions during 1995–1999 reflect calendar year activity; 2000–2007 data extend through January of the following year. Beginning in 2008 RAM does not process QS/IFQ transfers in January.

Tables 3.4 and 3.5 illustrate the transfer of QS/IFQ between Alaskans and Non-Alaskans. The distributive effects have not been dramatic (at least with respect to net gains and losses of QS/IFQ by Alaskans compared to 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](http://alaskafisheries.noaa.gov/ram)

Table 3.4 Changes in halibut QS holdings between initial issuance and year-end 2011<sup>a</sup>

Area	Initially Issued <sup>a</sup>				Held at Year-end 2011			
	Alaskan <sup>b</sup>		Non-Alaskan <sup>b</sup>		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	925	48,987,507	205	10,564,532
3A	2,436	118,598,696	637	66,893,737	1,074	111,979,192	357	72,932,123
3B	780	28,061,266	278	26,455,137	337	27,900,110	157	26,303,066
4A	377	7,069,344	156	7,565,095	149	7,889,759	70	6,668,921
4B	80	3,242,733	73	6,050,658	52	4,516,188	38	4,768,586
4C	48	2,199,603	33	1,816,749	30	1,661,287	23	2,355,065
4D	22	665,856	47	4,257,782	14	1,471,374	33	3,486,876
4E	98	127,392	6	12,607	91	117,692	12	22,307
<b>Total unique persons<sup>c</sup></b>	<b>3,976</b>		<b>855</b>		<b>2,128</b>		<b>590</b>	

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

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

<sup>c</sup> 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 2011<sup>a</sup>

Area	Initially Issued <sup>a</sup>				Held at Year-end 2011			
	Alaskan <sup>b</sup>		Non-Alaskan <sup>b</sup>		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	39	8,471,230	53	23,461,262
BS	63	7,111,748	82	11,514,928	50	9,862,090	53	8,903,190
CG	396	43,441,061	248	68,103,400	210	43,976,269	159	67,710,363
SE	467	42,775,495	249	23,822,984	269	42,979,945	141	23,140,674
WG	108	8,523,936	125	27,562,419	68	9,307,848	95	26,721,731
WY	251	18,495,325	206	34,975,111	114	19,614,709	124	33,651,721
<b>Total unique persons<sup>c</sup></b>	<b>721</b>		<b>334</b>		<b>516</b>		<b>325</b>	

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

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

<sup>c</sup> 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.

### Medical Transfer

Starting in September 2007, individual QS holders not eligible to hire a Skipper and who (themselves or an immediate family member) have a medical condition preventing them from fishing their catcher vessel IFQ may lease out the IFQ. This provision is intended to allow IFQ to be fished while the QS holder has a short-term medical condition. For this reason, a written declaration from a medical professional is required, and the number of times a person may use a medical transfer for the same medical condition is limited. In evaluating use of this provision, NMFS considers all transfers of a QS holder's IFQ in the same year for the same medical condition to be one "use" of the provision.

### Initial Issues Using the Medical Lease Provision, 2007–2011

Although small in number, a substantial percentage of persons who have used medical transfers are initial issuees of QS not otherwise eligible to use a Hired Master (that is, those who held QS only in 2C or SE or did not own a suitable vessel). During 2011, 21 initial issue transferors held QS besides 2C and/or Southeast and composed nearly 33 percent of all medical transferors of catcher vessel (CV) IFQ. In 2010, 24 initial issue transferors held QS besides 2C and/or Southeast, almost 39 percent of all medical transferors of catcher vessel (CV) IFQ. Since 2007 (a partial medical lease year), medical transfers by initial issuees have increased. RAM anticipates that initial issuees will continue using the limited IFQ medical lease provision to fish their CV IFQ during short-term medical needs. If implemented, Council recommendations for more restrictions on hired Skipper use may result in an increased use of medical leases in the future.

Tables 3.6 through 3.8 provide numbers and types of medical leases, comparisons with other CV QS holders, transfers, transferors, and uses of medical leases. Specifically, Table 3.6 provides the number of leases and distinct transferors and transferees since the provision began. Table 3.7 provides a comparison with other CV and IFQ leases and percentages of those distinct CV QS holders using medical lease transactions. Table 3.8 shows the numbers of persons using medical leases compared with all CV QS holders. During 2011 the number of medical leases and transferors increased almost five times over the numbers in 2007, which was a partial lease year. The number of transferees increased fourfold. In these tables, the numbers of persons are not additive across years.

Table 3.6 Medical lease transactions by year, Sep 2007– Dec 31, 2011

Year	Number of Transactions	Number of Distinct Transferors	Number of Distinct Transferees
<b>2007</b>	17	13	14
<b>2008</b>	71	54	52
<b>2009</b>	98	66	59
<b>2010</b>	92	62	57
<b>2011</b>	95	64	60
<b>Overall</b>	<b>373</b>	<b>160</b>	<b>143</b>

Table 3.7 Medical vs. other IFQ lease transactions, Sep 10, 2007– Dec 31, 2011 and percent of comparable data for all CV lease transactions

Type of Transaction	Number of Transactions	Number of Distinct Transferors	Number of Distinct Transferees
<b>All IFQ leases</b>	795	234	229
<b>All CV leases</b>	585	205	199
<b>All CV medical leases</b>	373	160	143
<b>Medical as Percent of All leases</b>	46.9	68.4	62.4
<b>Medical as Percent of All CV leases</b>	63.8	78.0	71.9

Table 3.8 shows the number of CV QS holders who use medical leases is increasing but remains a small fraction of the number of all CV QS holders.

Table 3.8 Comparison of medical transferors by number of unique persons and percentages of CV QS holders, Sep 10, 2007–Dec 31, 2011

Year	Number of All Persons Holding CV QS at Year-end	Number of Persons Using Medical Leases and Percent of Persons Holding CV QS
<b>2007</b>	3,232	13 (0.4%)
<b>2008</b>	3,064	54 (1.8%)
<b>2009</b>	2,998	66 (2.2%)
<b>2010</b>	2,931	62 (2.1%)
<b>2011</b>	2,875	64 (2.2%)

### Transfer Eligibility Certificate (TEC)

Besides eligible community nonprofit organizations in the GOA Community Purchase Program, and except in a few uncommon circumstances, 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. Non-initial issuees are designated as “IFQ Crewmembers” and, upon approval, RAM issues them Transfer Eligibility Certificates (TECs).

Table 3.9 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 2011.

Table 3.9 Summary of Transfer Eligibility Certificate (TEC) issuance 1994–2011 and crewmembers holding QS at year-end 2011

Residency	Crewmember <sup>a</sup> TECs issued 1994–2011	Crewmembers <sup>a</sup> holding QS/IFQ year-end 2011
Alaskan <sup>b</sup>	2,303	846
Non-Alaskan <sup>b</sup>	1,033	313
<b>Total<sup>f</sup></b>	<b>3,336</b>	<b>1,159</b>

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

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

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

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

Table 3.10 displays “Alaskan” and “Non-Alaskan” IFQ Crewmember holdings of QS at year-end 2011 (as expressed in 2011 IFQ pound equivalents and as a percentage of the 2011 area TACs). Halibut Area 4E is excluded because no IFQ is allocated for that area.

Table 3.10 Quota acquired by “IFQ Crewmembers” by species, area, and residence at year-end 2011<sup>a</sup>

Species/Area	Alaskan IFQ Pounds <sup>b,c</sup>	Non-Alaskan IFQ Pounds <sup>b,c</sup>	Total 2011 IFQ Pounds <sup>d</sup>	Percent Area TAC <sup>e</sup>
Halibut 2C	683,830	217,051	900,881	38.7
3A	2,670,982	1,415,102	4,086,084	28.4
3B	1,419,305	1,006,940	2,426,245	32.3
4A	634,802	413,567	1,048,369	43.5
4B	334,959	256,794	591,753	33.9
4C	174,568	235,204	409,772	48.5
4D	194,007	270,708	464,715	39.3
<b>Halibut total</b>	<b>6,112,453</b>	<b>3,815,366</b>	<b>9,927,819</b>	

(Continued)

Table 3.10 (continued)

Species/Area	Alaskan IFQ Pounds <sup>b,c</sup>	Non-Alaskan IFQ Pounds <sup>b,c</sup>	Total 2011 IFQ Pounds <sup>d</sup>	Percent Area TAC <sup>e</sup>
Sablefish AI	379,635	1,627,979	2,007,614	73.3
BS	655,401	936,143	1,591,544	63.3
CG	966,631	1,071,905	2,038,536	24.4
SE	1,222,033	889,967	2,112,000	32.6
WG	417,461	844,289	1,261,750	44.2
WY	299,347	303,749	603,096	15.7
<b>Sablefish total</b>	<b>3,940,508</b>	<b>5,674,032</b>	<b>9,614,540</b>	

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

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

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

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

<sup>e</sup> Table 1.1 references TAC amounts.

### Community Purchase Program

First authorized in June 2004, the IFQ Community Purchase Program allows 42 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 ("Community Quota Entities," CQEs) 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 year-end 2011, 21 communities were represented by 20 CQEs, but only two CQEs had acquired QS and leased IFQ. Beyond the IFQ Community Purchase Program, some communities have additional benefits if allocated community charter halibut permits or license limitation groundfish permits under other limited entry programs. Visit the NOAA website for more information on the new NMFS guided sport fishery or License Limitation Program permits for GOA groundfish:

[alaskafisheries.noaa.gov/ram/cqp.htm](http://alaskafisheries.noaa.gov/ram/cqp.htm)

### Interests Against QS

Since mid-1995, as a courtesy, RAM has informally recorded claimed interests against QS on behalf of creditors and has notified such persons when RAM receives an application to transfer the QS. 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 3.11 shows, by type of creditor and IFQ species, the number of reports of interest that RAM recorded as of year-end 2011. Note this table displays the number of interests reported against identifiable QS ranges (a set of contiguously numbered QS units) and not against quota shareholders. During 2011 asserted interests for halibut (1,910) decreased 82 compared with the 2010 year-end total (1,992), and sablefish claims remained the same (898). Most asserted interests came through private banks (1,551) and lenders (444); NMFS Financial Services Division's total increased from 357 to 375.

Table 3.11 Asserted interests reported to RAM against QS ranges at year-end 2011<sup>a</sup>

Type of Person Asserting Interest	Halibut	Sablefish	Total number of interests asserted <sup>b,c</sup>
Private Banks (and CFAB/credit unions)	1,022	529	1,551
State of Alaska (Division of Investments)	279	80	359
States of Alaska/WA (Child Support)	23	7	30
Private Lenders (other than banks)	296	148	444
CDQ Groups	17	0	17
NMFS Financial Services Branch	245	130	375
Internal Revenue Service	28	4	32
Other Government <sup>d</sup>	0	0	0
<b>Total—All NMFS Reported Interests</b>	<b>1,910</b>	<b>898</b>	<b>2,808</b>

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

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

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

<sup>d</sup> "Other government" references the State of Alaska or NOAA/NMFS General Counsel. Both may affect QS status through enforcement actions and settlement of other legal issues.

## Consolidation of QS

Over time in the IFQ Program, more QS holders left than entered the IFQ fisheries. As a result, 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 some past annual reports. 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 2011 IFQ pound equivalents for all years.

