

## 3 Consolidation of QS Holdings

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### 3.1 Introduction

Initial allocations of sablefish QS began near the end of 1994. A year later most of the eligible applicants had received their allocations; however, some allocations continued through 1997. The first transfers of QS began in 1994, shortly after the first allocations. Since then, some of the transfers have gone to persons who were entering the fishery for the first time, whereas other transfers have gone to persons who had received initial allocations and were adjusting their QS holdings.

Transfer transactions, revocations, and administrative actions can change the distribution of QS holdings. Permanent transfer activity includes routine transfers, transfers associated with “sweep-ups,” transfers associated with CDQ compensation QS “swaps” across vessel categories, and court-ordered transfers. This chapter provides an overview of the consolidation of QS holdings that have occurred due to all these factors during the first two years of the IFQ program.<sup>1</sup>

The sablefish IFQ program has many special features that serve to constrain the nature and the extent of QS consolidation. Among them are:

- Under most circumstances, QS from one vessel category cannot be transferred to another vessel category. Rules that allow special vessel category “swaps” are discussed in more detail below.
- Some QS is issued in non-severable “blocks.” A person may hold a maximum of two blocks of QS in an area, and persons with two blocks may not hold unblocked QS in that area. These rules are also discussed in more detail below.<sup>2</sup>
- The persons who may buy catcher vessel QS are restricted. Only those who were originally issued catcher vessel QS or those who qualify as IFQ crew members by working for 150 days on the harvesting crew in any U.S. fishery may buy catcher vessel QS.<sup>3</sup> Purchases of freezer vessel QS are not restricted in this way.
- The only corporations or partnerships that may purchase more catcher vessel QS are those that were initial QS recipients. In the Southeast area corporations and

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<sup>1</sup> “Sweep-ups” and catcher vessel category “swaps” were discussed briefly in Chapter 2. “Sweep-ups” of small QS blocks are covered in detail in Chapter 8. “Swaps” of CDQ compensation QS across catcher vessel categories are covered in detail in Chapter 7.

<sup>2</sup> See 50 CFR 679.42(g).

<sup>3</sup> See 50 CFR 679.41(g).

partnerships may only use catcher vessel QS that they were initially issued. An exception to these rules occurs when an individual transfers his/her own QS to his/her own solely owned corporation.<sup>4</sup>

- From 1995 through 1997, no person could use, individually or collectively, more than 1% of the combined total sablefish QS of all regulatory areas unless the amount in excess of 1% was received at initial allocation. In the Southeast regulatory area, no person could use, individually or collectively, an amount of sablefish QS that was more than 1% of the total for that area, unless the amount in excess was received at initial allocation.<sup>5</sup>

The sablefish IFQ program created non-severable “blocks” of QS that constrain QS aggregation. Persons received their QS in a block if their QS would have resulted in less than 20,000 pounds of sablefish, given 1994 TACs.<sup>6</sup> Blocks cannot be broken up for transfer, meaning all the QS in a block has to be sold or passed on to another person as a single unit. A person can hold a maximum of two blocks in an area, but a person with two blocks cannot hold any unblocked QS for the area. The regulations allow persons to combine, or “sweep-up,” more than two blocks if their combined total is worth less than 5,000 pounds of a hypothetical sablefish IFQ.<sup>7</sup> These sweep-ups are discussed in more detail in Chapter 8.

The IFQ program also included provisions that set aside part or all of the TAC in the Bering Sea and Aleutian Islands management areas for what were called “community development quotas” (CDQs). Setting aside TAC for CDQs effectively reduced the harvest limits of individuals who received QS in the CDQ areas.<sup>8</sup> The IFQ plan contained provisions designed to compensate QS holders for this reduction. The goal of the plan was to spread the burden of the compensation equally among all persons who initially received sablefish QS. Compensation was provided by giving fishermen from the CDQ areas (Bering Sea and Aleutian Islands) additional QS in each of the management areas in which CDQs were not allocated (Southeast, West Yakutat, Central Gulf, Western Gulf).

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<sup>4</sup> See 50 CFR 679.42 (j) and 50 CFR 679.41 (g)(3).

<sup>5</sup> See 50 CFR 679.42 (e).

<sup>6</sup> See 50 CFR 679.40(a)(1). The 20,000 pounds is actually a hypothetical IFQ based on 1994 TACs and the amount of QS in the QS pool on October 17, 1994. The sablefish QS equivalent calculated for this blocking limit will be worth different amounts of IFQ from year-to-year as TACs and the amount of QS in the QS pool changes.

