

Gulf Rationalization Community Committee Report

March 30, 2005
Hilton Hotel, Fireweed Room
Anchorage, Alaska
8 am – 5 pm

Committee: Hazel Nelson (Chair), Nicole Kimball (staff), Julie Bonney, Duncan Fields, Chuck McCallum, Pat Norman (by phone), Joe Sullivan, Chuck Totemoff, Ernie Weiss

Other participants: Rachel Baker, Phil Smith, Dan Malarkey, Sam Cotten

Summary of Formal Committee Recommendations

The committee made recommendations to modify and add to the elements and options for the Community Fisheries Quota (CFQ) Program and the Community Purchase Program (CPP). The discussion related to those recommendations is provided in the text of this report. The explicit changes recommended for the Council's February motion on Gulf Rationalization Community Provisions are provided as **Attachment 1** to this report.

I. Review and approve agenda

This is the third meeting of the Gulf Rationalization Community Committee (committee), and all committee members were in attendance (one by phone). The committee approved the agenda with four additions. Under agenda item IV on the CFQ Program, the committee added a discussion of the Board of Directors structure under C 1.2, Option 3 and regionalization of landings under C 1.10. Under agenda item V on the Community Purchase Program, the committee added a review of Resolution 05-12 from the Aleutians East Borough. The committee also added a discussion at the end of the agenda concerning the concept of a transfer tax relative to leasing provisions in the overall Gulf rationalization program.

Staff reviewed the materials provided prior to and at the meeting. New materials included the agenda (**Attachment 2**); the Council's February 2005 motion; the committee's final report from January 28, 2005; revised draft eligibility tables; a table comparing the eligible communities under GOA Am. 66 to those proposed under Gulf rationalization; revised maps; final 2005 – 2006 Gulf of Alaska TAC specifications; revised regionalization map; and an excerpt from the IFQ Program Report to the Fleet on halibut and sablefish IFQ transfers (October 2003).

II. Approval of the December Committee report

The committee approved the January 28, 2005 committee report.

III. Review of the current Council motion on community provisions (as of February 2005)

Staff provided an overview of the revisions made to the CFQ Program and the CPP at the February Council meeting. The Council approved all of the committee's recommendations from its last meeting and incorporated those changes into the current motion. In addition, the Council added a new option for Board representation of the management entity that receives the CFQ allocation (C 1.2, Option 3), and made changes to the purpose statement language for the CPP. The committee recognized that the Council's changes to the CPP purpose statement reconciled potential inconsistencies with the proposed eligibility criteria.

IV. Review and refine the options for the CFQ Program

The committee followed the bulleted questions from the agenda to guide its discussions under item IV.

- *If more than one management (administrative) entity is selected under C 1.1, how to determine the overall allocation of CFQ to each management entity? For example, would each management entity be allocated equal shares of all CFQ? Alternatively, would each management entity only be allocated shares for the management area in which the communities they represent are located?*

The committee first recommended clarifying that C 1.1, Option 2 means there would be two overall CFQ management entities that receive the CFQ allocation: one entity representing Western Gulf communities and one entity representing Central Gulf and West Yakutat communities.¹ Upon discussion, however, the committee also agreed to recommend a suboption to Option 2 that would allow adjustments to the communities that fall under the WG entity and the CG entity, in order to reflect ties between communities that have common culture and history but are not located in the same management area. The suboption would continue to allow only two management entities under Option 2, but would allow for adjustments to the communities represented by those two entities based on factors other than location in a fisheries management area.

The committee also discussed whether Option 3 was necessary to retain, as it remains somewhat abstract as to how the management entities would be formulated and the number of entities that could result. It also introduces a more complex allocation situation. Most committee members agreed that any number of management entities could result from Option 3, which was at least partially included to accommodate communities like Chignik, Chignik Lake, and Chignik Lagoon (located in the Central Gulf area), which may want to work with communities of similar culture and history like Perryville and Ivanof Bay (located in the Western Gulf area). It is assumed that the communities themselves would determine the groupings under Option 3, and would apply to NMFS for qualification of a management entity representing those communities. One member noted that all communities would likely be better served by one Gulf-wide entity, as political dangers may multiply as the group is fractured into several entities. However, the committee did not recommend eliminating Option 3 and noted that the analysis would serve to highlight any disadvantages or concerns associated with this option.

The committee also recognized that if there is more than one Gulf-wide management entity, there needs to be some method by which the total CFQ will be allocated to the multiple management entities at the beginning of the program. The committee recommended consistency in using the geographic priority approach discussed in prior meetings: that WG CFQ be allocated to an entity(ies) representing WG communities, and CG and WY CFQ be allocated to an entity(ies) representing CG and WY communities. Implementation of this method is clear under Option 2, but needs further explanation under the suboption and Option 3, as those options would allow communities of different management areas to be represented by the same entity. Thus, the committee recommended using the same options for criteria to make the initial allocation as determined under C 1.13 *Allocation Basis for Lease Proceeds*: 0% - 100% allocated on a per capita basis and/or 0% - 100% allocated on a population basis. In effect, if under the suboption to Option 2, a community located in the WG decided to be represented by the CG management entity, then a portion of the WG CFQ (based on the criteria chosen above) would be allocated to the CG management entity. Under Option 3, the initial allocation of CFQ would depend on how the communities were grouped under a particular management entity and the specific criteria chosen above. The intent is to reflect the concept that shares for a specific management area are held by a management entity representing communities located in that area.

¹ Tatitlek and Yakutat are the only WY communities proposed to be included under the CFQ Program eligibility criteria.

- *What process would the management entity(ies) use to determine which residents lease (fish) CFQ? (Example: open bid, proposal process, etc.) Does this process need to be in regulation?*

The committee agreed that the management entity needs to demonstrate to NMFS that it gave this process careful consideration prior to receiving the CFQ allocation, but the committee did not want to prescribe how this process should be done. The current motion requires the management entity(ies) representing communities under this program to submit a statement of eligibility to NMFS and the State prior to being qualified and receiving CFQ (C 1.14). Thus, the committee agreed that the requirements for this program should be similar to Amendment 66 in this regard, such that the management entity must indicate its resident application process in its statement of eligibility to NMFS. The committee recommended including the following options under C 1.14, which would comprise elements of an entity's statement of qualification submitted to NMFS:

- procedures used to solicit requests from residents to lease IFQ; and
- criteria used to determine the distribution of IFQ leases among qualified community residents and the relative weighting of those criteria.

