

## 6 Types of Transfers, Financing of Transfers, Relationships Between Transferors and Transfer Recipients, and Use of Brokers.

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This chapter uses information collected during QS transfers to classify transactions by type of transaction. Transfers were classified as “priced sales,” “gifts,” “other sales,” “trades,” and “unknown.” This chapter also examines the extent to which different financing sources were used in priced sales transfers, the relationships between parties to transfers, and the extent to which brokers are involved in transfers.

All permanent transfers or leases of QS must be reviewed and approved by NMFS. Persons involved in the transfer or lease of QS are required to complete and submit a transfer application to NMFS-RAM. Part of this application is to be filled out by the transferor and part of it is to be filled out by the transfer recipient. In some cases, brokers who are the market makers for the transactions help to complete these forms. The transfer application form asks some basic questions to help NMFS monitor changes under the IFQ program. Appendix II provides copies of the transfer applications used from 1995 through 1997. Data from the computerized transfer application files have been used for the analyses in this chapter.

### 6.1 Sales, Gifts, Trades, and Other Transfers

The transfer application form does not specifically ask if a QS transfer is a sale, gift, or trade. Without this information, the authors had to use other available information and some decision criteria to decide how transactions should be classified. For example, on the transfer application persons often indicated whether or not a transfer was a gift when they answered one of the open-ended questions such as, “*What is your reason for transferring the QS and/or the IFQ...?*” and “*If this is a purchase of QS or IFQ, how are you financing the purchase...?*” Respondents would often answer these questions by writing in “gift,” “gift transfer,” “gift to son,” or a similar answer.

The transfer transactions were divided into one of five categories:

- Priced sales* includes all transfers where a price for the QS transferred could be obtained from the transfer application form
- Other sales* includes transfers where some monetary exchange occurred but where NMFS-RAM could not calculate a price for the QS based on available information
- Trades* includes transfers where something was traded for the QS

*Gifts* includes transfers noted as gifts where there was no immediate evidence of a reciprocal exchange

*Unknown* includes transfers where no information was provided or insufficient information was provided to classify the transaction

Table 6-1a provides data on the amount of QS transferred in permanent transactions from 1995 through 1997 by management area and the type of exchange. The first columns show the total amount of QS transferred in priced sales, and the percent of all QS transferred that was transferred in priced sales.

In 1997 NMFS-RAM revised their transfer application forms to provide more detail on gift and trade transactions. Because of these changes in 1997 the percentage of observations assigned to the “unknown transaction type” category was smaller and the percentages assigned to “gifts” and “trades” were higher. Because of these refinements, the 1995 and 1996 data series are not completely comparable with 1997. The number of observations assigned to the “priced” category was not affected and this series should be comparable across all three of the years.

Permanent transfers occurred in all areas during the three-year period including Area 4E where 100% of the TAC has been devoted to CDQs. The first transfer of Area 4E QS occurred in 1997.

“Priced sales” was the most important category of permanent transfers. In six of the eight management areas priced sales accounted for a majority of the QS transferred during the three year period. In five of these areas priced sales accounted for over two-thirds of the transfers, and in two of them, priced sales accounted for over three-quarters of the QS transferred.

The total percentages of QS transferred through sales are higher than indicated by the percentages for priced sales, since the “other sales” category and probably some of the “unknown” transfers were also sales transactions. There did not appear to be overall trends in the percentages of QS transferred through priced sales.

The remaining columns show the amount and the percentage of each area’s QS transferred in “other sales,” “trades,” “gifts,” and “unknown” transaction types. As noted earlier, because of changes in the available data it is difficult to interpret the change in the percentage of “gifts,” “trades,” and “unknown” transactions. Therefore, this summary will focus on amounts of QS by type in 1997.

In 1997, the percentage of QS transferred in “other sales” ranged from zero in Areas 4B, 4C, and 4E to 11.3% in Area 4D. The percentage of QS transferred in “trades” ranged from zero in Areas 4B, 4C, and 4E to 10.4% in Area 4D. The percentage of QS transferred as “gifts” ranged from zero in Area 4E to 23.2% in Area 4B. The percentage

of QS transferred in “unknown” transaction types ranged from zero in Area 4C to 100% in Area 4E. The Area 4E unknown percentage involved only one transfer of a small amount and may have been atypical; the next highest unknown percentage was 9.5% in Area 4A.<sup>1</sup>

Table 6.1b provides information on the number and percentage of halibut transfer transactions (as opposed to QS transferred) that were classified as priced sales, other sales, trades, gifts, or unknown. Transfer transactions are distributed roughly in the same fashion as QS transferred. However, differences exist since the amount of QS transferred can vary widely across transactions.

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<sup>1</sup>Assignments to different transaction types is complicated by changes in the transfer form between years (as well as by the changes in the data available on the NMFS-RAM computerized data set as described in the text). The interested reader may compare the forms in the appendix.