<sup>7</sup> The original sweep-up limit was 3,000 pounds. In April 1996 the Council approved an amendment that increased the sweep-up limit to 5,000 pounds. This regulation is now incorporated into 50 CFR 679.41e. The 5,000 pounds of hypothetical IFQ was based upon 1996 TACs and the QS pool as of January 31, 1996. The regulation translates the rule into a specific amount of QS units for each management area and became effective in December, 1996.

<sup>8</sup> The CDQ regulations are contained in 50 CFR 679.30 and 50 CFR 679.31(b) and(c). The provisions for CDQ compensation are contained in 50 CFR 679.41(j).

Some persons who received CDQ compensation QS in the Southeast, West Yakutat, Central Gulf, and Western Gulf management areas already had QS in one or more of those areas. When this occurred, their CDQ compensation was rolled into their existing QS holding. It was either “blocked” or “unblocked” depending upon the size of the combined holding.

However, in many cases persons received CDQ compensation QS in areas where they had not previously fished or were issued regular QS. When this occurred, a person’s catcher vessel CDQ compensation was unblocked and “swappable” to another catcher vessel upon the first transfer. Moreover, this “swappable” catcher vessel CDQ compensation QS can be used on any size catcher vessel until it is swapped or transferred. These rules facilitate the transfer and use of CDQ compensation QS.<sup>9</sup>

Because of the CDQ compensation “swap” regulation, the total amount of QS may change in an area and vessel category after initial allocation. This does not affect the management area totals; however, as the QS is only being “swapped” between catcher vessel categories and does not transfer outside the area.

In January 1996, the Council approved a “fish down” amendment that allows catcher vessel QS to be used on vessels of the same vessel size class or smaller. The Council did this to allow more flexibility for QS owners to acquire more catcher vessel QS. The amendment allows the use of larger vessel category QS on smaller vessels, except in the Southeast area where “fish down” of category B (larger than 60 feet) QS is allowed only for blocks worth less than 5,000 pounds (based upon 1996 quotas). This amendment became effective August 16, 1996.<sup>10</sup>

Table 3-1a provides an overview of the distribution of sablefish QS at initial allocation and at the end of 1997. It shows both the amounts of QS in an area and the number of QS holders, along with the change and percent change from initial issuance through year-end 1997.

The negative net changes in total QS in five of the six areas are the result of QS revocations by NMFS-RAM. NMFS-RAM may revoke some, or all, of a person’s QS after initial issuance if subsequent information provides details on a person’s fishing history that were not formerly available to NMFS-RAM. Revocations do not occur until the QS holder has been given an opportunity to appeal the administrative revocation decision.

The number of QS holders dropped in all areas. This results mainly from consolidation of QS holdings, although QS revocations may also lower the number of persons who hold QS. The greatest drop in QS holders, both numerically and on a percentage basis, has

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<sup>9</sup> See 50 CFR 679.41(i).

<sup>10</sup> See 50 CFR 679.40(a)(5)(ii) and 679.42 (a).

been in the Southeast, West Yakutat, and Central Gulf areas. Consolidation has been less in the other areas, ranging from 8.1% of the total persons who were initially issued QS in the Aleutian Islands area to 14.7% of the total initial issues in the Western Gulf..

Table 3-1b provides further data on QS consolidation. Consolidation of QS holdings is indicated by the increase in the average and median QS holdings from initial issuance to the end of 1997. The average and median QS holdings rose in all areas. In all areas the average QS holding rose at a greater rate than the number of QS holders fell.

Table 3-1b also shows the median QS holdings all areas were substantially lower than the average QS holdings, indicating a skewness toward persons with small holdings.

