

13 New Entrants in the Fishery

Other sections of this report examine the net result of QS consolidations and transfer activities that have occurred since the initial QS allocation. Some of the transferred QS went to initial issuees and some went to persons who were new to the fishery or the management area. The tables in this section present data that show the extent to which new entrants obtained QS and entered the halibut fishery. The data suggest that significant numbers of persons who were not initial issuees for an area were able to obtain halibut QS.

The IFQ program provides for free transferability of QS, subject to several constraints designed to temper consolidation and ensure preservation of opportunities for the smaller-boat and part-time portion of the fleet that existed under open access. These constraints are discussed in Chapters 2 and 3 and in other sections of this report.

Any U.S. citizen or entity may receive freezer vessel QS through transfer. Persons who receive catcher vessel QS through transfer must be initial QS recipients or IFQ crew members. Under the IFQ program, an IFQ crew member is defined as any individual who has at least 150 days experience working as part of a harvesting crew in any United States commercial fishery or as any individual who receives an initial allocation of QS.

New entrants may also occur through regulations which allow an individual to transfer QS to the individual's solely owned corporation (a new entity). In addition, new entrants can also occur because of transfers due to court order, operation of law, or as part of a security agreement. However, in these latter cases IFQ is not assigned unless the person receiving the QS transfer meets all of the eligibility requirements.

Table 13-1a shows, by area, the amount of QS and the percentage of QS which was still held by initial QS recipients at the end of each year from 1995 through 1998. The table also indicates the percentage these initial holders represent of all QS holders, and their average QS holdings.

The table also shows the amount and percentage of halibut QS which was held by new entrants *to the area* at the end of each year. Note that a new entrant in one area may have been an initial QS recipient in some other area(s). The table provides the number of new entrants to each area, the percentage these new entrants represent of all QS holders, and their average QS holdings.

By the end of 1998, significant numbers of new persons had obtained halibut QS and entered the halibut IFQ fishery, with the exception of Area 4E, where all the TAC is allocated to CDQs. Outside of Area 4E, the percentage of QS holders that were new entrants to the area varied from 12.5% in Area 4C to 32.1% in Area 4D. Similarly, the

percentage of total QS that was held by new entrants to the area ranged from 14.0% in Area 3A to 25.0% in Area 4A.

As stated, some of the new QS holders in an area were initial QS recipients in other halibut areas or they received an initial allocation of sablefish QS. This can be seen in Table 13-1b, which examines more closely the new entrants in each IPHC area.

The first six columns of Table 13-1b provide data on the total QS and the total number of persons holding QS at the end of each year, by IPHC management area. They also show the number of remaining initial QS recipients at the end of each year and the percentage of the total QS holders which they represent.

The other columns of Table 13-1b examine new entrants in each area. New entrants are defined as entities that were not initial recipients of QS in an area, but held QS for that area at the end of the year in question. However, some of the new entrants in an area were initial recipients of QS in another area or initial recipients of sablefish QS.

For example, by the end of 1998 there were 424 persons who were new entrants to Area 3A. Of these persons, 393 were “new holders” of halibut QS -- meaning they were not initial issues of QS for any other halibut area -- and 392 were entirely new entrants to the sablefish or halibut IFQ program. The numbers imply that 31 of the 424 new entrants in Area 3A were initial issues of halibut QS in some other area and 32 of the 424 new entrants in Area 3A were either initial issues of halibut in some other area or initial issues of sablefish QS.

Table 13-2 provides information on the extent to which lessees (persons who receive leased QS) were initial QS recipients or new QS holders. In many instances large portions of the leased QS went to persons who did not receive an initial QS allocation in the area. In some areas and years there were no QS leases.