**Table 6-1a. Halibut QS Transfer Activity by Area, Year, and Nature of the Transfer**

Area	Year	Priced Sales	Pct Priced	Other Sales	Pct Other	Trades	Pct Trades	Gifts	Pct Gifts	Unknown	Pct Unknown	Total	Pct Total
2C	1995	7,773,214	74.1	198,919	1.9	176,045	1.7	1,514,896	14.4	825,463	7.9	10,488,537	100.0
	1996	7,007,947	78.1	0	0.0	171,487	1.9	153,450	1.7	1,637,437	18.3	8,970,321	100.0
	1997	4,511,763	75.8	69,947	1.2	268,031	4.5	741,390	12.5	361,133	6.1	5,952,264	100.0
	All Yrs	19,292,924	75.9	268,866	1.1	615,563	2.4	2,409,736	9.5	2,824,033	11.1	25,411,122	100.0
3A	1995	18,999,547	66.5	2,230,433	7.8	290,277	1.0	2,769,852	9.7	4,267,380	14.9	28,557,489	100.0
	1996	22,181,623	83.3	37,440	0.1	785,973	3.0	143,582	0.5	3,478,173	13.1	26,626,791	100.0
	1997	14,230,476	76.7	179,057	1.0	867,882	4.7	2,024,219	10.9	1,259,164	6.8	18,560,798	100.0
	All Yrs	55,411,646	75.1	2,446,930	3.3	1,944,132	2.6	4,937,653	6.7	9,004,717	12.2	73,745,078	100.0
3B	1995	4,229,422	57.7	904,372	12.3	388,135	5.3	615,027	8.4	1,195,184	16.3	7,332,140	100.0
	1996	6,146,138	81.1	0	0.0	89,174	1.2	28,609	0.4	1,312,225	17.3	7,576,146	100.0
	1997	5,158,985	71.8	175,493	2.4	525,449	7.3	649,452	9.0	675,005	9.4	7,184,384	100.0
	All Yrs	15,534,545	70.3	1,079,865	4.9	1,002,758	4.5	1,293,088	5.9	3,182,414	14.4	22,092,670	100.0
4A	1995	1,070,055	60.9	201,211	11.5	0	0.0	119,121	6.8	366,648	20.9	1,757,035	100.0
	1996	1,577,259	76.2	208,196	10.1	116	0.0	0	0.0	284,322	13.7	2,069,893	100.0
	1997	2,316,688	67.3	62,852	1.8	349,486	10.1	389,061	11.3	326,065	9.5	3,444,152	100.0
	All Yrs	4,964,002	68.3	472,259	6.5	349,602	4.8	508,182	7.0	977,035	13.4	7,271,080	100.0
4B	1995	173,523	42.4	113,315	27.7	28,764	7.0	0	0.0	93,396	22.8	408,998	100.0
	1996	260,336	60.2	0	0.0	0	0.0	0	0.0	172,108	39.8	432,444	100.0
	1997	1,333,289	74.1	0	0.0	0	0.0	417,052	23.2	49,203	2.7	1,799,544	100.0
	All Yrs	1,767,148	66.9	113,315	4.3	28,764	1.1	417,052	15.8	314,707	11.9	2,640,986	100.0
4C	1995	0	0.0	0	0.0	0	0.0	18,876	17.9	86,454	82.1	105,330	100.0
	1996	0	0.0	0	0.0	200,534	32.6	0	0.0	413,912	67.4	614,446	100.0
	1997	336,313	88.5	0	0.0	0	0.0	43,750	11.5	0	0.0	380,063	100.0
	All Yrs	336,313	30.6	0	0.0	200,534	18.2	62,626	5.7	500,366	45.5	1,099,839	100.0
4D	1995	0	0.0	0	0.0	0	0.0	0	0.0	109,563	100.0	109,563	100.0
	1996	267,536	61.1	170,632	38.9	0	0.0	0	0.0	0	0.0	438,168	100.0
	1997	771,407	67.1	129,632	11.3	120,070	10.4	53,780	4.7	75,555	6.6	1,150,444	100.0
	All Yrs	1,038,943	61.2	300,264	17.7	120,070	7.1	53,780	3.2	185,118	10.9	1,698,175	100.0
4E	1997	0	0.0	0	0.0	0	0.0	0	0.0	1,856	100.0	1,856	100.0
	All Yrs	0	0.0	0	0.0	0	0.0	0	0.0	1,856	100.0	1,856	100.0

**Table 6-1b. Number of Halibut QS Transfers by Area, Year, and Nature of the Transfer**

Area	Year	Priced Sales	Pct Priced	Other Sales	Pct Other	Trades	Pct Trades	Gifts	Pct Gifts	Unknown	Pct Unknown	Total	Pct Total
2C	1995	354	77.8	9	2.0	12	2.6	49	10.8	31	6.8	455	100.0
	1996	366	76.9	0	0.0	11	2.3	7	1.5	92	19.3	476	100.0
	1997	288	78.5	3	0.8	11	3.0	41	11.2	24	6.5	367	100.0
	All Yrs	1,008	77.7	12	0.9	34	2.6	97	7.5	147	11.3	1,298	100.0
3A	1995	401	74.1	20	3.7	9	1.7	63	11.6	48	8.9	541	100.0
	1996	475	79.2	1	0.2	24	4.0	6	1.0	94	15.7	600	100.0
	1997	392	75.8	4	0.8	16	3.1	72	13.9	33	6.4	517	100.0
	All Yrs	1,268	76.5	25	1.5	49	3.0	141	8.5	175	10.6	1,658	100.0
3B	1995	99	64.7	10	6.5	3	2.0	20	13.1	21	13.7	153	100.0
	1996	174	67.7	0	0.0	32	12.5	1	0.4	50	19.5	257	100.0
	1997	209	74.9	3	1.1	18	6.5	37	13.3	12	4.3	279	100.0
	All Yrs	482	70.0	13	1.9	53	7.7	58	8.4	83	12.0	689	100.0
4A	1995	64	69.6	6	6.5	0	0.0	10	10.9	12	13.0	92	100.0
	1996	70	76.1	2	2.2	1	1.1	0	0.0	19	20.7	92	100.0
	1997	108	62.4	3	1.7	8	4.6	43	24.9	11	6.4	173	100.0
	All Yrs	242	67.8	11	3.1	9	2.5	53	14.8	42	11.8	357	100.0
4B	1995	5	38.5	4	30.8	2	15.4	0	0.0	2	15.4	13	100.0
	1996	7	58.3	0	0.0	0	0.0	0	0.0	5	41.7	12	100.0
	1997	34	87.2	0	0.0	0	0.0	3	7.7	2	5.1	39	100.0
	All Yrs	46	71.9	4	6.3	2	3.1	3	4.7	9	14.1	64	100.0
4C	1995	0	0.0	0	0.0	0	0.0	1	33.3	2	66.7	3	100.0
	1996	0	0.0	0	0.0	16	55.2	0	0.0	13	44.8	29	100.0
	1997	8	88.9	0	0.0	0	0.0	1	11.1	0	0.0	9	100.0
	All Yrs	8	19.5	0	0.0	16	39.0	2	4.9	15	36.6	41	100.0
4D	1995	0	0.0	0	0.0	0	0.0	0	0.0	2	100.0	2	100.0
	1996	4	66.7	2	33.3	0	0.0	0	0.0	0	0.0	6	100.0
	1997	15	68.2	1	4.5	2	9.1	2	9.1	2	9.1	22	100.0
	All Yrs	19	63.3	3	10.0	2	6.7	2	6.7	4	13.3	30	100.0
4E	1997	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	1	100.0
	All Yrs	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	1	100.0