**Table 3-1a. Initial Issuance and Year-end 1997 QS and QS Holders, By Management Area**

Area	Initial Amount of QS Units	1997 Year-end QS Units	Net Change in Total QS Units	Percent Change QS Units	Initial QS Holders	1997 Year-end QS Holders	Person Net Change	Percent Change QS Holders
Southeast	66,413,185	65,938,762	-474,423	-0.7	710	553	-157	-22.1
W. Yakutat	53,131,783	53,116,620	-15,163	0.0	452	350	-102	-22.6
C. Gulf	111,070,324	110,873,858	-196,466	-0.2	639	496	-143	-22.4
W. Gulf	36,055,489	35,935,239	-120,250	-0.3	231	197	-34	-14.7
Bering Sea	18,605,154	18,602,398	-2,756	0.0	144	131	-13	-9.0
Aleutians	31,518,176	31,518,176	0	0.0	135	124	-11	-8.1

**Table 3-1b. Consolidation of Sablefish QS Holdings from Initial Allocation Through Year-end 1997, by Management Area**

Area	Initial Median QS Held	1997 Year-end Median QS	Net Change in Median QS Units	Percent Change Median QS	Initial Average QS Held	1997 Year-end Avg. QS	Net Change in Avg. QS Units	Percent Change Mean QS
Southeast	34,626	58,943	24,317	70.2	93,540	119,238	25,698	27.5
W. Yakutat	30,565	47,943	17,378	56.9	117,548	151,762	34,214	29.1
C. Gulf	34,805	49,843	15,038	43.2	173,819	223,536	49,717	28.6
W. Gulf	41,438	56,878	15,440	37.3	156,084	182,412	26,328	16.9
Bering Sea	46,084	53,413	7,329	15.9	129,202	142,003	12,801	9.9
Aleutians	63,327	79,546	16,219	25.6	233,468	254,179	20,711	8.9

### 3.2 QS Consolidation by Vessel Category

The sablefish IFQ program created three distinct vessel categories in each of the six sablefish regulatory areas. One vessel category consists of freezer-processor vessels; the other two consist of catcher vessels less than or equal to 60 feet and greater than 60 feet. Under most circumstances, QS cannot be transferred across vessel categories; however, the regulations provide for vessel category “swaps” of catcher vessel CDQ compensation QS upon first transfer.<sup>11</sup>

In January 1996, the Council approved a “fish down” amendment that allows catcher vessel QS to be used on vessels of the same vessel size class or smaller. The Council did this to allow more flexibility for QS owners to acquire more catcher vessel QS. The amendment allows the use of larger vessel category QS on smaller vessels, except in the Southeast area where “fish down” of category B (larger than 60 feet) QS is allowed only for blocks worth less than 5,000 pounds (based upon 1996 quotas). This amendment became effective August 16, 1996.<sup>12</sup>

Tables 3-2a and 3-2b show that at initial issuance sablefish QS had been issued in 18 different area-vessel category combinations. A person may hold QS in more than one vessel category in an area. For this reason, the sum of the QS holders in the different area-vessel category combinations can be greater than the number of unique persons who hold QS in the area, as reported in Table 3-1a and other tables in this report.

Table 3-2a indicates that in the Southeast area vessels 60 feet or less initially received more QS than other vessel categories. In the Aleutians, the majority of QS was issued to freezer vessels. In all other areas, the greatest percentage of QS was issued to the “over 60 feet” vessel category. At the end of 1997, the greatest percentage of the QS was still held by these same vessel categories in their respective areas.

As explained previously, changes in QS distribution between vessel classes are necessarily small, because QS transfers across vessel categories are only allowed by special rules for the “swap” of CDQ compensation QS. Quota share revocations may also change the amount of QS within a vessel category between initial issuance and year-end 1997.

Table 3-2b shows the initial and 1997 year-end distribution of QS holders in each area-vessel category combination. It also indicates the average QS holdings, the changes in number of persons, and average holdings in each vessel category.

There were often considerable differences between the percentage of QS issued in a vessel category and the percentage of persons who hold that QS. For example, 63.8% of the persons who were initially issued QS in the West Yakutat area received their QS in the

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<sup>11</sup> IFQ from swappable catcher vessel CDQ compensation QS can be fished from any catcher vessel category and can be permanently “swapped” to another catcher vessel category upon the first transfer. See CFR 679.41 (I).

<sup>12</sup> See 50 CFR 679.40(a)(5)(ii) and 679.42 (a).

“less than 60 foot” vessel category, yet these persons held only 31.2% of the total QS in the area. In contrast, relatively few persons in each area were issued QS in the freezer vessel category, but they were issued a proportionately larger percentage of the area QS.

In all catcher vessel categories and areas, the number of QS holders declined from initial issuance to the end of 1997. The freezer vessel categories in the West Yakutat, Bering Sea, and Aleutian Islands areas were the only instances where the number of QS holders stayed the same or increased even slightly.

