

COUNCIL MOTION

C-3(b) Removing the CQE Small Block Restriction

December 9, 2012

The Council recommends the initiation of an amendment package to expand CQE quota share purchase opportunities. The Council recommends the analysis examine three alternatives in addition to the status quo:

- Allow CQE communities to purchase any size block of halibut and sablefish quota share.
- Allow CQE communities to purchase any size block of halibut and sablefish quota share only from residents of any CQE community.
- Allow CQE communities to purchase any size block of halibut and sablefish quota share only from residents of their CQE community.

Problem Statement:

Responsive to National Standard 8, the North Pacific Fishery Management Council established the Community Quota Entity (CQE) program to encourage sustained participation in the Halibut and Sablefish Quota Share Program by residents of smaller Gulf of Alaska fishery dependent communities. CQEs were prohibited from purchasing smaller “sweep up” blocks of quota shares because of concerns that CQE quota purchases could negatively impact quota share price and availability. Concerns about CQE purchase and market impacts on price and availability have not been realized. Moreover, purchase prohibitions on small “sweep up “ blocks prevent CQEs from buying much of the quota available in CQE communities, and thereby thwart the goals of sustained participation by CQE community residents in the Halibut and Sablefish Quota Share Program.

This amendment will further the sustained participation goals of the CQE program by allowing CQE communities to purchase small “sweep up” blocks of quota shares.