

IFQ Committee Data Report
October 2017
Unfished Quota and the “Sweep-up” Block Provision

In February 2017, the IFQ Committee requested a report on quota holdings that are not being fished. The purpose of that request was to help the Council assess whether the quota share (QS) “block” provision is functioning as intended. The Committee also asked staff to identify how members of the public can use NMFS’s Restricted Access Management (RAM) Division information to determine whether small and unused QS lots could fit into a “sweepable” block. A sweepable block is one that is below the maximum size that can be “swept up” with other blocked QS lots to form a larger block without counting as an additional block against the owner’s limit on blocks for that species/area.

This report falls short in regard to the first request due to the fundamental inability to track a block of QS through the process of being issued annually as individual fishing quota (IFQ) and reported as catch. The blocked/unblocked status of a QS lot is a feature of the IFQ program that was developed to ensure that smaller lots of QS are not all bought up by entities with the greatest financial resources by limited the number of blocks an individual can hold for a species in a management area. In other words, block status is used by NMFS to monitor and manage consolidation limits, but they do not relate to the annual issuance and use of quota pounds and thus are not tracked as caught or uncaught when landings are reported. Rather, landings are reported at the permit-holder level. (For reference, the quota block program and its definition in regulation are described in an addendum at the end of this document.)

Staff has attempted to approximate the Committee’s request by showing how many QS holders are leaving certain amounts of their annual IFQ unfished. Individuals are counted separately based on whether he or she holds *any* QS that is issued in blocks that are smaller than the sweep-up limit (Table 1 through Table 7). For example, Table 1 indicates that in 2016 there were 763 individual permit holders who possessed at least one sweepable QS block and fished more than 98% of their Area 2C halibut IFQ and only nine who fished less than 90%. Again, it is not possible to report whether a QS block of any size is “fished” or “unfished” because a permit holder’s QS of all types – blocked or unblocked, sweepable or not – is aggregated and issued as pounds of IFQ halibut and sablefish prior to the start of each fishing season.

The IFQ Committee may wish to advise staff on other means to assess amounts of unfished quota that are relevant to policy discussions. Staff also approached this request by looking at the total amount of unfished quota in each area (by year), but ran into the aforementioned problem with tracking blocks of QS as IFQ pounds. That approach was deemed less useful because it could not account for the amount of IFQ pounds that were unfished in one year but able to be rolled over and caught in the next year. The preferred approach (shown in the tables below) has the same problem but the magnitude of untraced “rollover” IFQ pounds has a smaller confounding effect on an individual basis compared to rolling all individual permit holders in one area into a single amount of “unfished” quota.

To the latter request, RAM division publishes a report that is constantly updated and lists sweepable QS blocks by their species (halibut or sablefish), the quota designation (area and vessel size category), and identifies the owning entity by name, NMFS identification number, and mailing address. That report is accessible on the NMFS Alaska Region Permits & Licenses webpage (<https://alaskafisheries.noaa.gov/permits-licenses>) under the heading “Individual Fishing Quota (IFQ)

Halibut/Sablefish and CDQ Halibut IFQ” and the subheading “Sweepable QS Blocks.” However, as with the first request, the NMFS listing of sweepable blocks does not indicate whether or not a block of quota has been fished.

Finally, in scoping for this data report, NMFS staff thought it appropriate to remind the IFQ Committee that the Agency took action in 2012 to revoke inactive QS. This action was in response to a 2006 Council recommendation that QS that was initially allocated to persons (individuals and non-individual entities) who had not participated in the IFQ program since issuance by either fishing or transferring their quota. NMFS sent notices to persons with inactive QS, and those who responded in a timely manner with a request to retain their quota were able to keep it. After meeting those requests, NMFS revoked approximately 23% of the inactive halibut QS and less than 0.1% of the inactive sablefish QS. The final rule for the revocation action is available at <https://www.gpo.gov/fdsys/pkg/FR-2012-05-18/pdf/2012-12153.pdf>, and a report on the process is available at <https://alaskafisheries.noaa.gov/sites/default/files/reports/qsifqissurevo.pdf>. The report is also posted to the IFQ Committee webpage and on the Council’s October 2017 electronic agenda (Item D-2).

Table 1 Halibut Area 2C – Permit holders by percent of IFQ unfished

Permit Holder...	Year	% of IFQ unfished					
		<2%	2-4%	4-6%	6-8%	8-10%	>10%
Holds Sweepable Blocks	2009	888	29	17	5	2	26
	2010	859	19	6	8	1	23
	2011	868	12	8	3	1	20
	2012	792	14	7	7	4	22
	2013	767	18	10	4	6	23
	2014	765	14	7	7	6	13
	2015	745	19	7	11	1	7
2016	763	11	5	3	6	9	
All Others	2009	293	11	4	1		9
	2010	326	6	3	1	2	7
	2011	292	7	3	2	1	7
	2012	292	10	4		3	6
	2013	280	9	3	4		4
	2014	277	5	1	1		3
	2015	276	10	1			3
2016	254	8	1			1	