The greatest amount of consolidation occurred, both numerically and on a percent basis, in Southeast, West Yakutat, and the Central Gulf. Note that these are management areas where persons received CDQ compensation QS at initial issuance. Many of the persons who were issued CDQ compensation received only small amounts of QS in areas where they had no prior history of fishing. It is likely that a considerable amount of this QS was transferred (see Chapter 7), contributing to the decrease in the number of QS holders in these areas. Other factors also contributed to the decrease.

As one would expect, average QS holdings increased in most of the areas and vessel categories where there were declines in the number of QS holders. Changes in average QS holdings will also be affected by QS revocations. If the QS pool is decreased by QS revocations, then average QS holdings will also decrease. Therefore, QS revocations can partly offset increases in average holdings due to consolidation.

**Table 3-2a. Initial Allocation and Year-end 1997 QS by Management Area and Vessel Category**

Area	Vessel Category	Initial Amount of QS	1997 Amount of QS	Initial Pct. of Area QS	1997 Pct. of Area QS	Change in Total QS	Percent Change in Total QS
Southeast	Freezer	6,307,216	6,041,780	9.5	9.2	-265,436	-4.2
	GT 60 ft.	13,679,252	13,460,403	20.6	20.4	-218,849	-1.6
	LE 60 ft.	46,426,717	46,436,579	69.9	70.4	9,862	0.0
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		66,413,185	65,938,762			-474,423	
W. Yakutat	Freezer	4,341,127	4,326,056	8.2	8.1	-15,071	-0.3
	GT 60 ft.	32,197,378	32,192,683	60.6	60.6	-4,695	0.0
	LE 60 ft.	16,593,278	16,597,881	31.2	31.2	4,603	0.0
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		53,131,783	53,116,620			-15,163	
C. Gulf	Freezer	17,062,929	16,922,204	15.4	15.3	-140,725	-0.8
	GT 60 ft.	52,922,032	52,921,573	47.6	47.7	-459	0.0
	LE 60 ft.	41,085,363	41,030,081	37.0	37.0	-55,282	-0.1
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		111,070,324	110,873,858			-196,466	
W. Gulf	Freezer	13,670,682	13,578,407	37.9	37.8	-92,275	-0.7
	GT 60 ft.	15,572,538	15,590,669	43.2	43.4	18,131	0.1
	LE 60 ft.	6,812,269	6,766,163	18.9	18.8	-46,106	-0.7
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		36,055,489	35,935,239			-120,250	
Bering Sea	Freezer	7,288,858	7,288,858	39.2	39.2	0	0.0
	GT 60 ft.	7,773,286	7,773,286	41.8	41.8	0	0.0
	LE 60 ft.	3,543,010	3,540,254	19.0	19.0	-2,756	-0.1
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		18,605,154	18,602,398			-2,756	
Aleutians	Freezer	17,537,967	17,537,967	55.6	55.6	0	0.0
	GT 60 ft.	11,319,633	11,319,633	35.9	35.9	0	0.0
	LE 60 ft.	2,660,576	2,660,576	8.4	8.4	0	0.0
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		31,518,176	31,518,176			0	