The committee noted that ongoing consultation with NOAA GC is necessary to ensure that the program structure is within the bounds established under law with regard to the delegation of Secretarial authority. The program is currently structured such that NMFS would make an initial allocation of CFQ to the management entity or entities representing eligible communities, and clear criteria would be established for individuals eligible to lease the CFQ. The RAM Division would administer and approve any transfer of an annual IFQ permit to a community resident, and administrative due process would be provided should an individual dispute the determination by RAM. Staff will consult with NOAA GC to confirm this process subsequent to the April Council meeting.

- *Further discuss the ownership/lease provision implicit in C 1.7*

The committee discussed the requirement implicit in C 1.7 that would require an eligible community resident to either own a vessel or lease a vessel (bareboat charter), in order to fish CFQ. The concern is that an eligible resident would not be allowed to lease CFQ and use it on a vessel on which they were employed as skipper or crew. The committee was concerned with this potential limitation, as the program is intended to both allow community members with vessels to fish, but also to allow other community fishermen to be employed in fishing, access the resource, and work on a vessel that is fishing CFQ. While most communities will likely have residents that own vessels capable of fishing Pacific cod, for instance, most communities will not have the larger vessel and gear infrastructure to fish species like flatfish. The committee agreed that the expectation is not that a community resident must lease such a vessel to use CFQ, as the cost and risk would likely be prohibitive. However, the committee agreed that the program needs to be structured such that community residents that own vessels that are capable of fishing particular species (e.g., cod) will be given significant consideration in the distribution of the annual leasing privilege, as the use of those vessels bring both direct and indirect benefits to the community.

The committee thus agreed on modifying the language under C 1.7 to reflect that the CFQ management entity must consider certain factors when considering the pool of residents eligible to lease CFQ, but that a resident is not required to own their own vessel. The recommended language, which does not prescribe a hierarchy of criteria, is as follows:

The administrative entity may lease quota share to community residents with vessels owned by, retained under a contractual arrangement with, or on which a community resident has an employment contract.

The committee also thought it necessary to require information in the management entity's report to NMFS that would demonstrate that the management entity considered these factors. Thus, the committee recommended that language be added to C 1.15 to require an annual report, and that such report must provide a record of findings to ensure that the management entity evaluated whether there were vessels owned by community residents capable of prosecuting the specific fishery for which the CFQ was being leased, whether there were vessels under contract, or whether there were community residents that would be employed on vessels. Requiring this information is intended to ensure that there is adequate information available at such time that the program is reviewed, and is also intended to balance the need to provide the most benefit to communities with the recognition that not all communities will have vessels capable of fishing all fisheries for which CFQ might be designated. The recommended language is shown in section C 1.15 of Attachment 1.

Subsequent to this discussion, the committee agreed that establishing a prescribed formula by which the administrative entity must lease CFQ is no longer necessary, due to the allocation clarifications made under C 1.1 and the benefits of allowing the Board of the administrative entity to function with some flexibility. This was the approach taken in GOA Am. 66, and the committee thought it appropriate in this instance for similar reasons. Thus, the committee recommended deleting C 1.7, Option 1.

- *Discuss whether individual eligible communities should be permitted to ‘opt-out’ of the overall management entity and take a portion of the CFQ to manage themselves.*

The committee discussed this issue, noting that the ability to opt out of the program is not addressed by the current options. C 1.1 specifies that only the administrative entity or entities receive the CFQ allocation, and these options do not allow for each individual community to form its own management entity on an annual basis. The committee recognized that community residents would apply to lease CFQ on a voluntary basis, thus, by not participating in that process or not sending a representative to the Board, communities could choose not to participate in the program. However, there is no option that would allow a community to decide to leave its management entity and, as a result, receive CFQ by direct allocation to the individual community.

The committee discussed this issue at length, including the concern with providing sufficient stability to the management entities, the CFQ allocation, and the communities they represent. The Chair offered numerous examples from the CDQ Program. The committee decided not to recommend changes to the current options, noting that the Council process and the program review process will provide sufficient opportunity for communities to highlight any inequities or requests for changes to the program.

- *Clarify whether the individual use caps and vessel use caps under C 1.8 are inclusive of all other Gulf quota (in the overall rationalization program) held by individual residents and/or fished on an individual vessel*

The committee agreed that this issue highlights the difference between this program and prior community programs, as there is a balance intended in the CFQ Program to create employment opportunities and fishing access as well as create a means of generating revenue. It is explicit in the motion that the purpose is to both mitigate economic harm to fishing communities (NS 8) and provide continued access to the fisheries for these communities. The committee noted that there are groundfish fisheries that most individual communities' residents can and will access through CFQ (e.g., Pacific cod) and, in contrast, some fisheries that will require a level of capital investment and infrastructure that not many community residents can currently meet (e.g., trawl flatfish), which may necessitate using CFQ on very few vessels for these species. Thus, the committee agreed that in order to maximize the entity's revenue benefits, the use caps that apply to groundfish species other than cod should be independent of any individually owned quota. But that the individual use caps that apply to cod should be inclusive of any individually owned quota. The committee recommended adding language to reflect this concept in the motion under C 1.8.

One member noted that the committee should consider the use caps for each species carefully under this program at a later date, since they will likely be designated by both species and gear type in the regular rationalization program. Once data is available and upon further refinement of the regular program, it will be easier to determine the necessary individual and vessel use caps under the CFQ Program.

- *Discuss Option C 1.2, Option 3*

This topic represented an addition to the agenda. The committee briefly discussed C 1.2, Option 3, to allow membership on the Board of the management entity “to be based on an evaluation of community population, location of the resource, and/or regionalization (can either stand alone or be in combination).” This option was approved by the Council in February, to satisfy concerns of some AEB communities and provide a more flexible method for structuring the Board. The committee recommended clarifying the motion such that this option only applies if there is one Gulf-wide management entity. The committee also agreed that the option requires more specificity, and that AEB and a committee member (Weiss) can work outside of the meeting to provide some suggestions to clarify this option in the future.

