

13 New Entrants in the Fishery

Other sections of this report examine the net result of consolidations and transfer activities that have occurred since the initial QS allocation. Some of the transferred QS went to initial QS recipients and some went to new entrants. The tables in this section present data that show the extent to which new entrants obtained QS and entered the sablefish fishery. The data suggest that significant numbers of persons who were not initial issues for an area were able to obtain sablefish 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 Chapter 3 and other sections of this report.

Any United States citizen or entity can 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). New entrants might 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 issuees at the end of each year from 1995 through 1998. The table provides the percentage these initial holders represent of all QS holders, and their average QS holdings.

The table also shows the amount and percentage of sablefish QS which is held by new entrants to the area at the end of each year. Note that a new entrant in one area may have initially received sablefish QS 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.

The number of initial issuees who still held QS declined in all areas from 1995 through 1998. By the end of 1998, the percentage of QS holders who were new entrants to the area ranged from 12.5% of the QS holders in the Bering Sea area to 22.3% of the QS holders in the West Yakutat area. Similarly, by the end of 1998, new entrants to the area held between 9.5% of the available QS in the West Yakutat area to 21.3% in the Bering

Sea area. These data suggest significant numbers of new persons have been able to enter the sablefish fishery after initial allocation.

As stated, some of the new QS holders in an area were initial issuees in other sablefish areas or received an initial allocation of halibut QS. This can be seen in Table 13-1b, which examines more closely the new entrants in each sablefish management 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 sablefish management area. They also show the number of remaining initial issuees at the end of the year and the percentage of the total QS holders which they represent.

The next 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 for another species.

For example, by the end of 1998 there were 89 persons who were new entrants to the Central Gulf. Of these persons, 84 were “new holders” of sablefish QS -- meaning they were not initial issuees of QS in any other area -- and 63 were entirely new entrants to the IFQ program. The numbers imply that 5 of the 89 new entrants in the Central Gulf were initial issuees of sablefish QS in some other area, and 21 of the 89 new Central Gulf entrants were either initial issuees of sablefish QS in some other area or were initial issuees of halibut 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. A large portion of the leased QS went to persons who were not initial QS recipients.

