

9 Changes in QS Holdings by Type of Person

Under the sablefish IFQ program, individuals, partnerships, solely owned corporations, corporations, and other types of entities are defined as “persons” who may hold QS. This chapter examines the distribution of QS by type of person holding the QS.

Table 9-1 summarizes information on the distribution of QS by management area and type of person. Table 9-2 provides similar information on the number of persons holding QS. Tables 9-3 and 9-4 provide similar information, but use aggregated person-type categories.

These tables provide information on the following types of QS holders:

<i>Corporate:</i>	QS held by corporations that were initial QS recipients (other than solely owned corporations, or restricted owners).
<i>New corporation:</i>	Corporations that were not initial QS recipients but subsequently acquired freezer vessel QS.
<i>Estates:</i>	QS held by estates of initial QS recipients or other owners
<i>Individual:</i>	QS held by natural persons (other than crew) who were initial QS recipients.
<i>Partnership:</i>	QS held by partnerships (other than restricted owners).
<i>Restricted:</i>	QS held by organizations (possibly partnerships or corporations) that do not have the right to fish with it.
<i>One-owner corporation:</i>	QS held by solely-owned corporations. In some cases individuals may exercise an IFQ program option to transfer the QS to their solely-owned corporation.
<i>Crew:</i>	QS held by natural persons who were not initial QS recipients but who entered the system for the first time as IFQ crew and met the qualifications to buy QS.

The sablefish IFQ program contains restrictions on the ability of corporations and partnerships to hold and use sablefish catcher vessel QS and IFQ. The intent of these restrictions appears to be to assign QS to corporations and partnerships that qualified as initial issuees, but to impose restrictions on the ability of corporations and partnerships to expand their positions in the fishery. These restrictions are somewhat more strict in the Southeast area than elsewhere.

Corporations and partnerships that are initial catcher vessel QS recipients can use the QS and IFQ and (except in the Southeast area) can buy and use additional QS. The QS must be used on a vessel owned by the corporation or partnership and operated by one of its employees. In the Southeast area, corporations and partnerships can only use the catcher vessel QS that they received as an initial allocation.¹

Corporations and partnerships *that are not* initial catcher vessel QS recipients cannot acquire catcher vessel QS by transfer. If a corporation or partnership that is not an initial QS recipient comes into possession of catcher vessel QS, perhaps following a default on a loan, it will not be able to fish with the QS.²

A corporation or partnership, except for a publicly held corporation, loses the rights to fish its initial catcher vessel allocation and to buy additional QS if a new shareholder or partner is added (except for court appointed trustees acting on behalf of shareholders or partners who become incapacitated). In these cases, QS must be transferred to an individual before it can be fished again.³

Corporations and partnerships that are not initial issuees may purchase freezer vessel QS.⁴

An IFQ crew person is defined in the IFQ program as one who has at least 150 days experience working as part of a harvesting crew in any United States commercial fishery or any individual who receives an initial allocation of QS. An individual must meet these requirements to buy QS.

Table 9-1 shows the initial and year-end 1997 distribution of QS by IFQ area and type of person. Data are supplied on the initial QS issued to each type of owner in each management area, the QS held at year-end 1997 by each type of owner, the change in QS held, the percent change, and the percentage of area QS held by each type of owner at initial issuance and at year-end 1997.

The table shows that:

The proportion of QS initially allocated to corporate holders varied considerably among the IFQ areas. Initial allocations of QS to corporations ranged from 13.2% of the total QS in the Southeast area to 61.6% of the total QS in the Bering Sea area. Corporations held the highest proportions of QS at initial allocation in the Western Gulf, Bering Sea and Aleutian Islands areas.

¹See 50 CFR 679.42(j).

²See 50 CFR 679.41(g).

³See 50 CFR 679.42(j)(1), (2), (3), and (4).

⁴The IFQ regulations do not prohibit freezer QS purchases by corporations and partnerships that were not initial issuees.