### Consolidation of Halibut QS—Initial Issuance Through December 31, 2011

Table 3.12 Consolidation of halibut QS, initial issuance through year-end 2011; numbers of persons holding halibut QS by area and size of holdings, expressed in 2011 IFQ pounds

Area <sup>a,b</sup>	Size of IFQ Holdings (2011 IFQ lbs)	Number Initial Issuees	Holders End of 1995 <sup>c</sup>	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	Holders End of 2008	Holders End of 2009	Holders End of 2010	Holders End of 2011	
2C	3,000 or less	2,196	1,909	1,666	1,512	1,465	1,397	1,354	1,306	1,270	1,221	1,168	1,137	1,119	1,054	968	950	906	867	
	3,001-10,000	188	208	219	215	207	213	215	217	228	231	230	231	228	233	242	238	235	241	
	10,001-25,000	4	8	9	13	13	13	13	13	13	14	15	16	15	15	15	17	21	22	
	over 25,000 <sup>d</sup>																			0
	<b>2C Total</b>	<b>2,388</b>	<b>2,125</b>	<b>1,894</b>	<b>1,740</b>	<b>1,685</b>	<b>1,623</b>	<b>1,582</b>	<b>1,536</b>	<b>1,511</b>	<b>1,466</b>	<b>1,413</b>	<b>1,384</b>	<b>1,362</b>	<b>1,302</b>	<b>1,225</b>	<b>1,205</b>	<b>1,162</b>	<b>1,130</b>	
3A	3,000 or less	2,069	1,804	1,588	1,416	1,319	1,234	1,174	1,130	1,107	1,037	976	918	869	747	645	606	567	541	
	3,001-10,000	606	538	513	512	504	505	515	507	499	518	513	518	522	518	496	485	481	471	
	10,001-25,000	264	277	266	267	271	262	259	268	267	266	260	255	253	252	253	256	264	269	
	over 25,000	132	133	148	143	149	155	150	144	144	143	148	151	151	150	153	154	150	150	
	<b>3A Total</b>	<b>3,071</b>	<b>2,752</b>	<b>2,515</b>	<b>2,338</b>	<b>2,243</b>	<b>2,156</b>	<b>2,098</b>	<b>2,049</b>	<b>2,017</b>	<b>1,964</b>	<b>1,897</b>	<b>1,842</b>	<b>1,795</b>	<b>1,667</b>	<b>1,547</b>	<b>1,501</b>	<b>1,462</b>	<b>1,431</b>	
3B	3,000 or less	593	533	424	306	267	235	216	194	183	172	155	148	132	125	103	100	98	96	
	3,001-10,000	268	223	197	193	183	165	168	168	164	177	171	162	158	162	162	163	161	166	
	10,001-25,000	118	117	115	119	125	139	134	129	137	133	134	137	139	134	137	134	135	140	
	over 25,000	77	82	88	91	91	91	91	95	93	95	97	99	97	98	93	96	95	92	
	<b>3B Total</b>	<b>1,056</b>	<b>955</b>	<b>824</b>	<b>709</b>	<b>666</b>	<b>630</b>	<b>609</b>	<b>586</b>	<b>577</b>	<b>577</b>	<b>557</b>	<b>546</b>	<b>526</b>	<b>519</b>	<b>495</b>	<b>493</b>	<b>489</b>	<b>494</b>	

(Continued)

Table 3.12 (continued)

Area <sup>a,b</sup>	Size of IFQ Holdings <sup>b</sup> (2010 IFQ lbs)	Number Initial Issuees	Holders End of 1995 <sup>c</sup>	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	Holders End of 2008	Holders End of 2009	Holders End of 2010	Holders End of 2011	
4A	3,000 or less	337	292	255	202	176	159	143	123	117	110	111	106	100	88	81	81	78	69	
	3,001-10,000	119	109	100	99	100	96	90	90	90	85	85	80	75	76	72	67	60	60	
	10,001-25,000	56	61	63	56	56	61	59	58	59	63	59	61	65	59	62	63	68	66	
	over 25,000	19	15	17	22	22	21	23	24	24	24	25	24	24	25	24	24	24	24	25
	<b>4A Total</b>	<b>531</b>	<b>477</b>	<b>435</b>	<b>379</b>	<b>354</b>	<b>337</b>	<b>315</b>	<b>295</b>	<b>290</b>	<b>282</b>	<b>280</b>	<b>271</b>	<b>264</b>	<b>248</b>	<b>239</b>	<b>235</b>	<b>230</b>	<b>220</b>	
4B	3,000 or less	51	49	44	39	33	25	26	21	21	19	20	21	23	20	17	17	18	15	
	3,001-10,000	53	49	48	41	42	39	35	38	32	35	31	30	28	28	29	25	25	25	
	10,001-25,000	27	26	26	28	26	30	26	28	30	30	31	29	30	30	30	29	28	25	
	over 25,000	21	21	23	22	23	23	26	25	25	24	25	26	26	25	23	25	25	25	
	<b>4B Total</b>	<b>152</b>	<b>145</b>	<b>141</b>	<b>130</b>	<b>124</b>	<b>117</b>	<b>113</b>	<b>112</b>	<b>108</b>	<b>108</b>	<b>107</b>	<b>106</b>	<b>107</b>	<b>103</b>	<b>99</b>	<b>96</b>	<b>96</b>	<b>90</b>	
4C	3,000 or less	25	25	24	25	21	21	19	15	15	15	15	16	16	13	13	13	13	12	
	3,001 - 10,000	31	30	28	24	23	22	20	15	14	15	15	16	15	12	14	12	12	14	
	10,001 - 25,000	15	15	18	17	17	17	18	20	20	21	21	20	20	18	14	13	14	13	
	over 25,000	10	10	10	11	11	11	12	12	12	12	12	11	11	12	15	15	14	14	
	<b>4C Total</b>	<b>81</b>	<b>80</b>	<b>80</b>	<b>77</b>	<b>72</b>	<b>71</b>	<b>69</b>	<b>62</b>	<b>61</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>62</b>	<b>55</b>	<b>56</b>	<b>53</b>	<b>53</b>	<b>53</b>	
4D	3,000 or less	11	11	10	9	8	7	5	5	3	3	3	3	3	4	4	4	4	3	
	3,001 - 10,000	21	21	20	17	14	13	12	10	10	11	11	10	10	11	10	9	10	11	
	10,001 - 25,000	25	23	26	17	18	16	19	19	19	16	16	14	14	13	13	13	12	12	
	over 25,000	12	12	12	16	16	17	16	16	16	19	19	20	20	20	20	20	20	21	
	<b>4D Total</b>	<b>69</b>	<b>67</b>	<b>68</b>	<b>59</b>	<b>56</b>	<b>53</b>	<b>52</b>	<b>50</b>	<b>48</b>	<b>49</b>	<b>49</b>	<b>47</b>	<b>47</b>	<b>48</b>	<b>47</b>	<b>46</b>	<b>46</b>	<b>47</b>	
All	3,000 or less	3,406	3,136	2,861	2,557	2,448	2,316	2,248	2,172	2,119	2,018	1,908	1,835	1,784	1,607	1,451	1,402	1,331	1,265	
	3,001 - 10,000	844	789	762	733	720	736	737	725	717	738	729	702	720	726	706	693	682	679	
	10,001 - 25,000	315	324	330	357	359	343	337	357	372	382	382	397	384	387	386	389	397	399	
	over 25,000	264	260	273	265	269	282	286	281	281	280	283	284	286	282	286	288	289	294	
	<b>Total All Areas<sup>e</sup></b>	<b>4,829</b>	<b>4,509</b>	<b>4,226</b>	<b>3,912</b>	<b>3,796</b>	<b>3,677</b>	<b>3,608</b>	<b>3,535</b>	<b>3,489</b>	<b>3,418</b>	<b>3,302</b>	<b>3,218</b>	<b>3,174</b>	<b>3,002</b>	<b>2,829</b>	<b>2,772</b>	<b>2,699</b>	<b>2,637</b>	

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

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

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

<sup>d</sup> No QS holders in this category during fishing year 2011.

<sup>e</sup> "Total All Areas" shows counts of unique QS holders in the fishery.

Table 3.13 Consolidation of sablefish QS, initial issuance through year-end 2011; numbers of persons holding QS by area and size of holdings, expressed in 2011 IFQ pounds

Area <sup>a</sup>	Size of IFQ Holdings (2011 IFQ lbs)	Number Initial Issuees	Holders End of 1995 <sup>b</sup>	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	Holders End of 2008	Holders End of 2009	Holders End of 2010	Holders End of 2011
AI	5,000 or less	63	58	58	53	51	49	41	38	38	36	36	37	38	40	39	39	37	34
	5,001-10,000	22	21	21	20	21	21	22	18	17	16	19	22	21	17	17	19	19	19
	10,001-25,000	21	19	25	24	21	18	17	18	17	17	17	15	15	13	13	11	11	11
	over 25,000	29	26	26	27	26	24	24	23	26	26	26	26	25	24	23	25	26	28
	<b>AI Total</b>	<b>135</b>	<b>124</b>	<b>130</b>	<b>124</b>	<b>119</b>	<b>112</b>	<b>104</b>	<b>97</b>	<b>98</b>	<b>95</b>	<b>98</b>	<b>100</b>	<b>99</b>	<b>94</b>	<b>92</b>	<b>94</b>	<b>93</b>	<b>92</b>
BS	5,000 or less	63	58	58	53	52	52	48	49	45	45	45	46	45	45	44	38	35	35
	5,001-10,000	32	32	26	25	24	24	21	21	21	18	18	19	20	19	19	17	15	15
	10,001-25,000	20	18	20	22	22	23	22	20	21	20	20	23	21	20	16	20	18	19
	over 25,000	30	29	31	30	30	28	28	27	27	31	31	29	29	29	31	30	33	34
	<b>BS Total</b>	<b>145</b>	<b>137</b>	<b>135</b>	<b>130</b>	<b>128</b>	<b>127</b>	<b>119</b>	<b>117</b>	<b>114</b>	<b>114</b>	<b>114</b>	<b>117</b>	<b>115</b>	<b>113</b>	<b>110</b>	<b>105</b>	<b>101</b>	<b>103</b>
CG	5,000 or less	376	336	309	257	248	237	227	216	208	203	200	187	185	178	168	158	158	149
	5,001-10,000	70	63	56	60	57	51	47	46	47	45	44	46	42	43	42	45	45	46
	10,001-25,000	82	80	76	60	57	55	58	66	66	70	71	64	64	61	60	60	57	58
	over 25,000	115	107	110	115	115	115	116	115	116	115	114	116	115	116	116	114	118	116
	<b>CG Total</b>	<b>643</b>	<b>586</b>	<b>551</b>	<b>492</b>	<b>477</b>	<b>458</b>	<b>448</b>	<b>443</b>	<b>437</b>	<b>433</b>	<b>429</b>	<b>413</b>	<b>406</b>	<b>398</b>	<b>386</b>	<b>377</b>	<b>378</b>	<b>369</b>
SE	5,000 or less	410	355	316	260	236	218	217	205	198	195	189	177	168	157	152	143	138	132
	5,001-10,000	107	96	85	84	85	87	81	82	79	73	73	70	77	75	76	76	75	77
	10,001-25,000	126	128	132	128	126	118	117	117	123	118	115	116	103	107	107	107	108	112
	over 25,000	72	75	76	77	77	81	81	82	81	84	87	89	93	93	92	92	90	89
	<b>SE Total</b>	<b>715</b>	<b>654</b>	<b>609</b>	<b>549</b>	<b>524</b>	<b>504</b>	<b>496</b>	<b>486</b>	<b>481</b>	<b>470</b>	<b>464</b>	<b>452</b>	<b>441</b>	<b>432</b>	<b>427</b>	<b>418</b>	<b>411</b>	<b>410</b>

(Continued)

Table 3.13 (continued)

Area <sup>a</sup>	Size of IFQ Holdings (2011 IFQ lbs)	Number Initial Issuees	Holders End of 1995 <sup>b</sup>	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	Holders End of 2008	Holders End of 2009	Holders End of 2010	Holders End of 2011
WG	5,000 or less	135	127	120	105	99	99	90	94	88	87	86	82	81	80	78	72	71	67
	5,001-10,000	41	35	36	35	34	31	31	27	28	26	27	31	29	31	31	31	31	29
	10,001-25,000	32	29	29	25	27	25	26	28	29	32	28	28	27	26	30	32	31	32
	over 25,000	24	25	26	29	28	30	29	28	28	29	32	33	34	30	30	29	35	35
	<b>WG Total</b>	<b>232</b>	<b>216</b>	<b>211</b>	<b>194</b>	<b>188</b>	<b>185</b>	<b>176</b>	<b>177</b>	<b>173</b>	<b>174</b>	<b>173</b>	<b>174</b>	<b>171</b>	<b>167</b>	<b>169</b>	<b>164</b>	<b>168</b>	<b>163</b>
WY	5,000 or less	301	266	238	200	188	168	158	153	151	144	137	140	126	124	112	109	104	101
	5,001-10,000	52	46	48	45	48	45	44	43	42	44	42	39	44	41	42	43	43	44
	10,001-25,000	60	57	60	56	57	56	49	53	50	46	47	42	40	36	35	35	35	37
	over 25,000	43	47	46	49	48	49	52	51	53	53	54	55	55	58	58	58	58	56
	<b>WY Total</b>	<b>456</b>	<b>416</b>	<b>392</b>	<b>350</b>	<b>341</b>	<b>318</b>	<b>303</b>	<b>300</b>	<b>296</b>	<b>287</b>	<b>280</b>	<b>276</b>	<b>265</b>	<b>259</b>	<b>247</b>	<b>245</b>	<b>240</b>	<b>238</b>
All	5,000 or less	560	516	503	444	420	410	403	389	372	355	354	344	336	326	312	287	293	284
	5,001 - 10,000	106	109	103	114	119	117	111	115	116	118	114	108	120	113	122	124	121	124
	10,001 - 25,000	152	150	153	152	147	142	144	155	164	166	164	166	152	152	156	159	155	162
	over 25,000	236	232	235	230	233	233	232	231	235	247	253	257	261	266	263	265	269	271
	<b>Total All Areas<sup>c</sup></b>	<b>1,054</b>	<b>1,007</b>	<b>994</b>	<b>940</b>	<b>919</b>	<b>902</b>	<b>890</b>	<b>890</b>	<b>887</b>	<b>886</b>	<b>885</b>	<b>875</b>	<b>869</b>	<b>857</b>	<b>853</b>	<b>835</b>	<b>838</b>	<b>841</b>

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

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

<sup>c</sup> "Total All Areas" shows counts of unique QS holders in the fishery.