**Table 3-2b. Initial Allocation and Year-end 1997 QS Holders by Management Area and Vessel Category**

Area	Vessel Category	Initial Number of QS Holders	1997 Number of QS Holders	Initial Pct. of Area QS Holders	1997 Pct of Area QS Holders	Change in QS Holders	Percent Change in QS Holders	Initial Avg. QS Holdings	1997 Avg. QS Holdings	Change in Avg. QS Holdings	Percent Change Avg. QS Holdings
Southeast	Freezer	43	38	6.0	6.7	-5	-11.6	146,679	158,994	12,315	8.4
	GT 60 ft.	118	104	16.6	18.4	-14	-11.9	115,926	129,427	13,501	11.6
	LE 60 ft.	551	422	77.4	74.8	-129	-23.4	84,259	110,039	25,780	30.6
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		712	564			-148					
W. Yakutat	Freezer	32	32	7.1	8.8	0	0.0	135,660	135,189	-471	-0.3
	GT 60 ft.	132	119	29.1	32.9	-13	-9.8	243,920	270,527	26,607	10.9
	LE 60 ft.	289	211	63.8	58.3	-78	-27.0	57,416	78,663	21,247	37.0
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		453	362			-91					
C. Gulf	Freezer	41	37	6.4	7.1	-4	-9.8	416,169	457,357	41,188	9.9
	GT 60 ft.	191	172	29.7	33.1	-19	-9.9	277,079	307,684	30,605	11.0
	LE 60 ft.	412	310	64.0	59.7	-102	-24.8	99,722	132,355	32,633	32.7
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		644	519			-125					
W. Gulf	Freezer	32	30	13.7	14.5	-2	-6.3	427,209	452,614	25,405	5.9
	GT 60 ft.	102	93	43.8	44.9	-9	-8.8	152,672	167,642	14,970	9.8
	LE 60 ft.	99	84	42.5	40.6	-15	-15.2	68,811	80,550	11,739	17.1
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		233	207			-26					
Bering Sea	Freezer	26	26	17.9	19.4	0	0.0	280,341	280,341	0	0.0
	GT 60 ft.	63	57	43.4	42.5	-6	-9.5	123,385	136,373	12,988	10.5
	LE 60 ft.	56	51	38.6	38.1	-5	-8.9	63,268	69,417	6,149	9.7
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		145	134			-11					
Aleutians	Freezer	27	29	20.0	22.5	2	7.4	649,554	604,757	-44,797	-6.9
	GT 60 ft.	63	59	46.7	45.7	-4	-6.3	179,677	191,858	12,181	6.8
	LE 60 ft.	45	41	33.3	31.8	-4	-8.9	59,124	64,892	5,768	9.8
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		135	129			-6					

### 3.3 QS Consolidation by Size of QS Holding

The tables in this section provide information on QS distribution at initial issuance and year-end 1997 by area and the relative size of the QS holding. Quota share holdings are classified into nine distinct size categories based upon their percentage of the total QS pool in the area.

The IFQ program rules constrain how much QS a single person may accumulate. No person, individually or collectively, may use more than 1% of the combined total sablefish QS of all management areas unless the amount in excess of 1% was received at initial allocation. In the Southeast management area, no person may use, individually or collectively, an amount of sablefish QS that is more than 1% of the total for this area, unless the amount in excess was received at initial issuance.<sup>13</sup>

The distribution of QS holdings by size of holding varied by sablefish management area. It is important to remember that a unit of QS translates into different amounts of IFQ in each area. Table 3-3a indicates that 35.4% of the QS in the Southeast area was issued to persons who held less than .25 percent of the total area QS; whereas in the West Yakutat area, 18.6% of the area QS fell into this classification, and in the Central Gulf, 22.8%. In the Western Gulf, Bering Sea, and Aleutian Islands QS holdings were distributed among a wider range of the size classifications.

Table 3-3b provides similar information, but shows the number of persons at initial issuance and year-end 1997, by management area and relative size of QS holding. The table shows that in all areas the greatest number of persons falls into the “less than .25%” classification, especially in the Southeast, West Yakutat, and Central Gulf areas. For example, in the Southeast area, 83.1% of the persons were issued QS in amounts that represented less than .25% of the total area QS. The number of persons who were issued less than .25 percent of the total area QS dropped significantly in all areas after initial issuance. This is due mainly to QS consolidations.

There were relatively few persons who held large percentages of an area’s QS pool. All of the persons who held percentages larger than 3% at initial issuance and at the end of 1997 were in the Western Gulf, Bering Sea, and Aleutian Islands. There were relatively few initial recipients in these areas.

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<sup>13</sup> See 50 CFR 679.42 (e) and 50 CFR 679.41 (c)(6).

