The Council adopts the following purpose and need statement and alternatives for final action. The preferred alternative is indicated in **bold**.

**Purpose and Need Statement:**

The ability of fishermen in a remote coastal community to purchase QS or maintain existing QS may be limited by a variety of factors both shared among and unique to each community. Although the specific causes for decreasing QS holdings in a specific community may vary, the net effect is a disincentive to participation by residents of these communities in the halibut and sablefish IFQ fisheries. The substantial decline in the number of resident QS holders and the total amount of QS held by residents of remote coastal communities may have aggravated unemployment and related social and economic conditions in those communities. To remedy these barriers to participation in remote coastal communities, the Council developed the CQE Program to provide these communities with long-term opportunities to access the halibut and sablefish resources. Public testimony has indicated that in one of these remote communities, fishermen leasing CQE-held “D” class halibut IFQ do not always have “D” class vessels that are available to harvest the IFQ, and that the smaller skiffs often used in this community as “D” class vessels are not ideal for harsher weather and ocean conditions later in the season when halibut tend to move further offshore. Program regulations in Area 3A that restrict CQE ability to fish “D” class quota on “C” class vessels have, in some circumstances, limited the CQE community’s ability to access CQE halibut in Area 3A. Therefore, modifying the regulations would provide more flexibility to CQE community participants to harvest “D” class quota in Area 3A. Allowing CQEs located within 3A to fish “D” class quota on “C” class vessels in Area 3A will further the Council’s intent of encouraging CQE communities to secure long-term opportunities to access halibut.

**Alternative 1:** No action (status quo)

**Alternative 2:** Allow eligible CQEs residents in Area 3A to fish halibut IFQ derived from CQE-held D class QS on C or D class vessels in Area 3A.

- **Option 1:** beginning on August 15.
- **Option 2:** beginning on September 1.
- **Option 3:** for the duration of the annual IFQ season.

**Alternative 3:** Allow eligible CQE residents in Area 3A to fish halibut IFQ derived from CQE-held D class QS on C or D class vessels in Area 3A only in a limited number of years:

- **Option 1:** 2 out of 3 years
- **Option 2:** 3 out of 5 years
- **Option 3:** 3 out of 7 years

*Note: Alternatives 2 and 3 can be combined.*