- *Timing of the CFQ Allocation (transfer tax under C 1.6)*

This topic represented an addition to the agenda. The committee expressed that the data provided on the halibut/sablefish IFQ Program does not help determine the timing of the CFQ allocation and the concept of potentially funding a portion of the program through an attenuation of QS upon first transfer. The committee thus requested that the analysis contain data on the total amount of QS units transferred (first transfer only) in the beginning years of the halibut/sablefish IFQ Program, understanding the differences between this and the Gulf groundfish program, and that establishing a provision for an attenuation of QS upon first transfer will create an incentive not to transfer QS and affect individual behavior. The committee believes the data are necessary to allow the Council to determine a reasonable starting point for the total CFQ allocation (5% - 15%) to the program and the portion that should be initially allocated.

- *Regionalization Landing Requirements (C 1.10)*

The committee reviewed the regionalization concept in the overall rationalization program and discussed the intent to preserve historical processing distribution between the two (North/South) regions and mitigate significant impacts to the communities and processors in the regions as a result of rationalization. If applied to the CFQ Program, the regionalization designation would apply to the Central Gulf CFQ allocated to the administrative entity in aggregate, which would allow the administrative entity flexibility to lease the CFQ in such a way that it is practical for a community resident's delivery patterns. The committee recommended, however, that the regional landing requirements under C 1.10 should be applied on a species specific basis. This would allow flexibility to leave a larger portion of the CFQ for particular species (e.g., rockfish and cod) without a regional designation, such that CFQ would be available to support new processing opportunities in small communities. Yet it would also allow for the regional distribution determined for the overall program to be maintained for CFQ for most species.

V. Review and refine the options for the Community Purchase Program

- *What types of non-profit entities should be permitted to purchase Gulf QS under C 2.1?*

The committee discussed concerns stemming from the limitation on the type of entity that can purchase Gulf groundfish quota on behalf of eligible communities. The committee agreed that the program should take advantage of non-profit entities established on behalf of communities for other programs as appropriate, including the crab rationalization eligible crab communities (ECCs) established to exercise the right of first refusal on purchasing processor quota share under the crab rationalization program, and the community quota entities (CQEs) established to purchase halibut and sablefish quota under GOA Am.

66. In addition, the committee noted that not all communities that may be eligible under the Gulf groundfish CPP are eligible for these other programs, thus, the options under C 2.1 should accommodate a representative entity for these communities as well (Cordova and Cold Bay). The committee thus recommended language to amend C 2.1 to allow for a number of types of entities to represent eligible communities in the purchase program (see Attachment 1).

- *If the overall CFQ management entity is also permitted to purchase QS, would it have to purchase QS on behalf of all member communities equally? Discuss how this would work.*

The committee discussed the concept of allowing the overall CFQ management entity (or entities) to also be eligible to purchase Gulf groundfish shares, as stated in C 2.1. The intent is to allow some communities, particularly smaller communities which may not have the funds to ever purchase quota, to be represented in the purchase program. This concept evolved into a discussion of whether the CFQ management entity purchasing Gulf quota should have a separate and different individual cap on how much quota it can purchase, and whether its purchases would be applied toward the aggregate cap on the program.

Some members expressed significant concern with having purchases by the CFQ management entity attributed to the aggregate cap on all eligible communities, particularly given that not all communities eligible for the purchase program are eligible for, and represented by, the CFQ management entity (e.g. Cordova and Kodiak). Some members were extremely concerned with the notion of individual communities competing with the CFQ management entity, expecting that the program would reach the aggregate cap long before most individual communities could have purchased quota. At the same time, other members were concerned with the ability of smaller communities to compete with larger communities in purchasing quota share before the aggregate cap is reached. Both concerns are relevant if the aggregate cap is established at less than the sum of the individual caps of each individual community. Members noted that this situation also creates tension between the CFQ management entity and the communities which may be purchasing quota on their own.

In order to remedy these concerns, the committee recommended including a suboption under the aggregate cap options in C 2.5, to allow the option to split the aggregate cap on purchased quota between communities eligible for the CFQ Program and communities not eligible for the CFQ Program. Any purchases by the CFQ management entity would be applied toward the CFQ community aggregate cap. While the committee did not recommend specific numbers for a split of the aggregate cap, it suggested using benchmarks in the analysis of 4%, 8%, and 12% as a cap on the non-CFQ communities and 20%, 25%, and 30% as a cap on the CFQ communities.

The committee also recommended adding an option for a total aggregate cap of 45%, to provide an option that would potentially allow the non-CFQ communities eligible under the purchase program to purchase up to 12% in aggregate, and the eligible CFQ communities to purchase up to 30% (total of 42%). The committee also recommended deleting Options 5, 6, and 7, as the range provided under Options 1- 5 appears sufficient to cover those amounts. The committee also recommended deleting Options 1 (1%) and 2 (2%) under the individual community caps, as those will likely be lower than the individual caps established in the regular program.

- *What types of administrative oversight elements are necessary under C 2.4?*

The committee recommended adding three specific elements of administrative oversight to C 2.4 that are similar to the requirements of the halibut/sablefish community purchase program (see Attachment 1).

- *Should there be restrictions on the type of Gulf QS that can be purchased by community entities? (i.e., can communities purchase QS of any block, CV/CP, gear type, or regionalization designation?)*

The committee agreed that community entities should be allowed to buy shares with any operating (CV/CP) or regionalization (North/South) designation. The committee was more concerned with whether community entities should be allowed to buy blocked shares or shares of any gear designation. While the committee recognized that only (low-producer) fixed gear CV shares could potentially be blocked under the regular program,² it expressed a desire to be careful about allowing community entities to buy blocks that are intended as a stair step for entry-level participants to purchase after initial allocation. Some members on the committee noted that communities are a similar type of participant and should be allowed to purchase blocked quota, even if at a limited amount. However, due to the uncertainty surrounding the number of blocks that will be formed under the regular program, and the sensitivity to creating a program that would allow entry-level participation by both communities and individuals, the committee did not make any substantive recommendations on this issue at this time. The committee noted similar concerns regarding shares with a particular gear designation. Thus, the committee recommended only that the motion reflect that it may be necessary to limit community acquisition of quota with a particular block and/or gear designation.

- *Do the share designations (see above bullet) on Gulf QS apply when held and fished by communities?*

The committee reiterated its concern with maintaining quota of a particular designation that is likely to act as entry-level quota for new entrants buying into the program. If the harvest designations did not apply when held by community entities, the concern is that community entities would have an incentive to purchase a significant amount of that quota (which is likely to be less costly), and reduce availability for other ‘second-generation’ participants.