## 6.2 Finance Source on Priced Sales Transfers

The transfer application form asks for the “primary” source of financing for the transfer. Possible sources listed on the form include personal, bank, Alaska Department of Commerce and Economic Development (DCED), Commercial Fishing and Agriculture Bank (CFAB), seller, processor, and other. In many cases persons indicated more than one source of financing. In other cases application forms had missing information.

The transfer form did not ask for the proportions of financing derived from different sources. This means that if personal financing and bank financing were both used on a particular transaction, it would be impossible to determine what proportion of financing was derived from each source.

Table 6-2a provides information on the sources used to finance QS transferred in “priced sales” transactions in 1995-1997. The table provides data on the amount and percentage of QS transferred under each finance method. These data are reported by area. Since some reported more than one finance method used, the row percentages in the table total more than 100%. Note that there were no “priced sales” transfers in Area 4E.

Personal resources were the most important source of financing. Personal resources were the most widely used financing method for the QS in each of the seven management areas for which a financing method was reported. In Areas 2C, 3A, 3B, 4A and 4B, personal resources were reported as a source of financing far more often than the next most significant financing source (which was banks). In all of these areas personal financing was mentioned in connection with over 60% of the QS transferred over the 1995-1997 period. Personal resources were also the most important financing sources in Area 4C and 4D, although by smaller margins than in other areas.

Banks were the next most important source of financing, and sellers were the third most important source. The Alaska Department of Commerce and Economic Development (DCED), the Alaska Commercial Fisheries and Agriculture Bank (CFAB), and processors were relatively minor sources of financing in most areas over the three-year period.

Table 6-2b also provides information on the sources used to finance QS transferred in “priced sales” transactions in 1995-1997. However, while Table 6-2a provides information on the *amount* and percentage of QS transferred, Table 6-2b provides information on the *number* and percentage of QS transfers under each finance method. As in Table 6-2a, these data are reported by area. Also, as before, since some persons reported more than one finance method used, the row percentages in the table may total more than 100%. The data in this table are generally consistent with that in Table 6-2a. Personal resources are the most important finance source, followed by banks, transferors, and other sources.

