

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

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

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

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

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

The transfer transactions were divided into one of five categories:

*Priced sales* includes all transfers where a price for the QS transferred could be obtained from the transfer application form

*Other sales* includes transfers where some monetary exchange occurred, but where NMFS-RAM could not calculate a price for the QS based on available information

*Trades* includes transfers where something was traded for the QS

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

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

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

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

The “priced sales” category was the most important class of permanent transfers. In all six of the management areas “priced sales” accounted for over 70% of the QS transferred during the three-year period. In the Aleutian Islands area “priced sales” accounted for 88.6% of the QS transferred.

The total percentages of QS transferred through sales are higher than indicated by the percentages for “priced sales” since the “other sales” category and, probably, some of the “unknown” transfers were also sales transactions. The percentage of QS transferred in “priced sales” rose each year in the Southeast, West Yakutat, Central Gulf, and Aleutian Islands areas. The percentage of QS transferred in “priced sales” transfers rose from 1995 to 1996 and fell in 1997 in the Western Gulf and Bering Sea areas.

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

In 1997, the percentage of QS transferred in “other sales” ranged from zero in the Southeast, Aleutian Islands, and Bering Sea areas to 13.7% in the Western Gulf. The percentage of QS transferred in “trades” ranged from zero in the Western Gulf, Aleutian Islands, and Bering Sea areas to 7.9% in the West Yakutat area. The percentage of QS transferred as “gifts” ranged from 0.1% in the Aleutian Islands area to 21.9% in the Bering Sea area. The percentage of QS transferred in “unknown” transactions ranged from zero in the Bering Sea area to 7.1% in the Southeast area.

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

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

Area	Year	Priced Sales	Pct Priced	Other Sales	Pct Other	Trades	Pct Trades	Gifts	Pct Gifts	Unknown	Pct Unknown	Total	Pct Total
SE	1995	3,979,009	67.5	327,210	5.5	339,624	5.8	434,454	7.4	817,523	13.9	5,897,820	100.0
	1996	4,137,124	71.5	11,133	0.2	280,327	4.8	54,884	0.9	1,300,929	22.5	5,784,397	100.0
	1997	3,775,136	73.8	0	0.0	388,900	7.6	588,827	11.5	362,450	7.1	5,115,313	100.0
	All Yrs	11,891,269	70.8	338,343	2.0	1,008,851	6.0	1,078,165	6.4	2,480,902	14.8	16,797,530	100.0
WY	1995	1,739,106	53.0	95,642	2.9	78,786	2.4	246,064	7.5	1,118,872	34.1	3,278,470	100.0
	1996	2,857,545	74.2	0	0.0	16,749	0.4	9,032	0.2	968,084	25.1	3,851,410	100.0
	1997	3,315,101	80.0	218,234	5.3	327,367	7.9	74,929	1.8	208,350	5.0	4,143,981	100.0
	All Yrs	7,911,752	70.2	313,876	2.8	422,902	3.8	330,025	2.9	2,295,306	20.4	11,273,861	100.0
CG	1995	4,630,923	59.1	384,867	4.9	339,455	4.3	186,258	2.4	2,291,973	29.3	7,833,476	100.0
	1996	7,139,275	75.9	0	0.0	334,357	3.6	0	0.0	1,927,946	20.5	9,401,578	100.0
	1997	10,056,007	88.4	537,800	4.7	293,037	2.6	325,657	2.9	159,023	1.4	11,371,524	100.0
	All Yrs	21,826,205	76.3	922,667	3.2	966,849	3.4	511,915	1.8	4,378,942	15.3	28,606,578	100.0
WG	1995	1,134,150	59.4	152,333	8.0	3,763	0.2	0	0.0	618,253	32.4	1,908,499	100.0
	1996	2,936,768	84.1	0	0.0	0	0.0	0	0.0	556,781	15.9	3,493,549	100.0
	1997	1,949,765	76.9	346,401	13.7	955	0.0	235,660	9.3	4,264	0.2	2,537,045	100.0
	All Yrs	6,020,683	75.8	498,734	6.3	4,718	0.1	235,660	3.0	1,179,298	14.9	7,939,093	100.0
BS	1995	245,383	24.5	0	0.0	227,632	22.7	0	0.0	530,512	52.9	1,003,527	100.0
	1996	1,521,914	99.7	0	0.0	0	0.0	0	0.0	4,829	0.3	1,526,743	100.0
	1997	989,170	78.1	0	0.0	0	0.0	277,824	21.9	0	0.0	1,266,994	100.0
	All Yrs	2,756,467	72.6	0	0.0	227,632	6.0	277,824	7.3	535,341	14.1	3,797,264	100.0
AI	1995	1,573,780	73.4	52,268	2.4	0	0.0	2,927	0.1	514,649	24.0	2,143,624	100.0
	1996	1,610,325	78.1	0	0.0	99,322	4.8	0	0.0	353,063	17.1	2,062,710	100.0
	1997	4,900,749	99.7	0	0.0	0	0.0	2,927	0.1	13,500	0.3	4,917,176	100.0
	All Yrs	8,084,854	88.6	52,268	0.6	99,322	1.1	5,854	0.1	881,212	9.7	9,123,510	100.0