In sum, the committee did not reach consensus on whether the CV/CP designation must apply when the quota is held by community entities. One member (Fields) noted that the Gulf of Alaska Coastal Communities Coalition’s position has been to bring community shares onshore, such that any quota purchased by community entities would be used as CV shares. Other members expressed the desire for increased flexibility if a community could use both CP and CV shares.

The committee agreed that the regionalization designation should apply to shares purchased and held by community entities, in order to maintain the regional distribution that is determined under the regular program. The committee also noted that if a community entity purchases blocked shares, those blocks remain intact if the entity sells the quota. Finally, the committee agreed that the gear designation on quota share should not apply when held by communities, in order to be able to use the limited number of vessels that may be available in several smaller communities. However, the committee noted that there was also agreement (above) that the amount of quota that communities can purchase with a specific gear designation may need to be limited.

- *Should there be restrictions on the sale of Gulf QS purchased by a community entity?*

The committee discussed this issue briefly, noting that a provision exists under GOA Am. 66 to restrict a community entity from selling its purchased halibut/sablefish quota shares unless it is to improve or expand its position in the program or dissolve the community entity altogether. If a portion of quota is

²Under Alternative 2, Option 2.2.7, there are two options for a block program on fixed gear CV shares: 1) 10,000 lbs equals one block, or 2) 20,000 lbs equals one block. Under 2.2.7.2, eligible participants would be allowed to hold a maximum of 1) one block; 2) two blocks; 3) 4 blocks.

sold for any other reason, the entity must sell any remaining QS and is restricted from purchasing quota for three years. Some members thought these ‘penalties’ were too stringent, noting that communities should be allowed to make business decisions based on the success of their investments, just as individuals. Others supported disincentives to sell quota share in order to promote long-term holdings as part of a community trust. The committee agreed that this issue warrants more discussion than the committee had time for at this meeting.

- *AEB Resolution*

This topic represented an addition to the agenda. At its January meeting, one member (Weiss) noted that residents of the communities of Akutan and False Pass in the Aleutians East Borough (AEB) fish in both the BSAI and the GOA, and are similar in size and character to other communities eligible under the CPP. However, because the Council approved an overall statement of intent not to include BSAI communities (CDQ or otherwise) in any Gulf rationalization community programs in the Council motion, the committee thought that the AEB would need to make a specific request to the Council to change its overall intent. At this meeting, the committee reviewed a resolution from AEB (March 21, 2005) that the Council consider including Akutan and False Pass in the CPP (**Attachment 3**). The committee did not make recommendations on this issue.

- *Eligible communities*

Upon discussion of the other elements of the program, the committee agreed that it may be easier to proceed with the analysis if the maximum list of eligible communities was certain. To that end, the committee made a recommendation as to the list of eligible communities for each program, using the Council’s criteria to date.

The committee recommended making the criteria that communities must have residents with commercial permit and fishing activity as documented by CFEC in 1993 – 2002 a provision for eligibility under both programs (Option 3a).³ A more restrictive option (currently Option 3b), to require that the fishing activity be particular to groundfish fishing, would remain available. Staff confirmed that preliminary review of the data indicates that applying Option 3a to the CFQ Program would reduce the number of eligible communities by four (Aleneva, Beluga, Seldovia Village, and Susitna).

The committee also addressed whether some communities on the preliminary list for the CPP are more reasonably considered places adjunct to other communities, thereby not warranting a separate privilege to purchase quota share. The committee agreed that the Kodiak Island communities of Chiniak, Womens Bay, and Kodiak Station are adjunct to the City of Kodiak, and are comprised primarily of remote homesteads and/or polling stations and lack substantial government or community structure. The committee recommended that residents of those communities should be eligible to lease quota purchased by a management entity on behalf of the City of Kodiak, but that those places should not be included as individual communities authorized to form separate entities to purchase quota. The committee agreed that the same situation applies to Seldovia Village, as determined under GOA Am. 66. The committee recommended that Seldovia Village residents should be permitted to lease Gulf groundfish quota from the entity representing the City of Seldovia.⁴

³Under the CFQ Program, this criteria is in C 1.2, Option 3a. Under the CPP, it is C 2.2., Option 3a.

⁴ Preliminary data indicate Aleneva, Beluga, Kodiak Station, Seldovia Village, Susitna, and Womens Bay, also do not meet the criteria under C 2.2, Option 3a to be an eligible community under the Community Purchase Program.

In sum, the committee's recommended maximum list of eligible GOA communities for the CFQ Program applies criteria of: <1,500 persons; no road connections to larger communities; within 5 nm of the Gulf coast; and residents with commercial permit and fishing activity as documented by CFEC in 1993 – 2002. **This recommendation results in a potential maximum of 22 communities eligible under the CFQ Program.**

The committee's recommended maximum list of eligible GOA communities for the Community Purchase Program applies criteria of: <7,500 persons; no road connections to larger communities; within 5 nm of the Gulf coast; and residents with commercial permit and fishing activity as documented by CFEC in 1993 – 2002. The committee's recommendations on CPP eligibility also include the recommendations on adjunct places as discussed above. **This recommendation results in a potential maximum of 24 communities eligible under the Community Purchase Program.**

The committee's recommendations to the preliminary lists of eligible communities are shown in Tables 1 and 2 in **Attachment 4**. The committee noted that with these suggested changes, the opportunity would remain to choose more restrictive criteria that would further reduce the number of eligible communities.

VI. Discuss need for subsequent meetings and schedule for committee report

The committee reiterated its belief that the committee process is valuable and productive, and it would like to continue its efforts after the general program is further refined and data is available. In addition, one committee member (Fields) noted he would like to introduce a concept of an annual assessment (allocated to communities in the region), on quota transferred (including leases) to or within a cooperative entity.

Gulf of Alaska (GOA) Rationalization Community Committee Recommendations on the February 2005 Council Motion on Gulf Rationalization Community Provisions
(additions are in bold and deletions are stricken)

It is the Council's intent that the Community Fisheries Quota (CFQ) Program and the Community Purchase Program (CPP) be the subject of standalone staff analysis for future inclusion in GOA groundfish rationalization alternatives as appropriate. The intent is not to create these programs as a trailing amendment, but to implement them at the same time GOA rationalization goes into effect.

Bering Sea/Aleutian Islands communities (CDQ or otherwise) and communities adjacent to the Eastern GOA regulatory area Southeast Outside District (except Yakutat) will not be included in any Gulf rationalization community provision programs.

