

## 5 Halibut QS Leases

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This chapter examines the extent of formal lease transactions over the 1995 through 1998 time period. The data indicate that relatively few lease transactions occurred over the time period.

The regulations for the halibut IFQ program have allowed for some leasing of QS/IFQ, subject to some important restrictions. Where leasing is allowed, it provides a means for QS holders to make seasonal adjustments to their fishing activities and for new persons to enter the fishery.

QS lease transactions are made for an IFQ year and expire on December 31 of the year in which they are made. The regulations governing leases have changed over time.

Holders of freezer vessel (harvester/processor category “A”) QS may lease any or all of those holdings during a year. Holders of catcher vessel QS for an area could lease up to 10% of their QS in that area during the years 1995, 1996, and 1997. However, the regulations providing for leases of catcher vessel QS expired on January 2, 1998 and have not been renewed.<sup>33</sup> The surviving spouse or other beneficiary can still lease catcher vessel QS for a three year period following the death of the holder.<sup>34</sup>

The expired IFQ program regulations which provided for limited leasing of catcher vessel QS during the first three years of the program represented a compromise designed to balance the Council's different objectives. Opponents of leasing wanted to keep QS in the hands of active fishermen rather than absentee QS holders. Some persons also thought that the ability to lease QS might dampen the volume of QS sales and make it more difficult for new persons to enter the fishery as QS owner-operators.

However, proponents of QS leasing wanted to maintain operational flexibility for fishermen in a dynamic environment.<sup>35</sup> The temporary 10% rule sought to balance both sets of concerns.

Nevertheless, the tables in this chapter will show that there have been relatively few catcher vessel QS lease transactions. This may be partially due to the fact that large portions of the halibut catcher vessel QS were “blocked” and at the beginning of the program a block had to be transferred in its entirety for any kind of transfer.<sup>36</sup>

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<sup>33</sup> See 50 CFR679.41(h) for catcher vessel leasing rules. There is no corresponding rule on freezer vessel QS leases.

<sup>34</sup> See 50 CFR679.41(k)(2)

<sup>35</sup> This discussion is adapted from FR 58(215): 59392. November 9, 1993.

<sup>36</sup> The percentage of halibut QS that is in blocks is shown in Chapter 7 of this report.

At the start of the program, blocked QS could only be leased on this “all or nothing” basis. Blocks could not be broken up to allow some of the QS to be leased. This rule, coupled with the 10% leasing restriction, made the leasing of blocked catcher vessel QS difficult.

For example, a person who only held one block of QS in an area could not lease that block or any part of it. Similarly, a person who held two blocks of QS for an area would only be in a position to lease some QS if one block was no more than 10% of the person's total QS holding.

During 1996, the regulations governing leasing of blocked QS were reworded into terms of IFQ. This change in wording allowed for 10% of the IFQ associated with a segment of blocked QS to be leased on an annual basis. In other words, the blocking provision no longer applied to seasonal lease transactions of IFQ. This liberalization of the leasing provision for blocked catcher vessel QS became effective on September 9, 1996. However, this small change in the leasing provisions did not appear to have a substantial impact on catcher vessel QS leasing activities during subsequent years.

The reader should be aware that this chapter only covers formal lease transactions as reported to NMFS-RAM. While formal leases of catcher vessel QS were not extensively utilized over the 1995 through 1998 period, there was another means under the halibut IFQ program regulations whereby some QS could be fished by someone other than the QS holder.

Regulations allowing for the use of a “hired skipper” by an initial QS recipient on a vessel owned by the initial QS recipient appear to have been widely used during the first four years of the program. This topic is explored further in Chapter 14.

Any Category A (Freezer vessel) halibut QS holder can use a hired skipper to harvest the IFQ associated with that QS. Corporations and partnerships who are initial QS recipients of catcher vessel QS can employ a skipper to harvest the resource. Similarly, individuals who are initial recipients of catcher vessel QS can use a hired skipper in many cases.

For example, regulations provide that: “An individual who received an initial allocation of QS assigned to (catcher) vessel categories B, C, or D does not have to be aboard the vessel on which his or her IFQ is being fished, or to sign IFQ landing reports if that individual owns at least a 20% interest in the vessel and is represented on the vessel by a master employed by that individual.” This provision is not extended to individuals who were initial QS recipients in IPHC Area 2C.<sup>37</sup>

The regulatory requirement that the initial QS holder own at least 20% of the vessel that is being used to harvest the IFQ was meant to discourage leasing of QS. However, prior to 1997, this regulation was not specific concerning the percentage ownership interest that the QS holder needed to have. There apparently have been cases where an initial catcher

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<sup>37</sup> See 50 CFR 679.42(i)(1), 50 CFR 679.42(i)(2) and 50 CFR 679.42 (j).

vessel QS holder has purchased a small percentage ownership interest in a vessel and then the skipper of that vessel fished all of the person's IFQ. Some of these arrangements may be *de facto* leases. Since the QS holder appears to be using a "hired skipper" and can avoid a formal lease transaction, the restrictions on leasing only 10% of the annual IFQ can be circumvented. In other words, more than 10% of the IFQ associated with the person's catcher vessel QS holdings for an area could be fished under such an arrangement.

The Council studied the possibility of percentage ownership requirements in 1997 and adopted the 20% minimum percentage in order to constrain this practice.<sup>38</sup> NMFS-RAM, acting on the Council's intent, implemented the rule in 1998. The new rule became effective on June 9, 1999.

Another method where persons might be able to circumvent the restrictions on leasing of catcher vessel QS would be to sell their QS with a tacit understanding that the QS would be transferred back to the original QS holder at the end of a specific period of time. The authors have not examined the extent of returned transfers for this report.<sup>39</sup>

## **5.1 Halibut QS and QS Holder Lease Rates By IFQ Area**

The halibut IFQ program's rules provide for unlimited leasing of freezer vessel QS. However, only 10% of a person's catcher vessel QS for an area can be leased in a year.<sup>40</sup>

Originally, as noted above, catcher vessel QS contained in blocks could not be separated for lease purposes. This meant that either the entire block had to be leased or none of the QS in the block could be leased. Under the regulation, it was impossible for a person who held only a single block of QS for an area to lease any of that QS.

As large portions of the catcher vessel QS issued in some areas were issued in blocks, leasing of some QS was not feasible for many persons. As a result, the regulation was altered in 1996 to allow for the leasing of up to 10% of the IFQ associated with a person's QS for an area, even if the QS was in a block. However, this liberalization did not

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<sup>38</sup> At their September 1997 meeting in Seattle, the Council adopted a proposal requiring initial recipients of catcher vessel QS who wanted to use a designated skipper to hold a 20% ownership interest in any vessel used by their hired skipper. Some "grandfathered" privileges are included in the new rule that will allow some initial QS holders who had used a hired skipper prior to April 17, 1997 to continue to use a hired skipper on a vessel where they have a smaller ownership interest. NMFS-RAM began implementing the Council's intent in 1998. (See page 6, *The IFQ Program: 1998 Report To The Fleet* published by NMFS-RAM in February 1998.) These rules were incorporated into regulations as 50 CFR 679.42 9(i)(1) and 50 CFR 679.42(j) which became effective on June 9, 1999.

<sup>39</sup> While it is possible that such arrangements have occurred, transfers with agreements for repossession by the original owner are prohibited under 50 CFR 679.41(g)(4).

<sup>40</sup> See 50 CFR 679.41 (e) and (h).

become effective until September 9, 1996. Moreover, the change appeared to have very little impact on QS leasing during the 1996 and 1997 seasons.

Table 5-1 provides a broad overview of halibut QS leasing activity by management area and year for 1995 through 1998. The table provides the year-end amounts of QS outstanding and the amount of QS that was leased during each year. A rough “QS lease rate” is calculated by dividing the amount of QS leased by the amount of QS outstanding at the end of each year and converting the resulting fraction into a percentage.

The table also contains an “All Years” row that provides summary data over all four years. The data in the row are the sums of numbers over the four year period (rather than averages or unique counts) or ratios based upon numbers summed over all four years.