### Changes in QS Holdings, Initial Issuance to Year-End 2011

Over time, fewer persons hold QS in the fishery. As expected, the rate at which persons have left the IFQ fisheries has decreased. Figures 3.1a and 3.1b show the estimated number of persons (individuals and nonindividuals) initially issued halibut or sablefish QS who still held QS at each year-end of the IFQ Program. In this discussion of QS holdings over time, “1994” represents initial issuance of QS, whenever it occurred. Initial issuance of QS started in 1994 and continued as appeals were adjudicated.

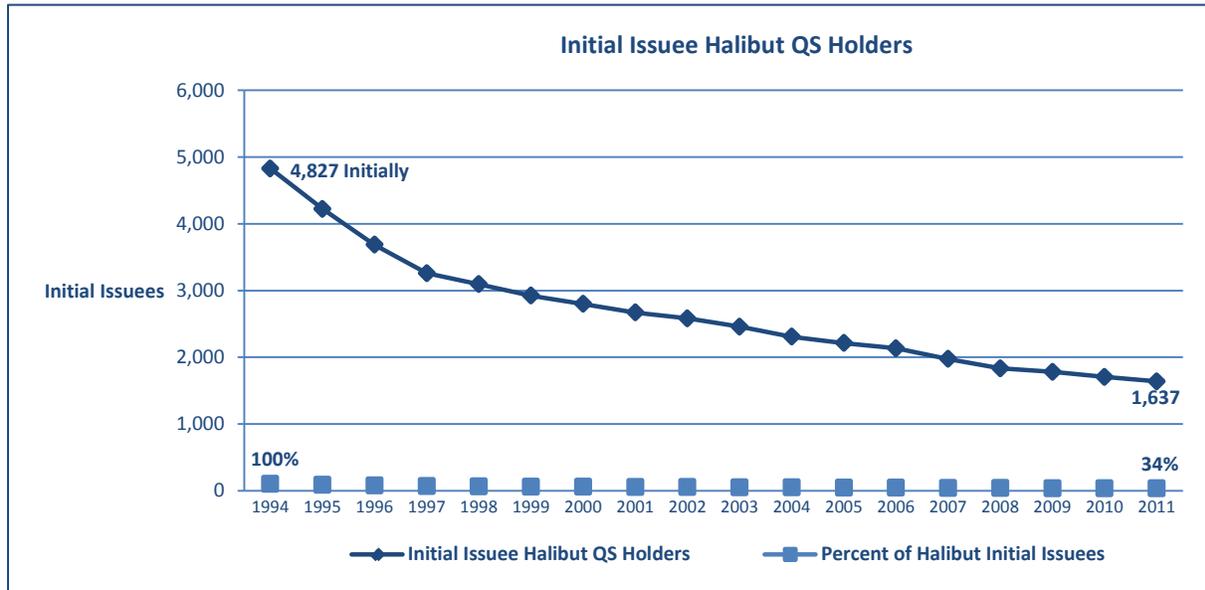


Figure 3.1a Initial Issues Holding Halibut QS at Year-end, 1994–2011

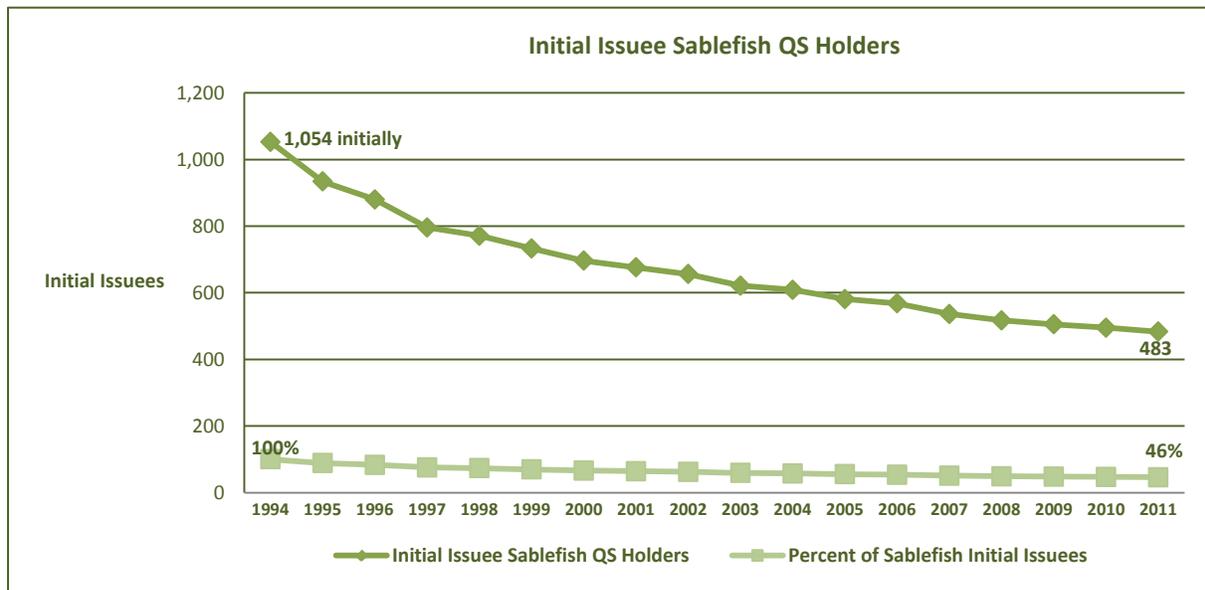


Figure 3.1b Initial Issues Holding Sablefish QS at Year-end, 1994–2011

Figures 3.2a and 3.2b show the number of persons by type (individual or nonindividual) initially issued halibut or sablefish QS who still held QS at each year-end of the IFQ Program.

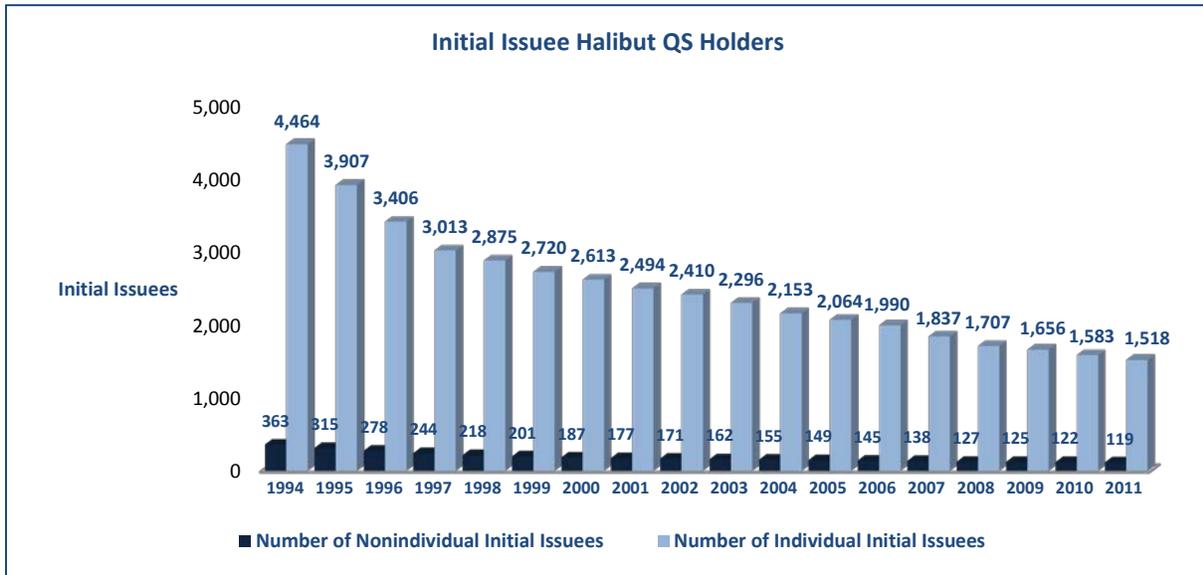


Figure 3.2a Initial Issues Holding Halibut QS at Year-end, 1994–2011

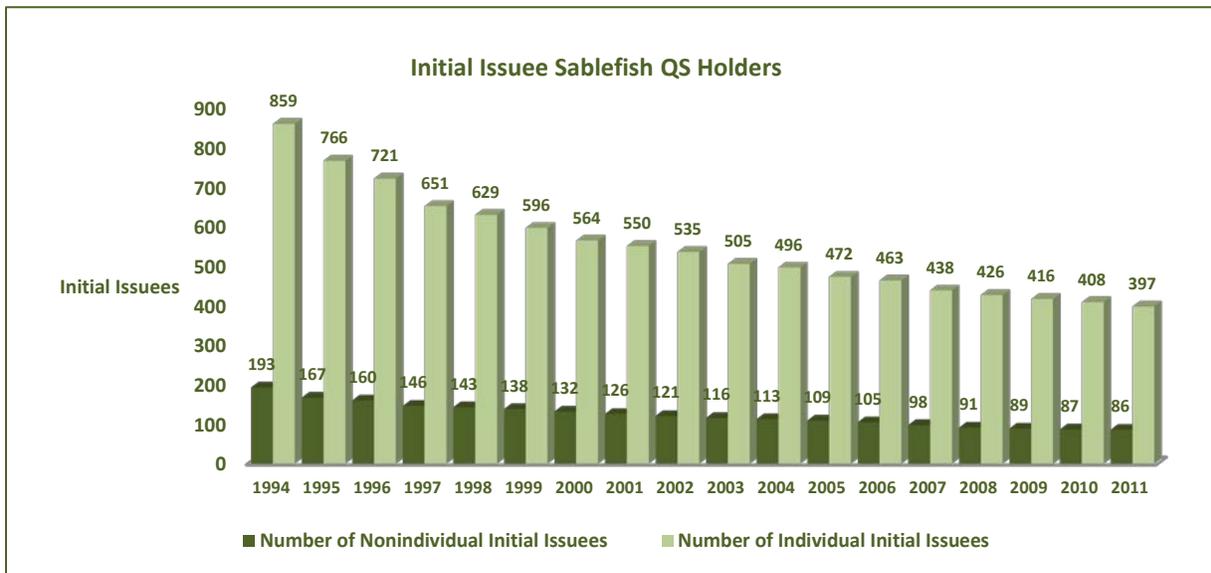


Figure 3.2b Initial Issues Holding Sablefish QS at Year-end, 1994–2011

Figures 3.3a and 3.3b can be used to compare the numbers of initial issues and of all persons holding QS at each year-end. Figure 3.3a shows the numbers (and percentages) of all initial issue QS holders over time. By year-end 2011, almost 36 percent (1,737) of Program initial issues still held QS. This figure illustrates the recent gradual decrease in numbers of initial issue QS holders, compared with the rapid decrease in earlier Program years (1994–1996). Figure 3.3b illustrates a similar pattern for all quotaholders in the IFQ Program, who, in 2011, composed almost 61 percent (2,954) of the number of initial QS holders at the beginning of the Program.