PURPOSE: The Council recognizes the importance of providing economic stability for communities historically dependent upon GOA groundfish fisheries. Consistent with the guidance provided by the Consolidated Appropriations Act of 2001, National Standard 8, and the National Research Council Report, the Council acknowledges that rationalization programs can have significant impacts on fishing-dependent communities. Community provisions are intended to address community impacts resulting from rationalization and seek to provide economic stability or create economic opportunity in fishing-dependent communities, and provide for the sustained participation of such communities.

C 1. Community Fisheries Quota (CFQ) Program

The CFQ program would allocate a percentage of the annual Federal TAC to an administrative entity that would subsequently determine how to use the annual harvest privileges according to criteria established in Federal regulation. Depending upon the structure and restrictions established, the non-profit entity would use the shares to enable eligible communities to fish the shares. CFQ will be fished only by eligible community residents and will not be leased outside of the community to be used for other economic development.

The intent of the CFQ program is to mitigate the economic impacts of Gulf groundfish rationalization on small (less than 1500), isolated GOA communities with a historical dependence on groundfish. Further, it is the intent of the program to sustain current participation and access to the fisheries by those communities.

C 1.1 Administrative Entity

The administrative entity representing one or more eligible communities must be a non-profit entity qualified by NMFS. The administrative entity shall be:

- Option 1. A single Gulf-wide administrative entity.
- Option 2. An administrative entity for each GOA groundfish management area. (**One WG entity and one CG entity. The CG entity includes CG and WY communities.**)
Suboption 1. Community membership in each entity may be adjusted based on common culture and history considerations.
- Option 3. An administrative entity representing a group of communities with common culture and history.

If Option 2 is selected, the initial allocation of CFQ would be such that WG CFQ is allocated to the management entity representing WG communities, and CG and WY CFQ is allocated to the management entity representing CG and WY communities.

If Option 2 Suboption 1, or Option 3 is selected, the initial allocation of CFQ would be based on:

- Suboption 1.** 0% - 100% of the CFQ for a specific management area (WG, CG, WY) would be allocated to the management entity representing communities located in that area on an equal basis.
- Suboption 2.** 0% - 100% of the CFQ for a specific management area (WG, CG, WY) would be allocated to the management entity representing communities located in that area on a pro rata basis based on population.

C 1.2 Board Representation of the Administrative Entity

The administrative entity shall be comprised of a Board of Directors as follows:

- Option 1. (Applicable with C 1.1, Options 1 – 3). Equal Board membership established by an equal number of appointed representatives from each Community Quota Entity's (CQE's) member communities. (Should the CQE represent more than one community, the CQE would appoint representatives to the administrative entity for each member community.)
- Option 2. (Applicable with C 1.1, Option 1). A 13-member Board represented by members of CQEs by region as follows: Aleutians East Borough (3 reps); Lake and Peninsula Borough (3 reps); Kodiak Borough (3 reps); Yakutat (1 rep); Chugach (2 reps); Cook Inlet (1 rep).
- Option 3. (**Applicable with C 1.1, Option 1.**) Membership on the administrative entity to be based on an evaluation of community population, location of the resource, and/or regionalization (can either stand alone or be in combination).

C 1.3 Eligible Communities

- Option 1. Population (based on 2000 U.S. Census) of less than 1,500 but not less than 25
- Option 2.
 - Geography
 - a. Coastal communities without road connections to larger community highway network
 - b. Communities on the south side of the Alaska Peninsula that are adjacent to Central and Western GOA management areas (including Yakutat) within 5 nautical miles from the water, but not to include Bering Sea communities
- Option 3. Historic Participation in Groundfish Fisheries
 - a. Communities with residents having any commercial permit and fishing activity as documented by CFEC in the last ten years (1993 – 2002)
 - b. a. Communities with residents having any groundfish commercial permit and fishing activity as documented by CFEC in the last ten years (1993 – 2002)
- Option 4. GOA (WG, CG, WY) communities eligible under GOA Am. 66

C 1.4 Species

- Option 1. All rationalized groundfish species including PSC
- Option 2. Pollock and Pacific cod and associated species necessary to prosecute the allocation of pollock and Pacific cod

C 1.5 Allocation

CFQ awarded to an administrative entity cannot be permanently transferred.

- Option 1. 5% of annual TAC
- Option 2. 10% of annual TAC
- Option 3. 15% of annual TAC

C 1.6 Timing of the CFQ Allocation

- Option 1. 100% of the CFQ is allocated at the implementation of the program
- Option 2. 66% of the CFQ is allocated at the implementation of the program
- Option 3. 50% of the CFQ is allocated at the implementation of the program
- Option 4. 33% of the CFQ is allocated at the implementation of the program

Under Options 2 – 4, there is a guarantee that 20% of the remaining allocation to the CFQ Program will be made each year, such that all of the CFQ would be allocated to the program after a 5-year period. The following suboptions are applicable to Options 2 – 4:

- Suboption 1. Remainder CFQ to be allocated from a 10% reduction of QS at first transfer (sale). If the annual minimum allocation has not been reached through transfer, the remainder will be ‘funded’ by creating new QS and adding it to the QS pool(s).
 - i. Attenuation at first transfer of QS does not apply to gift transfers between family members (first degree of kin).
- Suboption 2. Remainder CFQ to be allocated from a 5% reduction of QS at first transfer (sale). If the annual minimum allocation has not been reached through transfer, the remainder will be ‘funded’ by creating new QS and adding it to the QS pool(s).
 - i. Attenuation at first transfer of QS does not apply to gift transfers between family members (first degree of kin).

C 1.7 Harvesting of Shares

Harvesting of shares is limited to residents of any eligible community. **The administrative entity may lease quota share to eligible community residents with vessels owned by, retained under a contractual arrangement with, or on which a community resident has an employment contract. The administrative entity may lease quota shares to community residents from any eligible community to be fished on vessels owned or leased by community residents.** However, residents of eligible communities located in a specific management area (WG, CG, WY) should receive priority over other qualified applicants in the leasing of community quota used in that specific management area.