As can be seen, the percentage of QS leased over the 1995 through 1998 time period was relatively small.<sup>41</sup> Over the entire time period, there were no QS leases in Areas 4C and 4E. QS lease rates in the other areas ranged from 0.6% in Areas 2C and 4B to 3.5% in Area 4D. Again, the low lease rates may be partially due to the restrictions on the leasing of catcher vessel QS.<sup>42</sup>

Table 5-1 also provides data on the number of year-end QS holders and the number of QS holders who leased out some of their QS during the year. A rough “QS holder lease (lessor) rate” is also calculated by dividing the number of QS lessors during the year by the number of year-end QS holders and converting the resulting fraction to a percentage.<sup>43</sup> Apart from Areas 4C and 4E, where there were no QS leases, QS lessor rates ranged from 0.6% in Areas 2C and 4B to 2.4% in Area 4D.

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<sup>41</sup> This report uses the QS amounts shown in lease transactions on NMFS-RAM computerized files. In a few instances, these amounts appear to be in error with respect to the actual amount of QS leased relative to the pounds of IFQ involved. For that reason, the QS lease rates shown herein may be slight overestimates even though they accurately reflect the data..

<sup>42</sup> Portions of the TAC in CDQ areas are devoted to CDQs. In Area 4E, the entire TAC was devoted to CDQs and there was no IFQ fishery over the 1995 through 1997 time period. Thus there was no reason to lease QS in Area 4E.

<sup>43</sup> Note that different formulations of a “QS holder lease rate” could be made. The number of persons who hold QS can change during a year. Over the 1995 through 1997 time period there was a decline in the number of QS holders due to transfer and consolidation of QS holdings. Lease rates calculated with the number of year-end QS holders in the denominator will thus be higher than lease rates calculated with the number of year-beginning QS holders in the denominator.

**Table 5-1. Halibut QS and QS Holder Lease Rates by IFQ Area, 1995-1998**

Area	Year	Year-end QS	Leased QS	QS Lease Rate(%)	Year-end Persons	Unique Lessors	Lessor Rate(%)
<b>2C</b>	<b>1995</b>	58,965,237	170,260	0.3	2,134	7	0.3
	<b>1996</b>	59,025,567	268,393	0.5	1,920	12	0.6
	<b>1997</b>	59,549,860	425,965	0.7	1,742	15	0.9
	<b>1998</b>	59,551,257	518,925	0.9	1,685	14	0.8
	<b>ALL YRS</b>	237,091,921	1,383,543	0.6	7,481	48	0.6
<b>3A</b>	<b>1995</b>	182,683,910	1,401,793	0.8	2,764	12	0.4
	<b>1996</b>	184,311,045	1,892,265	1.0	2,541	25	1.0
	<b>1997</b>	184,740,655	1,365,302	0.7	2,343	19	0.8
	<b>1998</b>	184,723,476	1,513,511	0.8	2,247	14	0.6
	<b>ALL YRS</b>	736,459,086	6,172,871	0.8	9,895	70	0.7
<b>3B</b>	<b>1995</b>	53,394,413	491,569	0.9	957	5	0.5
	<b>1996</b>	53,824,727	744,933	1.4	838	13	1.6
	<b>1997</b>	53,912,549	439,227	0.8	715	9	1.3
	<b>1998</b>	53,840,588	500,535	0.9	669	7	1.0
	<b>ALL YRS</b>	214,972,277	2,176,264	1.0	3,179	34	1.1
<b>4A</b>	<b>1995</b>	14,276,912	228,184	1.6	478	3	0.6
	<b>1996</b>	14,421,900	163,133	1.1	433	10	2.3
	<b>1997</b>	14,502,965	144,378	1.0	382	4	1.0
	<b>1998</b>	14,503,009	186,537	1.3	359	5	1.4
	<b>ALL YRS</b>	57,704,786	722,232	1.3	1,652	22	1.3
<b>4B</b>	<b>1995</b>	9,022,264	224,317	2.5	145	3	2.1
	<b>1996</b>	9,281,377	0	0.0	141	0	0.0
	<b>1997</b>	9,284,774	0	0.0	132	0	0.0
	<b>1998</b>	9,284,774	0	0.0	124	0	0.0
	<b>ALL YRS</b>	36,873,189	224,317	0.6	542	3	0.6
<b>4C</b>	<b>1995</b>	3,969,186	0	0.0	80	0	0.0
	<b>1996</b>	3,969,186	0	0.0	80	0	0.0
	<b>1997</b>	3,969,186	0	0.0	77	0	0.0
	<b>1998</b>	3,969,186	0	0.0	72	0	0.0
	<b>ALL YRS</b>	15,876,744	0	0.0	309	0	0.0

(Continued)

**Table 5-1 (con't). Halibut QS and QS Holder Lease Rates by IFQ Area, 1995-1998**

<b>Area</b>	<b>Year</b>	<b>Year-end QS</b>	<b>Leased QS</b>	<b>QS Lease Rate(%)</b>	<b>Year-end Persons</b>	<b>Unique Lessors</b>	<b>Lessor Rate(%)</b>
<b>4D</b>	<b>1995</b>	4,685,996	0	0.0	67	0	0.0
	<b>1996</b>	4,790,491	0	0.0	68	0	0.0
	<b>1997</b>	4,790,491	390,361	8.1	61	3	4.9
	<b>1998</b>	4,746,318	268,572	5.7	56	3	5.4
	<b>ALL YRS</b>	19,013,296	658,933	3.5	252	6	2.4
<b>4E</b>	<b>1995</b>	139,999	0	0.0	104	0	0.0
	<b>1996</b>	139,999	0	0.0	104	0	0.0
	<b>1997</b>	139,999	0	0.0	104	0	0.0
	<b>1998</b>	139,999	0	0.0	104	0	0.0
	<b>ALL YRS</b>	559,996	0	0.0	416	0	0.0

## **5.2. Halibut QS and QS Holder Transfer and Lease Rates By Area and Vessel Category, 1995-1998.**

Tables 5-2a and 5-2b provide more detailed summaries on halibut QS and QS holder lease rates by area and vessel category for the years 1995 through 1998. For comparative purposes, QS and QS holder permanent transfer rates have also been included.

Leases and permanent transfers allow QS to move to persons who feel that they can use it more profitably and allow for consolidations of QS holdings and fishing operations either seasonally or permanently. These tables tend to show high permanent QS transfer rates relative to QS lease rates in the first four years of the program.

Table 5-2a provides data for each area, year, and vessel category. It also provides summary data over all four years. The table includes the amount of QS at the end of each year, the amount of QS transferred within each year, and the amount of QS leased within each year. QS transfer rates and QS lease rates are calculated for each area, year, and vessel category. "All years rates" are also calculated for each area and vessel category. The methodology used to calculate these rates is the same described for Table 5-1.

The table indicates that freezer vessel lease and transfer rates differ sharply from catcher vessel lease and transfer rates. Leasing of halibut QS was largely confined to freezer vessels over the 1995 through 1998 time period. This can be seen by the relatively high freezer vessel QS lease rates shown in Table 5-2a. Recall, that IFQ program rules place few rules on the leasing of freezer vessel QS.

For example, in the areas where QS lease transactions occurred, the "All Years" lease rates for freezer vessel QS ranged from 8.8% in Area 4B to 41.3% in Area 4D. In contrast, there was very little catcher vessel QS leased in any area and catcher vessel QS lease rates were less than 1.0% in all areas and vessel classes.

While catcher vessel QS lease rates were miniscule compared to freezer vessel QS lease rates, QS permanent transfer rates for catcher vessels were often higher than QS transfer rates for freezer vessels for many areas and catcher vessel classes.

For example, over the four year period, permanent transfer rates for freezer vessel QS were the lowest of all the vessel categories in Areas 2C, 3A, 3B, and 4A. In contrast, over the entire time period, permanent QS transfer rates for freezer vessels were the highest of all the vessel categories in Areas 4B, 4C and 4D.

Table 5-2b provides similar data for QS holders by area and vessel category. Again, data are provided for the 1995 through 1998 time period. The table includes the number of QS holders at the end of each year, the number of QS holders with transfers within each year, and the number of QS holders with leases within each year. QS holder transfer rates and QS holder (lessor) lease rates are calculated for each area, year, and vessel category.

An “All Years” grouping sums data and provides QS holder lease rates (lessor rate) over all three years. Data on permanent halibut QS transfers by QS holders are provided for comparative purposes.