Table 13-1a. Halibut QS Holdings for Initial Issues and New Entrants at Year-end

Area	Year	Total QS Held By Initial Issues	% of QS Held By Initial Issues	Avg. QS Held By Initial Issues	Initial Issues For Area	Percent Who Are Initial Issues	Total QS Held By New Entrants	% of QS Held By New Entrants	Avg. QS Held By New Entrants	New Entrants For Area	Percent Who Are New Entrants
2C	1995	55,150,457	93.5	27,603	1,998	93.6	3,814,780	6.5	28,050	136	6.4
	1996	51,911,593	87.9	31,122	1,668	86.9	7,113,974	12.1	28,230	252	13.1
	1997	50,809,049	85.3	34,848	1,458	83.7	8,740,811	14.7	30,778	284	16.3
	1998	49,500,477	83.1	36,291	1,364	80.9	10,050,780	16.9	31,311	321	19.1
3A	1995	172,324,360	94.3	66,381	2,596	93.9	10,359,550	5.7	61,664	168	6.1
	1996	164,736,451	89.4	75,119	2,193	86.3	19,574,594	10.6	56,249	348	13.7
	1997	161,434,392	87.4	83,386	1,936	82.6	23,306,263	12.6	57,264	407	17.4
	1998	158,786,733	86.0	87,102	1,823	81.1	25,936,743	14.0	61,172	424	18.9
3B	1995	50,341,765	94.3	55,381	909	95.0	3,052,648	5.7	63,597	48	5.0
	1996	46,719,660	86.8	65,895	709	84.6	7,105,067	13.2	55,078	129	15.4
	1997	44,638,098	82.8	78,588	568	79.4	9,274,451	17.2	63,092	147	20.6
	1998	43,842,676	81.4	84,638	518	77.4	9,997,912	18.6	66,211	151	22.6
4A	1995	13,040,372	91.3	29,043	449	93.9	1,236,540	8.7	42,639	29	6.1
	1996	11,815,427	81.9	31,848	371	85.7	2,606,473	18.1	42,040	62	14.3
	1997	10,892,274	75.1	37,175	293	76.7	3,610,691	24.9	40,570	89	23.3
	1998	10,877,763	75.0	40,288	270	75.2	3,625,246	25.0	40,733	89	24.8
4B	1995	8,792,299	97.5	63,712	138	95.2	229,965	2.5	32,852	7	4.8
	1996	8,850,686	95.4	69,690	127	90.1	430,691	4.6	30,764	14	9.9
	1997	7,811,522	84.1	75,111	104	78.8	1,473,252	15.9	52,616	28	21.2
	1998	7,551,262	81.3	78,659	96	77.4	1,733,512	18.7	61,911	28	22.6
4C	1995	3,882,732	97.8	49,779	78	97.5	86,454	2.2	43,227	2	2.5
	1996	3,494,154	88.0	46,589	75	93.8	475,032	12.0	95,006	5	6.3
	1997	3,344,897	84.3	49,190	68	88.3	624,289	15.7	69,365	9	11.7
	1998	3,313,935	83.5	52,602	63	87.5	655,251	16.5	72,806	9	12.5

(Continued)

Table 13-1a (con't). Halibut QS Holdings for Initial Issuees and New Entrants at Year-end

Area	Year	Total QS Held By Initial Issuees	% of QS Held By Initial Issuees	Avg. QS Held By Initial Issuees	Initial Issuees For Area	Percent Who Are Initial Issuees	Total QS Held By New Entrants	% of QS Held By New Entrants	Avg. QS Held By New Entrants	New Entrants For Area	Percent Who Are New Entrants
4D	1995	4,576,433	97.7	70,407	65	97.0	109,563	2.3	54,782	2	3.0
	1996	4,313,438	90.0	69,572	62	91.2	477,053	10.0	79,509	6	8.8
	1997	3,826,338	79.9	83,181	46	75.4	964,153	20.1	64,277	15	24.6
	1998	3,580,412	75.4	94,221	38	67.9	1,165,906	24.6	64,773	18	32.1
4E	1995	139,999	100.0	1,346	104	100.0	0	0.0	0	0	0.0
	1996	139,999	100.0	1,346	104	100.0	0	0.0	0	0	0.0
	1997	138,143	98.7	1,341	103	99.0	1,856	1.3	1,856	1	1.0
	1998	138,143	98.7	1,341	103	99.0	1,856	1.3	1,856	1	1.0