**Table 6-2a. QS Financed for Priced QS Sales, by Area, Year, and Finance Method, 1995-1997**

Area	Year	Personal resources		Bank		DCED or CFAB		Seller financed		Processor		Other		Missing		Unique QS
		QS	Pct	QS	Pct	QS	Pct	QS	Pct	QS	Pct	QS	Pct	QS	Pct	
2C	1995	4,686,251	60.3	940,944	12.1	344,729	4.4	1,176,179	15.1	99,087	1.3	545,587	7.0	1,233,942	15.9	7,773,214
	1996	4,933,848	70.4	1,409,390	20.1	223,924	3.2	820,337	11.7	29,603	0.4	348,964	5.0	101,484	1.4	7,007,947
	1997	2,965,122	65.7	794,896	17.6	565,896	12.5	262,900	5.8	14,780	0.3	70,221	1.6	0	0.0	4,511,763
	All Yrs	12,585,221	65.2	3,145,230	16.3	1,134,549	5.9	2,259,416	11.7	143,470	0.7	964,772	5.0	1,335,426	6.9	19,292,924
3A	1995	12,031,850	63.3	3,103,488	16.3	1,252,025	6.6	2,897,854	15.3	394,118	2.1	456,254	2.4	2,280,798	12.0	18,999,547
	1996	13,468,911	60.7	5,795,030	26.1	1,886,262	8.5	3,313,265	14.9	261,857	1.2	1046963	4.7	444,947	2.0	22,181,623
	1997	9,077,867	63.8	2,259,272	15.9	1,016,590	7.1	1,127,121	7.9	474,638	3.3	557,306	3.9	0	0.0	14,230,476
	All Yrs	34,578,628	62.4	11157790	20.1	4,154,877	7.5	7,338,240	13.2	1130613	2.0	2060523	3.7	2,725,745	4.9	55,411,646
3B	1995	3,488,345	82.5	369,304	8.7	0	0.0	99,914	2.4	0	0.0	102,531	2.4	269,242	6.4	4,229,422
	1996	3,512,801	57.2	1,700,526	27.7	406,610	6.6	899,087	14.6	370,739	6.0	99,523	1.6	188,166	3.1	6,146,138
	1997	2,875,182	55.7	1,128,581	21.9	64,433	1.2	649,901	12.6	35,481	0.7	435,042	8.4	0	0.0	5,158,985
	All Yrs	9,876,328	63.6	3,198,411	20.6	471,043	3.0	1,648,902	10.6	406,220	2.6	637,096	4.1	457,408	2.9	15,534,545
4A	1995	799,722	74.7	211,393	19.8	0	0.0	55,847	5.2	0	0.0	0	0.0	58,940	5.5	1,070,055
	1996	906,863	57.5	286,486	18.2	299,240	19.0	184,741	11.7	0	0.0	44,992	2.9	39,586	2.5	1,577,259
	1997	1,573,353	67.9	627,248	27.1	49,997	2.2	129,349	5.6	7,110	0.3	136,055	5.9	0	0.0	2,316,688
	All Yrs	3,279,938	66.1	1,125,127	22.7	349,237	7.0	369,937	7.5	7,110	0.1	181,047	3.6	98,526	2.0	4,964,002
4B	1995	96,249	55.5	0	0.0	0	0.0	11,899	6.9	0	0.0	36,073	20.8	41,201	23.7	173,523
	1996	165,354	63.5	94,982	36.5	0	0.0	31,046	11.9	0	0.0	0	0.0	0	0.0	260,336
	1997	943,840	70.8	132,893	10.0	0	0.0	252,259	18.9	0	0.0	72,935	5.5	0	0.0	1,333,289
	All Yrs	1,205,443	68.2	227,875	12.9	0	0.0	295,204	16.7	0	0.0	109,008	6.2	41,201	2.3	1,767,148
4C	1997	140,775	41.9	138,206	41.1	0	0.0	21,747	6.5	35,585	10.6	0	0.0	0	0.0	336,313
	All Yrs	140,775	41.9	138,206	41.1	0	0.0	21,747	6.5	35,585	10.6	0	0.0	0	0.0	336,313
4D	1996	211,459	79.0	0	0.0	0	0.0	0	0.0	0	0.0	56,077	21.0	0	0.0	267,536
	1997	197,619	25.6	284,110	36.8	0	0.0	87,366	11.3	56,948	7.4	145,364	18.8	0	0.0	771,407
	All Yrs	409,078	39.4	284,110	27.3	0	0.0	87,366	8.4	56,948	5.5	201,441	19.4	0	0.0	1,038,943

**Table 6-2b. QS Transactions for Priced QS Sales, by Area, Year, and Finance Method, 1995-1997**

Area	Year	Personal resources		Bank		DCED or CFAB		Seller		Processor		Other		Missing		Unique Trans.
		Trans.	Pct.	Trans	Pct.	Trans.	Pct.	Trans.	Pct.	Trans.	Pct.	Trans.	Pct.	Trans.	Pct.	
2C	1995	270	76.3	26	7.3	8	2.3	57	16.1	2	0.6	16	4.5	31	8.8	354
	1996	277	75.7	48	13.1	8	2.2	44	12.0	2	0.5	28	7.7	4	1.1	366
	1997	231	80.2	25	8.7	21	7.3	8	2.8	1	0.3	6	2.1	0	0.0	288
	All Yrs	778	77.2	99	9.8	37	3.7	109	10.8	5	0.5	50	5.0	35	3.5	1,008
3A	1995	266	66.3	50	12.5	18	4.5	71	17.7	4	1.0	9	2.2	58	14.5	401
	1996	359	75.6	69	14.5	21	4.4	82	17.3	3	0.6	15	3.2	16	3.4	475
	1997	293	74.7	50	12.8	24	6.1	15	3.8	7	1.8	13	3.3	0	0.0	392
	All Yrs	918	72.4	169	13.3	63	5.0	168	13.2	14	1.1	37	2.9	74	5.8	1,268
3B	1995	60	60.6	6	6.1	0	0.0	2	2.0	0	0.0	1	1.0	32	32.3	99
	1996	116	66.7	39	22.4	5	2.9	21	12.1	9	5.2	3	1.7	5	2.9	174
	1997	173	82.8	20	9.6	1	0.5	9	4.3	2	1.0	6	2.9	0	0.0	209
	All Yrs	349	72.4	65	13.5	6	1.2	32	6.6	11	2.3	10	2.1	37	7.7	482
4A	1995	28	43.8	8	12.5	0	0.0	3	4.7	0	0.0	0	0.0	28	43.8	64
	1996	51	72.9	7	10.0	5	7.1	5	7.1	0	0.0	4	5.7	2	2.9	70
	1997	76	70.4	18	16.7	2	1.9	6	5.6	1	0.9	9	8.3	0	0.0	108
	All Yrs	155	64.0	33	13.6	7	2.9	14	5.8	1	0.4	13	5.4	30	12.4	242
4B	1995	3	60.0	0	0.0	0	0.0	1	20.0	0	0.0	1	20.0	1	20.0	5
	1996	5	71.4	2	28.6	0	0.0	1	14.3	0	0.0	0	0.0	0	0.0	7
	1997	25	73.5	4	11.8	0	0.0	6	17.6	0	0.0	2	5.9	0	0.0	34
	All Yrs	33	71.7	6	13.0	0	0.0	8	17.4	0	0.0	3	6.5	1	2.2	46
4C	1997	4	50.0	2	25.0	0	0.0	1	12.5	1	12.5	0	0.0	0	0.0	8
	All Yrs	4	50.0	2	25.0	0	0.0	1	12.5	1	12.5	0	0.0	0	0.0	8
4D	1996	3	75.0	0	0.0	0	0.0	0	0.0	0	0.0	1	25.0	0	0.0	4
	1997	7	46.7	3	20.0	0	0.0	1	6.7	1	6.7	3	20.0	0	0.0	15
	All Yrs	10	52.6	3	15.8	0	0.0	1	5.3	1	5.3	4	21.1	0	0.0	19

### 6.3 Relationship of Transferors and Transfer Recipients on Permanent Transfers

This section examines the relationship between transferors and transfer recipients in permanent QS transfers. In the tables in this section these categories were designated as “partner,” “family,” “friend,” or “none.” Note that these tables should be read with caution because the actual categories on the NMFS-RAM transfer application form changed over the time period.<sup>2</sup>

Table 6-3a provides a summary of the responses to this question for all QS transfers recorded as transfer, sweep-up, spousal, and court transactions on the NMFS-RAM data base. The data are provided by management area and show the amount of QS involved in transfers based upon the relationship between the buyer and seller.