**Table 3-3a. Initial Allocation and Year-end 1997 QS  
By Management Area and Size of QS Holding**

Area	Percent of Area QS	Initial Amount of QS	1997 Amount of QS	Initial Pct. of Area QS	1997 Pct. of Area QS	Change in Total QS	Percent Change in QS
Southeast	% < .25	23,514,378	20,242,744	35.4	30.7	-3,271,634	-13.9
	.25 <= % < .5	17,809,746	18,622,611	26.8	28.2	812,865	4.6
	.5 <= % < 1.0	17,622,708	18,431,977	26.5	28.0	809,269	4.6
	1.0 <= % < 2.0	6,041,330	7,216,407	9.1	10.9	1,175,077	19.5
	2.0 <= % < 3.0	1,425,023	1,425,023	2.1	2.2	0	0.0
		-----	66,413,185	65,938,762			-474,423
W. Yakutat	% < .25	9,893,562	7,885,012	18.6	14.8	-2,008,550	-20.3
	.25 <= % < .5	8,894,806	8,712,179	16.7	16.4	-182,627	-2.1
	.5 <= % < 1.0	10,684,258	12,184,564	20.1	22.9	1,500,306	14.0
	1.0 <= % < 2.0	16,442,854	15,541,869	30.9	29.3	-900,985	-5.5
	2.0 <= % < 3.0	7,216,303	7,076,496	13.6	13.3	-139,807	-1.9
	3.0 <= % < 4.0	0	1,716,500	.	3.2	1,716,500	.
	-----	53,131,783	53,116,620			-15,163	
C. Gulf	% < .25	25,314,130	18,886,390	22.8	17.0	-6,427,740	-25.4
	.25 <= % < .5	25,015,958	21,189,599	22.5	19.1	-3,826,359	-15.3
	.5 <= % < 1.0	40,577,221	39,934,638	36.5	36.0	-642,583	-1.6
	1.0 <= % < 2.0	17,570,412	25,754,941	15.8	23.2	8,184,529	46.6
	2.0 <= % < 3.0	2,592,603	5,108,290	2.3	4.6	2,515,687	97.0
	-----	111,070,324	110,873,858			-196,466	
W. Gulf	% < .25	3,345,559	2,728,716	9.3	7.6	-616,843	-18.4
	.25 <= % < .5	4,420,456	3,426,007	12.3	9.5	-994,449	-22.5
	.5 <= % < 1.0	5,216,893	5,793,132	14.5	16.1	576,239	11.0
	1.0 <= % < 2.0	5,582,068	6,337,147	15.5	17.6	755,079	13.5
	2.0 <= % < 3.0	3,705,934	2,642,162	10.3	7.4	-1,063,772	-28.7
	3.0 <= % < 4.0	7,539,696	8,763,192	20.9	24.4	1,223,496	16.2
	5.0 <= % < 10	1,980,599	1,980,599	5.5	5.5	0	0.0
	% >= 10	4,264,284	4,264,284	11.8	11.9	0	0.0
		-----	36,055,489	35,935,239			-120,250
Bering Sea	% < .25	1,166,301	936,852	6.3	5.0	-229,449	-19.7
	.25 <= % < .5	1,732,163	1,667,814	9.3	9.0	-64,349	-3.7
	.5 <= % < 1.0	1,867,212	1,790,867	10.0	9.6	-76,345	-4.1
	1.0 <= % < 2.0	4,601,014	4,236,408	24.7	22.8	-364,606	-7.9
	2.0 <= % < 3.0	1,311,894	2,755,429	7.1	14.8	1,443,535	110.0
	3.0 <= % < 4.0	3,431,274	2,719,732	18.4	14.6	-711,542	-20.7
	4.0 <= % < 5.0	1,690,292	1,690,292	9.1	9.1	0	0.0
	5.0 <= % < 10	2,805,004	2,805,004	15.1	15.1	0	0.0
	-----	18,605,154	18,602,398			-2,756	
Aleutians	% < .25	1,933,843	1,663,318	6.1	5.3	-270,525	-14.0
	.25 <= % < .5	1,913,446	2,152,818	6.1	6.8	239,372	12.5
	.5 <= % < 1.0	3,090,361	3,553,237	9.8	11.3	462,876	15.0
	1.0 <= % < 2.0	8,440,549	7,280,554	26.8	23.1	-1,159,995	-13.7
	2.0 <= % < 3.0	3,550,927	5,054,417	11.3	16.0	1,503,490	42.3
	3.0 <= % < 4.0	2,041,047	1,090,851	6.5	3.5	-950,196	-46.6
	5.0 <= % < 10	3,008,437	0	9.5	.	-3,008,437	-100.0
	% >= 10	7,539,566	10,722,981	23.9	34.0	3,183,415	42.2
	-----	31,518,176	31,518,176			0	