These data on QS holders with leases and transfers roughly parallel the data on QS leased and transferred. As can be seen, the number of catcher vessel QS holders who leased some QS in the first four years of the program was small relative to the number of year-end QS holders. QS holder lease rates were highest among holders of freezer vessel QS in all areas where leases occurred.

**Table 5-2a. Halibut QS Transfer and Lease Rates, 1995-1998  
By Area, Year, and Vessel Category**

Area	Year	Vessel Category	Year-end QS	Transferred QS	QS Transfer Rate (%)	Leased QS	QS Lease Rate (%)
2C	1995	<i>Freezer</i>	1,233,704	14,957	1.2	166,656	13.5
		<i>GT 60 ft</i>	2,900,705	454,014	15.7	3,604	0.1
		<i>36 To 60 ft</i>	45,222,555	8,021,093	17.7	0	0.0
		<i>LE 35 ft</i>	9,608,273	1,998,473	20.8	0	0.0
	1996	<i>Freezer</i>	1,243,061	170,327	13.7	219,174	17.6
		<i>GT 60 ft</i>	2,791,577	702,729	25.2	0	0.0
		<i>36 To 60 ft</i>	45,810,132	6,233,633	13.6	47,208	0.1
		<i>LE 35 ft</i>	9,180,797	1,863,632	20.3	2,011	0.0
	1997	<i>Freezer</i>	1,249,141	33,187	2.7	295,907	23.7
		<i>GT 60 ft</i>	2,709,684	373,203	13.8	0	0.0
		<i>36 To 60 ft</i>	46,498,798	4,489,620	9.7	120,075	0.3
		<i>LE 35 ft</i>	9,092,237	1,056,254	11.6	9,983	0.1
	1998	<i>Freezer</i>	1,249,141	31,432	2.5	379,527	30.4
		<i>GT 60 ft</i>	2,702,528	240,851	8.9	0	0.0
		<i>36 To 60 ft</i>	46,512,181	2,695,091	5.8	129,415	0.3
		<i>LE 35 ft</i>	9,087,407	634,917	7.0	9,983	0.1
	ALL YEARS	<i>Freezer</i>	4,975,047	249,903	5.0	1,061,264	21.3
<i>GT 60 ft</i>		11,104,494	1,770,797	15.9	3,604	0.0	
<i>36 To 60 ft</i>		184,043,666	21,439,437	11.6	296,698	0.2	
<i>LE 35 ft</i>		36,968,714	5,553,276	15.0	21,977	0.1	
3A	1995	<i>Freezer</i>	4,156,950	164,789	4.0	1,239,915	29.8
		<i>GT 60 ft</i>	67,514,777	10,588,079	15.7	97,054	0.1
		<i>36 To 60 ft</i>	97,630,610	14,700,637	15.1	64,824	0.1
		<i>LE 35 ft</i>	13,381,573	3,103,984	23.2	0	0.0
	1996	<i>Freezer</i>	4,736,344	210,053	4.4	1,708,970	36.1
		<i>GT 60 ft</i>	68,251,744	7,135,866	10.5	60,440	0.1
		<i>36 To 60 ft</i>	98,459,927	16,201,562	16.5	122,855	0.1
		<i>LE 35 ft</i>	12,863,030	3,079,310	23.9	0	0.0
	1997	<i>Freezer</i>	4,755,112	391,508	8.2	803,536	16.9
		<i>GT 60 ft</i>	68,298,684	6,583,233	9.6	176,243	0.3
		<i>36 To 60 ft</i>	98,862,582	9,942,793	10.1	371,987	0.4
		<i>LE 35 ft</i>	12,824,277	1,643,264	12.8	13,536	0.1
	1998	<i>Freezer</i>	4,755,112	471,833	9.9	1,150,030	24.2
		<i>GT 60 ft</i>	68,347,490	2,200,081	3.2	0	0.0
		<i>36 To 60 ft</i>	98,745,121	6,558,793	6.6	307,147	0.3
		<i>LE 35 ft</i>	12,875,753	2,144,277	16.7	56,334	0.4
	ALL YEARS	<i>Freezer</i>	18,403,518	1,238,183	6.7	4,902,451	26.6
<i>GT 60 ft</i>		272,412,695	26,507,259	9.7	333,737	0.1	
<i>36 To 60 ft</i>		393,698,240	47,403,785	12.0	866,813	0.2	
<i>LE 35 ft</i>		51,944,633	9,970,835	19.2	69,870	0.1	

(Continued)

**Table 5-2a. (con't). Halibut QS Transfer and Lease Rates, 1995-1998  
By Area, Year, and Vessel Category**

Area	Year	Vessel Category	Year-end QS	Transferred QS	QS Transfer Rate (%)	Leased QS	QS Lease Rate (%)
3B	1995	<i>Freezer</i>	1,525,163	148,216	9.7	491,569	32.2
		<i>GT 60 ft</i>	29,676,351	3,443,909	11.6	0	0.0
		<i>36 To 60 ft</i>	20,234,235	3,444,421	17.0	0	0.0
		<i>LE 35 ft</i>	1,958,664	295,594	15.1	0	0.0
	1996	<i>Freezer</i>	1,587,671	166,975	10.5	738,392	46.5
		<i>GT 60 ft</i>	29,930,873	2,881,424	9.6	6,541	0.0
		<i>36 To 60 ft</i>	20,598,405	3,988,982	19.4	0	0.0
		<i>LE 35 ft</i>	1,707,778	538,765	31.5	0	0.0
	1997	<i>Freezer</i>	1,593,155	8,498	0.5	340,434	21.4
		<i>GT 60 ft</i>	29,952,504	3,317,731	11.1	43,579	0.1
		<i>36 To 60 ft</i>	20,668,535	3,338,394	16.2	55,214	0.3
		<i>LE 35 ft</i>	1,698,355	519,761	30.6	0	0.0
	1998	<i>Freezer</i>	1,593,155	2,766	0.2	340,434	21.4
		<i>GT 60 ft</i>	29,944,248	581,437	1.9	0	0.0
		<i>36 To 60 ft</i>	20,621,534	2,264,440	11.0	160,101	0.8
		<i>LE 35 ft</i>	1,681,651	228,718	13.6	0	0.0
	ALL YEARS	<i>Freezer</i>	6,299,144	326,455	5.2	1,910,829	30.3
<i>GT 60 ft</i>		119,503,976	10,224,501	8.6	50,120	0.0	
<i>36 To 60 ft</i>		82,122,709	13,036,237	15.9	215,315	0.3	
<i>LE 35 ft</i>		7,046,448	1,582,838	22.5	0	0.0	
4A	1995	<i>Freezer</i>	588,884	58,866	10.0	228,184	38.7
		<i>GT 60 ft</i>	8,350,730	587,903	7.0	0	0.0
		<i>36 To 60 ft</i>	4,243,601	896,719	21.1	0	0.0
		<i>LE 35 ft</i>	1,093,697	213,547	19.5	0	0.0
	1996	<i>Freezer</i>	617,547	172,451	27.9	161,075	26.1
		<i>GT 60 ft</i>	8,478,868	769,298	9.1	2,058	0.0
		<i>36 To 60 ft</i>	4,267,424	905,293	21.2	0	0.0
		<i>LE 35 ft</i>	1,058,061	222,851	21.1	0	0.0
	1997	<i>Freezer</i>	619,003	2,590	0.4	144,378	23.3
		<i>GT 60 ft</i>	8,532,238	1,694,690	19.9	0	0.0
		<i>36 To 60 ft</i>	4,280,423	1,301,974	30.4	0	0.0
		<i>LE 35 ft</i>	1,071,301	444,898	41.5	0	0.0
	1998	<i>Freezer</i>	619,003	734	0.1	186,537	30.1
		<i>GT 60 ft</i>	8,531,883	327,750	3.8	0	0.0
		<i>36 To 60 ft</i>	4,287,490	372,816	8.7	0	0.0
		<i>LE 35 ft</i>	1,064,633	204,543	19.2	0	0.0
	ALL YEARS	<i>Freezer</i>	2,444,437	234,641	9.6	720,174	29.5
<i>GT 60 ft</i>		33,893,719	3,379,641	10.0	2,058	0.0	
<i>36 To 60 ft</i>		17,078,938	3,476,802	20.4	0	0.0	
<i>LE 35 ft</i>		4,287,692	1,085,839	25.3	0	0.0	