The percentage of an area's QS held by corporations ("corporate" plus "new corporations") decreased slightly in the Southeast area and increased in the other areas. The increases ranged from a low of 0.3% in the West Yakutat area to a high of 6.4% in the Western Gulf area.

Initial allocations to individuals (that is, natural persons who were initial QS recipients) also varied widely between areas, ranging from a low of 24.1% in the Aleutian Islands area to a high of 80% in the Southeast area. Individuals held the highest percentages of initial QS in the Southeast, West Yakutat, and Central Gulf areas.

The percentages of the QS held by individuals fell in all areas except the Aleutian Islands area. The declines in the percentages ranged from a low of 3.1% in the Bering Sea area to a high of 5.1% in the Southeast area. The percentage in the Aleutian Islands area increased by 9.8%.

The percentages of QS held by one-owner corporations were small. There were only slight changes during 1995-1997. One-owner corporations held 0.7% of the total QS in the Southeast area at the end of 1997, but held no QS in the other areas.

The percentages of total area QS held by "crew," meaning new entrants who are natural persons, increased in all areas over the three-year period. Crew holdings at the end of 1997 ranged from a low of 1.6% in the Bering Sea area to a high of 7.3% in the Southeast area.

Table 9-2 provides similar information on the number of *persons* holding QS by area and type of entity. The types of data provided are similar to those provided in Table 9-1. Typically, the number of persons declined for all types of entities except for new individuals entering the fishery as "IFQ crew" and "new corporations." In two instances a minor category remained unchanged. The declines in QS holders occurred as QS holdings were consolidated over the period. The overall numbers of QS holders declined in each area.

The description of holders by category in Tables 9-1 and 9-2 can obscure changes in the relative QS holdings of corporations and natural persons. This topic is likely to be one of particular interest. In Tables 9-3 and 9-4, the categories of estates, individuals, one-owner corporations, and crew are reported as a single, consolidated "*effective individual*" category. The categories of "corporate" and "new corporations" have also been consolidated. These tables show the management areas and vessel classes in which corporate, partnership, and effective individual QS holdings are most common. Table 9-3 looks at the amount of QS held and Table 9-4 looks at the numbers of persons holding QS. These tables are sorted by type of QS holder, vessel category, and management area.

Table 9-3 provides the total initial QS, the total year-end 1997 QS, the change and the percentage change in QS from 1995 to 1997 for each person type, management area, and vessel category combination. It also shows the percentage of total QS for the vessel category and area that was held by each person type at initial issuance and at year-end 1997.

Corporate holders held a majority of the freezer vessel sablefish QS in the Central Gulf, Western Gulf, Aleutian Islands, and Bering Sea areas at initial issuance and at year-end 1997 and a majority of the “greater than 60 feet” catcher vessel QS in the West Yakutat, Central Gulf, Aleutians and Bering Sea areas at initial issuance. Corporate holders tended to increase the size of their holdings of freezer QS in the areas where they held majorities of the QS to start with, but to reduce the size of their holdings of “greater than 60 feet” QS in all areas. Corporate holdings of “LE 60 feet” catcher vessel QS increased except in the Southeast area.

At the end of 1997 “Effective individuals” tended to hold substantial amounts of QS. “Effective individuals” held over 20% of the QS in 16 of the 18 possible combinations of management areas and vessel categories. They held over 50% in eight of them, and over 60% in four. The proportions of QS held by “effective individuals” were low for freezer vessel QS in the Western Gulf and Bering Sea. In these areas “effective individuals” held less than 10% at the end of 1997.

Partnerships received smaller amounts of QS than the other two holder categories. Partnerships received over 15% of the QS in five of the six freezer vessel categories, and in the “36 to 60 feet” catcher vessel category in the Aleutians and Bering Sea areas. Partnership holdings declined in most vessel category and area combinations.