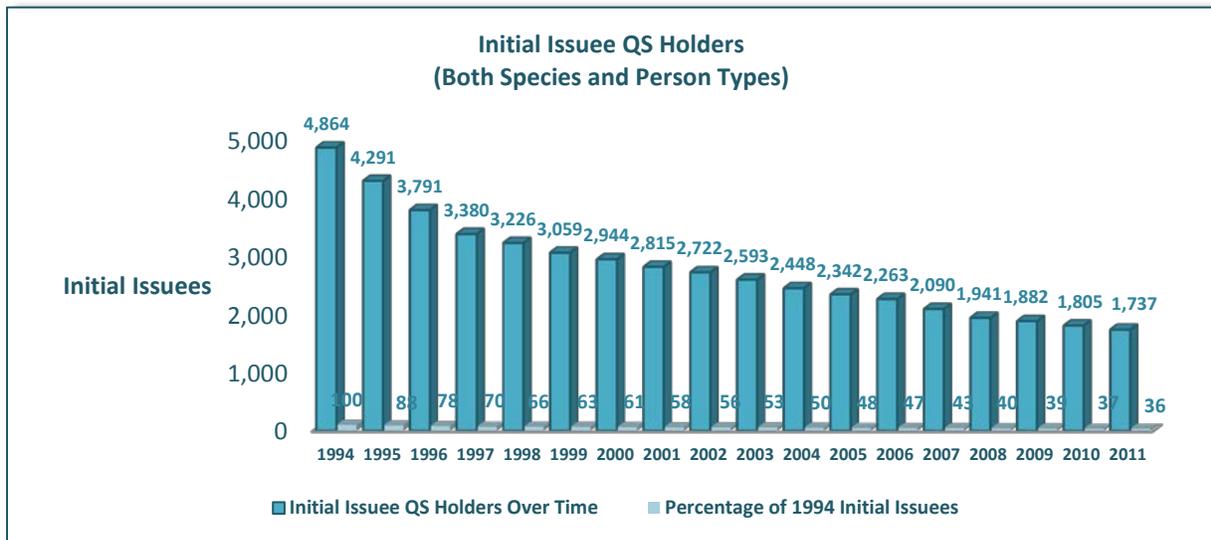


Figure 3.3a IFQ Initial Issues Holding QS at Year-end over Time, 1994–2011

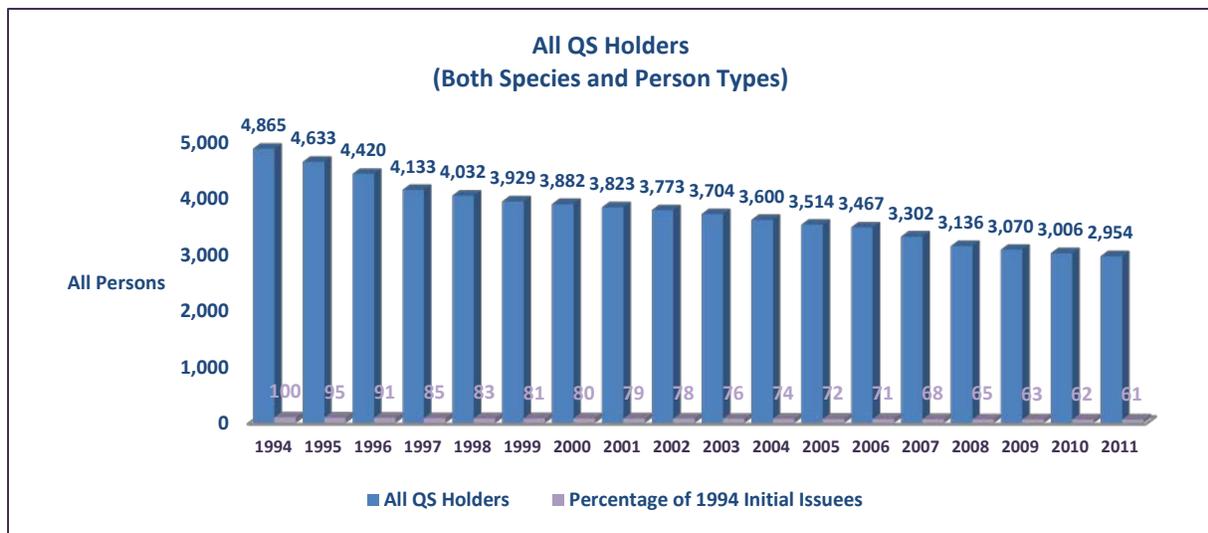


Figure 3.3b All IFQ QS Holders over Time, 1994–2011

While initial issuees were leaving the fishery, IFQ crewmembers were entering, slowing the rate of decline in QS holders. At the end of 2011, the number of persons holding any type of QS was 2,954 or 61 percent of the 4,865 persons initially issued QS (Figure 3.3b). Figures 3.4a and especially 3.4b illustrate the slower decrease in recent years of numbers of all persons (not just initial issuees) holding halibut and sablefish QS. Percentages are of the initial QS holders for the respective species.

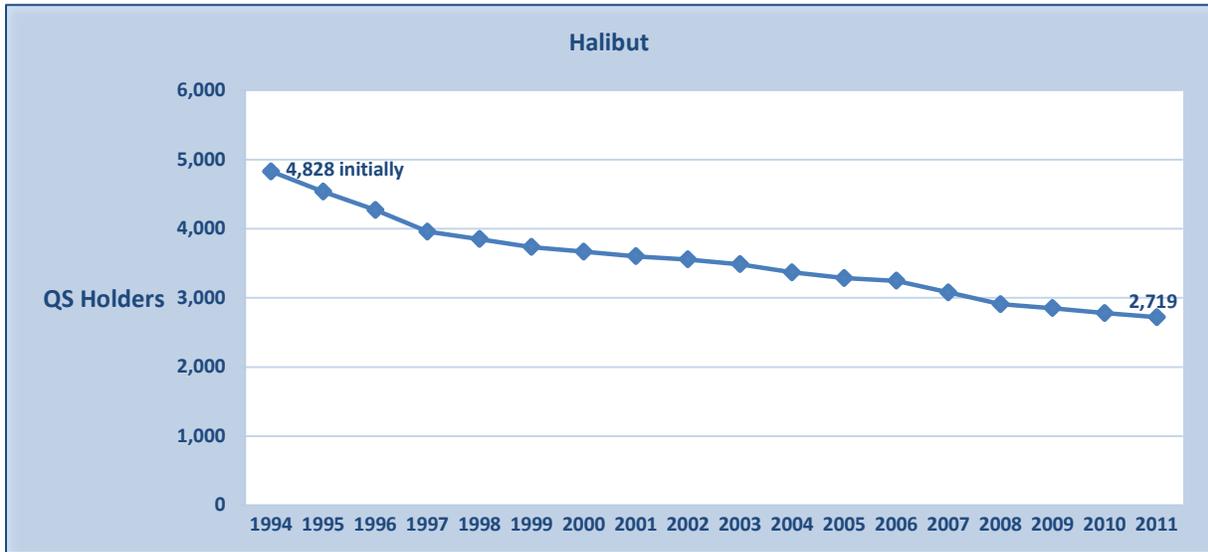


Figure 3.4a All Halibut QS Holders through 2011

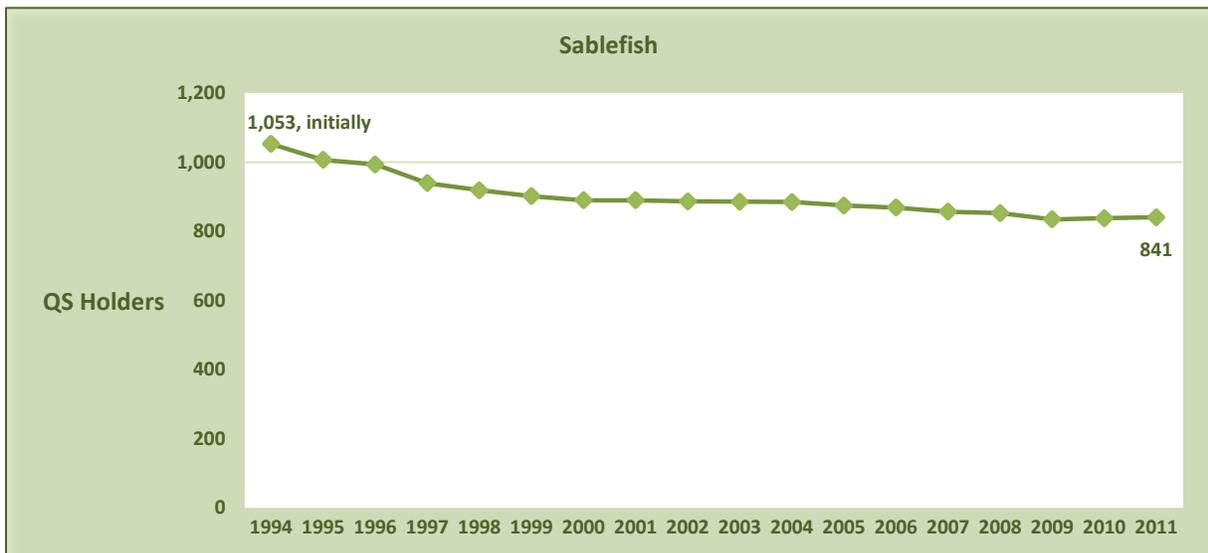


Figure 3.4b All Sablefish QS Holders through 2011

## VESSEL PARTICIPATION

Tables 3.14 and 3.15 and Figures 3.5a and 3.5b display reductions in the number of vessels participating in fixed-gear fisheries under the IFQ Program, compared with years just prior to program implementation. During 2011, fishermen aboard 1,084 distinct vessels participated in the halibut and sablefish fishery. After an immediate steep decrease at the start of the IFQ Program, the numbers of vessels continue to decline slowly over time. During 2011 halibut and sablefish fishermen used 24 fewer IFQ vessels than in 2010. Note that vessel counts are not additive across areas or species because the same vessels may have participated in more than one area to harvest both species.

Table 3.14 Number of vessels with IFQ halibut harvests by area and year, 1992–2011

Species/ Area	Pre-Program			IFQ Program						
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Halibut										
2C	1,775	1,562	1,461	1,105	1,029	993	836	840	827	736
3A	1,924	1,529	1,712	1,145	1,104	1,076	899	892	842	806
3B	478	401	320	332	350	357	325	323	342	329
4A	190	165	176	140	147	142	120	121	127	122
4B	82	65	74	57	64	69	47	51	55	54
4C	62	58	64	35	41	46	30	36	35	29
4D	26	19	39	27	33	33	22	29	33	31
<b>Total vessels<sup>a</sup></b>	<b>3,452</b>	<b>3,393</b>	<b>3,450</b>	<b>2,057</b>	<b>1,962</b>	<b>1,925</b>	<b>1,601</b>	<b>1,613</b>	<b>1,586</b>	<b>1,460</b>

Table 3.14 (continued)

Species/ Area	IFQ Program									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Halibut										
2C	718	706	678	672	682	653	609	569	575	546
3A	750	712	696	670	644	623	600	576	549	551
3B	316	328	303	302	287	287	281	269	271	270
4A	121	114	112	104	93	90	91	88	88	82
4B	53	44	42	38	36	34	37	35	42	42
4C	24	24	24	9	8	6	7	8	5	14
4D	33	26	27	29	30	25	29	30	28	35
<b>Total vessels<sup>a</sup></b>	<b>1,393</b>	<b>1,338</b>	<b>1,304</b>	<b>1,276</b>	<b>1,255</b>	<b>1,211</b>	<b>1,156</b>	<b>1,089</b>	<b>1,074</b>	<b>1,051</b>

Source: The ADF&G provided pre-program data.

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

Table 3.15 Number of vessels with IFQ sablefish harvests by area and year, 1992–2011

Species/ Area	Pre-Program			IFQ Program						
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Sablefish										
AI	50	65	61	67	64	56	39	42	43	41
BS	100	85	61	68	64	55	45	44	53	42
CG	613	500	602	347	312	291	260	244	228	227
SE	510	393	488	391	368	339	309	295	280	267
WG	126	47	30	101	97	91	81	77	77	76
WY	275	209	265	243	230	206	188	172	158	147
<b>Total vessels<sup>a</sup></b>	<b>1,166</b>	<b>969</b>	<b>1,191</b>	<b>616</b>	<b>565</b>	<b>530</b>	<b>477</b>	<b>463</b>	<b>450</b>	<b>436</b>

Table 3.15 (continued)

Species/ Area	IFQ Program									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sablefish										
AI	38	44	36	34	30	29	36	37	39	37
BS	48	45	38	45	40	37	38	43	42	49
CG	209	204	192	192	189	188	176	178	174	174
SE	262	250	252	234	227	221	215	210	215	205
WG	74	75	73	76	75	73	64	64	65	66
WY	145	136	136	131	128	129	117	116	117	114
<b>Total vessels<sup>a</sup></b>	<b>416</b>	<b>409</b>	<b>396</b>	<b>378</b>	<b>372</b>	<b>373</b>	<b>359</b>	<b>362</b>	<b>368</b>	<b>362</b>

Source: The ADF&G provided pre-program data.

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

Figures 3.5a and 3.5b show the consistent pattern of decreasing numbers of vessels in the halibut and sablefish IFQ fisheries since the Program began in 1995. The figures reveal initial precipitous declines that, as expected, slowed to a gradual decline over time.