**Table 3-3b. Initial Allocation and Year-end 1997 QS Holders by Management Area and Size of QS Holding**

Area	Percent of Area QS	Initial Number of QS Holders	1997 Number of QS Holders	Initial Pct. of Area QS Holders	1997 Pct. of Area QS Holders	Change in QS Holders	Percent Change in QS Holders	Initial Average QS Holding	Year-end 1997 Average QS Holding
Southeast	% < .25	590	424	83.1	76.7	-166	-28.1	39,855	47,742
	.25 <= % < .5	75	80	10.6	14.5	5	6.7	237,463	232,783
	.5 <= % < 1.0	37	39	5.2	7.1	2	5.4	476,289	472,615
	1.0 <= % < 2.0	7	9	1.0	1.6	2	28.6	863,047	801,823
	2.0 <= % < 3.0	1	1	0.1	0.2	0	0.0	1,425,023	1,425,023
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		710	553			-157			
W. Yakutat	% < .25	348	244	77.0	69.7	-104	-29.9	28,430	32,316
	.25 <= % < .5	45	45	10.0	12.9	0	0.0	197,662	193,604
	.5 <= % < 1.0	30	32	6.6	9.1	2	6.7	356,142	380,768
	1.0 <= % < 2.0	23	22	5.1	6.3	-1	-4.3	714,907	706,449
	2.0 <= % < 3.0	6	6	1.3	1.7	0	0.0	1,202,717	1,179,416
3.0 <= % < 4.0	0	1	.	0.3	1	.	.	1,716,500	
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		452	350			-102			
C. Gulf	% < .25	512	374	80.1	75.4	-138	-27.0	49,442	50,498
	.25 <= % < .5	60	51	9.4	10.3	-9	-15.0	416,933	415,482
	.5 <= % < 1.0	54	51	8.5	10.3	-3	-5.6	751,430	783,032
	1.0 <= % < 2.0	12	18	1.9	3.6	6	50.0	1,464,201	1,430,830
	2.0 <= % < 3.0	1	2	0.2	0.4	1	100.0	2,592,603	2,554,145
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		639	496			-143			
W. Gulf	% < .25	150	121	64.9	61.4	-29	-19.3	22,304	22,551
	.25 <= % < .5	37	29	16.0	14.7	-8	-21.6	119,472	118,138
	.5 <= % < 1.0	21	23	9.1	11.7	2	9.5	248,423	251,875
	1.0 <= % < 2.0	11	12	4.8	6.1	1	9.1	507,461	528,096
	2.0 <= % < 3.0	4	3	1.7	1.5	-1	-25.0	926,484	880,721
	3.0 <= % < 4.0	6	7	2.6	3.6	1	16.7	1,256,616	1,251,885
	5.0 <= % < 10	1	1	0.4	0.5	0	0.0	1,980,599	1,980,599
	% >= 10	1	1	0.4	0.5	0	0.0	4,264,284	4,264,284
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		231	197			-34			

(Continued)

**Table 3-3b (con't). Initial Allocation and Year-end 1997 QS Holders by Management Area and Size of QS Holding**

Area	Percent of Area QS	Initial Number of QS Holders	1997 Number of QS Holders	Initial Pct. of Area QS Holders	1997 Pct. of Area QS Holders	Change in QS Holders	Percent Change in QS Holders	Initial Average QS Holding	Year-end 1997 Average QS Holding
Bering Sea	% < .25	73	61	50.7	46.6	-12	-16.4	15,977	15,358
	.25 <= % < .5	27	26	18.8	19.8	-1	-3.7	64,154	64,147
	.5 <= % < 1.0	14	14	9.7	10.7	0	0.0	133,372	127,919
	1.0 <= % < 2.0	18	16	12.5	12.2	-2	-11.1	255,612	264,776
	2.0 <= % < 3.0	3	6	2.1	4.6	3	100.0	437,298	459,238
	3.0 <= % < 4.0	5	4	3.5	3.1	-1	-20.0	686,255	679,933
	4.0 <= % < 5.0	2	2	1.4	1.5	0	0.0	845,146	845,146
	5.0 <= % < 10	2	2	1.4	1.5	0	0.0	1,402,502	1,402,502
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		144	131			-13			
Aleutians	% < .25	75	62	55.6	50.0	-13	-17.3	25,785	26,828
	.25 <= % < .5	17	19	12.6	15.3	2	11.8	112,556	113,306
	.5 <= % < 1.0	14	16	10.4	12.9	2	14.3	220,740	222,077
	1.0 <= % < 2.0	19	16	14.1	12.9	-3	-15.8	444,239	455,035
	2.0 <= % < 3.0	5	7	3.7	5.6	2	40.0	710,185	722,060
	3.0 <= % < 4.0	2	1	1.5	0.8	-1	-50.0	1,020,524	1,090,851
	5.0 <= % < 10	1	0	0.7	.	-1	-100.0	3,008,437	.
	% >= 10	2	3	1.5	2.4	1	50.0	3,769,783	3,574,327
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		135	124			-11			