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

Area	Year	Priced Sales	Pct Priced	Other Sales	Pct Other	Trades	Pct Trades	Gifts	Pct Gifts	Unknown	Pct Unknown	Total	Pct Total
SE	1995	111	74.0	5	3.3	7	4.7	13	8.7	14	9.3	150	100.0
	1996	108	77.1	1	0.7	3	2.1	3	2.1	25	17.9	140	100.0
	1997	105	74.5	0	0.0	10	7.1	17	12.1	9	6.4	141	100.0
	All Yrs	324	75.2	6	1.4	20	4.6	33	7.7	48	11.1	431	100.0
WY	1995	37	52.1	7	9.9	4	5.6	8	11.3	15	21.1	71	100.0
	1996	63	73.3	0	0.0	1	1.2	1	1.2	21	24.4	86	100.0
	1997	78	75.7	1	1.0	4	3.9	13	12.6	7	6.8	103	100.0
	All Yrs	178	68.5	8	3.1	9	3.5	22	8.5	43	16.5	260	100.0
CG	1995	59	56.2	9	8.6	4	3.8	8	7.6	25	23.8	105	100.0
	1996	86	75.4	0	0.0	3	2.6	0	0.0	25	21.9	114	100.0
	1997	113	77.4	3	2.1	6	4.1	18	12.3	6	4.1	146	100.0
	All Yrs	258	70.7	12	3.3	13	3.6	26	7.1	56	15.3	365	100.0
WG	1995	14	51.9	3	11.1	1	3.7	0	0.0	9	33.3	27	100.0
	1996	15	65.2	0	0.0	0	0.0	0	0.0	8	34.8	23	100.0
	1997	37	75.5	3	6.1	1	2.0	7	14.3	1	2.0	49	100.0
	All Yrs	66	66.7	6	6.1	2	2.0	7	7.1	18	18.2	99	100.0
BS	1995	5	38.5	0	0.0	2	15.4	0	0.0	6	46.2	13	100.0
	1996	7	87.5	0	0.0	0	0.0	0	0.0	1	12.5	8	100.0
	1997	9	90.0	0	0.0	0	0.0	1	10.0	0	0.0	10	100.0
	All Yrs	21	67.7	0	0.0	2	6.5	1	3.2	7	22.6	31	100.0
AI	1995	7	46.7	1	6.7	0	0.0	1	6.7	6	40.0	15	100.0
	1996	5	50.0	0	0.0	1	10.0	0	0.0	4	40.0	10	100.0
	1997	14	77.8	0	0.0	0	0.0	3	16.7	1	5.6	18	100.0
	All Yrs	26	60.5	1	2.3	1	2.3	4	9.3	11	25.6	43	100.0

## 6.2 Finance Source on Priced Sales Transfers

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

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

Table 6-2a provides information on the sources used to finance QS transferred in “priced sales” transactions in 1995-1997. The table provides data on the amount and percentage of QS transferred under each finance method. These data are reported by area. Since some reported more than one finance method used, the row percentages in the table total more than 100%.

Personal resources and banks were the most important sources of financing. Personal resources were the most widely used financing method for QS in the Southeast, West Yakutat, Western Gulf, and Aleutian Islands areas over the three year period. Banks were the most important source in the Central Gulf and the Bering Sea areas during the three years. The percent of QS financed with personal resources ranged from 24.4% in the Bering Sea area up to 61.1% in the West Yakutat area during the three years. The percent financed by banks ranged from 25.9% in the Southeast area to 62.5% in the Bering Sea area during the period.

The other financing methods were generally used for less than 10% of the QS over the three-year period. Exceptions are “seller financing” in the Southeast, Central Gulf, and Aleutian Islands areas and “other financing” in the Bering Sea and Aleutian Islands areas.

Table 6-2b also provides information on the sources used to finance QS transferred in “priced sales” transactions in 1995-1997. However, while Table 6-2a provides information on the *amount* and percentage of *QS* transferred, Table 6-2b provides information on the *number* and percentage of *QS transfers* under each finance method.