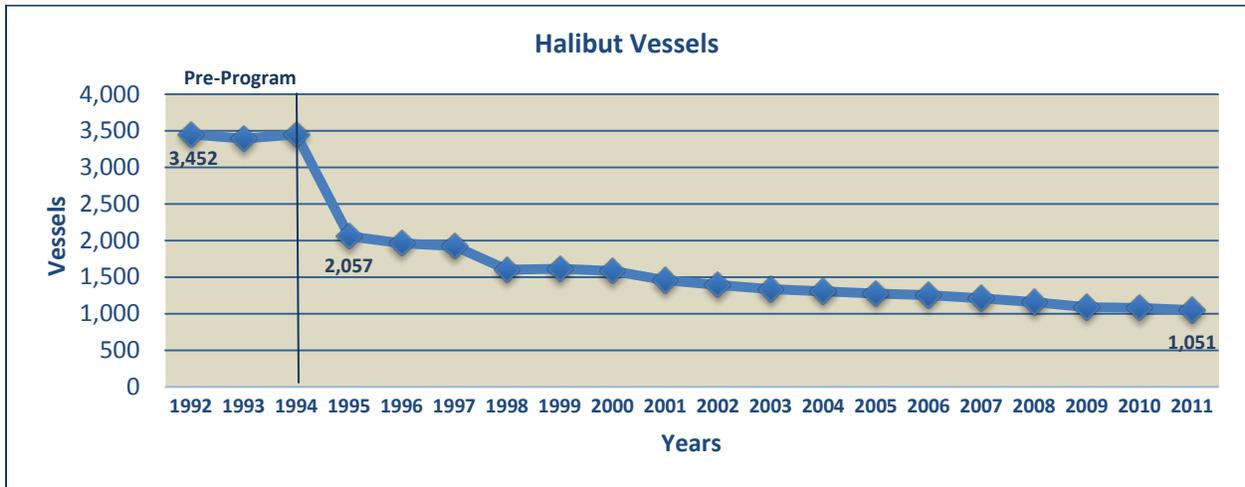


Figure 3.5a Vessel Participation in the IFQ Halibut Fisheries, 1992–2011

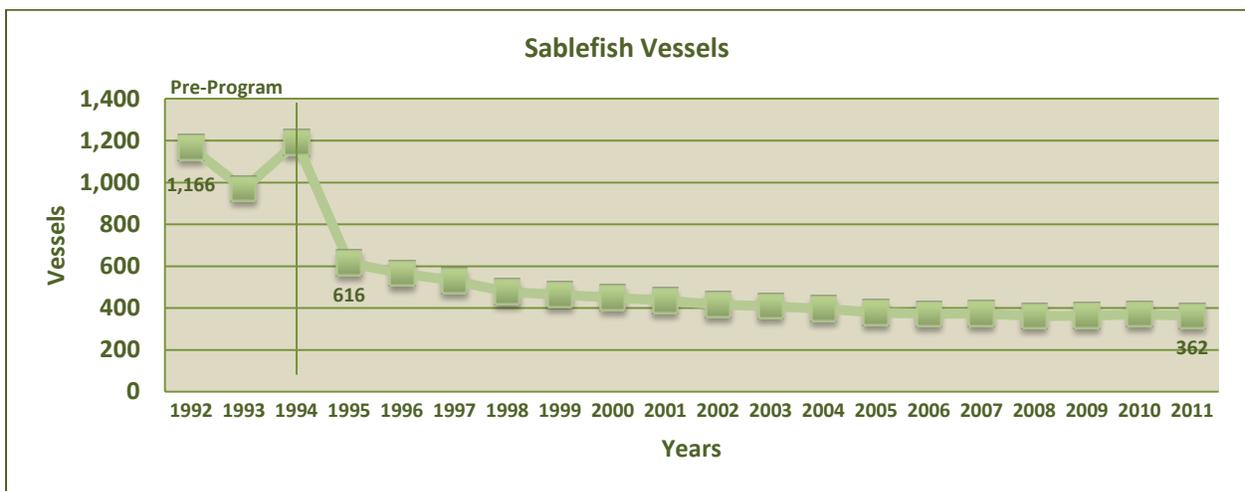


Figure 3.5b Vessel Participation in the IFQ Sablefish Fisheries, 1992–2011

### VESSEL SIZE

Since the beginning of the IFQ Program, median vessel length overall (LOA, in feet) for halibut and sablefish IFQ fishing vessels has respectively increased by two feet and seven feet. Figures 3.6a and 3.6b show the gradual changes in vessel length for halibut and sablefish IFQ vessels over time.

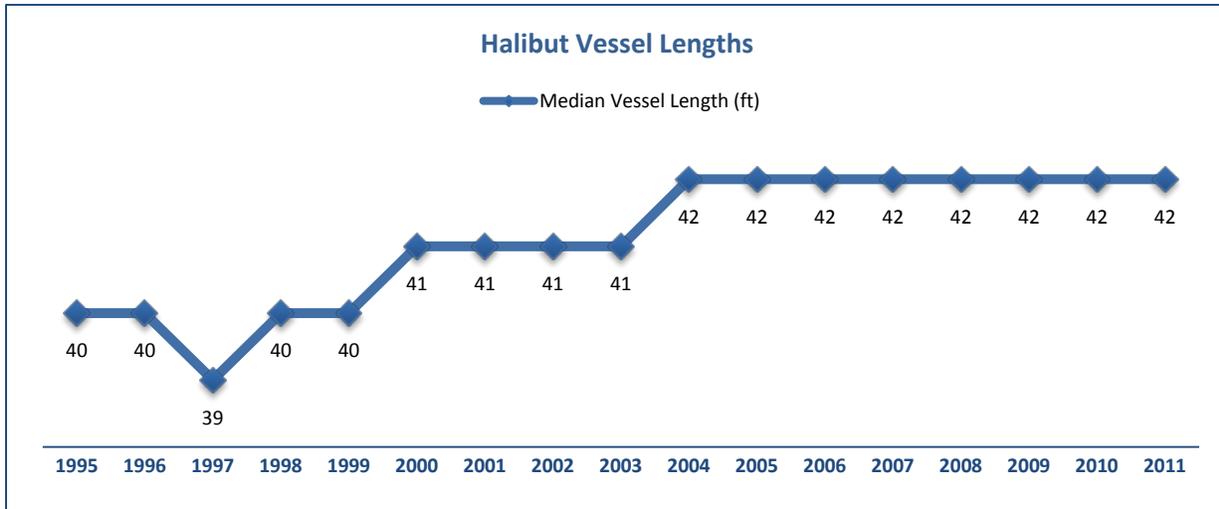


Figure 3.6a Median LOA (ft) for halibut IFQ vessels, 1995–2011

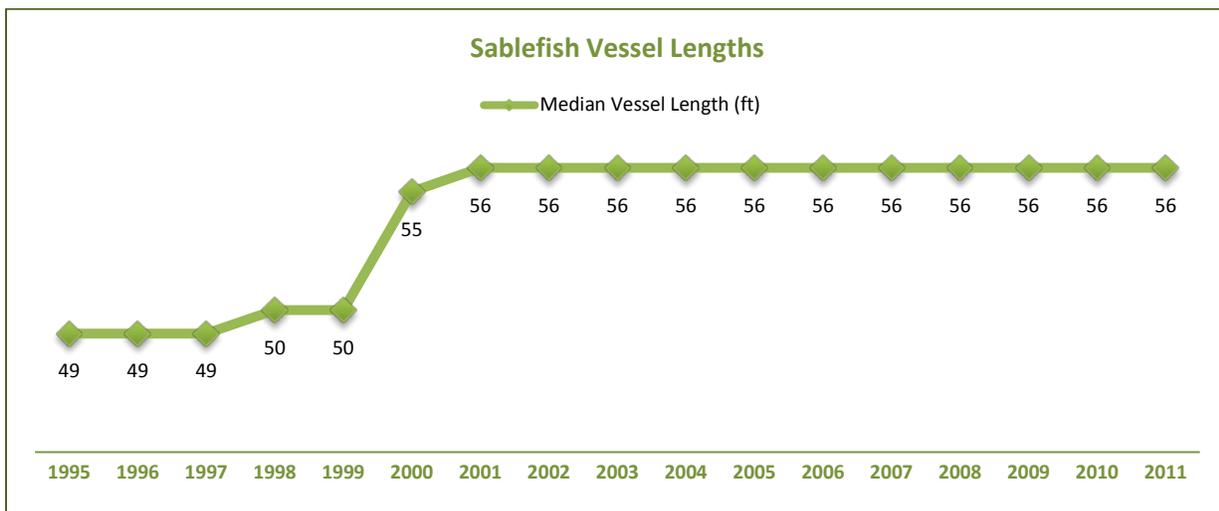
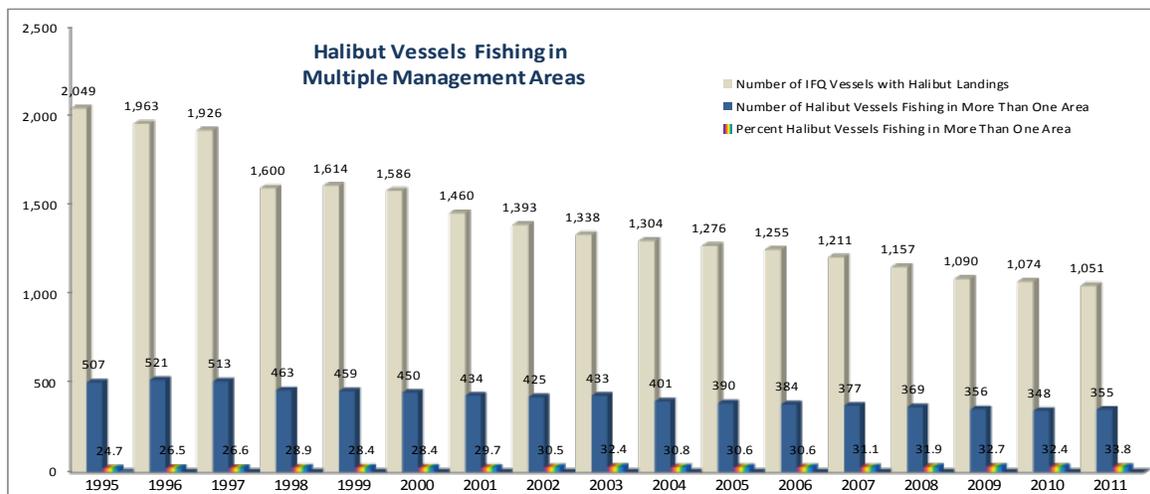


Figure 3.6b Median LOA (ft) for sablefish IFQ vessels, 1995–2011

## VESSEL USE

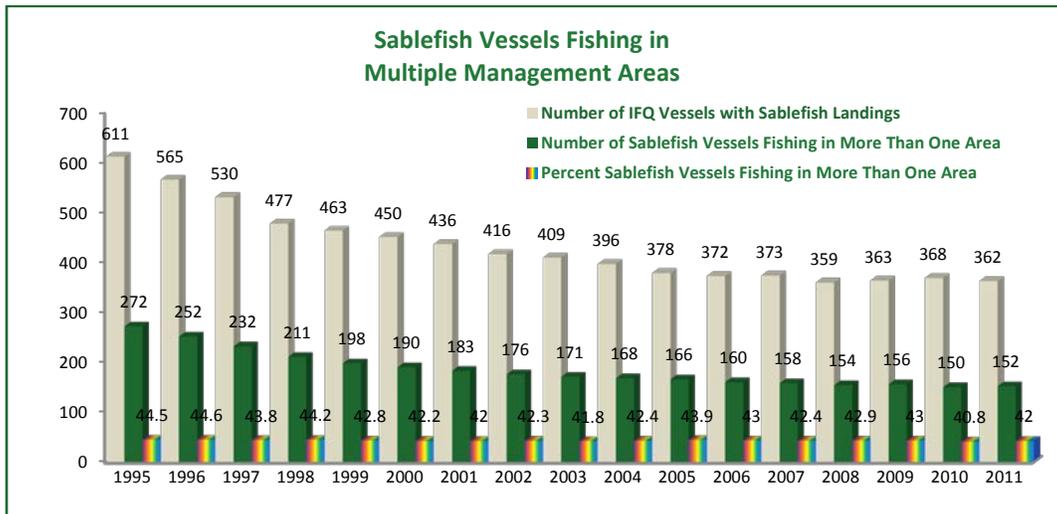
The rest of this section displays information about other aspects of vessel use, such as areas fished, use in one or both IFQ fisheries, and pounds landed. The International Pacific Halibut Commission (IPHC) provided pre-Program (1994) data for this section.