- ~~Option 1. 0% – 100% of the annual harvest rights from the CFQ owned by the administrative entity from each GOA groundfish management area, by species, would be distributed amongst qualified communities located in the management area on an equal basis.~~

C 1.8 Individual Use Caps and Vessel IFQ Caps

An individual leasing CFQ and use of CFQ on a vessel shall be limited as follows (caps would be species specific **and exclusive of any quota individually owned**):

- Option 1. No individual QS use caps and vessel IFQ caps for fishing CFQ
- Option 2. An amount equal to the individual QS use caps and vessel IFQ caps in the rationalized Gulf groundfish fishery

- Option 3. An amount equal to an approximation of what is needed for viable participation in the fishery (to be specified later)
- Option 4. An amount equal to 150% of the individual QS use caps and vessel IFQ caps in the rationalized Gulf groundfish fishery

Suboption 1 (applies to Options 2 – 4):

Use (25%, 50%, or 75%) of the selected use cap for Pacific cod. **This cap is inclusive of any quota individually owned.**

C 1.9 Sector Designation

All IFQ resulting from QS held by communities shall be designated for use on catcher vessels.

C 1.10 Landing Requirements

Landing requirements will be applied on a species specific basis.

- Option 1. CFQ shall have regional landing requirements proportional to the regional landing requirements applied for the remainder of QS issued for that species.
- Option 2. 50% - 100% of the CFQ shall have regional landings requirements
 - Suboption 1. in perpetuity
 - Suboption 2. for a period of 5 years
 - Suboption 3. for a period of 10 years

C 1.11 Use of Lease Proceeds by Administrative Entity

Use of lease proceeds is restricted to administrative expenses and:

- Option 1. purchase of additional quota shares
- Option 2. fisheries related investments
- Option 3. investments in the economic development and social well being of member communities
- Option 4. distribution to member community CQEs

(Applicable to Option 4.) Use of CFQ lease proceeds by member community CQEs is restricted to administrative expenses and:

- Suboption 1. purchase of additional quota shares
- Suboption 2. fisheries related investments
- Suboption 3. investments in the economic development and social well being of member communities

C 1.12 Distribution of Lease Proceeds to Member Communities

- Option 1. The administrative entity is not required to annually distribute lease proceeds to member community CQEs
- Option 2. The administrative entity is required to annually distribute lease proceeds to member community CQEs in an amount equal to or exceeding:
 - Suboption 1. 10% annual lease income after administrative expenses
 - Suboption 2. 20% annual lease income after administrative expenses
 - Suboption 3. 30% annual lease income after administrative expenses

C 1.13 Allocation Basis for Lease Proceeds

- Option 1. Lease income would be distributed at sole discretion of administrative entity.

- Option 2. 0% - 100% of the annual lease income distributed by the administrative entity to member community CQEs would be distributed amongst qualified communities on an equal basis.
- Option 3. 0% - 100% of the annual lease income distributed by the administrative entity to member community CQEs would be distributed amongst qualified communities on a pro rata basis based on population.

C 1.14 Qualification of Administrative Entity

The administrative entity must submit a detailed statement of eligibility to NMFS and the State prior to being qualified. The State may comment on the statement of eligibility but does not have a formal role. The required elements of the eligibility statement will be in regulation and, at a minimum, include:

- Option 1. identification of the community CQEs represented by the administrative entity
 - Option 2. allocation criteria between regions, communities, and fishermen
 - Option 3. documentation concerning accountability to the communities represented by the administrative entity.
- Option 4. procedures used to solicit requests from residents to lease CFQ**
- Option 5. criteria used to determine the distribution of CFQ leases among qualified community residents and the relative weighting of those criteria.**

C 1.15 Administrative Oversight

An **annual report submitted to NMFS detailing the use of QS by the administrative entity. The report should include findings of the administrative entity related to community resident vessel ownership, community resident contractual relationships with a vessel owner, and community resident employment on a vessel, in its leasing of CFQ to community residents.** The required elements and timing of the report will be outlined in regulation.

C 2. Community Purchase Program

The CPP would allow a defined set of eligible communities to organize an administrative entity to purchase, hold, and use Gulf groundfish quota share within the rationalization program. In contrast to receiving an initial allocation, this provision would designate an administrative entity representing eligible communities as an eligible quota shareholder under the rationalization program, and that entity would be allowed to purchase GOA groundfish shares on the open market.

The purpose of the CPP is to provide the eligible communities with the opportunity to sustain their participation in the rationalized fisheries through the acquisition of Gulf groundfish fishing privileges. Further, it is the intent of the program to maintain and enhance current participation and access to Gulf groundfish fisheries by those communities.

C 2.1 Administrative Entity

The administrative entity representing a community or communities must be a non-profit entity qualified by NMFS, and may include ~~an administrative entity established to manage CFQ entities established under the BSAI Crab Rationalization Program for the community of Kodiak, Community Fisheries Quota (CFQ) administrative entities, a community quota entity under GOA Am. 66, or a non-profit established by the community of Cordova or Cold Bay, using criteria similar to Am. 66 qualification of CQEs.~~

C 2.2 Eligible Communities

Option 1. Population (based on 2000 U.S. Census)

- a. Less than 1,500 but not less than 25
- b. Less than 7,500 but not less than 25

Option 2. Geography

- a. Coastal communities without road connections to larger community highway network
- b. Communities on the south side of the Alaska Peninsula that are adjacent to Central and Western GOA management areas (including Yakutat) within 5 nautical miles from the water, but not to include Bering Sea communities included under the western Alaska CDQ Program.

Option 3. Historic Participation in Groundfish Fisheries

- a. Communities with residents having any commercial permit and fishing activity as documented by CFEC in the last ten years (1993 – 2002)
- b. a. Communities with residents having any groundfish commercial permit and fishing activity as documented by CFEC in the last ten years (1993 – 2002)

Option 4. GOA (WG, CG, WY) communities eligible under GOA Am. 66

C 2.3 Qualification of Administrative Entity

The administrative entity must submit a detailed statement of eligibility to NMFS and the State prior to being qualified. The State may comment on the statement of eligibility but does not have a formal role. The required elements of the eligibility statement will be in regulation.

C 2.4 Administrative Oversight

A report submitted to NMFS detailing the use of QS by the administrative entity. The required elements and timing of the report will be outlined in regulation **and may include:**

- Option 1.** A summary of business, employment, and fishing activities under the program.
- Option 2.** A discussion of any corporate changes that alter the representational structure of the entity.
- Option 3.** Discussion of known impacts to resources in the area.