As in Table 6-2a, these data are reported by area. Again, since some persons reported more than one finance method used, the row percentages in the table may total more than 100%. The data in this table are generally consistent with that in Table 6-2a. Personal resources are the most important finance method, followed by banks, seller financing, and other methods.

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

Area	Year	Personal Resources		Bank		DCED or CFAB		Seller Financed		Processor		Other		Missing		Unique QS
		# QS	Pct	# QS	Pct	# QS	Pct	# QS	Pct	# QS	Pct	# QS	Pct	# QS	Pct	
SE	1995	1,710,625	43.0	1,109,762	27.9	415,382	10.4	639,615	16.1	170,945	4.3	53,058	1.3	743,638	18.7	3,979,009
	1996	1,903,207	46.0	1,150,609	27.8	454,492	11.0	619,162	15.0	146,478	3.5	206,629	5.0	410,739	9.9	4,137,124
	1997	2,071,755	54.9	818,840	21.7	259,206	6.9	1,031,325	27.3	0	0.0	17,495	0.5	0	0.0	3,775,136
	All Yrs	5,685,587	47.8	3,079,211	25.9	1,129,080	9.5	2,290,102	19.3	317,423	2.7	277,182	2.3	1,154,377	9.7	11,891,269
WY	1995	868,739	50.0	184,369	10.6	21,336	1.2	55,208	3.2	286,292	16.5	0	0.0	378,370	21.8	1,739,106
	1996	1,808,565	63.3	1,184,527	41.5	0	0.0	113,428	4.0	115,857	4.1	46,290	1.6	45,175	1.6	2,857,545
	1997	2,154,438	65.0	800,674	24.2	40,513	1.2	89,822	2.7	0	0.0	324,228	9.8	0	0.0	3,315,101
	All Yrs	4,831,742	61.1	2,169,570	27.4	61,849	0.8	258,458	3.3	402,149	5.1	370,518	4.7	423,545	5.4	7,911,752
CG	1995	2,344,030	50.6	1,176,583	25.4	167,827	3.6	651,558	14.1	158,324	3.4	0	0.0	958,002	20.7	4,630,923
	1996	3,425,356	48.0	2,969,727	41.6	338,441	4.7	59,121	0.8	531,402	7.4	177,464	2.5	241,406	3.4	7,139,275
	1997	3,303,059	32.8	5,037,829	50.1	136,417	1.4	1,553,104	15.4	10,939	0.1	400,140	4.0	0	0.0	10,056,007
	All Yrs	9,072,445	41.6	9,184,139	42.1	642,685	2.9	2,263,783	10.4	700,665	3.2	577,604	2.6	1,199,408	5.5	21,826,205
WG	1995	938,268	82.7	133,047	11.7	0	0.0	0	0.0	0	0.0	0	0.0	62,835	5.5	1,134,150
	1996	1,250,574	42.6	1,686,194	57.4	0	0.0	35,029	1.2	0	0.0	0	0.0	0	0.0	2,936,768
	1997	690,168	35.4	978,914	50.2	120,662	6.2	137,528	7.1	0	0.0	125,574	6.4	0	0.0	1,949,765
	All Yrs	2,879,010	47.8	2,798,155	46.5	120,662	2.0	172,557	2.9	0	0.0	125,574	2.1	62,835	1.0	6,020,683
BS	1995	67,406	27.5	177,977	72.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	245,383
	1996	587,777	38.6	934,137	61.4	0	0.0	71,394	4.7	0	0.0	0	0.0	0	0.0	1,521,914
	1997	17,405	1.8	609,890	61.7	0	0.0	0	0.0	0	0.0	361,875	36.6	0	0.0	989,170
	All Yrs	672,588	24.4	1,722,004	62.5	0	0.0	71,394	2.6	0	0.0	361,875	13.1	0	0.0	2,756,467
AI	1995	12,578	0.8	1,023,343	65.0	0	0.0	350,623	22.3	0	0.0	141,187	9.0	58,627	3.7	1,573,780
	1996	758,019	47.1	852,306	52.9	0	0.0	428,834	26.6	0	0.0	0	0.0	0	0.0	1,610,325
	1997	3,631,595	74.1	523,382	10.7	0	0.0	97,846	2.0	0	0.0	3,544,448	72.3	0	0.0	4,900,749
	All Yrs	4,402,192	54.4	2,399,031	29.7	0	0.0	877,303	10.9	0	0.0	3,685,635	45.6	58,627	0.7	8,084,854

