

D2 IFQ/CQE TRANSFER, BENEFICIARY CHANGES

ANNA HENRY, OCTOBER 2025



Introduction

December 2024- Council reviewed IFQ Program Review and requested discussion paper considering changes to IFQ Program

Background on current IFQ transfer requirements and Community Quota Entities (CQE)

Potential changes to CQE transfer

- 1) Explore options to allow the automation of in-season transfers of CQE-held QS between eligible residents.
- 2) Waive or reduce the transfer eligibility requirements for CQE eligible community residents fishing CQE-held quota share.

Potential changes to the criteria to be eligible to receive QS or IFQ by transfer

- 1) Allow time as crew on a tender vessel to count towards the 150 days of sea time required for a Transfer Eligibility Certificate.
- 2) Establish a regulatory minimum age to be eligible to receive IFQ or QS by transfer

QS held by beneficiaries beyond 3 years

Next Steps



Background on current IFQ transfer requirements and Community Quota Entities (CQE)

Current IFQ Transfer Requirements

Owner-on-board requirements for IFQ holders and transfer restrictions with limited exceptions

- **Survivorship or beneficiary IFQ leases**
- Medical leases
- Military leases
- **IFQ leases from CQEs to residents**
- Annual transfer of commercial halibut IFQ as guided angler fish (GAF) to charter halibut holders



To receive QS or IFQ by transfer must submit Application for Eligibility to Receive QS/IFQ

- If deemed eligible, NMFS issues a Transfer Eligibility Certificate (TEC)
- TEC eligibility criteria require persons must have 150 or more days experience working as part of a harvesting crew in any U.S. commercial fishery.
- “Harvesting” - work directly related to the catching and retaining of fish

Revised: 09/10/2021

OMB Control No. 0648-0272

Expiration Date: 09/30/2025

	APPLICATION FOR ELIGIBILITY TO RECEIVE QS/IFQ	<p>U.S. Dept. of Commerce/NOAA National Marine Fisheries Service (NMFS) Restricted Access Management Program (RAM) P.O. Box 21668 Juneau, AK 99802-1668 (800) 304-4846 toll free / (907) 586-7202 in Juneau (907) 586-7334 fax / RAM.alaska@noaa.gov email</p> 

Those persons applying to receive Quota Share (QS) or Individual Fishing Quota (IFQ) by transfer must submit this application to the Regional Administrator, to obtain a **Transfer Eligibility Certificate (TEC)**.

BLOCK A - APPLICANT INFORMATION		
1. Name (Last, First, Middle Initial):	2. NMFS Person ID:	
	3. Taxpayer ID Number (Employer ID No. or SSN):	
4. Business Mailing Address: <input type="checkbox"/> Permanent <input type="checkbox"/> Temporary		
5. Business Telephone Number:	6. Business Fax Number:	7. E-mail Address:

Community Quota Entities (CQEs)

Recommended by the Council in 2002 in response to concerns about migration of QS out of small Gulf of Alaska coastal communities

- Eligible communities* can form non-profit corporations (CQEs) to purchase catcher vessel QS.
 - *Fewer than 1,500 people, documented historical participation in the IFQ fisheries, direct access to saltwater on the Gulf of Alaska, and no road access to a larger community
 - The IFQ resulting from the QS must be leased to community residents annually
- CQEs must describe the procedures that will be used to determine the distribution of IFQ to residents of the community
 - No requirements for criteria but 3 performance standards:
 - 1) Equitable distribution of IFQ leases within a community,
 - 2) The use of IFQ by local crew members,
 - 3) The percentage of IFQ resulting from community-held QS that is fished on an annual basis



Community Quota Entities (CQEs)

CQE program amended to include Adak in 2014

- To provide sustained participation for rural residents and allow for entry-level opportunities for fishermen residing in fishery dependent communities
- Less restrictive experience requirements
 - Adak residents not required to meet the 150-day experience as harvesting crew to be eligible to receive IFQ – if only receiving CQE-derived IFQ.
 - Non-residents need to meet the 150-day requirement to be eligible to receive a TEC
- Less restrictive residency requirements
 - Initially 5 years (2014-2019)- to provide benefits through deliveries, crew opportunities, earn revenue to purchase QS-- but tie long-term benefits to residents.
 - Waived for 5 years again (2023-2028)- more opportunities to fully harvest Adak CQE allocation



Community Quota Entities (CQEs)

