

**Council Motion**  
**Allow CQE Communities in Area 3A to purchase D category halibut quota share**  
**December 10, 2010**

The Council moves that the analysis regarding the purchase of Area 3A “D” category halibut quota shares be sent out for public review after the following revisions:

1. Add Alternative 2 subpart (c):  
(c) Area 3A Community Quota Entities (CQEs) may purchase any size block of “D” category quota.
2. Inclusion of breakdown of the Area 3A quota share that is held by residents of eligible Area 3A CQE communities, by block size.
3. Amplified discussion on whether or not CQE communities have financial advantages when purchasing “D” category quota shares, and whether or not individual fishermen in CQE communities are disadvantaged by allowing CQEs to purchase D category quota share.

The Council adopts the following purpose and needs statement:

Area 3A CQE communities were created approximately 10 years after the halibut and sablefish IFQ Program was implemented in an attempt to provide for the sustained participation of these communities in the halibut and sablefish fisheries and to mitigate adverse economic impacts on these communities caused by the program. Most CQE communities had experienced the substantial loss or migration of locally owned quota shares. The CQE Program allowed these communities to purchase limited amounts of “B” and “C” category halibut and sablefish quota to hold in trust for use by community residents. However, because CQE community entities were new organizations without assets, it has been difficult for them to access Area 3A “B” and “C” category quota. One potential source of quota share for CQEs is quota held by residents of the CQE communities. Residents of CQE communities are more likely to be willing to “self finance” CQE purchase of their quota shares. However, much of the quota currently held by residents of Area 3A CQE communities is “D” class quota and therefore not available for CQE purchase. In addition, “D” category quota held by non-CQE community residents generally sells for a slightly lower purchase price and is therefore more accessible to first time quota purchasers like the CQEs. Allowing Area 3A CQE community entities to purchase “D” category quota will enhance CQE quota acquisition possibilities and further the goals of the Council to enable CQE communities to sustain community participation in the fishery as well as mitigate economic impact.