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

Area	Year	Personal Resources		Bank		DCED or CFAB		Seller Financed		Processor		Other		Missing		Unique Trans.
		# Trans	Pct	# Trans	Pct	# Trans	Pct	# Trans	Pct	# Trans	Pct	# Trans	Pct	# Trans	Pct	# Trans
SE	1995	71	64.0	20	18.0	9	8.1	19	17.1	3	2.7	4	3.6	8	7.2	111
	1996	64	59.3	29	26.9	4	3.7	12	11.1	2	1.9	4	3.7	6	5.6	108
	1997	76	72.4	20	19.0	5	4.8	7	6.7	0	0.0	2	1.9	0	0.0	105
	All Yrs	211	65.1	69	21.3	18	5.6	38	11.7	5	1.5	10	3.1	14	4.3	324
WY	1995	24	64.9	4	10.8	2	5.4	2	5.4	1	2.7	0	0.0	6	16.2	37
	1996	50	79.4	11	17.5	0	0.0	2	3.2	2	3.2	1	1.6	1	1.6	63
	1997	59	75.6	12	15.4	2	2.6	4	5.1	0	0.0	2	2.6	0	0.0	78
	All Yrs	133	74.7	27	15.2	4	2.2	8	4.5	3	1.7	3	1.7	7	3.9	178
CG	1995	38	64.4	11	18.6	4	6.8	9	15.3	2	3.4	0	0.0	7	11.9	59
	1996	56	65.1	22	25.6	2	2.3	4	4.7	2	2.3	4	4.7	2	2.3	86
	1997	70	61.9	30	26.5	4	3.5	6	5.3	2	1.8	4	3.5	0	0.0	113
	All Yrs	164	63.6	63	24.4	10	3.9	19	7.4	6	2.3	8	3.1	9	3.5	58
WG	1995	9	64.3	3	21.4	0	0.0	0	0.0	0	0.0	0	0.0	2	14.3	14
	1996	12	80.0	3	20.0	0	0.0	1	6.7	0	0.0	0	0.0	0	0.0	15
	1997	20	54.1	13	35.1	1	2.7	1	2.7	0	0.0	3	8.1	0	0.0	37
	All Yrs	41	62.1	19	28.8	1	1.5	2	3.0	0	0.0	3	4.5	2	3.0	66
BS	1995	3	60.0	2	40.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	5
	1996	3	42.9	4	57.1	0	0.0	1	14.3	0	0.0	0	0.0	0	0.0	7
	1997	4	44.4	2	22.2	0	0.0	0	0.0	0	0.0	3	33.3	0	0.0	9
	All Yrs	10	47.6	8	38.1	0	0.0	1	4.8	0	0.0	3	14.3	0	0.0	21
AI	1995	1	14.3	2	28.6	0	0.0	2	28.6	0	0.0	1	14.3	2	28.6	7
	1996	3	60.0	2	40.0	0	0.0	1	20.0	0	0.0	0	0.0	0	0.0	5
	1997	7	50.0	4	28.6	0	0.0	2	14.3	0	0.0	3	21.4	0	0.0	14
	All Yrs	11	42.3	8	30.8	0	0.0	5	19.2	0	0.0	4	15.4	2	7.7	26

### 6.3 Relationship of Buyer and Seller on Permanent Transfers

This section examines the relationship between transferors and transfer recipients in permanent QS transfers. In the tables in this section these categories were designated as “partner,” “family,” “friend,” or “none.” Note that these tables should be read with caution because the actual categories on the NMFS-RAM transfer application form changed over the time period.<sup>1</sup>

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

“None” or “No relationship” was the most likely response in all areas. In all six management areas where permanent QS transfers occurred during the three-year period, 50% or more of the QS transferred moved between persons indicating “no relationship.” In four of the management areas the three-year average was over 60%. In most areas the percentage rose from 1995 to 1996 and then fell in 1997. In the Aleutian Islands area it rose steadily each year.

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

Table 6-3b provides similar summary data but focuses on the number of transfer transactions rather than on the amount of QS involved in the transactions. The results are similar to those in Table 6-3a. In all areas over 50% of the three-year transfers are between parties with “no relation.” In four of the six management areas the percentages for “no relation” area over 60%.

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<sup>1</sup>The relationship question on the transfer application form changed between 1995 and 1996. In 1995 respondents were given a choice of “No relationship,” “Business Partner,” “Personal Family Member,” and “Other Friend or Relative.” In 1996 “Personal Family Member” became “Family Member,” “Other Friend or Relative” became “Friend,” and an “Other” category was introduced.