Table 2 Halibut Area 3A – Permit holders by percent of IFQ unfished

Permit Holder...	Year	% of IFQ unfished					
		<2%	2-4%	4-6%	6-8%	8-10%	>10%
Holds Sweepable Blocks	2009	1,233	29	9	1	3	16
	2010	1,194	14	14	2		6
	2011	1,177	18	7	6		10
	2012	1,091	24	8	6	2	10
	2013	1,074	20	5	4	4	9
	2014	1,028	32	9	4		14
	2015	1,011	23	8	7	4	12
	2016	1,032	19	11	6	4	9
All Others	2009	394	5	3	2		5
	2010	401	9	3	1		5
	2011	386	11	3	2	2	2
	2012	374	12	4	1	3	3
	2013	365	10	6	1	1	2
	2014	373	9	4	3	2	4
	2015	353	23	2	3		5
	2016	324	15	2	1	2	5

Table 3 Halibut Area 3B – Permit holders by percent of IFQ unfished

Permit Holder...	Year	% of IFQ unfished					
		<2%	2-4%	4-6%	6-8%	8-10%	>10%
Holds Sweepable Blocks	2009	390	5				
	2010	379	2	1	1		1
	2011	377	2			1	1
	2012	371	4	3	1		2
	2013	371	2	1	1		1
	2014	367	2	1		2	1
	2015	371	3				
	2016	368	4	2		1	1
All Others	2009	156	2				1
	2010	168	1				
	2011	168		1			
	2012	162	3				
	2013	161	3				1
	2014	164	1	2	1		
	2015	153	3	4			
	2016	152	1		1		

Table 4 Southeast Sablefish Area – Permit holders by percent of IFQ unfished

Permit Holder...	Year	% of IFQ unfished					
		<2%	2-4%	4-6%	6-8%	8-10%	>10%
Holds Sweepable Blocks	2009	300	4		1	2	1
	2010	292	4	2		1	
	2011	305	2			1	1
	2012	299	1	1			1
	2013	301	2	1			3
	2014	290	2	1			
	2015	284	4	1			1
	2016	288	2				
All Others	2009	131					1
	2010	130					1
	2011	120	1				1
	2012	131					
	2013	123	1				
	2014	130	2				1
	2015	127					
	2016	124					

Table 5 West Yakutat Sablefish Area – Permit holders by percent of IFQ unfished

Permit Holder...	Year	% of IFQ unfished					
		<2%	2-4%	4-6%	6-8%	8-10%	>10%
Holds Sweepable Blocks	2009	208	1	1			1
	2010	200		1			
	2011	195					1
	2012	193					
	2013	191				1	2
	2014	192					
	2015	183					2
	2016	187		1			
All Others	2009	64					
	2010	68					
	2011	72					
	2012	73		1			
	2013	74					
	2014	72					
	2015	72		1			
	2016	72					

Table 6 Central GOA Sablefish Area – Permit holders by percent of IFQ unfished

Permit Holder...	Year	% of IFQ unfished					
		<2%	2-4%	4-6%	6-8%	8-10%	>10%
Holds Sweepable Blocks	2009	317	2	1		1	9
	2010	307	4	2	1		7
	2011	306	6		1	1	6
	2012	301	5			1	6
	2013	291	5	1			8
	2014	291	3			3	2
	2015	285	4	2			3
	2016	290	3	1	1	1	3
All Others	2009	97					
	2010	95					
	2011	101					
	2012	99					
	2013	115					
	2014	116	1				
	2015	116	1				
	2016	113	1				

Table 7 Western GOA Sablefish Area – Permit holders by percent of IFQ unfished

Permit Holder...	Year	% of IFQ unfished					
		<2%	2-4%	4-6%	6-8%	8-10%	>10%
Holds Sweepable Blocks	2009	145					
	2010	132					
	2011	130					
	2012	124	1				
	2013	122					
	2014	117					1
	2015	119					
	2016	120					
All Others	2009	42					
	2010	58					
	2011	57					
	2012	57					
	2013	59					
	2014	62					
	2015	57	1				
	2016	56					

**Addendum:
 Quota Share Blocks – Definition in Federal Regulation**

Federal regulations at Section 679.41(e) govern the transfer of QS blocks.

For sablefish, QS blocks that represented less than 5,000 pounds based on 1996 TAC may be consolidated into larger QS blocks (swept up), provided that resulting block size does not exceed 5,000 pounds based on the same 1996 metric. A consolidated block cannot be divided and is considered a single block for purposes of use and transferability. The following table shows the maximum number of QS units that can be consolidated into a single block for each regulatory area:

Southeast Outside district	33,270 QS
West Yakutat district	43,390 QS
Central GOA regulatory area	46,055 QS
Western GOA regulatory area	48,410 QS
Aleutian Islands subarea	99,210 QS
Bering Sea subarea	91,275 QS

For halibut, QS in Areas 2C and 3A have the same rule, where blocked QS equal to less than 5,000 pounds based on 1996 TAC can be consolidated into an amount that does not exceed 5,000 pounds based on 1996 TAC. For other areas, those limits are defined based on QS amounts that are less than 3,000 pounds based on 1996 TAC.

Area 2C	33,320 QS
Area 3A	46,520 QS
Area 3B	44,193 QS
Area 4A	22,947 QS
Area 4B	15,087 QS
Area 4C	30,930 QS
Area 4D	26,082 QS
Area 4E	0 QS