Table 13-1a. Sablefish QS Holdings of 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 |
|------------|------|----------------------------------|---------------------------------|---------------------------------|--------------------------|---------------------------------|-------------------------------|------------------------------|------------------------------|-----------------------|------------------------------|
| Southeast | 1995 | 61,934,533 | 94.8 | 104,974 | 590 | 89.9 | 3,418,229 | 5.2 | 51,791 | 66 | 10.1 |
| | 1996 | 60,369,833 | 91.7 | 117,680 | 513 | 84.4 | 5,459,642 | 8.3 | 57,470 | 95 | 15.6 |
| | 1997 | 57,882,234 | 87.8 | 130,660 | 443 | 80.1 | 8,056,528 | 12.2 | 73,241 | 110 | 19.9 |
| | 1998 | 57,528,456 | 87.2 | 137,628 | 418 | 79.6 | 8,439,392 | 12.8 | 78,873 | 107 | 20.4 |
| W. Yakutat | 1995 | 51,120,475 | 97.2 | 130,743 | 391 | 93.1 | 1,476,794 | 2.8 | 50,924 | 29 | 6.9 |
| | 1996 | 50,017,543 | 94.3 | 149,306 | 335 | 85.5 | 3,010,683 | 5.7 | 52,819 | 57 | 14.5 |
| | 1997 | 49,333,311 | 92.9 | 175,563 | 281 | 80.3 | 3,783,309 | 7.1 | 54,831 | 69 | 19.7 |
| | 1998 | 48,134,112 | 90.5 | 181,638 | 265 | 77.7 | 5,073,113 | 9.5 | 66,751 | 76 | 22.3 |
| C. Gulf | 1995 | 105,094,376 | 97.6 | 189,701 | 554 | 93.6 | 2,540,934 | 2.4 | 66,867 | 38 | 6.4 |
| | 1996 | 104,898,351 | 95.4 | 214,956 | 488 | 88.2 | 5,099,495 | 4.6 | 78,454 | 65 | 11.8 |
| | 1997 | 101,161,444 | 91.2 | 246,735 | 410 | 82.7 | 9,712,414 | 8.8 | 112,935 | 86 | 17.3 |
| | 1998 | 99,611,419 | 89.7 | 255,414 | 390 | 81.4 | 11,421,004 | 10.3 | 128,326 | 89 | 18.6 |
| W. Gulf | 1995 | 34,657,516 | 98.5 | 169,890 | 204 | 94.0 | 539,326 | 1.5 | 41,487 | 13 | 6.0 |
| | 1996 | 33,084,728 | 92.4 | 173,218 | 191 | 90.5 | 2,708,574 | 7.6 | 135,429 | 20 | 9.5 |
| | 1997 | 32,135,348 | 89.4 | 197,149 | 163 | 82.7 | 3,799,891 | 10.6 | 111,762 | 34 | 17.3 |
| | 1998 | 31,439,519 | 87.5 | 212,429 | 148 | 79.1 | 4,511,493 | 12.5 | 115,679 | 39 | 20.9 |
| Bering Sea | 1995 | 17,027,736 | 96.8 | 130,983 | 130 | 94.2 | 571,066 | 3.2 | 71,383 | 8 | 5.8 |
| | 1996 | 17,070,758 | 92.7 | 135,482 | 126 | 93.3 | 1,350,271 | 7.3 | 150,030 | 9 | 6.7 |
| | 1997 | 16,612,071 | 89.3 | 140,780 | 118 | 90.1 | 1,990,327 | 10.7 | 153,102 | 13 | 9.9 |
| | 1998 | 14,632,484 | 78.7 | 130,647 | 112 | 87.5 | 3,954,992 | 21.3 | 247,187 | 16 | 12.5 |
| Aleutians | 1995 | 29,184,860 | 97.7 | 249,443 | 117 | 93.6 | 678,469 | 2.3 | 84,809 | 8 | 6.4 |
| | 1996 | 29,211,688 | 93.9 | 243,431 | 120 | 92.3 | 1,892,172 | 6.1 | 189,217 | 10 | 7.7 |
| | 1997 | 28,129,408 | 89.2 | 262,892 | 107 | 86.3 | 3,388,768 | 10.8 | 199,339 | 17 | 13.7 |
| | 1998 | 26,845,632 | 85.2 | 285,592 | 94 | 79.0 | 4,672,544 | 14.8 | 186,902 | 25 | 21.0 |