**Table 6-3a. QS Transferred by Area, Year, Relationship of Transfer Parties, 1995-97**

Area	Year	Between Family	Pct Family	Between Friends	Pct Friends	Between Partners	Pct Partners	No Relation	Pct No Relation	Missing Information	Pct Missing	Total Transfers	Pct Total
SE	1995	605,937	10.3	963,507	16.3	439,957	7.5	3,374,699	57.2	513,720	8.7	5,897,820	100.0
	1996	500,177	8.6	919,596	15.9	117,489	2.0	3,344,358	57.8	902,777	15.6	5,784,397	100.0
	1997	1,077,023	21.1	811,954	15.9	32,792	0.6	2,733,980	53.4	459,564	9.0	5,115,313	100.0
	All Yrs	2,183,137	13.0	2,695,057	16.0	590,238	3.5	9,453,037	56.3	1,876,061	11.2	16,797,530	100.0
WY	1995	277,089	8.5	117,374	3.6	422,457	12.9	1,706,927	52.1	754,623	23.0	3,278,470	100.0
	1996	118,345	3.1	188,694	4.9	287,897	7.5	2,671,250	69.4	585,224	15.2	3,851,410	100.0
	1997	168,503	4.1	1,062,257	25.6	646,354	15.6	2,259,630	54.5	7,237	0.2	4,143,981	100.0
	All Yrs	563,937	5.0	1,368,325	12.1	1,356,708	12.0	6,637,807	58.9	1,347,084	11.9	11,273,861	100.0
CG	1995	404,810	5.2	539,372	6.9	656,886	8.4	4,630,004	59.1	1,602,404	20.5	7,833,476	100.0
	1996	72,885	0.8	945,557	10.1	307,227	3.3	7,491,549	79.7	584,360	6.2	9,401,578	100.0
	1997	1,705,491	15.0	821,250	7.2	327,509	2.9	8,513,185	74.9	4,089	0.0	11,371,524	100.0
	All Yrs	2,183,186	7.6	2,306,179	8.1	1,291,622	4.5	20,634,738	72.1	2,190,853	7.7	28,606,578	100.0
WG	1995	254	0.0	9,591	0.5	225,546	11.8	1,082,155	56.7	590,953	31.0	1,908,499	100.0
	1996	36,754	1.1	23,925	0.7	0	0.0	3,063,981	87.7	368,889	10.6	3,493,549	100.0
	1997	223,871	8.8	140,894	5.6	292,936	11.5	1,879,344	74.1	0	0.0	2,537,045	100.0
	All Yrs	260,879	3.3	174,410	2.2	518,482	6.5	6,025,480	75.9	959,842	12.1	7,939,093	100.0
BS	1995	26,852	2.7	40,011	4.0	0	0.0	441,277	44.0	495,387	49.4	1,003,527	100.0
	1996	0	0.0	0	0.0	0	0.0	1,521,914	99.7	4,829	0.3	1,526,743	100.0
	1997	0	0.0	373,158	29.5	278,181	22.0	615,655	48.6	0	0.0	1,266,994	100.0
	All Yrs	26,852	0.7	413,169	10.9	278,181	7.3	2,578,846	67.9	500,216	13.2	3,797,264	100.0
AI	1995	9,394	0.4	68,492	3.2	0	0.0	1,560,483	72.8	505,255	23.6	2,143,624	100.0
	1996	0	0.0	0	0.0	437,367	21.2	1,617,768	78.4	7,575	0.4	2,062,710	100.0
	1997	31,322	0.6	108,048	2.2	2,927	0.1	4,774,879	97.1	0	0.0	4,917,176	100.0
	All Yrs	40,716	0.4	176,540	1.9	440,294	4.8	7,953,130	87.2	512,830	5.6	9,123,510	100.0