(Continued)

**Table 5-2a. (con't). Halibut QS Transfer and Lease Rates, 1995-1998  
By Area, Year, and Vessel Category**

Area	Year	Vessel Category	Year-end QS	Transferred QS	QS Transfer Rate (%)	Leased QS	QS Lease Rate (%)
4B	1995	<i>Freezer</i>	322,852	0	0.0	175,269	54.3
		<i>GT 60 ft</i>	7,100,366	259,872	3.7	49,048	0.7
		<i>36 To 60 ft</i>	1,333,447	149,126	11.2	0	0.0
		<i>LE 35 ft</i>	265,599	0	0.0	0	0.0
	1996	<i>Freezer</i>	553,489	0	0.0	0	0.0
		<i>GT 60 ft</i>	7,114,526	317,384	4.5	0	0.0
		<i>36 To 60 ft</i>	1,347,763	98,981	7.3	0	0.0
		<i>LE 35 ft</i>	265,599	16,079	6.1	0	0.0
	1997	<i>Freezer</i>	553,489	312,602	56.5	0	0.0
		<i>GT 60 ft</i>	7,114,526	1,216,374	17.1	0	0.0
		<i>36 To 60 ft</i>	1,347,763	260,065	19.3	0	0.0
		<i>LE 35 ft</i>	268,996	10,503	3.9	0	0.0
	1998	<i>Freezer</i>	553,489	105,248	19.0	0	0.0
		<i>GT 60 ft</i>	7,114,526	350,032	4.9	0	0.0
		<i>36 To 60 ft</i>	1,347,763	112,451	8.3	0	0.0
		<i>LE 35 ft</i>	268,996	12,110	4.5	0	0.0
	ALL YEARS	<i>Freezer</i>	1,983,319	417,850	21.1	175,269	8.8
		<i>GT 60 ft</i>	28,443,944	2,143,662	7.5	49,048	0.2
		<i>36 To 60 ft</i>	5,376,736	620,623	11.5	0	0.0
		<i>LE 35 ft</i>	1,069,190	38,692	3.6	0	0.0
4C	1995	<i>Freezer</i>	18,876	37,752	200.0	0	0.0
		<i>GT 60 ft</i>	1,767,422	0	0.0	0	0.0
		<i>36 To 60 ft</i>	1,007,084	67,578	6.7	0	0.0
		<i>LE 35 ft</i>	1,175,804	0	0.0	0	0.0
	1996	<i>Freezer</i>	18,876	37,752	200.0	0	0.0
		<i>GT 60 ft</i>	1,620,607	0	0.0	0	0.0
		<i>36 To 60 ft</i>	820,661	0	0.0	0	0.0
		<i>LE 35 ft</i>	1,509,042	576,694	38.2	0	0.0
	1997	<i>Freezer</i>	18,876	0	0.0	0	0.0
		<i>GT 60 ft</i>	1,620,607	264,166	16.3	0	0.0
		<i>36 To 60 ft</i>	820,661	115,897	14.1	0	0.0
		<i>LE 35 ft</i>	1,509,042	0	0.0	0	0.0
	1998	<i>Freezer</i>	18,876	0	0.0	0	0.0
		<i>GT 60 ft</i>	1,620,607	106,938	6.6	0	0.0
		<i>36 To 60 ft</i>	820,661	92,984	11.3	0	0.0
		<i>LE 35 ft</i>	1,509,042	13,713	0.9	0	0.0
	ALL YEARS	<i>Freezer</i>	75,504	75,504	100.0	0	0.0
		<i>GT 60 ft</i>	6,629,243	371,104	5.6	0	0.0
		<i>36 To 60 ft</i>	3,469,067	276,459	8.0	0	0.0
		<i>LE 35 ft</i>	5,702,930	590,407	10.4	0	0.0

(Continued)

**Table 5-2a. (con't). Halibut QS Transfer and Lease Rates, 1995-1998  
By Area, Year, and Vessel Category**

Area	Year	Vessel Category	Year-end QS	Transferred QS	QS Transfer Rate (%)	Leased QS	QS Lease Rate (%)
4D	1995	<i>Freezer</i>	355,318	0	0.0	0	0.0
		<i>GT 60 ft</i>	3,975,433	69,848	1.8	0	0.0
		<i>36 To 60 ft</i>	355,245	39,715	11.2	0	0.0
	1996	<i>Freezer</i>	413,936	154,426	37.3	0	0.0
		<i>GT 60 ft</i>	4,021,310	283,742	7.1	0	0.0
		<i>36 To 60 ft</i>	355,245	0	0.0	0	0.0
	1997	<i>Freezer</i>	413,936	145,364	35.1	390,361	94.3
		<i>GT 60 ft</i>	4,021,310	846,912	21.1	0	0.0
		<i>36 To 60 ft</i>	355,245	158,168	44.5	0	0.0
	1998	<i>Freezer</i>	413,936	58,618	14.2	268,572	64.9
		<i>GT 60 ft</i>	4,021,310	244,340	6.1	0	0.0
		<i>36 To 60 ft</i>	311,072	20,214	6.5	0	0.0
	ALL YEARS	<i>Freezer</i>	1,597,126	358,408	22.4	658,933	41.3
<i>GT 60 ft</i>		16,039,363	1,444,842	9.0	0	0.0	
<i>36 To 60 ft</i>		1,376,807	218,097	15.8	0	0.0	
4E	1995	<i>GT 60 ft</i>	11,176	0	0.0	0	0.0
		<i>36 To 60 ft</i>	37,032	0	0.0	0	0.0
		<i>LE 35 ft</i>	91,791	0	0.0	0	0.0
	1996	<i>GT 60 ft</i>	11,176	0	0.0	0	0.0
		<i>36 To 60 ft</i>	37,032	0	0.0	0	0.0
		<i>LE 35 ft</i>	91,791	0	0.0	0	0.0
	1997	<i>GT 60 ft</i>	11,176	0	0.0	0	0.0
		<i>36 To 60 ft</i>	37,032	1,856	5.0	0	0.0
		<i>LE 35 ft</i>	91,791	0	0.0	0	0.0
	1998	<i>GT 60 ft</i>	11,176	0	0.0	0	0.0
		<i>36 To 60 ft</i>	37,032	0	0.0	0	0.0
		<i>LE 35 ft</i>	91,791	0	0.0	0	0.0
	ALL YEARS	<i>GT 60 ft</i>	44,704	0	0.0	0	0.0
		<i>36 To 60 ft</i>	148,128	1,856	1.3	0	0.0
		<i>LE 35 ft</i>	367,164	0	0.0	0	0.0