“None” or “No relationship” was the most likely response in all areas. In six of the eight management areas where permanent QS transfers occurred during the three-year period, 50% or more of the QS transferred moved between persons indicating “no relationship.” In four of the management areas the three-year average was over 60%. In most areas the percentage rose from 1995 to 1996 and then fell in 1997. In Area 2C the percentage rose steadily by small amounts each year and in Area 4E there were no transfers in 1995 or 1996.

The table should be read cautiously because many respondents did not answer, especially in 1995. What may appear to be a change in the QS transferred in a relationship category may in fact be due to a reduction in missing data in 1996 and 1997.

Table 6-3b provides similar summary data but focuses on the number of transfer transactions rather than on the amount of QS involved in the transactions. The results are similar to those in Table 6-3a. In six of the eight areas over 50% of the transfers over the three-year period were between parties with “no relationship.”

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<sup>2</sup>The relationship question on the transfer application form changed between 1995 and 1996. In 1995 respondents were given a choice of “No relationship,” “Business Partner,” “Personal Family Member,” and “Other Friend or Relative.” In 1996 “Personal Family Member” became “Family Member,” “Other Friend or Relative” became “Friend,” and an “Other” category was introduced.

**Table 6-3a. QS Transferred by Area, Year, and Relationship of Transfer Parties, 1995-1997**

Area	Year	Between Family	Pct Family	Between Friends	Pct Friends	Between Partners	Pct Partner	No Relation	Pct No Relation	Missing Information	Pct Missing	Total Transfers	Pct Total
2C	1995	1,789,424	17.1	1,431,139	13.6	89,391	0.9	6,379,214	60.8	799,369	7.6	10,488,537	100.0
	1996	1,183,182	13.2	1,469,015	16.4	138,730	1.5	5,790,106	64.5	389,288	4.3	8,970,321	100.0
	1997	937,681	15.8	747,355	12.6	85,253	1.4	3,963,427	66.6	218,548	3.7	5,952,264	100.0
	All Yrs	3,910,287	15.4	3,647,509	14.4	313,374	1.2	16,132,747	63.5	1,407,205	5.5	25,411,122	100.0
3A	1995	4,363,602	15.3	2,523,410	8.8	2,049,533	7.2	16,460,976	57.6	3,159,968	11.1	28,557,489	100.0
	1996	2,498,437	9.4	2,353,877	8.8	918,458	3.4	19,551,785	73.4	1,304,234	4.9	26,626,791	100.0
	1997	3,449,104	18.6	1,469,151	7.9	879,792	4.7	12,357,078	66.6	405,673	2.2	18,560,798	100.0
	All Yrs	10,311,143	14.0	6,346,438	8.6	3,847,783	5.2	48,369,839	65.6	4,869,875	6.6	73,745,078	100.0
3B	1995	986,356	13.5	821,749	11.2	987,644	13.5	3,360,229	45.8	1,176,162	16.0	7,332,140	100.0
	1996	1,102,374	14.6	369,202	4.9	385,457	5.1	5,593,240	73.8	125,873	1.7	7,576,146	100.0
	1997	1,836,050	25.6	580,572	8.1	314,100	4.4	4,453,662	62.0	0	0.0	7,184,384	100.0
	All Yrs	3,924,780	17.8	1,771,523	8.0	1,687,201	7.6	13,407,131	60.7	1,302,035	5.9	22,092,670	100.0
4A	1995	102,763	5.8	227,423	12.9	212,472	12.1	815,948	46.4	398,429	22.7	1,757,035	100.0
	1996	189,537	9.2	573,967	27.7	0	0.0	1,257,503	60.8	48,886	2.4	2,069,893	100.0
	1997	838,317	24.3	573,515	16.7	76,382	2.2	1,930,249	56.0	25,689	0.7	3,444,152	100.0
	All Yrs	1,130,617	15.5	1,374,905	18.9	288,854	4.0	4,003,700	55.1	473,004	6.5	7,271,080	100.0
4B	1995	0	0.0	90,510	22.1	61,096	14.9	156,238	38.2	101,154	24.7	408,998	100.0
	1996	9,631	2.2	0	0.0	18,623	4.3	390,095	90.2	14,095	3.3	432,444	100.0
	1997	422,959	23.5	236,880	13.2	202,515	11.3	937,190	52.1	0	0.0	1,799,544	100.0
	All Yrs	432,590	16.4	327,390	12.4	282,234	10.7	1,483,523	56.2	115,249	4.4	2,640,986	100.0
4C	1995	0	0.0	18,876	17.9	0	0.0	0	0.0	86,454	82.1	105,330	100.0
	1996	262,332	42.7	0	0.0	34,843	5.7	301,069	49.0	16,202	2.6	614,446	100.0
	1997	73,307	19.3	89,215	23.5	37,490	9.9	180,051	47.4	0	0.0	380,063	100.0
	All Yrs	335,639	30.5	108,091	9.8	72,333	6.6	481,120	43.7	102,656	9.3	1,099,839	100.0
4D	1995	0	0.0	0	0.0	69,848	63.8	0	0.0	39,715	36.2	109,563	100.0
	1996	0	0.0	41,000	9.4	27,355	6.2	369,813	84.4	0	0.0	438,168	100.0
	1997	237,533	20.6	23,583	2.0	20,832	1.8	868,496	75.5	0	0.0	1,150,444	100.0
	All Yrs	237,533	14.0	64,583	3.8	118,035	7.0	1,238,309	72.9	39,715	2.3	1,698,175	100.0
4E	1997	1,856	100.0	0	0.0	0	0.0	0	0.0	0	0.0	1,856	100.0
	All Yrs	1,856	100.0	0	0.0	0	0.0	0	0.0	0	0.0	1,856	100.0