Table 9-4 provides similar data for QS holders. Data are supplied on the numbers of QS holders of each person-type that were initial issuees, the number of QS holders of each person-type who held QS at year-end 1997, and the change and the percent change in the number of QS holders. The table also shows the percentage of QS holders that fall into each person-type category for each vessel category and year. The table provides both initial issuance and year-end 1997 percentages.

Table 9-1. Sablefish QS by Area and Type of Holder

Area	Person Type	Initial Total QS Holdings	Year-end 1997 Total QS Holdings	Change In Total QS Holdings	Pct Change Total QS Holdings	Initial Pct Area QS	Year-end 1997 Pct Area QS
SE	new corporations	0	170,671	170,671	ND	0.0	0.3
	corporate	8,751,327	7,080,856	-1,670,471	-19.1	13.2	10.7
	partnership	4,273,774	3,703,176	-570,598	-13.4	6.4	5.6
	estates	236,934	356,571	119,637	50.5	0.4	0.5
	individual	53,124,879	49,400,166	-3,724,713	-7.0	80.0	74.9
	one owner corp	26,271	429,890	403,619	1536.4	0.0	0.7
	crew	0	4,797,432	4,797,432	ND	0.0	7.3
		-----	66,413,185	65,938,762			100.0
WY	new corporations	0	93,269	93,269	ND	0.0	0.2
	corporate	20,817,941	20,887,245	69,304	0.3	39.2	39.3
	partnership	1,993,662	1,762,141	-231,521	-11.6	3.8	3.3
	estates	87,383	7,285	-80,098	-91.7	0.2	0.0
	individual	30,165,313	28,302,430	-1,862,883	-6.2	56.8	53.3
	one owner corp	67,484	0	-67,484	-100.0	0.1	0.0
	crew	0	2,064,250	2,064,250	ND	0.0	3.9
		-----	53,131,783	53,116,620			100.0
CG	new corporations	0	1,919,325	1,919,325	ND	0.0	1.7
	corporate	48,549,763	47,446,490	-1,103,273	-2.3	43.7	42.8
	partnership	7,248,889	5,566,717	-1,682,172	-23.2	6.5	5.0
	restricted	16,550	0	-16,550	-100.0	0.0	0.0
	estates	465,865	135,237	-330,628	-71.0	0.4	0.1
	individual	54,713,206	51,130,910	-3,582,296	-6.5	49.3	46.1
	one owner corp	76,051	0	-76,051	-100.0	0.1	0.0
	crew	0	4,675,179	4,675,179	ND	0.0	4.2
	-----	111,070,324	110,873,858			100.0	100.0
WG	new corporations	0	2,007,915	2,007,915	ND	0.0	5.6
	corporate	18,395,813	18,622,572	226,759	1.2	51.0	51.8
	partnership	4,536,661	2,602,642	-1,934,019	-42.6	12.6	7.2
	estates	81,637	18,799	-62,838	-77.0	0.2	0.1
	individual	13,041,124	11,707,931	-1,333,193	-10.2	36.2	32.6
	one owner corp	254	0	-254	-100.0	0.0	0.0
	crew	0	975,380	975,380	ND	0.0	2.7
		-----	36,055,489	35,935,239			100.0

ND means "not defined."

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Table 9-1. Sablefish QS by Area and Type of Holder