As of August 2025, 24 communities had approved CQEs, seven of which hold halibut or sablefish QS

Table 3-1 CQE QS holdings 2025

City	Species	Area	QS Units	2025 IFQ pounds	% of Area QS pool
Adak	Halibut	4B	1,369,350	106,288	14.76%
Adak	Sablefish	AI	1,976,539	650,092	6.19%
Hoonah	Halibut	2C	119,352	6,179	0.20%
Old Harbor	Halibut	3A	191,618	6,131	0.10%
Old Harbor	Halibut	3B	162,299	7,396	0.30%
Ouzinkie Kodiak	Halibut	3A	786,942	25,178	0.43%
Perryville	Halibut	3B	148,710	6,777	0.27%
Port Lions	Halibut	3A	328,404	10,507	0.18%
Thorne Bay	Halibut	2C	8,904	461	0.02%

Source: <https://www.fisheries.noaa.gov/alaska/commercial-fishing/permits-and-licenses-issued-alaska#community-quota-entities>



Potential changes to CQE transfer

1) In-season Transfers of IFQ from CQE-held QS

CQEs can lease/transfer IFQ to residents annually

If lessee is unable to harvest IFQ, no specific process or criteria to return IFQ to QS holder (CQE)

IFQ system not designed to track or process transactions for the purpose of returning IFQ to the QS holder after temporary transfer

NMFS evaluates requests for the return of transferred IFQ on a case-by-case basis

- Potential hardship if the IFQ is not returned
- If the origin of the IFQ pounds can clearly be traced
 - Did the transferee receive any other IFQ transfers from the same area this year?
 - Were there any IFQ landings made with the permit # in question this year?
 - Does the transferee hold any of his/her own QS in the same area you are transferring pounds to?
 - Is there disagreement between the two parties about the return of transferred IFQ pounds?

If 'Yes' NMFS will not return the transferred IFQ pounds to the QS holder

If IFQ untouched, free of constraints, manual backend return process requiring case specific programming

1) In-season Transfers of IFQ from CQE-held QS

- Automating IFQ returns and in-season transfers would require substantial reprogramming to have an automated system perform the checks
- NMFS is in the process of re-designing the IFQ permits application as part of a larger project to design an integrated fisheries application (IFA) that is adaptive and supports the needs of all system stakeholders.
 - The application will utilize new technology, improve data quality, and streamline permitting processes as well as simplify programming modifications necessary to implement regulatory changes.
- Direct transfer between CQE residents
 - Considered a sublease, which is not allowed
 - Challenges in terms of fulfilling CQE requirements and criteria to distribute IFQ among residents
- Changing the regulations to allow for in-season transfer of IFQ between CQE residents
 - May facilitate participation in CQE fisheries
 - Address CQE performance standard “the percentage of IFQ resulting from community-held QS that is fished on an annual basis.”



2) Waive or Reduce Transfer Eligibility Requirements for CQEs

- CQEs develop criteria to distribute IFQ among community residents
 - New entrants, long-term participants, resident crewmembers...
- Individual must hold a TEC to be eligible to receive IFQ from a CQE
 - Except for Adak CQE
 - To accommodate younger residents of Adak who may lack the 150 days of experience as a crew member
 - May have subsistence experience but fewer commercial fisheries opportunities in Aleutians
- Public testimony on IFQ Program Review that young residents of CQE communities lack the 150 days, few opportunities to gain experience
- Reducing or eliminating requirement would allow more (young) people to participate in harvesting CQE
- Expanded pool of community residents eligible to receive IFQ from CQE
 - Principal goal of the CQE program- to provide access to halibut and sablefish resources to community residents that do not currently have access to these resources



Potential changes to the criteria to be eligible to receive
QS or IFQ by transfer

1) Allow Time on Tenders to Count Towards Harvest Experience for TEC



TEC eligibility criteria

- 150 or more days of experience working as part of a harvesting crew in any U.S. commercial fishery.
- “assure that IFQs remain in the hands of fishermen who have a history of past participation and current dependence on the fishery”



Harvesting

- work directly related to the catching and retaining of fish



Not Harvesting

- work in support of harvesting, but not directly related to it
- work on a fishing vessel only as an engineer or cook, or preparing a vessel for a fishing trip



Tender

- Vessel that is used to transport unprocessed fish or shellfish received from another vessel to an associated processor
- Including tendering would allow more opportunities for individuals to obtain experience for a TEC
- Parallels with crab actions