**Table 6-3b. QS Transfer Transactions by Area, Year, Relationship of Transfer Parties, 1995-1997**

Area	Year	Between Family	Pct Family	Between Friends	Pct Friends	Between Partners	Pct Partners	No Relation	Pct No Relation	Missing Information	Pct Missing	Total Transfers	Pct Total
2C	1995	60	13.2	71	15.6	5	1.1	287	63.1	32	7.0	455	100.0
	1996	62	13.0	74	15.5	6	1.3	321	67.4	13	2.7	476	100.0
	1997	61	16.6	55	15.0	5	1.4	238	64.9	8	2.2	367	100.0
	All Yrs	183	14.1	200	15.4	16	1.2	846	65.2	53	4.1	1,298	100.0
3A	1995	85	15.7	67	12.4	17	3.1	309	57.1	63	11.6	541	100.0
	1996	67	11.2	94	15.7	8	1.3	409	68.2	22	3.7	600	100.0
	1997	100	19.3	71	13.7	5	1.0	331	64.0	10	1.9	517	100.0
	All Yrs	252	15.2	232	14.0	30	1.8	1,049	63.3	95	5.7	1,658	100.0
3B	1995	23	15.0	21	13.7	8	5.2	57	37.3	44	28.8	153	100.0
	1996	37	14.4	25	9.7	5	1.9	184	71.6	6	2.3	257	100.0
	1997	43	15.4	33	11.8	4	1.4	199	71.3	0	0.0	279	100.0
	All Yrs	103	14.9	79	11.5	17	2.5	440	63.9	50	7.3	689	100.0
4A	1995	8	8.7	15	16.3	4	4.3	28	30.4	37	40.2	92	100.0
	1996	9	9.8	22	23.9	0	0.0	57	62.0	4	4.3	92	100.0
	1997	26	15.0	27	15.6	28	16.2	91	52.6	1	0.6	173	100.0
	All Yrs	43	12.0	64	17.9	32	9.0	176	49.3	42	11.8	357	100.0
4B	1995	0	0.0	3	23.1	1	7.7	6	46.2	3	23.1	13	100.0
	1996	2	16.7	0	0.0	1	8.3	8	66.7	1	8.3	12	100.0
	1997	5	12.8	10	25.6	1	2.6	23	59.0	0	0.0	39	100.0
	All Yrs	7	10.9	13	20.3	3	4.7	37	57.8	4	6.3	64	100.0
4C	1995	0	0.0	1	33.3	0	0.0	0	0.0	2	66.7	3	100.0
	1996	3	10.3	0	0.0	1	3.4	23	79.3	2	6.9	29	100.0
	1997	2	22.2	3	33.3	1	11.1	3	33.3	0	0.0	9	100.0
	All Yrs	5	12.2	4	9.8	2	4.9	26	63.4	4	9.8	41	100.0
4D	1995	0	0.0	0	0.0	1	50.0	0	0.0	1	50.0	2	100.0
	1996	0	0.0	1	16.7	1	16.7	4	66.7	0	0.0	6	100.0
	1997	6	27.3	2	9.1	1	4.5	13	59.1	0	0.0	22	100.0
	All Yrs	6	20.0	3	10.0	3	10.0	17	56.7	1	3.3	30	100.0
4E	1997	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0
	All Yrs	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0

## 6.4 Use of Broker Services in Permanent QS Transfers

The transfer forms asked whether or not a broker was involved in the transfer. The tables in this section look at broker involvement in permanent transfers of QS. The next section looks at broker involvement in leases. These sections report the proportions of transfers and leases being facilitated by a broker.

Brokers were involved in a large proportion of the permanent transfers. The number of transactions involving brokers grew from 1995 to 1996, but then fell from 1996 to 1997. Table 6-4a shows that brokers were involved in 44.8% of the transactions in 1995, 51.4% in 1996, and 50.4% in 1997. The table also shows that brokers were involved in the transfers of 47.1% of the QS transferred in 1995, 64.3% of the QS transferred in 1996, and 60.2% of the QS transferred in 1997.<sup>3</sup>

Table 6-4b provides information on the use of brokers by management area and year. The table provides data on the amount and percentage of QS transferred with the help of a broker. The table also provides data on the number of QS transfers involving a broker and the percentage those transfers represent of all QS transfers.

As can be seen, brokers were widely used in the first three years of the program; there is, however, little evidence of a trend in broker usage. In Areas 3A, 3B, 4B, and 4D broker usage rose from 1995 to 1996 and then fell from 1996 to 1997. In Areas 2C and 4A it rose in each year, and in Area 4C it fell from 1995 to 1996 and then rose from 1996 to 1997.