Area	Person Type	Initial Total QS Holdings	Year-end 1997 Total QS Holdings	Change In Total QS Holdings	Pct Change Total QS Holdings	Initial Pct Area QS	Year-end 1997Pct Area QS
BS	new corporations	0	1,139,653	1,139,653	ND	0.0	6.1
	corporate	11,468,039	11,254,148	-213,891	-1.9	61.6	60.5
	partnership	1,944,515	1,569,207	-375,308	-19.3	10.5	8.4
	estates	399,927	114,869	-285,058	-71.3	2.1	0.6
	individual	4,792,673	4,219,302	-573,371	-12.0	25.8	22.7
	crew	0	305,219	305,219	ND	0.0	1.6
		-----	18,605,154	18,602,398			100.0
AI	new corporations	0	1,892,951	1,892,951	ND	0.0	6.0
	corporate	18,835,962	17,231,206	-1,604,756	-8.5	59.8	54.7
	partnership	5,046,808	802,512	-4,244,296	-84.1	16.0	2.5
	estates	15,641	8,652	-6,989	-44.7	0.0	0.0
	individual	7,610,371	10,674,631	3,064,260	40.3	24.1	33.9
	one owner corp	9,394	0	-9,394	-100.0	0.0	0.0
	crew	0	908,224	908,224	ND	0.0	2.9
	-----	31,518,176	31,518,176			100.0	100.0

ND means "not defined."

Table 9-2. Sablefish QS Holders by Area and Type of Person

Area	Person Type	Initial Total QS Holders	Year-end 1997 Total QS Holders	Change In Total QS Holders	Pct Change In Total QS Holders	Initial Pct Area QS holders	Year-end 1997 Pct Area QS holders
SE	new corporations	0	2	2	ND	0.0	0.4
	corporate	97	61	-36	-37.1	13.7	11.0
	partnership	25	15	-10	-40.0	3.5	2.7
	estates	8	3	-5	-62.5	1.1	0.5
	individual	579	396	-183	-31.6	81.5	71.6
	one owner corp	1	1	0	0.0	0.1	0.2
	crew	0	75	75	ND	0.0	13.6
		-----	710	553			100.0
WY	new corporations	0	3	3	ND	0.0	0.9
	corporate	94	74	-20	-21.3	20.8	21.1
	partnership	21	12	-9	-42.9	4.6	3.4
	estates	4	1	-3	-75.0	0.9	0.3
	individual	332	220	-112	-33.7	73.5	62.9
	one owner corp	1	0	-1	-100.0	0.2	0.0
	crew	0	40	40	ND	0.0	11.4
		-----	452	350			100.0
CG	new corporations	0	4	4	ND	0.0	0.8
	corporate	133	103	-30	-22.6	20.8	20.8
	partnership	32	18	-14	-43.8	5.0	3.6
	restricted	1	0	-1	-100.0	0.2	0.0
	estates	5	3	-2	-40.0	0.8	0.6
	individual	467	316	-151	-32.3	73.1	63.7
	one owner corp	1	0	-1	-100.0	0.2	0.0
	crew	0	52	52	ND	0.0	10.5
	-----	639	496			100.0	100.0
WG	new corporations	0	4	4	ND	0.0	2.0
	corporate	78	64	-14	-17.9	33.8	32.5
	partnership	17	9	-8	-47.1	7.4	4.6
	estates	2	1	-1	-50.0	0.9	0.5
	individual	133	103	-30	-22.6	57.6	52.3
	one owner corp	1	0	-1	-100.0	0.4	0.0
	crew	0	16	16	ND	0.0	8.1
		-----	231	197			100.0

ND means "not defined."

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Table 9-2. Sablefish QS Holders by Area and Type of Person

Area	Person Type	Initial Total QS Holders	Year-end 1997 Total QS Holders	Change In Total QS Holders	Pct Change In Total QS Holders	Initial Pct Area QS Holders	Year-end 1997 Pct Area QS Holders
BS	new corporations	0	3	3	ND	0.0	2.3
	corporate	54	50	-4	-7.4	37.5	38.2
	partnership	11	6	-5	-45.5	7.6	4.6
	estates	1	1	0	0.0	0.7	0.8
	individual	78	68	-10	-12.8	54.2	51.9
	crew	0	3	3	ND	0.0	2.3
		-----	144	131			100.0
AI	new corporations	0	4	4	ND	0.0	3.2
	corporate	57	48	-9	-15.8	42.2	38.7
	partnership	9	6	-3	-33.3	6.7	4.8
	estates	2	1	-1	-50.0	1.5	0.8
	individual	66	58	-8	-12.1	48.9	46.8
	one owner corp	1	0	-1	-100.0	0.7	0.0
	crew	0	7	7	ND	0.0	5.6
	-----	135	124			100.0	100.0

ND means "not defined."