**Table 5-2b. Transfer and Lease Rates of Halibut QS Holders, 1995-1998  
By Area, Year, and Vessel Category**

Area	Year	Vessel Category	Year-end Persons	Persons With Transfers	Transferor Rate (%)	Unique Lessors	Lessor Rate (%)
2C	1995	<i>Freezer</i>	30	2	6.7	6	20.0
		<i>GT 60 ft</i>	125	18	14.4	1	0.8
		<i>36 To 60 ft</i>	1,019	279	27.4	0	0.0
		<i>LE 35 ft</i>	984	152	15.4	0	0.0
	1996	<i>Freezer</i>	29	9	31.0	7	24.1
		<i>GT 60 ft</i>	102	32	31.4	0	0.0
		<i>36 To 60 ft</i>	954	247	25.9	4	0.4
		<i>LE 35 ft</i>	871	158	18.1	1	0.1
	1997	<i>Freezer</i>	29	5	17.2	9	31.0
		<i>GT 60 ft</i>	91	16	17.6	0	0.0
		<i>36 To 60 ft</i>	873	180	20.6	4	0.5
		<i>LE 35 ft</i>	793	122	15.4	2	0.3
	1998	<i>Freezer</i>	29	2	6.9	10	34.5
		<i>GT 60 ft</i>	83	13	15.7	0	0.0
		<i>36 To 60 ft</i>	855	95	11.1	2	0.2
		<i>LE 35 ft</i>	758	56	7.4	2	0.3
	ALL YEARS	<i>Freezer</i>	117	18	15.4	32	27.4
<i>GT 60 ft</i>		401	79	19.7	1	0.2	
<i>36 To 60 ft</i>		3,701	801	21.6	10	0.3	
<i>LE 35 ft</i>		3,406	488	14.3	5	0.1	
3A	1995	<i>Freezer</i>	37	2	5.4	7	18.9
		<i>GT 60 ft</i>	274	82	29.9	2	0.7
		<i>36 To 60 ft</i>	1,349	284	21.1	3	0.2
		<i>LE 35 ft</i>	1,163	161	13.8	0	0.0
	1996	<i>Freezer</i>	38	5	13.2	8	21.1
		<i>GT 60 ft</i>	281	72	25.6	11	3.9
		<i>36 To 60 ft</i>	1,248	316	25.3	6	0.5
		<i>LE 35 ft</i>	1,062	145	13.7	0	0.0
	1997	<i>Freezer</i>	38	7	18.4	6	15.8
		<i>GT 60 ft</i>	277	52	18.8	6	2.2
		<i>36 To 60 ft</i>	1,151	243	21.1	7	0.6
		<i>LE 35 ft</i>	972	146	15.0	1	0.1
	1998	<i>Freezer</i>	37	3	8.1	7	18.9
		<i>GT 60 ft</i>	277	40	14.4	0	0.0
		<i>36 To 60 ft</i>	1,111	128	11.5	5	0.5
		<i>LE 35 ft</i>	923	76	8.2	2	0.2
	ALL YEARS	<i>Freezer</i>	150	17	11.3	28	18.7
<i>GT 60 ft</i>		1,109	246	22.2	19	1.7	
<i>36 To 60 ft</i>		4,859	971	20.0	21	0.4	
<i>LE 35 ft</i>		4,120	528	12.8	3	0.1	

(Continued)

**Table 5-2b. (con't) Transfer and Lease Rates of Halibut QS Holders, 1995-1998  
By Area, Year, and Vessel Category**

Area	Year	Vessel Category	Year-end Persons	Persons With Transfers	Transferor Rate (%)	Unique Lessors	Lessor Rate (%)
3B	1995	Freezer	20	1	5.0	5	25.0
		GT 60 ft	195	58	29.7	0	0.0
		36 To 60 ft	511	81	15.9	0	0.0
		LE 35 ft	253	12	4.7	0	0.0
	1996	Freezer	18	7	38.9	5	27.8
		GT 60 ft	182	95	52.2	8	4.4
		36 To 60 ft	483	120	24.8	0	0.0
		LE 35 ft	188	28	14.9	0	0.0
	1997	Freezer	18	2	11.1	5	27.8
		GT 60 ft	178	42	23.6	2	1.1
		36 To 60 ft	394	151	38.3	2	0.5
		LE 35 ft	160	46	28.8	0	0.0
	1998	Freezer	18	1	5.6	5	27.8
		GT 60 ft	175	23	13.1	0	0.0
		36 To 60 ft	374	47	12.6	2	0.5
		LE 35 ft	139	17	12.2	0	0.0
	ALL YEARS	Freezer	74	11	14.9	20	27.0
GT 60 ft		730	218	29.9	10	1.4	
36 To 60 ft		1,762	399	22.6	4	0.2	
LE 35 ft		740	103	13.9	0	0.0	
4A	1995	Freezer	17	1	5.9	3	17.6
		GT 60 ft	136	40	29.4	0	0.0
		36 To 60 ft	135	28	20.7	0	0.0
		LE 35 ft	200	22	11.0	0	0.0
	1996	Freezer	17	3	17.6	2	11.8
		GT 60 ft	139	40	28.8	8	5.8
		36 To 60 ft	126	31	24.6	0	0.0
		LE 35 ft	168	15	8.9	0	0.0
	1997	Freezer	17	3	17.6	4	23.5
		GT 60 ft	130	33	25.4	0	0.0
		36 To 60 ft	107	57	53.3	0	0.0
		LE 35 ft	151	41	27.2	0	0.0
	1998	Freezer	17	1	5.9	5	29.4
		GT 60 ft	124	23	18.5	0	0.0
		36 To 60 ft	100	16	16.0	0	0.0
		LE 35 ft	138	9	6.5	0	0.0
	ALL YEARS	Freezer	68	8	11.8	14	20.6
GT 60 ft		529	136	25.7	8	1.5	
36 To 60 ft		468	132	28.2	0	0.0	
LE 35 ft		657	87	13.2	0	0.0	

(Continued)

**Table 5-2b. (con't). Transfer and Lease Rates of Halibut QS Holders, 1995-1998  
By Area, Year, and Vessel Category**

Area	Year	Vessel Category	Year-end Persons	Persons With Transfers	Transferor Rate (%)	Unique Lessors	Lessor Rate (%)
4B	1995	Freezer	7	0	0.0	2	28.6
		GT 60 ft	78	8	10.3	1	1.3
		36 To 60 ft	34	5	14.7	0	0.0
		LE 35 ft	27	0	0.0	0	0.0
	1996	Freezer	8	0	0.0	0	0.0
		GT 60 ft	77	7	9.1	0	0.0
		36 To 60 ft	33	2	6.1	0	0.0
		LE 35 ft	26	3	11.5	0	0.0
	1997	Freezer	7	3	42.9	0	0.0
		GT 60 ft	72	19	26.4	0	0.0
		36 To 60 ft	29	9	31.0	0	0.0
		LE 35 ft	26	2	7.7	0	0.0
	1998	Freezer	7	1	14.3	0	0.0
		GT 60 ft	70	7	10.0	0	0.0
		36 To 60 ft	28	6	21.4	0	0.0
		LE 35 ft	25	1	4.0	0	0.0
	ALL YEARS	Freezer	29	4	13.8	2	6.9
		GT 60 ft	297	41	13.8	1	0.3
		36 To 60 ft	124	22	17.7	0	0.0
		LE 35 ft	104	6	5.8	0	0.0
4C	1995	Freezer	1	2	200.0	0	0.0
		GT 60 ft	29	0	0.0	0	0.0
		36 To 60 ft	20	1	5.0	0	0.0
		LE 35 ft	31	0	0.0	0	0.0
	1996	Freezer	1	2	200.0	0	0.0
		GT 60 ft	28	0	0.0	0	0.0
		36 To 60 ft	19	0	0.0	0	0.0
		LE 35 ft	33	4	12.1	0	0.0
	1997	Freezer	1	0	0.0	0	0.0
		GT 60 ft	28	6	21.4	0	0.0
		36 To 60 ft	18	3	16.7	0	0.0
		LE 35 ft	33	0	0.0	0	0.0
	1998	Freezer	1	0	0.0	0	0.0
		GT 60 ft	26	4	15.4	0	0.0
		36 To 60 ft	17	3	17.6	0	0.0
		LE 35 ft	32	1	3.1	0	0.0
	ALL YEARS	Freezer	4	4	100.0	0	0.0
		GT 60 ft	111	10	9.0	0	0.0
		36 To 60 ft	74	7	9.5	0	0.0
		LE 35 ft	129	5	3.9	0	0.0

(Continued)