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

| Area | Year | Total QS | Total Year-end Persons | Initial Issuees | % Initial Issuees | New to Area | % New to Area | New to Sablefish | % New to Sablefish | New to IFQs | % New to IFQs |
|------------|------|-------------|------------------------|-----------------|-------------------|-------------|---------------|------------------|--------------------|-------------|---------------|
| Southeast | 1995 | 65,352,762 | 656 | 590 | 89.9 | 66 | 10.1 | 63 | 9.6 | 45 | 6.9 |
| | 1996 | 65,829,475 | 608 | 513 | 84.4 | 95 | 15.6 | 93 | 15.3 | 74 | 12.2 |
| | 1997 | 65,938,762 | 553 | 443 | 80.1 | 110 | 19.9 | 108 | 19.5 | 83 | 15.0 |
| | 1998 | 65,967,848 | 525 | 418 | 79.6 | 107 | 20.4 | 104 | 19.8 | 82 | 15.6 |
| W. Yakutat | 1995 | 52,597,269 | 420 | 391 | 93.1 | 29 | 6.9 | 26 | 6.2 | 21 | 5.0 |
| | 1996 | 53,028,226 | 392 | 335 | 85.5 | 57 | 14.5 | 48 | 12.2 | 36 | 9.2 |
| | 1997 | 53,116,620 | 350 | 281 | 80.3 | 69 | 19.7 | 58 | 16.6 | 45 | 12.9 |
| | 1998 | 53,207,225 | 341 | 265 | 77.7 | 76 | 22.3 | 65 | 19.1 | 52 | 15.2 |
| C. Gulf | 1995 | 107,635,310 | 592 | 554 | 93.6 | 38 | 6.4 | 33 | 5.6 | 23 | 3.9 |
| | 1996 | 109,997,846 | 553 | 488 | 88.2 | 65 | 11.8 | 60 | 10.8 | 42 | 7.6 |
| | 1997 | 110,873,858 | 496 | 410 | 82.7 | 86 | 17.3 | 81 | 16.3 | 59 | 11.9 |
| | 1998 | 111,032,423 | 479 | 390 | 81.4 | 89 | 18.6 | 84 | 17.5 | 63 | 13.2 |
| W. Gulf | 1995 | 35,196,842 | 217 | 204 | 94.0 | 13 | 6.0 | 8 | 3.7 | 5 | 2.3 |
| | 1996 | 35,793,302 | 211 | 191 | 90.5 | 20 | 9.5 | 14 | 6.6 | 11 | 5.2 |
| | 1997 | 35,935,239 | 197 | 163 | 82.7 | 34 | 17.3 | 27 | 13.7 | 21 | 10.7 |
| | 1998 | 35,951,012 | 187 | 148 | 79.1 | 39 | 20.9 | 30 | 16.0 | 24 | 12.8 |
| Bering Sea | 1995 | 17,598,802 | 138 | 130 | 94.2 | 8 | 5.8 | 4 | 2.9 | 4 | 2.9 |
| | 1996 | 18,421,029 | 135 | 126 | 93.3 | 9 | 6.7 | 5 | 3.7 | 5 | 3.7 |
| | 1997 | 18,602,398 | 131 | 118 | 90.1 | 13 | 9.9 | 7 | 5.3 | 7 | 5.3 |
| | 1998 | 18,587,476 | 128 | 112 | 87.5 | 16 | 12.5 | 10 | 7.8 | 10 | 7.8 |
| Aleutians | 1995 | 29,863,329 | 125 | 117 | 93.6 | 8 | 6.4 | 5 | 4.0 | 4 | 3.2 |
| | 1996 | 31,103,860 | 130 | 120 | 92.3 | 10 | 7.7 | 7 | 5.4 | 6 | 4.6 |
| | 1997 | 31,518,176 | 124 | 107 | 86.3 | 17 | 13.7 | 15 | 12.1 | 12 | 9.7 |
| | 1998 | 31,518,176 | 119 | 94 | 79.0 | 25 | 21.0 | 22 | 18.5 | 18 | 15.1 |