**Table 6-3b. QS Transfer Transactions by Area, Year, Relationship of Transfer Parties, 1995-97**

Area	Year	Between Family	Pct Family	Between Friends	Pct Friends	Between Partners	Pct Partners	No Relation	Pct No Relation	Missing Information	Pct Missing	Total Transfers	Pct Total
SE	1995	18	12.0	28	18.7	4	2.7	92	61.3	8	5.3	150	100.0
	1996	12	8.6	28	20.0	3	2.1	86	61.4	11	7.9	140	100.0
	1997	14	9.9	30	21.3	5	3.5	87	61.7	5	3.5	141	100.0
	All Yrs	44	10.2	86	20.0	12	2.8	265	61.5	24	5.6	431	100.0
WY	1995	11	15.5	9	12.7	1	1.4	39	54.9	11	15.5	71	100.0
	1996	9	10.5	10	11.6	3	3.5	57	66.3	7	8.1	86	100.0
	1997	15	14.6	22	21.4	6	5.8	59	57.3	1	1.0	103	100.0
	All Yrs	35	13.5	41	15.8	10	3.8	155	59.6	19	7.3	260	100.0
CG	1995	13	12.4	13	12.4	3	2.9	56	53.3	20	19.0	105	100.0
	1996	9	7.9	14	12.3	3	2.6	82	71.9	6	5.3	114	100.0
	1997	13	8.9	22	15.1	5	3.4	104	71.2	2	1.4	146	100.0
	All Yrs	35	9.6	49	13.4	11	3.0	242	66.3	28	7.7	365	100.0
WG	1995	1	3.7	1	3.7	2	7.4	15	55.6	8	29.6	27	100.0
	1996	3	13.0	1	4.3	0	0.0	17	73.9	2	8.7	23	100.0
	1997	6	12.2	6	12.2	6	12.2	31	63.3	0	0.0	49	100.0
	All Yrs	10	10.1	8	8.1	8	8.1	63	63.6	10	10.1	99	100.0
BS	1995	1	7.7	1	7.7	0	0.0	7	53.8	4	30.8	13	100.0
	1996	0	0.0	0	0.0	0	0.0	7	87.5	1	12.5	8	100.0
	1997	0	0.0	3	30.0	2	20.0	5	50.0	0	0.0	10	100.0
	All Yrs	1	3.2	4	12.9	2	6.5	19	61.3	5	16.1	31	100.0
AI	1995	1	6.7	2	13.3	0	0.0	7	46.7	5	33.3	15	100.0
	1996	0	0.0	0	0.0	2	20.0	6	60.0	2	20.0	10	100.0
	1997	1	5.6	4	22.2	3	16.7	10	55.6	0	0.0	18	100.0
	All Yrs	2	4.7	6	14.0	5	11.6	23	53.5	7	16.3	43	100.0

## 6.4 Use of Broker Services in Permanent QS Transfers

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

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

Brokers were involved in a large proportion of the permanent transfers and the percentage of transactions involving brokers grew in each year. Table 6-4a shows that brokers were involved in 38.8% of the transactions in 1995, 53.3% in 1996, and 60.2% in 1997. The table also shows that brokers were involved in the transfers of 44.9% of the QS transferred in 1995, 71.4% of the QS transferred in 1996, and 72.3% of the QS transferred in 1997.<sup>2</sup>

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

As can be seen, brokers were involved in a large proportion of the transactions in all areas and years. The lowest percentage of transactions conducted with the help of brokers was in the Aleutians area in 1995, when only 20.0% of the transactions involved brokers. The highest level of broker involvement came in the Bering Sea area in 1997 when 70.0% of the transactions involved brokers. In five of the six management areas broker involvement rose in each year.

Table 6-4c provides similar information on the use of brokers over all areas by vessel category and year.<sup>3</sup> Brokers were involved in large proportions of transactions in all vessel classes and years. The lowest percentage of transactions conducted with the help of brokers was for catcher vessels greater than 60 feet in 1995 (28.0%) while the highest level of broker involvement was for freezer vessels in 1996 (88.2%). Broker involvement rose each year for both of the catcher vessel classes. Broker involvement in freezer transfers rose from 1995 to 1996, and then fell in 1997.

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<sup>2</sup>These figures are based on summing QS amounts and QS transfers across areas. Recall that QS units are not comparable across areas.

<sup>3</sup>The comment in the previous footnote applies to this table as well. These figures are based on a summation of QS amounts and QS transfers across areas. QS are not comparable across areas.

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

Year	Was a Broker Used?	QS Transferred With Broker?	Total Annual QS Transferred	Percent of annual QS transferred	Number of Transactions With Broker?	Total annual transactions	Percent of annual transactions
1995	No	12,168,638	22,065,416	55.1	233	381	61.2
	Yes	9,896,778	22,065,416	44.9	148	381	38.8
1996	No	7,479,488	26,120,387	28.6	178	381	46.7
	Yes	18,640,899	26,120,387	71.4	203	381	53.3
1997	No	8,139,802	29,352,033	27.7	186	467	39.8
	Yes	21,212,231	29,352,033	72.3	281	467	60.2