1) Allow Time on Tenders to Count Towards Harvest Experience for TEC

Table 4-1 Tendering participation in salmon and groundfish 2015-2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vessels tendering	504	528	576	577	623	550	552	546	544	493
<u>Days landings taken</u>	14,317	15,454	18,506	16,276	20,446	14,906	17,569	15,590	16,133	11,936
Avg crew while fishing	4.00	4.23	3.17	3.61	3.39	3.60	3.40	3.46	3.28	3.17

Source: ADFG/CFEC Fish Tickets, data compiled by AKFIN in Comprehensive_FT

Table 4-2 Fish harvesting participation in all commercial fisheries off Alaska 2015-2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vessels fishing	6,059	5,836	5,654	5,481	5,565	5,054	5,091	5,010	4,856	4,567
<u>Days fish landed onboard</u>	148,511	134,553	131,006	120,278	132,089	101,414	108,417	103,251	100,026	88,997
Avg crew	3.29	3.31	3.39	3.39	3.41	3.20	3.18	3.28	3.24	3.25

Source: ADFG/CFEC Fish Tickets, data compiled by AKFIN in Comprehensive_FT



2) Minimum Age to Receive IFQ Or QS by Transfer

- October 2022- NMFS interim policy that set the minimum age for the issuance of an IFQ TEC at 18 years old
 - Provide consistency when NMFS RAM receives applications from very young applicants

Table 5-1 Minimum age requirements under relevant permits and regulations

Permit/Regulation	minimum age
NMFS interim policy for TEC	18
Alaska Commercial Crewmembers License	11
Commercial Fishery Entry Commission (CFEC) fisheries permit	16 (10 for setnet)
Federal employment	16 (14 under specific conditions, hour restrictions)
Operate hydraulic pot and line haulers, winches	18
Contractual law/majority age under AK law	18



2) Minimum Age to Receive IFQ or QS by Transfer

QS and IFQ permit holder responsibilities

- On board the vessel at all times during the fishing trip and being present during the landing
 - Carrying on board the vessel a legible copy of any IFQ permit at all times that such fish are retained on board.
 - Complying with the Recordkeeping & Reporting requirements
 - Not violating the prohibitions applicable to IFQ fisheries
 - Conducting a properly debited landing
 - Understanding and complying with the limitations on QS and IFQ use, including area and vessel category restrictions
 - Potentially jointly and severally liable with vessel owners and operators for exceeding vessel limitations
 - Responsible for cost recovery fees for landings of his or her IFQ halibut and sablefish
- QS and IFQ permit holder responsibilities are complex
 - In the event of a violation, minors would be exposed to potential liability for civil penalties and permit sanctions
 - NMFS recommends initiating an action to establish a minimum age in regulation to be eligible to receive IFQ or QS by transfer based on all applicable laws



QS held by beneficiaries beyond 3 years

QS Held by Beneficiaries Beyond Three Years

IFQ Program allows temporary transfer of QS to beneficiaries/survivors of deceased QS holders for 3 calendar years

- To provide continued income and allow time for the beneficiary to fish the associated IFQ, lease the IFQ to other qualified fishery participants, and/or become qualified to obtain a TEC and retain the QS at the end of the 3-year beneficiary period.
 - 2024 increase in amount of QS held by beneficiaries beyond the 3-year beneficiary window
 - Previously, NMFS has still issued the resulting IFQ permit with poundage to the beneficiary- even after 3 years
 - 2025 NMFS did not issue IFQ to 7 beneficiaries that had exceeded the 3-year beneficiary window and did not hold a valid TEC.



QS Held by Beneficiaries Beyond Three Years

	2025	2026	2027	2028
Accounts	2	8	9	1

- 20 beneficiary accounts (8,791,913 total QS units) will expire at some point through 2028
 - Will not receive IFQ the following year unless they acquire a TEC
- Those QS units will not be included in the QS pool for issuance of IFQ in 2025 and beyond
- Annual QS pool could shrink due to increased use of beneficiary provision
- Difficult to track in legacy computer system- currently monitored through manual checks
- NMFS recommends that the Council consider whether to change the survivorship transfer privilege regulations to govern what happens to QS held by a beneficiary beyond 3-years.



Next Steps



No further action



Request further information in another discussion paper



Initiate analysis/analyses

Identify purpose and need statement(s) and alternatives

Depending on scope of action may be appropriate to have a single or multiple analyses

Contributors and Persons Consulted

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