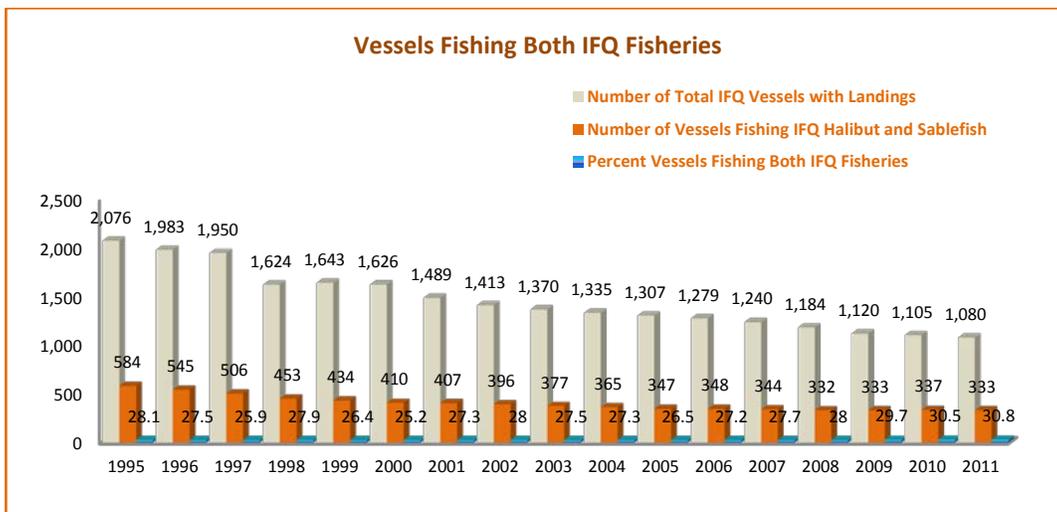
**Figure 3.7a Halibut Vessels Fishing in More Than One Management Area, 1995–2011**

In pre-Program fishing year 1994, the IPHC reported 3,450 vessels landed halibut in IPHC regulatory areas. Of these vessels, 3,068 (89 percent) fished only one regulatory area, and 309 (9 percent) used two. While 59 (2 percent) pre-program vessels fished three areas, only 14 (0.4 percent) vessels fished four areas that year. One year later during the first IFQ program year, the number of halibut vessels using more than one area increased by 198 vessels; the percentage of multiple-area vessels increased more than two-fold. In 2011, with 998 fewer vessels participating than in the first program year, the percentage of vessels using multiple areas increased 9 percent over the first IFQ year's percentage. Figure 3.7a shows an immediate steep decrease of halibut fishing vessels at the start of the IFQ program. The number of halibut fishing vessels fishing multiple IPHC regulatory areas has gradually decreased during the Program, most likely from vessel consolidation.

Figure 3.7b shows the numbers of IFQ vessels fishing for sablefish in multiple regulatory areas. The percentage of IFQ sablefish vessels fishing in more than one regulatory area shows little variation over time, ranging between 41.8 and 44.6 percent. However, the actual number of vessels using multiple areas (fishing sablefish) has decreased by 120 vessels (55.8 percent) since 1995.



**Figure 3.7b Sablefish Vessels Fishing in More Than One Management Area, 1995–2011**



**Figure 3.8 Numbers of Vessels Fishing in Both the Halibut and Sablefish IFQ Fisheries, 1995–2011**

For many years, fishermen have combined fishing for Pacific halibut with sablefish to achieve economic efficiency in both fisheries. Figure 3.8 shows an anticipated gradual decrease in vessels fishing both IFQ fisheries.

Figures 3.9 and 3.10 show the IFQ median pounds (net and round, respectively) landed per halibut and sablefish vessel over time according to vessel category, which are described by both operation type and length overall (LOA). Among other calculations, NMFS initially assigned QS according to whether halibut and groundfish were initially processed at sea and to the LOA of the vessels on which qualifying landings were made during IFQ “base” and seven qualifying years. Data in these tables have been rounded to the nearest thousand.

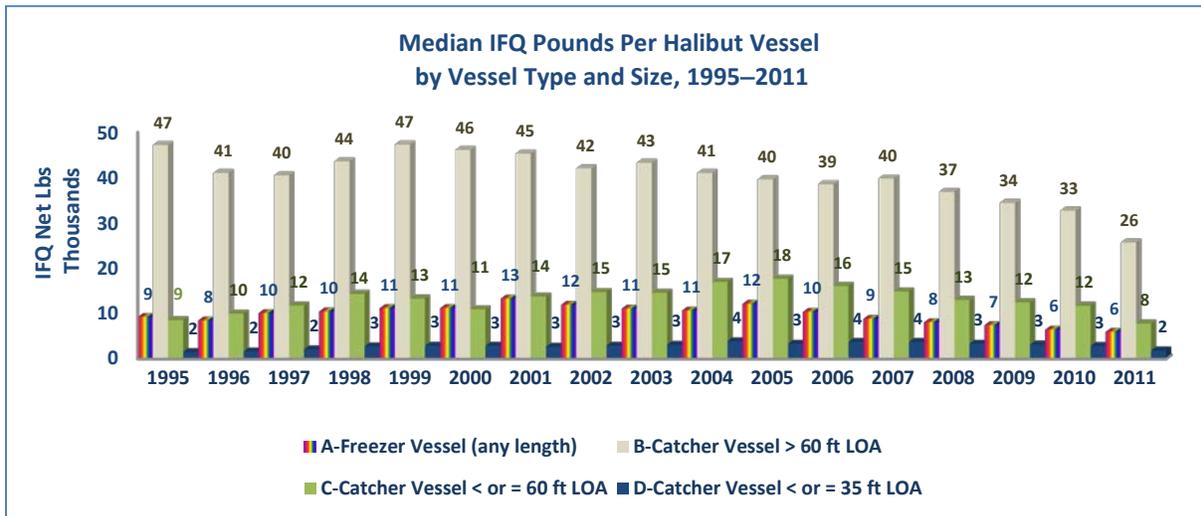


Figure 3.9 Median IFQ Pounds per Halibut Vessel by Vessel Type and Size, 1995–2011

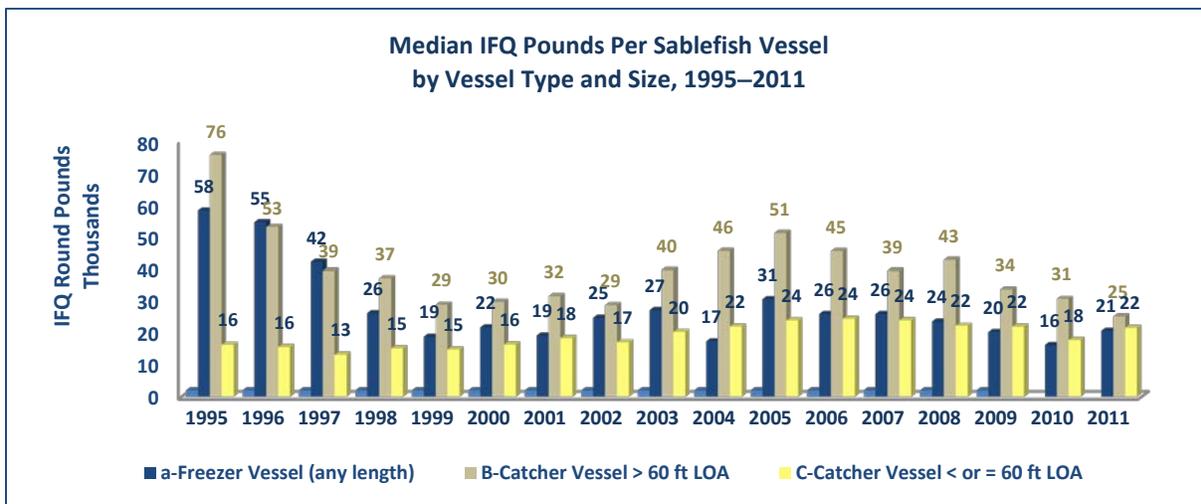


Figure 3.10 Median IFQ Pounds per Sablefish Vessel by Vessel Type and Size, 1995–2011

Figures 3.9 and 3.10 illustrate, respectively, the median IFQ pounds per halibut and sablefish vessel by vessel type and size. In 2011 changes in IFQ median landed weight per halibut vessel were moderate. Vessel category C slightly decreased its median weight compared with landed weight in 1995. Vessel category D landed weight was the same as in 1995. However, halibut vessel categories A and B IFQ pounds per vessel decreased by approximately 3,000 and 21,000 IFQ pounds, respectively, since the start of the Program. From 1995 to 2011, median IFQ round pounds per sablefish vessel in category C increased by 6,000 round pounds, while median IFQ pounds for category A and B vessels decreased – 37,000 pounds for category A vessels and 51,000 pounds for those in category B.

### IFQ Loans

#### *The North Pacific Loan Program*

Under the authority of the Magnuson–Stevens Act, the NMFS Financial Services Division (FSD), Seattle Branch, issues loans to purchase or refinance quota share primarily to entry-level fishermen and those fishing from small vessels. In Federal fiscal year (FY) 1998, congressional appropriations established a loan fund of \$5 million for each fiscal year. Later Congress increased the IFQ loan authority to \$8 million

and then to \$16 million to meet higher costs of QS in IFQ programs, to serve more constituents, and to provide funds for other catch share programs.

Compared with loans issued in FY10, FY11 demand for loans for QS was down 49 percent due to an increased cost of QS, a decline in Total Allowable Catch in areas 2C and 3A, and the fact that loans are generally harder to approve than during last fiscal year.<sup>1</sup> During FY11 IFQ fishermen received loans totaling over 6.9 million dollars, 3 million less than in FY10, when fishermen received loans totaling 10.3 million dollars. Loan authority is annual and if parts of the appropriation are not obligated during the fiscal year, the loan authority is lost.

Table 3.16 displays the number of loans and amounts approved each fiscal year by borrowers' state of residence. In FY11 Alaska fishermen assumed 11 of the 19 loans (57.9 percent of loans) issued. Fishermen in Washington also participated as principal users of the loan program (5 of 19 loans; 26.3 percent). FSD issued loans to Oregon and California fishermen, with Oregon anglers assuming 5.3 percent of loans (1 of 19 loans) and California fishermen 10.5 percent (2 of 19). Shaded rows reference loans issued to borrowers during FY11. The Federal fiscal year is October 1 through September 30.

Table 3.16 Status of NMFS loans for purchase of QS/IFQ by residence (state), fiscal year, amount, and number of loans, 1998–2011

Borrower's State of Residence	1998	1999	2000	2001	2002	2003	2004	2005	2006
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
Arizona				185,000	170,187				
California			260,000				272,178		201,912
Colorado			60,000				150,000	288,000	256,000
Florida		360,019						360,240	
Georgia	250,000		92,871						
Idaho			80,000	99,564					
Michigan		61,500							
Minnesota					100,000				
Missouri									
Montana									
Nebraska				200,000					
Nevada					100,000				
Oklahoma									
Oregon	169,336	205,800	393,000	354,955	100,000	300,000	342,000		368,108
S. Dakota							100,000	200,000	
Texas							68,780		
Utah	114,808							240,000	
Virginia									
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
Wisconsin				65,089					
<b>FY Totals</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>4,982,500</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>

(Continued)

<sup>1</sup>Loan approval becomes more difficult when lower TACs decrease a holder's potential revenue available to repay a loan. While some offset may come from increases in fish price, this is not guaranteed. With continued downward movement of a TAC, there is often less buyer interest and greater credit risk as the margin between revenue and loan repayment narrows.

Table 3.16 (continued)

Borrower's State of Residence	2007	2008	2009	2010	2011	Cumulative Number of loans	Average loan amount	Cumulative Total loan amount
Alaska	2,859,000	3,627,134	3,375,408	5,602,218	3,624,150	267	164,182	43,836,722
Arizona		630,000				4	246,297	985,187
California		300,000	322,592		411,268	8	220,994	1,767,950
Colorado						4	188,500	754,000
Florida						2	360,130	720,259
Georgia						2	171,436	342,871
Idaho						2	89,782	179,564
Michigan				160,000		2	110,750	221,500
Minnesota						1	100,000	100,000
Missouri		287,709				1	287,709	287,709
Montana		100,000		300,000		2	200,000	400,000
Nebraska						1	200,000	200,000
Nevada						1	100,000	100,000
Oklahoma				600,000		1	600,000	600,000
Oregon	360,000	1,240,000	852,000	111,050	300,000	26	196,010	5,096,249
S. Dakota						2	150,000	300,000
Texas			225,000			2	146,890	293,780
Utah						2	177,404	354,808
Virginia			106,000			1	106,000	106,000
Washington	1,781,000	1,815,157	3,119,000	3,547,874	2,601,630	122	217,451	26,529,002
Wisconsin						1	65,089	65,089
<b>FY Totals</b>	<b>5,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>10,321,142</b>	<b>6,937,048</b>	<b>454</b>	<b>183,350</b>	<b>83,240,690</b>



## 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 landed 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 monetary value and amount of purchased pounds of halibut and sablefish by species, month, and port, information 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 money or other value they received 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 permit holder, based on standard prices and values.
- ✓ mails IFQ permit holders 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 permit holder's quota share holdings and additional monetary charges, fines, and/or permit sanctions. If a permit holder fails to pay by the January 31 due date, his/her QS/IFQ will become nontransferable until the fee liability is satisfied, and he or she may not receive QS or IFQ by transfer. RAM will issue an Initial Administrative Determination (IAD) to which the permit holder 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 permit holder's IFQ permit account will be sanctioned and the permit holder will be unable to fish until the fee liability is satisfied. Additional fines may also apply.