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

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

Area	Year	Was a Broker Used?	QS Transferred With Broker?	Total Annual QS Transferred	Percent of Annual QS Transferred	Number of Transactions With Broker?	Total Annual Transactions	Percent of Annual Transactions
Southeast	1995	No	3,408,792	5,897,820	57.8	88	150	58.7
		Yes	2,489,028	5,897,820	42.2	62	150	41.3
	1996	No	2,709,528	5,784,397	46.8	72	140	51.4
		Yes	3,074,869	5,784,397	53.2	68	140	48.6
	1997	No	2,609,349	5,115,313	51.0	63	141	44.7
		Yes	2,505,964	5,115,313	49.0	78	141	55.3
W. Yakutat	1995	No	2,042,961	3,278,470	62.3	46	71	64.8
		Yes	1,235,509	3,278,470	37.7	25	71	35.2
	1996	No	1,204,091	3,851,410	31.3	40	86	46.5
		Yes	2,647,319	3,851,410	68.7	46	86	53.5
	1997	No	714,761	4,143,981	17.2	43	103	41.7
		Yes	3,429,220	4,143,981	82.8	60	103	58.3
Central Gulf	1995	No	3,870,378	7,833,476	49.4	60	105	57.1
		Yes	3,963,098	7,833,476	50.6	45	105	42.9
	1996	No	2,338,777	9,401,578	24.9	48	114	42.1
		Yes	7,062,801	9,401,578	75.1	66	114	57.9
	1997	No	3,074,572	11,371,524	27.0	49	146	33.6
		Yes	8,296,952	11,371,524	73.0	97	146	66.4
W. Gulf	1995	No	1,069,258	1,908,499	56.0	18	27	66.7
		Yes	839,241	1,908,499	44.0	9	27	33.3
	1996	No	507,022	3,493,549	14.5	10	23	43.5
		Yes	2,986,527	3,493,549	85.5	13	23	56.5
	1997	No	599,021	2,537,045	23.6	17	49	34.7
		Yes	1,938,024	2,537,045	76.4	32	49	65.3
Bering Sea	1995	No	798,155	1,003,527	79.5	9	13	69.2
		Yes	205,372	1,003,527	20.5	4	13	30.8
	1996	No	267,685	1,526,743	17.5	3	8	37.5
		Yes	1,259,058	1,526,743	82.5	5	8	62.5
	1997	No	292,621	1,266,994	23.1	3	10	30.0
		Yes	974,373	1,266,994	76.9	7	10	70.0
Aleutians	1995	No	979,094	2,143,624	45.7	12	15	80.0
		Yes	1,164,530	2,143,624	54.3	3	15	20.0
	1996	No	452,385	2,062,710	21.9	5	10	50.0
		Yes	1,610,325	2,062,710	78.1	5	10	50.0
	1997	No	849,478	4,917,176	17.3	11	18	61.1
		Yes	4,067,698	4,917,176	82.7	7	18	38.9

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

Vessel Category	Year	Was a Broker Used?	QS Transferred With Broker?	Total Annual QS Transferred	Percent of Annual QS Transferred	Number of Transactions With Broker?	Total Annual Transactions	Percent of Annual Transactions
Freezer	1995	No	781,559	2,010,732	38.9	17	29	58.6
		Yes	1,229,173	2,010,732	61.1	12	29	41.4
	1996	No	357,564	6,354,409	5.6	4	34	11.8
		Yes	5,996,845	6,354,409	94.4	30	34	88.2
	1997	No	769,428	6,419,619	12.0	15	47	31.9
		Yes	5,650,191	6,419,619	88.0	32	47	68.1
GT 60 ft.	1995	No	4,186,216	6,535,793	64.1	59	82	72.0
		Yes	2,349,577	6,535,793	35.9	23	82	28.0
	1996	No	2,583,771	8,305,864	31.1	42	101	41.6
		Yes	5,722,093	8,305,864	68.9	59	101	58.4
	1997	No	3,160,301	10,224,573	30.9	47	123	38.2
		Yes	7,064,272	10,224,573	69.1	76	123	61.8
LE 60 ft.	1995	No	7,200,863	13,518,891	53.3	157	270	58.1
		Yes	6,318,028	13,518,891	46.7	113	270	41.9
	1996	No	4,538,153	11,460,114	39.6	132	246	53.7
		Yes	6,921,961	11,460,114	60.4	114	246	46.3
	1997	No	4,210,073	12,707,841	33.1	124	297	41.8
		Yes	8,497,768	12,707,841	66.9	173	297	58.2

## 6.5 Use of Broker Services in Lease Transfers

Table 6-5a shows the extent to which brokers helped arrange leases of QS by year. In this table QS and transfers are summed across all management areas.<sup>4</sup> Data are provided on the amount of QS leased with broker help in each year, the percent of all QS leased that was leased with broker assistance, the number of leases in which brokers helped, and the percent of all leases assisted by brokers.<sup>5</sup>

Brokers helped arrange large proportions of the leases in each year. They were involved with about 35% of the leases in 1995 and 1996, and with 56.0% of the leases in 1997. Leases arranged by brokers accounted for 49.2% of the total QS leased in 1995, 72.7% in 1996, and 74.6% in 1997.