Table 13-1b. New Entrants to the IFQ Fisheries

Area	Year	Total QS	Total Year-end Persons	Initial Issuees	% Initial Holders	New to Area	% New to Area	New to Halibut	% New to Halibut	New to IFQs	% New to IFQs
2C	1995	58,965,237	2,134	1,998	93.6	136	6.4	125	5.9	124	5.8
	1996	59,025,567	1,920	1,668	86.9	252	13.1	237	12.3	236	12.3
	1997	59,549,860	1,742	1,458	83.7	284	16.3	265	15.2	264	15.2
	1998	59,551,257	1,685	1,364	80.9	321	19.1	303	18.0	301	17.9
3A	1995	182,683,910	2,764	2,596	93.9	168	6.1	155	5.6	154	5.6
	1996	184,311,045	2,541	2,193	86.3	348	13.7	320	12.6	319	12.6
	1997	184,740,655	2,343	1,936	82.6	407	17.4	373	15.9	372	15.9
	1998	184,723,476	2,247	1,823	81.1	424	18.9	393	17.5	392	17.4
3B	1995	53,394,413	957	909	95.0	48	5.0	39	4.1	38	4.0
	1996	53,824,727	838	709	84.6	129	15.4	105	12.5	104	12.4
	1997	53,912,549	715	568	79.4	147	20.6	124	17.3	123	17.2
	1998	53,840,588	669	518	77.4	151	22.6	128	19.1	127	19.0
4A	1995	14,276,912	478	449	93.9	29	6.1	20	4.2	19	4.0
	1996	14,421,900	433	371	85.7	62	14.3	50	11.5	49	11.3
	1997	14,502,965	382	293	76.7	89	23.3	70	18.3	69	18.1
	1998	14,503,009	359	270	75.2	89	24.8	70	19.5	69	19.2
4B	1995	9,022,264	145	138	95.2	7	4.8	3	2.1	3	2.1
	1996	9,281,377	141	127	90.1	14	9.9	7	5.0	7	5.0
	1997	9,284,774	132	104	78.8	28	21.2	17	12.9	17	12.9
	1998	9,284,774	124	96	77.4	28	22.6	18	14.5	18	14.5
4C	1995	3,969,186	80	78	97.5	2	2.5	2	2.5	2	2.5
	1996	3,969,186	80	75	93.8	5	6.3	5	6.3	5	6.3
	1997	3,969,186	77	68	88.3	9	11.7	8	10.4	8	10.4
	1998	3,969,186	72	63	87.5	9	12.5	9	12.5	9	12.5
4D	1995	4,685,996	67	65	97.0	2	3.0	2	3.0	2	3.0
	1996	4,790,491	68	62	91.2	6	8.8	6	8.8	6	8.8
	1997	4,790,491	61	46	75.4	15	24.6	13	21.3	13	21.3
	1998	4,746,318	56	38	67.9	18	32.1	14	25.0	14	25.0
4E	1995	139,999	104	104	100.0	0	0.0	0	0.0	0	0.0
	1996	139,999	104	104	100.0	0	0.0	0	0.0	0	0.0
	1997	139,999	104	103	99.0	1	1.0	1	1.0	1	1.0
	1998	139,999	104	103	99.0	1	1.0	1	1.0	1	1.0

Table 13-2. Leases of Halibut QS to Initial Issuees and New Entrants to the Area

Area	Year	Total QS Leased By Initial Issuees	% Leased QS By Initial Issuees	Lessees Who Are Initial Issuees	% Lessees Who Are Initial Issuees	Avg. QS Leased By Initial Issuees	Total QS Leased By New Entrants	% Leased QS by New Entrants	Lessees Who Are New Entrants	% Lessees Who Are New Entrants	Avg. QS Leased By New Entrants	Total Leased QS in Category	Total Lessees in Category
2C	1995	159,101	93.4	5	71.4	31,820	11,159	6.6	2	28.6	5,580	170,260	7
	1996	200,366	74.7	8	72.7	25,046	68,027	25.3	3	27.3	22,676	268,393	11
	1997	312,192	73.3	10	71.4	31,219	113,773	26.7	4	28.6	28,443	425,965	14
	1998	243,817	47.0	7	53.8	34,831	275,108	53.0	6	46.2	45,851	518,925	13
3A	1995	1,004,599	71.7	9	75.0	111,622	397,194	28.3	3	25.0	132,398	1,401,793	12
	1996	1,150,495	60.8	9	60.0	127,833	741,770	39.2	6	40.0	123,628	1,892,265	15
	1997	1,184,913	86.8	14	77.8	84,637	180,389	13.2	4	22.2	45,097	1,365,302	18
	1998	1,051,006	69.4	9	69.2	116,778	462,505	30.6	4	30.8	115,626	1,513,511	13
3B	1995	436,442	88.8	4	80.0	109,111	55,127	11.2	1	20.0	55,127	491,569	5
	1996	669,638	89.9	4	57.1	167,410	75,295	10.1	3	42.9	25,098	744,933	7
	1997	366,838	83.5	6	75.0	61,140	72,389	16.5	2	25.0	36,195	439,227	8
	1998	293,440	58.6	4	57.1	73,360	207,095	41.4	3	42.9	69,032	500,535	7
4A	1995	42,161	18.5	1	25.0	42,161	186,023	81.5	3	75.0	62,008	228,184	4
	1996	0	0.0	0	0.0	0	163,133	100.0	3	100.0	54,378	163,133	3
	1997	92,937	64.4	3	75.0	30,979	51,441	35.6	1	25.0	51,441	144,378	4
	1998	185,803	99.6	4	80.0	46,451	734	0.4	1	20.0	734	186,537	5
4B	1995	0	0.0	0	0.0	0	224,317	100.0	3	100.0	74,772	224,317	3
4D	1997	235,935	60.4	3	75.0	78,645	154,426	39.6	1	25.0	154,426	390,361	4
	1998	0	0.0	0	0.0	0	268,572	100.0	1	100.0	268,572	268,572	1