### ***Calculating the 2011 Fee***

The fee for 2011 was set at 1.6 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 2011)
- the balance in the Limited Access System Administrative Fund (last year's overpayment, if any)

These sources are discussed below.

### **The 2011 IFQ Cost Recovery Fee Percentage**

NMFS announced that the 2011 IFQ fee percentage was set at 1.6. Under cost recovery regulations, IFQ permit holders who used their permits to record landings of halibut or sablefish during the 2011 IFQ fishery were obligated to pay 1.6 percent of the total ex-vessel value from the sale of their IFQ halibut and sablefish.

The fee percentage was premised on a total standard ex-vessel fishery value calculated at \$318,077,387 and total program expenditures of \$5,224,857.

### **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 Direct Program Costs (DPC) rather than treated separately. The fee percentage is calculated using this formula:

$$[100 \times (DPC)/V]$$

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 2011 fee percentage computation.

Table 4.1 Detail of formula for calculating the 2011 fee percentage

Factor	Value	Activity
Cost (DPC)	5,224,857	times 100
Fisheries Value (V)	318,077,387	divided by
=	1.64	rounded to nearest 0.1 percent yields

***Rate for 2011 IFQ Season = 1.6 percent***

### **Cost Components of the IFQ Fee Program**

Within NMFS, the two highest cost components are NMFS Enforcement Division (AKD) and Information Services Division (ISD), respectively. Between years, costs fluctuate due to changes within the programs, such as new contracts, required trainings, personnel changes, and purchases of equipment.

### ***Ex-Vessel Value of the IFQ Fisheries***

Because the fee obligation is 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 Registered Buyer data to calculate the average ex-vessel value for each species, port, and month. Then the amount of IFQ products delivered to each port or port group, by month, was multiplied by this “standard value.” The calculations show the total standard ex-vessel value of the two fisheries in 2011 as follows:

<b>Halibut</b>	194,354,294.38
<b>Sablefish</b>	<u>123,723,093.30</u>
<b>Total</b>	\$318,077,387.68

Note: NMFS combined ports with little price data with others into *port groups* and included these in the ex-vessel value calculations of the two fisheries.

### ***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 OMD, NMFS Alaska Enforcement (AKD), NMFS Information Services Division, NMFS Financial Service Division, and General Counsel, AK. Also included in the table is the Alaska Department of Fish and Game (ADF&G). Table 4.2 shows the costs by agency and operating unit, and Figure 4.1 is a comparison of those expenses with those during Fiscal Year 2010 (FY10).

### ***Conclusion***

During 2011, program expenditures (\$5,065,748) decreased 2.65 percent compared with the 2010 total IFQ management and enforcement expenses (\$5,203,411) for various reasons: personnel, training, travel, supplies, equipment, and printing costs were generally lower throughout NMFS. However, AKD transportation costs increased due to shipping a vessel from Kodiak to Sitka, but AKD’s personnel expenses were lower due to three vacancies. General Counsel increased expenditures due to increased IFQ legal services and travel costs for meetings (including Council meeting). SF had a significant increase in contract costs due to new contracts for IT support. Outside NMFS, ADF&G personnel expenditures increased due to IT, eLandings, and a new project to modify their sport halibut logbooks for the halibut charter fishery. IPHC reported increased costs for travel (fishery opening).

This season Registered Buyers and members of the IFQ fleet complied well with fee program requirements. Each year RAM calculates the annual fee relying directly on good reporting by Registered Buyers. IFQ fleet participation in 2011 remained strong, further strengthening the IFQ fee program.

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

Although some costs are controlled by “economies of scale,” other costs will decrease with the number of IFQ Program participants.

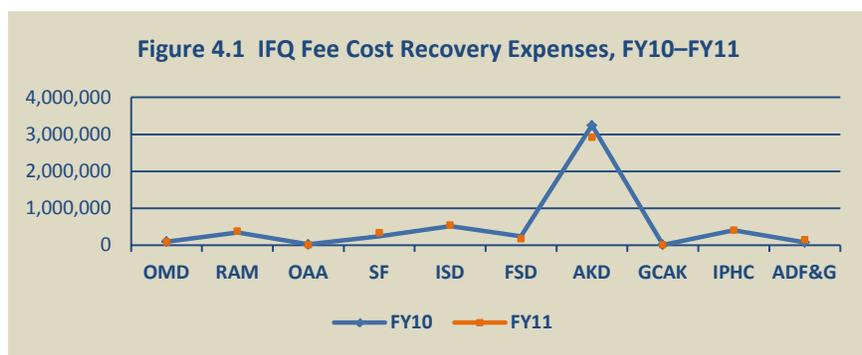


Table 4.2 Fiscal Year 2011 Costs associated with management and enforcement of the IFQ Program

Cost Recovery	NMFS RAM	NMFS ISD	NOAA Enforcement	NMFS Sustainable Fisheries	NMFS Financial Services	NMFS OMD	NMFS OAA	General Counsel AK	IPHC	ADF&G	Total
Personnel Costs <sup>a</sup>	327,807	121,182	2,259,087	152,683	178,139	78,846	14,795	17,539	313,776	124,032	3,587,885
Travel <sup>b</sup>	1,425	6,280	123,300	13,066	–	3,574	–	672	23,314	7,353	178,984
Transportation <sup>c</sup>	–	–	13,400	–	–	–	–	–	–	–	13,400
Printing <sup>d</sup>	438	–	300	–	–	–	–	–	–	–	738
Contracts/Training	177	341,877	264,200	159,090	–	–	–	–	69,191	60	834,595
Supplies	4,638	30,074	49,100	164	–	350	–	–	2,210	129	86,665
Equipment	10,958	–	1,400	–	–	–	–	–	–	–	12,358
Rent/Util/Overhead <sup>e</sup>	42,000	12,041	208,400	17,290	–	8,650	1,706	1,193	–	–	291,280
Other <sup>f</sup>	–	39,100	–	–	–	–	–	–	2,323	18,420	59,843
<b>Total</b>	<b>387,443</b>	<b>550,554</b>	<b>2,919,187</b>	<b>342,294</b>	<b>178,139</b>	<b>91,420</b>	<b>16,501</b>	<b>19,403</b>	<b>410,813</b>	<b>149,994</b>	<b>5,065,748</b>

<sup>a</sup> Personnel Costs include cost of living adjustments (COLA) and all benefits.

<sup>b</sup> Travel includes per diem payments. IPHC uses a scalar to determine costs so IPHC travel expenses reflect costs derived by a separate cost formula.

<sup>c</sup> Transportation includes shipment of items.

<sup>d</sup> AKD received a one-thousand dollar credit due to Government Printing Office-miscoded charges to projects.

<sup>e</sup> Rent/Utilities/Overhead includes costs of space and utilities and shared common space and services.

<sup>f</sup> IPHC “other” expenses include costs related to vessel clearances and reimbursed communications costs. ADF&G’s indirect costs are also included in “Other.”



## Section 5 NMFS Protected Resources Seabird Report



Subadult short-tailed albatross. Photo by Dave Csepp.

Of all the seabird interactions in the Alaska Exclusive Economic Zone, NMFS is particularly interested in albatross bycatch because some species face serious conservation concerns. The short-tailed albatross (*Phoebastria albatrus*) is listed as endangered under the Endangered Species Act (ESA) and has been documented taken in the Alaska demersal longline fisheries. Two other non-ESA listed albatross species also inhabit Alaska waters and have been taken in the Alaska groundfish longline fisheries: the black-footed albatross (*P. nigripes*) and Laysan albatross (*P. immutabilis*). Laysan albatross have also been taken in trawl fisheries in Alaska. Black-footed and Laysan albatross breed in the northwestern Hawaiian Islands and travel to the Gulf of Alaska, Bering Sea, and Aleutian Islands to forage in offshore waters.

The total estimated bycatch of all albatross in all Alaskan federal groundfish fisheries was 326 birds taken in 2010. This represents an increase from the estimated 166 albatross taken in 2009, and a decrease from the estimated 710 albatross taken in 2008. Relative to other albatross species, Laysan albatross had the highest estimated bycatch in the demersal longline fishery in 2008, 2009, and 2010 (420, 105, and 267 birds, respectively). Black-footed albatross had the highest estimated bycatch in the Alaska demersal longline fishery for albatross species in 2007 (176 of a total of 209). The only albatrosses taken in any federal trawl fishery in Alaska between 2007 and 2010 were nine Laysan albatross taken in 2009 in the Bering Sea and Aleutian Islands area (pelagic and non-pelagic gear combined). Seabird bycatch estimates are updated on this website:

<http://www.afsc.noaa.gov/REFM/REEM/Seabirds/Default.php>

### **Endangered Species Act Incidental Take Statements**

As a result of ESA section 7 consultations, USFWS issued incidental take statements as follows:

- Four short-tailed albatross during each two-year period for the Bering Sea and Aleutian Islands (BSAI) and Gulf of Alaska (GOA) hook-and-line groundfish fisheries.
- Two short-tailed albatross during each two-year period for the commercial halibut longline fishery off the coast of Alaska.
- Two short-tailed albatross in trawl fisheries managed by NMFS in the BSAI and GOA during the period that the current Biological Opinion remains in effect.

The short-tailed albatross is the only ESA-listed avian species in this region that is known to interact with fisheries. If incidental take is exceeded, consultation with the USFWS must be reinitiated. To avoid potential delays in operations, NMFS may choose to reinitiate consultation when the level of authorized incidental take is met but not exceeded.

### 2011 Short-tailed Albatross Takes

While the incidental take limits for short-tailed albatross have never been met or exceeded, one short-tailed albatross was taken in the BSAI hook-and-line groundfish fishery in 2011, near the start of a two-year bycatch period (for USFWS consultation purposes). The bird was taken on October 25, 2011, at 56° 35' N and 172° 52' W in NMFS reporting area 523. The bird had an identifying leg band from its natal breeding colony in Japan and was less than two years old. This take occurred very close to the locations of two short-tailed albatrosses taken in the same fishery in August 2010. NMFS continues to work closely with industry and the observer program to understand the specific circumstances of these incidents and to help prevent future take.

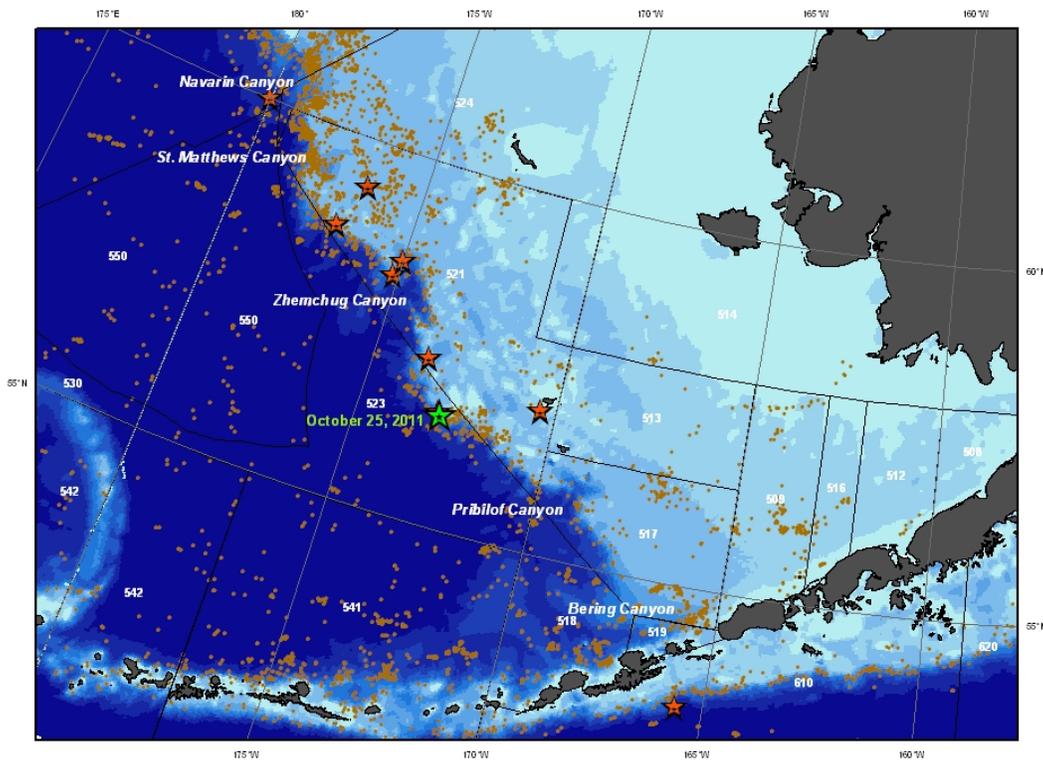


Figure 5.1 A map of a short-tailed albatross take in Alaska hook-and-line fisheries in 2011 (green star). Red stars indicate all other documented short-tailed albatross takes in Alaska fisheries from 1983-2010. Brown dots indicate satellite tagging data from birds tagged between 2001–2010. Credits: Yamashina Institute for Ornithology, Oregon State University, U.S. Fish and Wildlife Service, and Ministry of Environment, Japan.