Table 6-5b shows the extent to which brokers helped arrange the leases of QS by management area and year. The data in this table is similar to that provided in Table 6-5a. The table provides data on the amount and percentage of QS leased with the help of brokers. The table also provides data on the number of QS lease transactions involving a broker.

As can be seen, brokers were involved in a large proportion of the lease transactions in most areas and years. The lowest percentage of leases conducted with the help of brokers was in the Central Gulf in 1996, when only 15.4% of the lease transactions involved brokers. The highest level of broker involvement came in the Western Gulf in 1996 when 100% of the leases involved brokers.

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<sup>4</sup>These figures are based on summing QS amounts and QS transfers across areas. Recall that QS units are not comparable across areas.

<sup>5</sup>This report uses the QS amounts shown in lease transactions on NMFS-RAM computerized files. In a few cases, these transactions appear to be in error with respect to the actual amount of QS leased relative to the IFQ involved. For that reason, the QS lease rates shown herein may be slight overestimates.

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

Year	Was Lease Brokered	QS Leased With a Broker?	Total Annual QS Leased	Percent of Annual QS Leased	Number of Leases	Total Annual Leases	Percent of Annual Leases
1995	No	8,753,538	17,221,961	50.8	50	77	64.9
	Yes	8,468,423	17,221,961	49.2	27	77	35.1
1996	No	3,083,823	11,299,983	27.3	33	51	64.7
	Yes	8,216,160	11,299,983	72.7	18	51	35.3
1997	No	3,307,521	13,011,461	25.4	22	50	44.0
	Yes	9,703,940	13,011,461	74.6	28	50	56.0

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

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

Area	Year	Was Lease Brokered?	QS Leased With Broker?	Total Annual QS Leased	Percent of Annual QS Leased	Number of Leases With Broker?	Total Annual Leases	Percent of Annual Leases
SE	1995	No	1,049,482	1,259,409	83.3	13	16	81.3
		Yes	209,927	1,259,409	16.7	3	16	18.8
	1996	No	1,153,678	1,231,178	93.7	10	13	76.9
		Yes	77,500	1,231,178	6.3	3	13	23.1
	1997	No	1,165,608	1,585,938	73.5	10	14	71.4
		Yes	420,330	1,585,938	26.5	4	14	28.6
WY	1995	No	681,598	887,103	76.8	10	14	71.4
		Yes	205,505	887,103	23.2	4	14	28.6
	1996	No	88,641	605,902	14.6	6	8	75.0
		Yes	517,261	605,902	85.4	2	8	25.0
	1997	No	48,770	244,956	19.9	2	6	33.3
		Yes	196,186	244,956	80.1	4	6	66.7
CG	1995	No	1,351,923	2,902,784	46.6	10	16	62.5
		Yes	1,550,861	2,902,784	53.4	6	16	37.5
	1996	No	850,302	1,542,073	55.1	11	13	84.6
		Yes	691,771	1,542,073	44.9	2	13	15.4
	1997	No	717,572	1,029,680	69.7	5	8	62.5
		Yes	312,108	1,029,680	30.3	3	8	37.5
WG	1995	No	3,411,694	3,718,498	91.7	9	12	75.0
		Yes	306,804	3,718,498	8.3	3	12	25.0
	1996	Yes	3,137,255	3,137,255	100	5	5	100
	1997	No	846,138	3,288,630	25.7	3	8	37.5
		Yes	2,442,492	3,288,630	74.3	5	8	62.5
	BS	1995	No	322,415	2,008,938	16.0	3	8
Yes			1,686,523	2,008,938	84.0	5	8	62.5
1996		No	289,010	998,940	28.9	2	5	40.0
		Yes	709,930	998,940	71.1	3	5	60.0
1997		No	252,081	1,424,719	17.7	1	6	16.7
		Yes	1,172,638	1,424,719	82.3	5	6	83.3
AI	1995	No	1,936,426	6,445,229	30.0	5	11	45.5
		Yes	4,508,803	6,445,229	70.0	6	11	54.5
	1996	No	702,192	3,784,635	18.6	4	7	57.1
		Yes	3,082,443	3,784,635	81.4	3	7	42.9
	1997	No	277,352	5,437,538	5.1	1	8	12.5
		Yes	5,160,186	5,437,538	94.9	7	8	87.5