

MEMORANDUM

TO: Council and AP Members  
FROM: Chris Oliver *DO*  
Executive Director *for*  
DATE: December 1, 2011  
SUBJECT: Halibut/Sablefish IFQ Program

ESTIMATED TIME 8 HOURS (all D-1 items)
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**ACTION REQUIRED**

- (e) Final action on establishing a CQE Program in Area 4B (BSAI FMP Am. 102)

**BACKGROUND**

The Council approved the Gulf of Alaska Community Quota Entity (CQE) Program as an amendment to the halibut and sablefish IFQ Program in 2002 (GOA Amendment 66), and the program was implemented in 2004. Under the original IFQ Program, only persons who were originally issued catcher vessel quota share (B, C, and D category QS) or who qualify as IFQ crew members<sup>1</sup> were allowed to hold or purchase catcher vessel quota share. Thus, only individuals<sup>2</sup> and initial recipients could hold catcher vessel quota share. The CQE Program was developed to allow a specified set of small, remote coastal communities located in the Gulf of Alaska to purchase halibut and sablefish catcher vessel quota share, to maintain access to these fisheries. In order to participate, eligible communities must form non-profit corporations called Community Quota Entities to purchase catcher vessel QS, and the IFQ resulting from the QS is leased to community residents annually. The existing program is limited to IPHC regulatory Area 2C, Area 3A, and Area 3B.

In February 2010, the Council reviewed an IFQ proposal from the Adak Community Development Corporation (ACDC), to create a CQE Program in the Aleutian Islands in Area 4B. The Council reviewed a staff discussion paper on the issue in December 2010, and approved a problem statement and a suite of alternatives and options for analysis. Given the proposed problem statement and criteria for eligibility, the intent is to allow ACDC to become a CQE representing the community of Adak for the purpose of purchasing a limited amount of Area 4B halibut and AI sablefish catcher vessel QS, for lease to eligible fishermen. Adak is the only community that meets the proposed eligibility criteria for the program.

The proposed action would require an amendment to the BSAI FMP (Am. 102) and associated regulatory amendments to the halibut and sablefish regulations. The problem statement and alternatives for the action are included in the executive summary, attached as Item D-1(e)(1). The analysis examines two primary alternatives, one of which is the no action alternative (Alternative 1). The action alternative (Alternative 2) is

<sup>1</sup>IFQ crew member means any individual who has at least 150 days experience working as part of the harvesting crew in any U.S. commercial fishery, or any individual who receives an initial allocation of QS (50 CFR 679.2).

<sup>2</sup>Per 50 CFR 679.2: Individual means a natural person who is not a corporation, partnership, association, or other such entity.

structured such that all of the components of the original Gulf CQE Program are included, with differences specified by the Council included under the appropriate component. Many components of Alternative 2 are comprised only of provisions describing the program rules; other components include options from which the Council would select at final action.

The Council conducted initial review in October 2011 and selected Alternative 2 as its preliminary preferred alternative. The October Council motion is provided as Item D-1(e)(2). The public review draft analysis was mailed to you on November 8. At this meeting, the Council is scheduled to review the revised analysis and take final action, if desired.