

Council Motion: Establishing a CQE Program in Area 4B

December 11, 2010

The Council initiated an analysis for an amendment to include Area 4B communities in the Community Quota Entity (CQE) Program with the same qualifying criteria and under the same operational limits as the existing CQE communities in Areas 3B and 3A, with the following differences:

1. A pre-existing non-profit entity, the Adak Community Development Corporation, will be recognized as the CQE entity for the community of Adak.
2. Qualifying Area 4B communities would be restricted to purchasing Area 4B halibut and Aleutian Islands sablefish quota share.
3. A qualifying community CQE use cap of Area 4B quota of:
 - a. An amount equal to the individual acquisition cap for Area 4 quota¹
 - b. 5%, 10%, or 15% of the Area 4B quota share pool
4. A cumulative qualifying community CQE use cap of Area 4B quota of:
 - a. An amount equal to the individual acquisition cap for Area 4 quota
 - b. 5%, 10%, or 15% of the Area 4B quota share pool
5. No more than 50,000 pounds of any halibut IFQ and 50,000 pounds of sablefish IFQ leased by an eligible community may be taken on any one vessel, inclusive of any IFQ owned by the individual leasing the IFQs. However, the CQE lessee may fish up to 50,000 pounds of leased CQE quota, inclusive of individual quota held, on a vessel that has fished non-CQE quota so long as the total quota fished on the vessel does not exceed the individual vessel use cap.
6. Should existing Area 3A CQEs be allowed to purchase 'D' category quota share, Area 4B CQEs may purchase and fish Area 4B 'D' category halibut quota share under the same rules.
7. No limit on the size of halibut and sablefish (B and C category) quota share blocks that CQEs could purchase.
8. Add an option that the CQE may lease to non-residents for a limited period of five years after implementation of the program.

The Council adopted the following problem statement for the analysis:

As a small coastal community in the Aleutian Islands, Adak is struggling to remain economically viable. The halibut and sablefish IFQ program, as with other limited entry programs, increases the cost of entry into or expansion in the commercial halibut and sablefish fisheries. Adak is not a beneficiary of the CDQ Program for halibut and sablefish. Allowing this non-CDQ community to purchase Area 4B halibut and sablefish quota share for lease to residents of Adak will help minimize adverse economic impacts on this small, remote, coastal community in the Aleutians, and help provide for the sustained participation in the halibut and sablefish IFQ fisheries. The Council seeks to provide for this sustained participation without undermining the goals of the halibut and sablefish IFQ program or precluding entry-level opportunities for fishermen residing in other fishery-dependent communities.

¹ The Council clarified that Option 3a and Option 4a are applicable only to the use caps for halibut quota share, as there is no cap on Area 4 sablefish quota share applicable to individual holders that the CQE could mirror. The sablefish use cap options would be as follows: Option 3a and 4a) an amount equal to the individual use cap of 1% of all sablefish QS; and Option 3b and 4b) 5%, 10%, or 15% of the Aleutian Islands sablefish QS pool.