Table 6-4c provides similar information on the use of brokers over all areas by vessel category and year. The percentage of freezer vessel QS transferred with the help of brokers rose each year; this percentage was 20.0% in 1995, 59.3% in 1996, and 91.3% in 1997. Substantial percentages of catcher vessel QS were transferred with the help of brokers in each year and vessel length class. The 1997 percentages ranged from a low of 39.4% for the “less than 35 feet” catcher vessel class, up to 57.4% for the “greater than 60 feet” catcher vessel class.

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<sup>3</sup>In Tables 6-4a and 6-4c, broker usage rates are calculated over all halibut areas. Note that while these rates are calculated over all halibut areas, the QS for different areas are not equivalent with respect to current year IFQ associated with the QS. Therefore, rates calculated across areas in current-year IFQ equivalents would be different than the rates shown here.

**Table 6-4a. Use of Brokers in Halibut QS Transfers, by Year**

Year	Was a Broker Used?	QS Transferred With Broker?	Total Annual QS Transferred	Percent of Annual QS Transferred	Number of Transactions	Total Annual Transactions	Percent of Annual Transactions
1995	No	25,814,841	48,759,092	52.9	695	1,259	55.2
	Yes	22,944,251	48,759,092	47.1	564	1,259	44.8
1996	No	16,697,697	46,728,209	35.7	715	1,472	48.6
	Yes	30,030,512	46,728,209	64.3	757	1,472	51.4
1997	No	15,320,317	38,473,505	39.8	698	1,407	49.6
	Yes	23,153,188	38,473,505	60.2	709	1,407	50.4

Broker usage rates are calculated over all halibut areas. Note that while these rates are calculated over all halibut areas, the QS for different areas are not equivalent with respect to current year IFQ associated with the QS. Therefore, rates calculated across areas in current-year IFQ equivalents would be different than the rates shown here.

**Table 6-4b. Use of Brokers in Halibut QS Transfers, by Area and Year**

Area	Year	Was a Broker Used?	QS Transferred With Broker?	Total Annual QS Transferred	Percent of Annual QS Transferred	Number of Transactions With Broker?	Total Annual Transactions	Percent of Annual Transactions
2C	1995	No	5,472,639	10,488,537	52.2	244	455	53.6
		Yes	5,015,898	10,488,537	47.8	211	455	46.4
	1996	No	4,000,864	8,970,321	44.6	244	476	51.3
		Yes	4,969,457	8,970,321	55.4	232	476	48.7
	1997	No	1,975,338	5,952,264	33.2	184	367	50.1
		Yes	3,976,926	5,952,264	66.8	183	367	49.9
3A	1995	No	14,769,718	28,557,489	51.7	305	541	56.4
		Yes	13,787,771	28,557,489	48.3	236	541	43.6
	1996	No	8,546,517	26,626,791	32.1	282	600	47.0
		Yes	18,080,274	26,626,791	67.9	318	600	53.0
	1997	No	7,571,519	18,560,798	40.8	272	517	52.6
		Yes	10,989,279	18,560,798	59.2	245	517	47.4
3B	1995	No	4,043,580	7,332,140	55.1	85	153	55.6
		Yes	3,288,560	7,332,140	44.9	68	153	44.4
	1996	No	2,598,515	7,576,146	34.3	107	257	41.6
		Yes	4,977,631	7,576,146	65.7	150	257	58.4
	1997	No	3,229,380	7,184,384	44.9	128	279	45.9
		Yes	3,955,004	7,184,384	55.1	151	279	54.1
4A	1995	No	1,056,211	1,757,035	60.1	48	92	52.2
		Yes	700,824	1,757,035	39.9	44	92	47.8
	1996	No	805,860	2,069,893	38.9	46	92	50.0
		Yes	1,264,033	2,069,893	61.1	46	92	50.0
	1997	No	1,210,001	3,444,152	35.1	83	173	48.0
		Yes	2,234,151	3,444,152	64.9	90	173	52.0
4B	1995	No	276,676	408,998	67.6	9	13	69.2
		Yes	132,322	408,998	32.4	4	13	30.8
	1996	No	75,418	432,444	17.4	6	12	50.0
		Yes	357,026	432,444	82.6	6	12	50.0
	1997	No	980,027	1,799,544	54.5	20	39	51.3
		Yes	819,517	1,799,544	45.5	19	39	48.7
4C	1995	No	86,454	105,330	82.1	2	3	66.7
		Yes	18,876	105,330	17.9	1	3	33.3
	1996	No	614,446	614,446	100	29	29	100
	1997	No	77,855	380,063	20.5	3	9	33.3
		Yes	302,208	380,063	79.5	6	9	66.7

(Continued)

**Table 6-4b. Use of Brokers in Halibut QS Transfers, by Area and Year**

Area	Year	Was a Broker Used?	QS Transferred With Broker?	Total Annual QS Transferred	Percent of Annual QS Transferred	Number of Transactions With Broker?	Total Annual Transactions	Percent of Annual Transactions
4D	1995	No	109,563	109,563	100	2	2	100
	1996	No	56,077	438,168	12.8	1	6	16.7
		Yes	382,091	438,168	87.2	5	6	83.3
	1997	No	274,341	1,150,444	23.8	7	22	31.8
		Yes	876,103	1,150,444	76.2	15	22	68.2
4E	1997	No	1,856	1,856	100	1	1	100