**Table 5-2b. (con't). Transfer and Lease Rates of Halibut QS Holders, 1995-1998  
By Area, Year, and Vessel Category**

<b>Area</b>	<b>Year</b>	<b>Vessel Category</b>	<b>Year-end Persons</b>	<b>Persons With Transfers</b>	<b>Transferor Rate (%)</b>	<b>Unique Lessors</b>	<b>Lessor Rate (%)</b>
<b>4D</b>	<b>1995</b>	<i>Freezer</i>	5	0	0.0	0	0.0
		<i>GT 60 ft</i>	49	1	2.0	0	0.0
		<i>36 To 60 ft</i>	14	1	7.1	0	0.0
	<b>1996</b>	<i>Freezer</i>	6	1	16.7	0	0.0
		<i>GT 60 ft</i>	49	4	8.2	0	0.0
		<i>36 To 60 ft</i>	14	0	0.0	0	0.0
	<b>1997</b>	<i>Freezer</i>	5	3	60.0	3	60.0
		<i>GT 60 ft</i>	47	13	27.7	0	0.0
		<i>36 To 60 ft</i>	13	5	38.5	0	0.0
	<b>1998</b>	<i>Freezer</i>	5	1	20.0	3	60.0
		<i>GT 60 ft</i>	43	10	23.3	0	0.0
		<i>36 To 60 ft</i>	11	2	18.2	0	0.0
	<b>ALL YEARS</b>	<i>Freezer</i>	21	5	23.8	6	28.6
<i>GT 60 ft</i>		188	28	14.9	0	0.0	
<i>36 To 60 ft</i>		52	8	15.4	0	0.0	
<b>4E</b>	<b>1995</b>	<i>GT 60 ft</i>	2	0	0.0	0	0.0
		<i>36 To 60 ft</i>	7	0	0.0	0	0.0
		<i>LE 35 ft</i>	95	0	0.0	0	0.0
	<b>1996</b>	<i>GT 60 ft</i>	2	0	0.0	0	0.0
		<i>36 To 60 ft</i>	7	0	0.0	0	0.0
		<i>LE 35 ft</i>	95	0	0.0	0	0.0
	<b>1997</b>	<i>GT 60 ft</i>	2	0	0.0	0	0.0
		<i>36 To 60 ft</i>	7	1	14.3	0	0.0
		<i>LE 35 ft</i>	95	0	0.0	0	0.0
	<b>1998</b>	<i>GT 60 ft</i>	2	0	0.0	0	0.0
		<i>36 To 60 ft</i>	7	0	0.0	0	0.0
		<i>LE 35 ft</i>	95	0	0.0	0	0.0
	<b>ALL YEARS</b>	<i>GT 60 ft</i>	8	0	0.0	0	0.0
		<i>36 To 60 ft</i>	28	1	3.6	0	0.0
		<i>LE 35 ft</i>	380	0	0.0	0	0.0

### **5.3 Lessors, Lessees, Leases, and Lease Rates**

Table 5-3 provides additional details on lease transactions over the 1995 through 1998 time period. The table provides information on the number of lessors and lessees as well as the number of leases. Note that the numbers of lessors, lessees, and leases may vary for a particular type of QS because a person could lease QS to more than one person. Similarly, a person could lease QS from more than one person.

The table also provides data on the average QS per lease, the total amount of QS leased, and the QS lease rate as a percentage of the year-end QS. These data are provided by area, year, and vessel category.

An “All Years” summary row is also provided for each area and vessel category. The numbers in these rows are the sum of the numbers in the four years or averages and rates based upon numbers summed over all four years.

The table again shows that most of the formal lease transactions over the 1995 through 1998 period were for freezer vessel QS. In the six areas where QS lease transactions occurred, QS lease rates among freezer vessels over the four year period varied from 8.8% in Area 4B to 41.3% in Area 4D. The average QS per lease was highest in the freezer vessel category in all six areas.

**Table 5-3. Leases of QS By Area and Vessel Category, 1995-1998  
By Area, Vessel Category, and Year**

Mgmt Area	Year	Vessel Category	Year-end QS	Year-end Persons	Number Of Lessors	Number Of Leases	Number Of Leasees	Leased QS	Average QS Per Lease	QS Lease Rate (%)
2C	1995	Freezer	1,233,704	30	6	6	6	166,656	27,776	13.5
		GT 60 ft.	2,900,705	125	1	1	1	3,604	3,604	0.1
		36-60 ft.	45,222,555	1,019	0	0	0	0	0	0.0
		LE 35 ft.	9,608,273	984	0	0	0	0	0	0.0
	1996	Freezer	1,243,061	29	7	7	7	219,174	31,311	17.6
		GT 60 ft.	2,791,577	102	0	0	0	0	0	0.0
		36-60 ft.	45,810,132	954	4	4	4	47,208	11,802	0.1
		LE 35 ft.	9,180,797	871	1	1	1	2,011	2,011	0.0
	1997	Freezer	1,249,141	29	9	9	8	295,907	32,879	23.7
		GT 60 ft.	2,709,684	91	0	0	0	0	0	0.0
		36-60 ft.	46,498,798	873	4	4	4	120,075	30,019	0.3
		LE 35 ft.	9,092,237	793	2	2	2	9,983	4,992	0.1
	1998	Freezer	1,249,141	29	10	10	9	379,527	37,953	30.4
		GT 60 ft.	2,702,528	83	0	0	0	0	0	0.0
		36-60 ft.	46,512,181	855	2	2	2	129,415	64,708	0.3
		LE 35 ft.	9,087,407	758	2	2	2	9,983	4,992	0.1
	ALL YRS	Freezer	4,975,047	117	32	32	30	1,061,264	33,165	21.3
		GT 60 ft.	11,104,494	401	1	1	1	3,604	3,604	0.0
		36-60 ft.	184,043,666	3,701	10	10	10	296,698	29,670	0.2
		LE 35 ft.	36,968,714	3,406	5	5	5	21,977	4,395	0.1
3A	1995	Freezer	4,156,950	37	7	7	7	1,239,915	177,131	29.8
		GT 60 ft.	67,514,777	274	2	2	2	97,054	48,527	0.1
		36-60 ft.	97,630,610	1,349	3	3	3	64,824	21,608	0.1
		LE 35 ft.	13,381,573	1,163	0	0	0	0	0	0.0
	1996	Freezer	4,736,344	38	8	8	8	1,708,970	213,621	36.1
		GT 60 ft.	68,251,744	281	11	11	2	60,440	5,495	0.1
		36-60 ft.	98,459,927	1,248	6	6	5	122,855	20,476	0.1
		LE 35 ft.	12,863,030	1,062	0	0	0	0	0	0.0
	1997	Freezer	4,755,112	38	6	6	6	803,536	133,923	16.9
		GT 60 ft.	68,298,684	277	6	6	5	176,243	29,374	0.3
		36-60 ft.	98,862,582	1,151	7	7	7	371,987	53,141	0.4
		LE 35 ft.	12,824,277	972	1	1	1	13,536	13,536	0.1
	1998	Freezer	4,755,112	37	7	7	6	1,150,030	164,290	24.2
		GT 60 ft.	68,347,490	277	0	0	0	0	0	0.0
		36-60 ft.	98,745,121	1,111	5	5	5	307,147	61,429	0.3
		LE 35 ft.	12,875,753	923	2	2	2	56,334	28,167	0.4
	ALL YRS	Freezer	18,403,518	150	28	28	27	4,902,451	175,088	26.6
		GT 60 ft.	272,412,695	1,109	19	19	9	333,737	17,565	0.1
		36-60 ft.	393,698,240	4,859	21	21	20	866,813	41,277	0.2
		LE 35 ft.	51,944,633	4,120	3	3	3	69,870	23,290	0.1

(Continued)