C 2.5 Ownership/Use Caps

Individual community Gulf groundfish QS/GH cap **on purchased quota:**

- Option 1.** 1%
- Option 2.** 2%
- Option 3.** 3%
- Option 4.** An amount equal to the individual cap in the general program by species
- Option 5.** An amount equal to two times the individual cap in the general program by species
- Option 6.** An amount equal to three times the individual cap in the general program by species

Aggregate community Gulf groundfish QS/GH cap **on purchased quota:**

- Option 1.** 10%
- Option 2.** 15%
- Option 3.** 20%
- Option 4.** 30%
- Option 5.** **45%**
- Option 5.** ~~An amount equal to the sum of the individual use caps of all eligible communities~~
- Option 6.** ~~An amount equal to 90% of the sum of the individual use caps of all eligible communities~~
- Option 7.** ~~An amount equal to 80% of the sum of the individual use caps of all eligible communities~~
- Option 68.** No aggregate cap

Suboption 1 (applies to Options 1 – 5): Split the aggregate cap between communities eligible for the CFQ Program and communities not eligible for the CFQ Program. Any purchases by the CFQ management entity(ies) would be applied toward the CFQ community aggregate cap.

It may be necessary to limit community acquisition of quota with a particular block and/or gear designation.

**Gulf Rationalization Community Committee
Meeting Agenda**

**March 30, 2005
Hilton Hotel, Fireweed Room
500 West Third Avenue, Anchorage
8 am – 5 pm**

- I. Review and approval of the agenda**
- II. Approval of the January committee report**
- III. Review of the current Council motion on community provisions (as of February 2005)**
- IV. Review and refine the options for the CFQ Program**
 - If more than one management (administrative) entity is selected under C 1.1, how to determine the overall allocation of CFQ to each management entity? For example, would each management entity be allocated equal shares of CFQ? Would each management entity only be allocated shares in the management area in which they are located (e.g. only WG communities would get WG shares)?
 - What process would the management entity(ies) use to determine which residents lease (fish) CFQ? (Example: open bid, proposal process, etc.) Does this process need to be in regulation?
 - Further discuss the ownership/lease provision implicit in C 1.7. For example, must an eligible resident own the vessel or lease the vessel on which the CFQ is harvested? Or must the eligible resident only need to lease the CFQ, and it can be fished on any vessel? What are the implications of an owner/lease provision?
 - Discuss whether individual eligible communities should be permitted to ‘opt-out’ of the overall management entity and take a portion of the CFQ to manage themselves. (Note that this is contrary to the current options, under which only the administrative entity or entities specified in C 1.1 are allocated CFQ. These options do not allow for each community to form its own management entity, nor do they allow a community to opt-out on an annual basis.)
 - Clarify whether the individual use caps and vessel use caps under C 1.8 are inclusive of all other Gulf quota (in the overall rationalization program) held by individual residents and/or fished on an individual vessel.
 - Other items as necessary.
- V. Review and refine the options for the Community Purchase Program**
 - What types of non-profit entities should be permitted to purchase Gulf QS under C 2.1?
 - If the overall CFQ management entity is also permitted to purchase QS, would it have to purchase QS on behalf of all member communities equally? Or could it purchase QS with funds provided by an individual community on behalf of only that individual community (for lease to only residents of that community)? Discuss how this would work.

- What types of administrative oversight elements are necessary under C 2.4?
- Should there be restrictions on the type of Gulf QS that can be purchased by community entities? (i.e., can communities purchase QS of any block designation, CV/CP shares, gear designation, regionalization tag?)
- Do the designations (see above bullet) on Gulf QS apply when held and fished by communities?
- Should there be restrictions on the sale of Gulf QS purchased by a community entity?
- Other items as necessary.

VI. Discuss need for subsequent meetings and schedule for committee report

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF
■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

RESOLUTION 05-12

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH THAT THE COMMUNITIES OF AKUTAN AND FALSE PASS BE CONSIDERED FOR THE COMMUNITY PURCHASE PROGRAM.

WHEREAS, the North Pacific Fisheries Management Council is considering a rationalization plan for Gulf of Alaska groundfish that will impact local communities in the Aleutians East; and

WHEREAS, two programs are being structured to address community impacts within the Gulf of Alaska Rationalization plan, the Community Fisheries Quota (CFQ) and the Community Purchase Program (CPP); and

WHEREAS, these programs as currently proposed would include only some of the communities of the AEB, Sand Point, Cold Bay and King Cove; and

WHEREAS, the NPFMC has stated that Bering Sea/Aleutian Islands communities, including Akutan, False Pass and Nelson Lagoon, will not be included in any Gulf rationalization community provision programs; and

WHEREAS, the communities of both Akutan and False Pass have a long history of participation by local fishermen and vessels in groundfish fisheries; and

WHEREAS, the Gulf Rationalization Community Committee has stated the AEB needs to make a specific request for the NPFMC to change the intent to exclude all BS/AI communities from inclusion in any Gulf rationalization community programs; and

NOW THEREFORE BE IT RESOLVED by the Aleutians East Borough that the North Pacific Fisheries Management Council consider including Akutan and False Pass in the communities eligible to participate in the Community Purchase Program.

PASSED AND APPROVED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH on this 21st day of March, 2005.

IN WITNESS THERETO:

By: Stanley Mack
Stanley Mack, Mayor

ATTEST:

Tina Anderson
Tina Anderson, Clerk

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DRAFT**Gulf Committee recommendations on (22 maximum) communities eligible for the CFQ Program**

Table 1: Gulf committee recommendations on the maximum list of WY, CG, and WG communities (recognized as places by the U.S. Census) eligible under the Gulf Rationalization CFQ Program. Criteria applied include: 1) population¹ of fewer than 1,500; 2) no road connections to larger community highway network; 3) within 5 nm of the Gulf coast; and 4) residents having any commercial permit and fishing activity as documented by CFEC in 1993 - 2002.