### Continuing Relocation Efforts

Once the most abundant albatross in the North Pacific with numbers in the millions, the short-tailed albatross (*Phoebastria albatrus*) was hunted to near extinction primarily by commercial feather harvesters. The population has since increased to approximately 3,500 individuals but still nests nearly exclusively on only 2 islands, which are geologically and politically unstable. The main breeding colony, Tsu-bamezaki, is on Torishima Island, or "bird island," an uninhabited volcanic island at the south end of the Izu Islands in the Pacific Ocean. The second known breeding location is in the Senkaku Island group, al-

most entirely on Minami-kojima Island. The Senkaku Island group is under Japanese administration, but claimed by both China and Taiwan.

For the first-time observed, in 2011 a pair of short-tailed albatross successfully fledged a chick from Midway Atoll in the northern Hawaiian archipelago. The same pair returned to Midway and fed a chick at the nest in February 2012.

Recolonization of another “stable” island within the historical range of the short-tailed albatross is required to remove this species from the endangered species list. Precedence does exist for attracting short-tailed albatross to another breeding site on Torishima. However, establishing a colony takes time and effort; it took 14 years for a new colony on Torishima, Hatsunozaki, to increase to 15 pairs. To achieve this increase, staff used passive attractants (decoys and vocalization playback).

Short-tailed albatross frequent waters of Alaska, Russia, and Japan that are heavily fished by commercial fisheries. While the commercial fishing fleet in Alaska has taken admirable measures to avoid incidental take of this species, there remains the threat of catastrophic levels of mortality associated with volcanic activity on the primary breeding site in Japan. The Short-tailed Albatross Recovery Team has determined the establishment of additional colonies is of utmost importance to the recovery of this species.

A large ongoing collaborative effort to establish a new colony on a third island within the historic range of the short-tailed albatross was initiated in 2006. Pilot translocation and hand-rearing studies were conducted in 2006 with 10 Laysan albatross chicks in Hawaii and in 2007 with 10 black-footed albatross chicks in Japan. These pilot studies proved successful in refining techniques, and by the second year fledging success was greater than long-term means for naturally reared birds. The second phase of this work is satellite-tracking the fledglings to ensure that translocated and hand-reared chicks are surviving and migrating similarly to naturally reared individuals. Additionally, by using long-lasting, solar-powered transmitters, a joint U.S./Japan project is able to track individuals into U.S. waters to evaluate potential fishery interactions. This contribution is particularly important because this age class appears to have very different movement and distribution patterns than adults/subadults and therefore overlap a larger variety of fisheries. Successful establishment of new short-tailed albatross breeding colonies through translocation is expected to hasten the recovery of this species, resulting in its removal from the endangered species list, in less time than from natural range expansion.

For additional information about the translocation efforts, see this website:

[http://www.fakr.noaa.gov/protectedresources/seabirds/usfws\\_stal\\_translocation\\_%20factsheet.pdf](http://www.fakr.noaa.gov/protectedresources/seabirds/usfws_stal_translocation_%20factsheet.pdf)



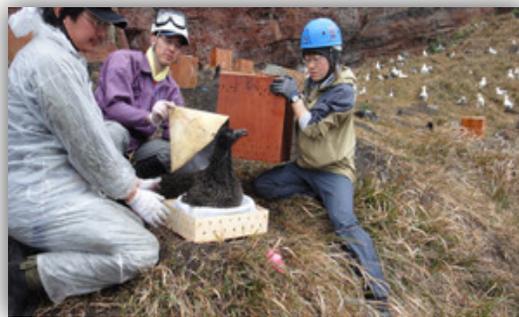
**Black-footed albatross. Photo by John Moran**

### ***Translocation Progress***

From 2009–2012, Dr. Deguchi and the Yamashina Institute for Ornithology translocated 15 albatross chicks each year from Torishima to Mukojima. This is part of a larger project to translocate about 70 chicks from Torishima to Mukojima in the Ogasawara Islands over the five-year period from fiscal years 2007 to 2012. Satellite tagging data show that all short-tailed albatross released in this program flew to the Aleutian Islands by summer for foraging. Over the next few years, the project will evaluate the need for additional translocation effort.

### ***Coming “Home”***

In 2011 six of the ten hand-reared birds from 2008 returned to the Mukojima release site. These birds were too young to breed but interacted with chicks and engaged in courtship displays with each other. In December 2011 a 2008 hand-reared bird paired up with a naturally-reared subadult short-tailed albatross. Birds from the 2009 cohort are beginning to show up in 2012.



**Short-tailed albatross chicks arriving on Mukojima Island after being translocated from Torishima Island. Photos are courtesy of the Yamashina Institute of Ornithology, Japan.**

### ***Hazards on the Nesting Islands***

A strong rain February 12–13, 2010 caused a landslide into the west colony of Tsubamezaki. The crew rescued two chicks buried in the sand, but eight were found dead.

A tsunami generated in Japan struck Midway Atoll on March 10, 2011 and washed the only short-tailed albatross chick on that island out of its nest. The chick was discovered and returned to its nest, and later it successfully fledged. The landslide and tsunami are two natural disasters that demonstrate the need to continue promoting new short-tailed albatross colonies.

### ***Streamer Lines***

NMFS will be shifting its focus for free streamer lines to participants in the West Coast groundfish fisheries off the coasts of Washington and Oregon. Alaska fishermen can use schematics for streamer lines provided by Pacific States Marine Fisheries Commission (designed by Washington SeaGrant) to build their own streamer lines:

<http://www.fakr.noaa.gov/protectedresources/seabirds/guide.htm>

### ***Report Short-Tailed Albatross Sightings***

NMFS is coordinating with the USFWS on the collection of short-tailed albatross data. In the event of a short-tailed albatross sighting from your vessel, please report the sighting to the USFWS on the Endangered Species Encounter Reporting Form.

<http://www.alaskafisheries.noaa.gov/protectedresources/seabirds/repform.pdf>

(Completed forms can be mailed to USFWS at the address provided on the form)

### ***“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 would like the “Alaska Seabirds” guide, and did not receive it in a NMFS mailing to Federal Fisheries Permitholders, please contact Kim Rivera, NMFS’s Seabird Coordinator, at 907-586-7424, or email Kim at [Kim.Rivera@noaa.gov](mailto:Kim.Rivera@noaa.gov).

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

[alaskafisheries.noaa.gov/protectedresources/seabirds/guide.htm](http://alaskafisheries.noaa.gov/protectedresources/seabirds/guide.htm) <http://www.afsc.noaa.gov/REFM/REEM/Seabirds/Default.php>



## Appendix: Description of the Halibut and Sablefish Program and IPHC Regulatory Area Maps

### *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) Program.

During the initial application period, more than 6,000 persons applied for more than 9,000 QS awards (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 1988, 1989, or 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 each species and each regulatory area combination. 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 or about January 31), which may vary slightly from year to year due to administrative adjustments and civil penalties.

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 area "IFQ 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:

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

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 allocation 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 in this report for a breakdown of the annual QS use and vessel IFQ caps. QS use caps are determined "individually and collectively"; that is, by QS held in a person's name, plus a part of QS held by any entity in which the person is an owner (collectively).

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. In this way, smaller amounts (blocks) of QS will always be available for those who wish to enter the fishery by acquiring QS by transfer. Very small blocks may be "swept up" to result in one larger block up to a maximum size specified for each area. This promotes usefulness of small blocks otherwise uneconomic to fish.

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

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 an individual holder and to lease out the IFQ for three years. A medical transfer provision allows persons temporarily incapacitated to lease IFQ. Finally, members of the National Guard and military reserves who are mobilized to active duty may temporarily transfer their annual halibut and sablefish IFQ to other eligible IFQ recipients.

Quota share and the annual IFQ that it yields are classified by species, regulatory area, vessel category, and whether it may be fished on a vessel in another size category (“fish up” or “fish down”). A variety of restrictions regarding harvesting, processing IFQ and non-IFQ species, landing, and reporting IFQ fish are also in place. Although there is no space here to discuss these in detail, more information about the program, including restrictions, is available by contacting RAM or in the IFQ regulations on the NMFS website: [alaskafisheries.noaa.gov](http://alaskafisheries.noaa.gov).



Setting Gear

## Halibut and Sablefish IFQ Regulatory Areas

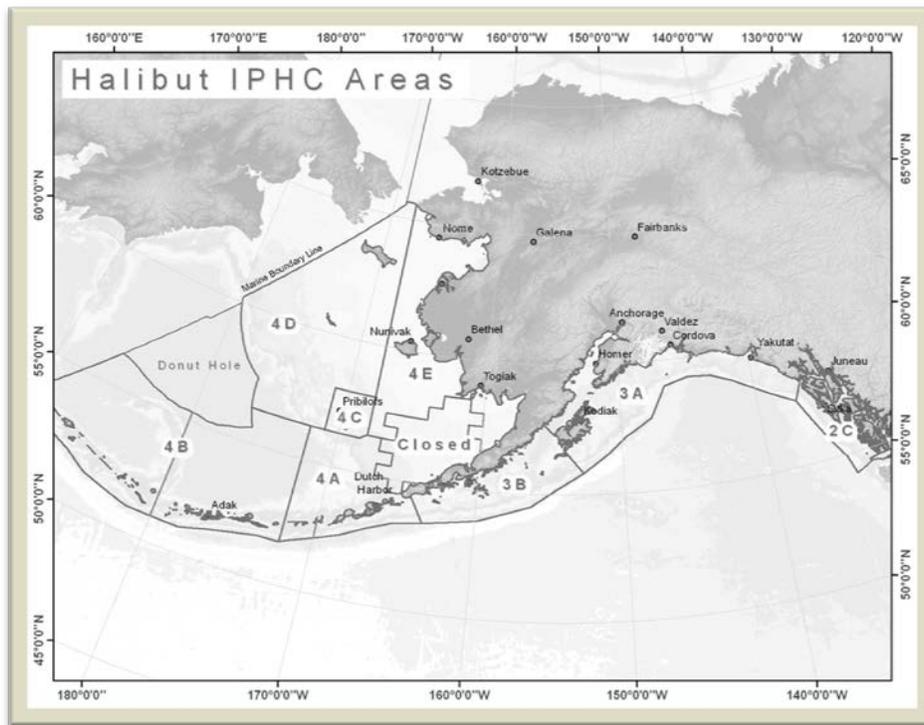


Figure A.1 Halibut IFQ Regulatory Areas

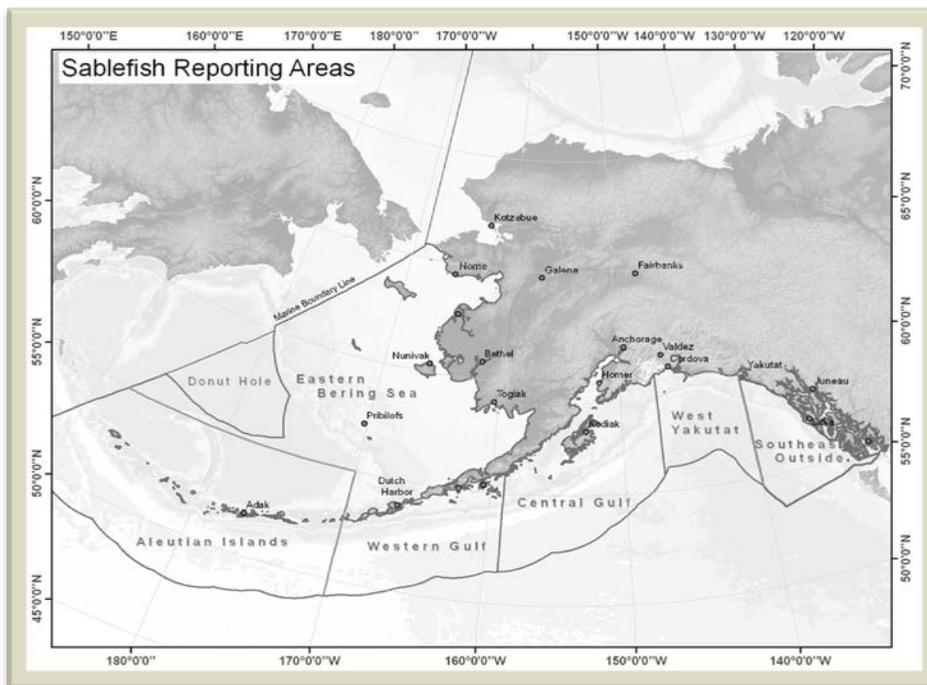


Figure A.2 Sablefish IFQ Regulatory Areas