**Table 6-4c. Use of Brokers in Halibut QS Transfers,  
By Vessel Category and Year**

Vessel Category	Year	Was a Broker Used?	QS Transferred With Broker?	Total Annual QS Transferred	Percent of Annual QS Transferred	Number of Transactions With Broker	Total Annual Transactions	Percent of Annual Transactions
Freezer	1995	No	328,232	424,580	77.3	8	10	80.0
		Yes	96,348	424,580	22.7	2	10	20.0
	1996	No	384,920	911,984	42.2	11	27	40.7
		Yes	527,064	911,984	57.8	16	27	59.3
	1997	No	103,621	893,749	11.6	2	23	8.7
		Yes	790,128	893,749	88.4	21	23	91.3
GT 60 ft	1995	No	8,002,006	15,403,625	51.9	91	216	42.1
		Yes	7,401,619	15,403,625	48.1	125	216	57.9
	1996	No	2,962,358	12,090,443	24.5	70	270	25.9
		Yes	9,128,085	12,090,443	75.5	200	270	74.1
	1997	No	5,825,027	14,296,309	40.7	110	258	42.6
		Yes	8,471,282	14,296,309	59.3	148	258	57.4
36 to 60 ft	1995	No	14,381,437	27,319,289	52.6	379	686	55.2
		Yes	12,937,852	27,319,289	47.4	307	686	44.8
	1996	No	9,887,229	27,428,451	36.0	366	785	46.6
		Yes	17,541,222	27,428,451	64.0	419	785	53.4
	1997	No	7,877,632	19,608,767	40.2	358	750	47.7
		Yes	11,731,135	19,608,767	59.8	392	750	52.3
LT 35 ft	1995	No	3,103,166	5,611,598	55.3	217	347	62.5
		Yes	2,508,432	5,611,598	44.7	130	347	37.5
	1996	No	3,463,190	6,297,331	55.0	268	390	68.7
		Yes	2,834,141	6,297,331	45.0	122	390	31.3
	1997	No	1,514,037	3,674,680	41.2	228	376	60.6
		Yes	2,160,643	3,674,680	58.8	148	376	39.4

## 6.5 Use of Broker Services in Lease Transfers

The tables in this section show the extent to which brokers were involved in leases of QS during the first three years of the program. Table 6-5a looks at overall broker involvement by year, and Table 5-6b looks at broker involvement by management area.

Brokers were involved in significant proportions of QS leases in each year. Their involvement fell from 22.6% of the transactions in 1995 to 9.8% in 1996, and then rose to 19.2% in 1997. They were involved in the leases of 33.1% of the QS in 1995, 26.1% in 1996, and 27.2% in 1997. In each year the proportions of QS leased with broker assistance were smaller than the proportions of QS transferred permanently with broker assistance.<sup>4</sup>

Table 6-5b shows how broker involvement in leases varied across management areas. The proportions of QS leased with broker assistance were generally smaller than the proportions of QS transferred with broker assistance.

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<sup>4</sup>Note that Table 6-5a aggregates QS across areas. Since the QS/IFQ ratio differs by area and in a year, the percentage of the IFQ leased with the help of a broker would be different than the percentage of QS leased with the help of a broker when calculated across areas.

**Table 6-5a. Use of Brokers in Halibut QS Leases, By Year**

Year	Was a Broker Used?	QS Leased With Broker?	Total Annual QS Leased	Percent of Annual QS Leased	Number of Leases With Broker?	Total Annual Leases	Percent of Annual Leases
1995	No	1,683,341	2,516,123	66.9	24	31	77.4
	Yes	832,782	2,516,123	33.1	7	31	22.6
1996	No	2,266,843	3,068,724	73.9	55	61	90.2
	Yes	801,881	3,068,724	26.1	6	61	9.8
1997	No	2,013,408	2,765,233	72.8	42	52	80.8
	Yes	751,825	2,765,233	27.2	10	52	19.2

QS were added across management areas to prepare this table. Since the pounds of IFQ per QS unit can vary across management areas and between years, the QS lease percentages reported in this table may be different from the lease percentages that would result if the QS were converted to IFQ equivalents.

**Table 6-5b. Use of Brokers in Halibut QS Leases, by Area and Year**

Area	Year	Was a Broker Used?	QS Leased	Total Annual QS Leased	Percent of Annual QS Leased	Number of Leases	Total Annual Leases	Percent of Annual Leases
2C	1995	No	98,277	170,260	57.7	5	7	71.4
		Yes	71,983	170,260	42.3	2	7	28.6
	1996	No	268,393	268,393	100	12	12	100
	1997	No	422,898	425,965	99.3	14	15	93.3
		Yes	3,067	425,965	0.7	1	15	6.7
	3A	1995	No	831,663	1,401,793	59.3	10	12
Yes			570,130	1,401,793	40.7	2	12	16.7
1996		No	1,312,093	1,892,265	69.3	22	25	88.0
		Yes	580,172	1,892,265	30.7	3	25	12.0
1997		No	757,094	1,365,302	55.5	15	20	75.0
		Yes	608,208	1,365,302	44.5	5	20	25.0
3B	1995	No	349,948	491,569	71.2	3	5	60.0
		Yes	141,621	491,569	28.8	2	5	40.0
	1996	No	574,662	744,933	77.1	12	14	85.7
		Yes	170,271	744,933	22.9	2	14	14.3
	1997	No	322,302	439,227	73.4	7	9	77.8
		Yes	116,925	439,227	26.6	2	9	22.2
4A	1995	No	228,184	228,184	100	4	4	100
		Yes						
	1996	No	111,695	163,133	68.5	9	10	90.0
		Yes	51,438	163,133	31.5	1	10	10.0
	1997	No	143,644	144,378	99.5	3	4	75.0
		Yes	734	144,378	0.5	1	4	25.0
4B	1995	No	175,269	224,317	78.1	2	3	66.7
		Yes	49,048	224,317	21.9	1	3	33.3
4D	1997	No	367,470	390,361	94.1	3	4	75.0
		Yes	22,891	390,361	5.9	1	4	25.0