	NAME	POP	CENSUS PLACE DESIGNATION	GOVT STRUCTURE	BOROUGH	AREA
1	Akhiok	80	city	Second Class City	Kodiak Island	CG
2	Aleneva	68	CDP	Unincorporated	Kodiak Island	CG
3	Beluga	32	CDP	Unincorporated	Kenai Peninsula	CG
4	Chenega Bay	86	CDP	Unincorporated	Unorganized	CG
5	Chignik	79	city	Second Class City	Lake & Peninsula	CG
6	Chignik Lagoon	103	CDP	Unincorporated	Lake & Peninsula	CG
7	Chignik Lake	145	CDP	Unincorporated	Lake & Peninsula	CG
8	Cold Bay	88	city	Second Class City	Aleutians East	WG
9	Halibut Cove	35	CDP	Unincorporated	Kenai Peninsula	CG
10	Ivanof Bay	22	CDP	Unincorporated	Lake & Peninsula	WG
11	Karluk	27	CDP	Unincorporated	Kodiak Island	CG
12	King Cove	792	city	First Class City	Aleutians East	WG
13	Larsen Bay	115	city	Second Class City	Kodiak Island	CG
14	Nanwalek	177	CDP	Unincorporated	Kenai Peninsula	CG
15	Old Harbor	237	city	Second Class City	Kodiak Island	CG
16	Ouzinkie	225	city	Second Class City	Kodiak Island	CG
17	Perryville	107	CDP	Unincorporated	Lake & Peninsula	WG
18	Port Graham	171	CDP	Unincorporated	Kenai Peninsula	CG
19	Port Lions	256	city	Second Class City	Kodiak Island	CG
20	Sand Point	952	city	First Class City	Aleutians East	WG
21	Seldovia	286	city	First Class City	Kenai Peninsula	CG
22	Seldovia Village	444	CDP	Unincorporated	Kenai Peninsula	CG
23	Susitna	37	CDP	Unincorporated	Matanuska-Susitna	CG
24	Tatitlek ²	107	CDP	Unincorporated	Unorganized	WY
25	Tyonek	193	CDP	Unincorporated	Kenai Peninsula	CG
26	Yakutat ³	680	city	Home Rule	City & Borough of Yakutat	WY/SEO
		TOTAL	5,244			

Note: The committee recommendations to eliminate Aleneva, Beluga, Seldovia Village, and Susitna are a result of applying the fisheries participation criteria.

¹Population is based on the 2000 U.S. Census.

²Tatitlek is considered located in the West Yakutat area. Though located within PWS (Area 649), this community is inside the longitudinal line used to designate the WY (Area 640) and CG (Area 630) boundary.

³Yakutat is located on the boundary of WY and SEO, but is technically located within SEO (Gulf Area 650). Staff has included Yakutat in this list based on the Council's expressed preference to include Yakutat in community options for the Gulf rationalization program.

DRAFT

**Gulf Committee recommendations on (24 maximum) communities eligible
for the Community Purchase Program**

Table 2: Gulf committee recommendations on the maximum list of WY, CG, and WG communities (recognized as places by the U.S. Census) eligible to purchase Gulf groundfish quota under the Gulf Rationalization Community Purchase Program. Criteria applied include: 1) population¹ of fewer than 7,500; 2) no road connections to larger community highway network; 3) within 5 nm of the Gulf coast; and 4) residents having any commercial permit and fishing activity as documented by CFEC in 1993 - 2002.

	NAME	POP	CENSUS PLACE DESIGNATION	GOVT STRUCTURE	BOROUGH	AREA
1	Akhiok	80	city	Second Class City	Kodiak Island	CG
2	Aleneva	68	CDP	Unincorporated	Kodiak Island	CG
3	Beluga	32	CDP	Unincorporated	Kenai Peninsula	CG
4	Chenega Bay	86	CDP	Unincorporated	Unorganized	CG
5	Chignik	79	city	Second Class City	Lake & Peninsula	CG
6	Chignik Lagoon	103	CDP	Unincorporated	Lake & Peninsula	CG
7	Chignik Lake	145	CDP	Unincorporated	Lake & Peninsula	CG
8	Chiniak*	50	CDP	Unincorporated	Kodiak Island	CG
9	Cold Bay	88	city	Second Class City	Aleutians East	WG
10	Cordova	2,454	city	Home Rule	Unorganized	WY
11	Halibut Cove	35	CDP	Unincorporated	Kenai Peninsula	CG
12	Ivanof Bay	22	CDP	Unincorporated	Lake & Peninsula	WG
13	Karluk	27	CDP	Unincorporated	Kodiak Island	CG
14	King Cove	792	city	First Class City	Aleutians East	WG
15	Kodiak	6,334	city	Home Rule	Kodiak Island	CG
16	Kodiak Station*	1,840	CDP	Unincorporated	Kodiak Island	CG
17	Larsen Bay	115	city	Second Class City	Kodiak Island	CG
18	Nanwalek	177	CDP	Unincorporated	Kenai Peninsula	CG
19	Old Harbor	237	city	Second Class City	Kodiak Island	CG
20	Ouzinkie	225	city	Second Class City	Kodiak Island	CG
21	Perryville	107	CDP	Unincorporated	Lake & Peninsula	WG
22	Port Graham	171	CDP	Unincorporated	Kenai Peninsula	CG
23	Port Lions	256	city	Second Class City	Kodiak Island	CG
24	Sand Point	952	city	First Class City	Aleutians East	WG
25	Seldovia	286	city	First Class City	Kenai Peninsula	CG
26	Seldovia Village*	144	CDP	Unincorporated	Kenai Peninsula	CG
27	Susitna	37	CDP	Unincorporated	Matanuska-Susitna	CG
28	Tatitlek ²	107	CDP	Unincorporated	Unorganized	WY
29	Tyonek	193	CDP	Unincorporated	Kenai Peninsula	CG
30	Womens Bay*	690	CDP	Unincorporated	Kodiak Island	CG
31	Yakutat ³	680	city	Home Rule	City & Borough of Yakutat	WY/SEO
	TOTAL	16,612				

*Note: The committee's recommendations include allowing residents of Seldovia Village to lease quota from the administrative entity representing the City of Seldovia, and allowing residents of Chiniak, Kodiak Station, and Womens Bay to lease quota from the administrative entity representing the City of Kodiak.

Note: The committee recommendations to eliminate Aleneva, Beluga, Seldovia Village, and Susitna are a result of applying the fisheries participation criteria.

¹Population is based on the 2000 U.S. Census.

²Tatitlek is considered located in the West Yakutat area. Though located within PWS (Area 649), this community is inside the longitudinal line used to designate the WY (Area 640) and CG (Area 630) boundary.

³Yakutat is located on the boundary of WY and SEO, but is technically located within SEO (Gulf Area 650). Staff has included Yakutat in this list based on the Council's expressed preference to include Yakutat in community options for the Gulf rationalization program.