Table 13-2. Leases of Sablefish 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 |
|------------|------|------------------------------------|--------------------------------|---------------------------------|-----------------------------------|-----------------------------------|---------------------------------|-----------------------------|------------------------------|--------------------------------|--------------------------------|-----------------------------|---------------------------|
| Southeast | 1995 | 1,243,254 | 98.7 | 10 | 90.9 | 124,325 | 16,155 | 1.3 | 1 | 9.1 | 16,155 | 1,259,409 | 11 |
| | 1996 | 973,348 | 79.1 | 5 | 55.6 | 194,670 | 257,830 | 20.9 | 4 | 44.4 | 64,458 | 1,231,178 | 9 |
| | 1997 | 1,145,584 | 72.2 | 9 | 69.2 | 127,287 | 440,354 | 27.8 | 4 | 30.8 | 110,089 | 1,585,938 | 13 |
| | 1998 | 1,486,297 | 75.2 | 10 | 71.4 | 148,630 | 490,570 | 24.8 | 4 | 28.6 | 122,643 | 1,976,867 | 14 |
| W. Yakutat | 1995 | 442,414 | 49.9 | 8 | 66.7 | 55,302 | 444,689 | 50.1 | 4 | 33.3 | 111,172 | 887,103 | 12 |
| | 1996 | 181,905 | 30.0 | 4 | 57.1 | 45,476 | 423,997 | 70.0 | 3 | 42.9 | 141,332 | 605,902 | 7 |
| | 1997 | 244,956 | 100.0 | 5 | 100.0 | 48,991 | 0 | 0.0 | 0 | 0.0 | 0 | 244,956 | 5 |
| | 1998 | 162,064 | 60.7 | 5 | 71.4 | 32,413 | 104,774 | 39.3 | 2 | 28.6 | 52,387 | 266,838 | 7 |
| C. Gulf | 1995 | 2,244,036 | 77.3 | 10 | 76.9 | 224,404 | 658,748 | 22.7 | 3 | 23.1 | 219,583 | 2,902,784 | 13 |
| | 1996 | 869,672 | 56.4 | 7 | 63.6 | 124,239 | 672,401 | 43.6 | 4 | 36.4 | 168,100 | 1,542,073 | 11 |
| | 1997 | 915,675 | 88.9 | 6 | 85.7 | 152,613 | 114,005 | 11.1 | 1 | 14.3 | 114,005 | 1,029,680 | 7 |
| | 1998 | 871,692 | 49.1 | 6 | 66.7 | 145,282 | 902,927 | 50.9 | 3 | 33.3 | 300,976 | 1,774,619 | 9 |
| W. Gulf | 1995 | 1,701,742 | 45.8 | 7 | 70.0 | 243,106 | 2,016,756 | 54.2 | 3 | 30.0 | 672,252 | 3,718,498 | 10 |
| | 1996 | 1,156,656 | 36.9 | 3 | 60.0 | 385,552 | 1,980,599 | 63.1 | 2 | 40.0 | 990,300 | 3,137,255 | 5 |
| | 1997 | 954,224 | 29.0 | 6 | 75.0 | 159,037 | 2,334,406 | 71.0 | 2 | 25.0 | 1,167,203 | 3,288,630 | 8 |
| | 1998 | 1,002,288 | 65.4 | 5 | 62.5 | 200,458 | 531,370 | 34.6 | 3 | 37.5 | 177,123 | 1,533,658 | 8 |
| Bering Sea | 1995 | 1,832,016 | 91.2 | 4 | 57.1 | 458,004 | 176,922 | 8.8 | 3 | 42.9 | 58,974 | 2,008,938 | 7 |
| | 1996 | 411,482 | 41.2 | 3 | 75.0 | 137,161 | 587,458 | 58.8 | 1 | 25.0 | 587,458 | 998,940 | 4 |
| | 1997 | 643,469 | 45.2 | 4 | 66.7 | 160,867 | 781,250 | 54.8 | 2 | 33.3 | 390,625 | 1,424,719 | 6 |
| | 1998 | 821,075 | 21.0 | 3 | 42.9 | 273,692 | 3,084,121 | 79.0 | 4 | 57.1 | 771,030 | 3,905,196 | 7 |
| Aleutians | 1995 | 3,924,949 | 60.9 | 7 | 77.8 | 560,707 | 2,520,280 | 39.1 | 2 | 22.2 | 1,260,140 | 6,445,229 | 9 |
| | 1996 | 760,024 | 20.1 | 5 | 71.4 | 152,005 | 3,024,611 | 79.9 | 2 | 28.6 | 1,512,306 | 3,784,635 | 7 |
| | 1997 | 927,298 | 17.1 | 4 | 66.7 | 231,825 | 4,510,240 | 82.9 | 2 | 33.3 | 2,255,120 | 5,437,538 | 6 |
| | 1998 | 744,894 | 21.2 | 4 | 44.4 | 186,224 | 2,771,154 | 78.8 | 5 | 55.6 | 554,231 | 3,516,048 | 9 |