**Table 5-3. (con't). Leases of QS By Area and Vessel Category, 1995-1998  
By Area, Vessel Category, and Year**

<b>Mgmt Area</b>	<b>Year</b>	<b>Vessel Category</b>	<b>Year-end QS</b>	<b>Year-end Persons</b>	<b>Number Of Lessors</b>	<b>Number Of Leases</b>	<b>Number Of Leasees</b>	<b>Leased QS</b>	<b>Average QS Per Lease</b>	<b>QS Lease Rate (%)</b>
<b>3B</b>	<b>1995</b>	<i>Freezer</i>	1,525,163	20	5	5	5	491,569	98,314	32.2
		<i>GT 60 ft.</i>	29,676,351	195	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	20,234,235	511	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	1,958,664	253	0	0	0	0	0	0.0
	<b>1996</b>	<i>Freezer</i>	1,587,671	18	5	6	6	738,392	123,065	46.5
		<i>GT 60 ft.</i>	29,930,873	182	8	8	1	6,541	818	0.0
		<i>36-60 ft.</i>	20,598,405	483	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	1,707,778	188	0	0	0	0	0	0.0
	<b>1997</b>	<i>Freezer</i>	1,593,155	18	5	5	5	340,434	68,087	21.4
		<i>GT 60 ft.</i>	29,952,504	178	2	2	2	43,579	21,790	0.1
		<i>36-60 ft.</i>	20,668,535	394	2	2	2	55,214	27,607	0.3
		<i>LE 35 ft.</i>	1,698,355	160	0	0	0	0	0	0.0
	<b>1998</b>	<i>Freezer</i>	1,593,155	18	5	5	5	340,434	68,087	21.4
		<i>GT 60 ft.</i>	29,944,248	175	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	20,621,534	374	2	2	2	160,101	80,051	0.8
		<i>LE 35 ft.</i>	1,681,651	139	0	0	0	0	0	0.0
	<b>ALL YRS</b>	<i>Freezer</i>	6,299,144	74	20	21	21	1,910,829	90,992	30.3
		<i>GT 60 ft.</i>	119,503,976	730	10	10	3	50,120	5,012	0.0
		<i>36-60 ft.</i>	82,122,709	1,762	4	4	4	215,315	53,829	0.3
		<i>LE 35 ft.</i>	7,046,448	740	0	0	0	0	0	0.0
<b>4A</b>	<b>1995</b>	<i>Freezer</i>	588,884	17	3	4	4	228,184	57,046	38.7
		<i>GT 60 ft.</i>	8,350,730	136	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	4,243,601	135	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	1,093,697	200	0	0	0	0	0	0.0
	<b>1996</b>	<i>Freezer</i>	617,547	17	2	2	2	161,075	80,538	26.1
		<i>GT 60 ft.</i>	8,478,868	139	8	8	1	2,058	257	0.0
		<i>36-60 ft.</i>	4,267,424	126	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	1,058,061	168	0	0	0	0	0	0.0
	<b>1997</b>	<i>Freezer</i>	619,003	17	4	4	4	144,378	36,095	23.3
		<i>GT 60 ft.</i>	8,532,238	130	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	4,280,423	107	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	1,071,301	151	0	0	0	0	0	0.0
	<b>1998</b>	<i>Freezer</i>	619,003	17	5	5	5	186,537	37,307	30.1
		<i>GT 60 ft.</i>	8,531,883	124	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	4,287,490	100	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	1,064,633	138	0	0	0	0	0	0.0
	<b>ALL YRS</b>	<i>Freezer</i>	2,444,437	68	14	15	15	720,174	48,012	29.5
		<i>GT 60 ft.</i>	33,893,719	529	8	8	1	2,058	257	0.0
		<i>36-60 ft.</i>	17,078,938	468	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	4,287,692	657	0	0	0	0	0	0.0

(Continued)

**Table 5-3. (con't). Leases of QS By Area and Vessel Category, 1995-1998  
By Area, Vessel Category, and Year**

Mgmt Area	Year	Vessel Category	Year-end QS	Year-end Persons	Number Of Lessors	Number Of Leases	Number Of Leasees	Leased QS	Average QS Per Lease	QS Lease Rate (%)
4B	1995	Freezer	322,852	7	2	2	2	175,269	87,635	54.3
		GT 60 ft.	7,100,366	78	1	1	1	49,048	49,048	0.7
		36-60 ft.	1,333,447	34	0	0	0	0	0	0.0
		LE 35 ft.	265,599	27	0	0	0	0	0	0.0
	1996	Freezer	553,489	8	0	0	0	0	0	0.0
		GT 60 ft.	7,114,526	77	0	0	0	0	0	0.0
		36-60 ft.	1,347,763	33	0	0	0	0	0	0.0
		LE 35 ft.	265,599	26	0	0	0	0	0	0.0
	1997	Freezer	553,489	7	0	0	0	0	0	0.0
		GT 60 ft.	7,114,526	72	0	0	0	0	0	0.0
		36-60 ft.	1,347,763	29	0	0	0	0	0	0.0
		LE 35 ft.	268,996	26	0	0	0	0	0	0.0
	1998	Freezer	553,489	7	0	0	0	0	0	0.0
		GT 60 ft.	7,114,526	70	0	0	0	0	0	0.0
		36-60 ft.	1,347,763	28	0	0	0	0	0	0.0
		LE 35 ft.	268,996	25	0	0	0	0	0	0.0
	ALL YRS	Freezer	1,983,319	29	2	2	2	175,269	87,635	8.8
		GT 60 ft.	28,443,944	297	1	1	1	49,048	49,048	0.2
		36-60 ft.	5,376,736	124	0	0	0	0	0	0.0
		LE 35 ft.	1,069,190	104	0	0	0	0	0	0.0
4C	1995	Freezer	18,876	1	0	0	0	0	0	0.0
		GT 60 ft.	1,767,422	29	0	0	0	0	0	0.0
		36-60 ft.	1,007,084	20	0	0	0	0	0	0.0
		LE 35 ft.	1,175,804	31	0	0	0	0	0	0.0
	1996	Freezer	18,876	1	0	0	0	0	0	0.0
		GT 60 ft.	1,620,607	28	0	0	0	0	0	0.0
		36-60 ft.	820,661	19	0	0	0	0	0	0.0
		LE 35 ft.	1,509,042	33	0	0	0	0	0	0.0
	1997	Freezer	18,876	1	0	0	0	0	0	0.0
		GT 60 ft.	1,620,607	28	0	0	0	0	0	0.0
		36-60 ft.	820,661	18	0	0	0	0	0	0.0
		LE 35 ft.	1,509,042	33	0	0	0	0	0	0.0
	1998	Freezer	18,876	1	0	0	0	0	0	0.0
		GT 60 ft.	1,620,607	26	0	0	0	0	0	0.0
		36-60 ft.	820,661	17	0	0	0	0	0	0.0
		LE 35 ft.	1,509,042	32	0	0	0	0	0	0.0
	ALL YRS	Freezer	75,504	4	0	0	0	0	0	0.0
		GT 60 ft.	6,629,243	111	0	0	0	0	0	0.0
		36-60 ft.	3,469,067	74	0	0	0	0	0	0.0
		LE 35 ft.	5,702,930	129	0	0	0	0	0	0.0

(Continued)

**Table 5-3. (con't). Leases of QS By Area and Vessel Category, 1995-1998  
By Area, Vessel Category, and Year**

Mgmt Area	Year	Vessel Category	Year-end QS	Year-end Persons	Number Of Lessors	Number Of Leases	Number Of Leasees	Leased QS	Average QS Per Lease	QS Lease Rate (%)
4D	1995	<i>Freezer</i>	355,318	5	0	0	0	0	0	0.0
		<i>GT 60 ft.</i>	3,975,433	49	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	355,245	14	0	0	0	0	0	0.0
	1996	<i>Freezer</i>	413,936	6	0	0	0	0	0	0.0
		<i>GT 60 ft.</i>	4,021,310	49	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	355,245	14	0	0	0	0	0	0.0
	1997	<i>Freezer</i>	413,936	5	3	4	4	390,361	97,590	94.3
		<i>GT 60 ft.</i>	4,021,310	47	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	355,245	13	0	0	0	0	0	0.0
	1998	<i>Freezer</i>	413,936	5	3	3	1	268,572	89,524	64.9
		<i>GT 60 ft.</i>	4,021,310	43	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	311,072	11	0	0	0	0	0	0.0
	ALL YRS	<i>Freezer</i>	1,597,126	21	6	7	5	658,933	94,133	41.3
		<i>GT 60 ft.</i>	16,039,363	188	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	1,376,807	52	0	0	0	0	0	0.0
4E	1995	<i>GT 60 ft.</i>	11,176	2	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	37,032	7	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	91,791	95	0	0	0	0	0	0.0
	1996	<i>GT 60 ft.</i>	11,176	2	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	37,032	7	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	91,791	95	0	0	0	0	0	0.0
	1997	<i>GT 60 ft.</i>	11,176	2	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	37,032	7	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	91,791	95	0	0	0	0	0	0.0
	1998	<i>GT 60 ft.</i>	11,176	2	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	37,032	7	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	91,791	95	0	0	0	0	0	0.0
	ALL YRS	<i>GT 60 ft.</i>	44,704	8	0	0	0	0	0	0.0
		<i>36-60 ft.</i>	148,128	28	0	0	0	0	0	0.0
		<i>LE 35 ft.</i>	367,164	380	0	0	0	0	0	0.0

## 5.4 QS Lease Prices

This section provides information on QS lease prices. Table 5-4 provides summary data on the total number of formal lease transactions over the 1995 through 1998 time period and the number and percentage of these transactions that had lease prices available from the transfer forms.

The table indicates that there were 187 halibut QS lease transactions over the 1995 to 1998 time period, and of these lease prices could be calculated from only 55 (29.4%) of the transactions.<sup>44</sup> Since a QS lease within a year can be translated into a specific amount of IFQ for that year, the pounds of IFQ associated with the lease is reported in the table.

Table 5-5 provides information on halibut priced lease transactions only. The table provides information on the number of priced lease transactions, the amount of QS involved in the lease, the average QS per lease, the amount of IFQ associated with the lease, and the average IFQ per lease by area and vessel category.

Where sufficient observations are available to preserve confidentiality, average lease prices are reported. Prices are reported in dollars per leased QS unit and in dollars per pound of IFQ leased. Prices per pound of IFQ leased are comparable across areas within a year.

As can be seen, there are not enough priced observations in most categories to report an average price. Since there are so few priced lease transactions, the reader should view the few reported prices with caution.

The only reportable average lease prices are for freezer vessel QS in areas 2C and 3A. In 1995, the average lease price for freezer (harvester-processor) QS in area 3A in terms of dollars per pound of IFQ was lower than the 2C average lease price.

Prices over “all” areas are reported in the last rows of the table for each year from 1995 through 1998. Again, prices can only be reported for the freezer vessel category. Average prices for the lease of freezer vessel QS increased from \$.84 per pound of IFQ in 1995 to \$.99 per pound of IFQ in 1996. Freezer vessel QS lease prices then decreased to \$.67 per pound of halibut IFQ in 1997 and to \$.36 per pound of IFQ in 1998.

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<sup>44</sup>NMFS-RAM personnel have suggested that almost all lease transactions have monetary considerations. However, in many cases the lease contract is a “share” contract or percentage contract. In such cases, persons coding the transfer document have no way to calculate the exact amount of the lease or the rental price per pound of IFQ. Thus in the computer file the fields are left blank or “unpriced” even though the lessor will receive compensation.

**Table 5-4. Priced and Unpriced Halibut QS Leases By Area and Vessel Category, 1995-1998**

Area	Year	Vessel Category	Number of Leases	Number of Priced Leases	Pct Priced Leases	All Leased IFQ	All IFQ In Priced Leases	Pct. IFQ In Priced Leases
2C	95	Freezer	6	5	83.3	25,060	25,041	99.9
		GT 60 ft	1	0	0.0	542	0	0.0
	96	Freezer	7	2	28.6	32,790	10,528	32.1
		36-60 ft	4	1	25.0	7,212	2,000	27.7
		LE 35 ft	1	0	0.0	332	0	0.0
	97	Freezer	9	3	33.3	51,561	14,424	28.0
		36-60 ft	4	1	25.0	18,852	1,520	8.1
		LE 35 ft	2	0	0.0	1,848	0	0.0
	98	Freezer	10	4	40.0	68,280	38,190	55.9
		36-60 ft	2	1	50.0	23,824	16,720	70.2
		LE 35 ft	2	1	50.0	1,772	1,421	80.2
	3A	95	Freezer	7	4	57.1	133,452	121,555
GT 60 ft			2	0	0.0	10,446	0	0.0
36-60 ft			3	1	33.3	6,977	2,260	32.4
96		Freezer	8	3	37.5	182,276	70,461	38.7
		GT 60 ft	11	0	0.0	7,146	0	0.0
		36-60 ft	6	2	33.3	8,968	2,705	30.2
97		Freezer	6	1	16.7	112,439	65,906	58.6
		GT 60 ft	6	0	0.0	20,607	0	0.0
		36-60 ft	7	0	0.0	50,755	0	0.0
		LE 35 ft	1	1	100.0	1,987	1,987	100.0
98		Freezer	7	3	42.9	130,599	81,532	62.4
		36-60 ft	5	2	40.0	43,726	21,966	50.2
	LE 35 ft	2	1	50.0	8,728	2,102	24.1	
3B	95	Freezer	5	3	60.0	33,412	13,373	40.0
	96	Freezer	6	3	50.0	48,805	5,375	11.0
		GT 60 ft	8	0	0.0	489	0	0.0
	97	Freezer	5	1	20.0	56,108	19,058	34.0
		GT 60 ft	2	0	0.0	7,345	0	0.0
		36-60 ft	2	0	0.0	8,381	0	0.0
	98	Freezer	5	2	40.0	67,754	52,070	76.9
		36-60 ft	2	0	0.0	33,968	0	0.0
4A	95	Freezer	4	2	50.0	29,940	14,443	48.2
	96	Freezer	2	0	0.0	20,029	0	0.0
		GT 60 ft	8	0	0.0	298	0	0.0
	97	Freezer	4	1	25.0	29,892	11,101	37.1
98	Freezer	5	2	40.0	46,423	27,641	59.5	
4B	95	Freezer	2	1	50.0	35,066	28,178	80.4
		GT 60 ft	1	0	0.0	9,813	0	0.0
4D	97	Freezer	4	1	25.0	67,363	27,952	41.5
	98	Freezer	3	3	100.0	65,196	65,196	100.0

**Table 5-5. Average Prices For Halibut QS "Priced" Leases By Area and Vessel Category, 1995-1998**

Area	Year	Vessel Category	Average Lease \$/IFQ	Average Lease \$/QS	IFQ In Priced Leases	Average IFQ PER Lease	QS in Priced Leases	Average QS Per Lease	Number of Leases	
2C	95	Freezer	\$1.04	\$0.16	25,041	5,008	166,530	33,306	5	
			C	C	10,528	5,264	67,198	33,599	2	
	96	Freezer 36-60 ft	C	C	2,000	2,000	13,330	13,330	1	
			C	C	14,424	4,808	81,002	27,001	3	
	97	Freezer 36-60 ft	C	C	1,520	1,520	8,988	8,988	1	
			C	C	38,190	9,548	210,983	52,746	4	
	98	Freezer 36-60 ft	C	C	16,720	16,720	92,572	92,572	1	
			C	C	1,421	1,421	7,972	7,972	1	
	3A	95	Freezer	\$0.80	\$0.09	121,555	30,389	1,129,379	282,345	4
				C	C	2,260	2,260	20,998	20,998	1
		96	Freezer 36-60 ft	C	C	70,461	23,487	658,635	219,545	3
				C	C	2,705	1,353	66,331	33,166	2
97		Freezer LE 35 ft	C	C	65,906	65,906	474,202	474,202	1	
			C	C	1,987	1,987	13,536	13,536	1	
98		Freezer 36-60 ft	C	C	81,532	27,177	559,377	186,459	3	
			C	C	21,966	10,983	151,763	75,882	2	
98		Freezer LE 35 ft	C	C	2,102	2,102	13,536	13,536	1	
			C	C	13,373	4,458	196,748	65,583	3	
3B		95	Freezer	C	C	5,375	1,792	75,295	25,098	3
				C	C	19,058	19,058	114,159	114,159	1
96	Freezer	C	C	52,070	26,035	262,375	131,188	2		
		C	C	14,443	7,222	110,076	55,038	2		
4A	95	Freezer	C	C	11,101	11,101	51,441	51,441	1	
			C	C	27,641	13,821	114,539	57,270	2	
97	Freezer	C	C	28,178	28,178	140,841	140,841	1		
		C	C	27,952	27,952	154,426	154,426	1		
4B	95	Freezer	C	C	65,196	21,732	268,572	89,524	3	
			C	C	28,178	28,178	140,841	140,841	1	
4D	97	Freezer	C	C	27,952	27,952	154,426	154,426	1	
			C	C	65,196	21,732	268,572	89,524	3	
ALL AREAS	95	Freezer	\$0.84	\$0.10	202,590	13,506	1,743,574	116,238	15	
			C	C	2,260	2,260	20,998	20,998	1	
	96	Freezer 36-60 ft	\$0.99	\$0.11	86,364	10,796	801,128	100,141	8	
			C	C	4,705	1,568	79,661	26,554	3	
	97	Freezer 36-60 ft	\$0.67	\$0.11	138,441	19,777	875,230	125,033	7	
			C	C	1,520	1,520	8,988	8,988	1	
	98	Freezer LE 35 ft	C	C	1,987	1,987	13,536	13,536	1	
			C	C	264,629	18,902	1,415,846	101,132	14	
	98	Freezer 36-60 ft	C	C	38,686	12,895	244,335	81,445	3	
			C	C	3,523	1,762	21,508	10,754	2	