Table 9-3. Sablefish QS by Type of Holder, Vessel Category, and Area

Person Type	Vessel Category	Area	Initial Total QS Holdings	Year-end 1997 Total QS Holdings	Change In Total QS Holdings	Pct Change In Total QS Holdings	Pct Initial Vess cat/ Area QS	Pct Year-end 1997 Vess cat/ Area QS
corporate	Freezer	SE	1,794,612	1,333,829	-460,783	-25.7	28.5	22.1
		WY	1,690,447	1,615,081	-75,366	-4.5	38.9	37.3
		CG	10,032,587	11,140,299	1,107,712	11.0	58.8	65.8
		WG	9,327,170	10,615,216	1,288,046	13.8	68.2	78.2
		BS	5,513,426	5,756,784	243,358	4.4	75.6	79.0
		AI	12,226,589	13,256,510	1,029,921	8.4	69.7	75.6
	GT 60 ft.	SE	2,999,976	2,616,207	-383,769	-12.8	21.9	19.4
		WY	16,890,958	16,042,497	-848,461	-5.0	52.5	49.8
		CG	27,373,544	25,758,860	-1,614,684	-5.9	51.7	48.7
		WG	6,935,524	6,713,113	-222,411	-3.2	44.5	43.1
		BS	4,632,111	4,595,383	-36,728	-0.8	59.6	59.1
		AI	5,704,189	4,867,832	-836,357	-14.7	50.4	43.0
	LE 60 ft.	SE	3,956,739	3,301,491	-655,248	-16.6	8.5	7.1
		WY	2,236,536	3,322,936	1,086,400	48.6	13.5	20.0
		CG	11,143,632	12,466,656	1,323,024	11.9	27.1	30.4
		WG	2,133,119	3,302,158	1,169,039	54.8	31.3	48.8
		BS	1,322,502	2,041,634	719,132	54.4	37.3	57.7
		AI	905,184	999,815	94,631	10.5	34.0	37.6
partnership	Freezer	SE	1,545,207	1,486,912	-58,295	-3.8	24.5	24.6
		WY	410,318	362,535	-47,783	-11.6	9.5	8.4
		CG	2,767,369	2,104,917	-662,452	-23.9	16.2	12.4
		WG	3,735,274	2,366,229	-1,369,045	-36.7	27.3	17.4
		BS	1,249,358	979,148	-270,210	-21.6	17.1	13.4
		AI	4,212,861	397,465	-3,815,396	-90.6	24.0	2.3
	GT 60 ft.	SE	1,421,282	1,157,353	-263,929	-18.6	10.4	8.6
		WY	883,918	589,600	-294,318	-33.3	2.7	1.8
		CG	2,744,799	1,464,005	-1,280,794	-46.7	5.2	2.8
		WG	102,053	3,241	-98,812	-96.8	0.7	0.0
		BS	9,499	246,231	236,732	2492	0.1	3.2
		AI	24,200	24,200	0	0.0	0.2	0.2
	LE 60 ft.	SE	1,307,285	1,058,911	-248,374	-19.0	2.8	2.3
		WY	699,426	810,006	110,580	15.8	4.2	4.9
		CG	1,736,721	1,997,795	261,074	15.0	4.2	4.9
		WG	699,334	233,172	-466,162	-66.7	10.3	3.4
		BS	685,658	343,828	-341,830	-49.9	19.4	9.7
		AI	809,747	380,847	-428,900	-53.0	30.4	14.3

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Table 9-3. Sablefish QS by Type of Holder, Vessel Category, and Area

Person Type	Vessel Category	Area	Initial Total QS Holdings	Year-end 1997 Total QS Holdings	Change In Total QS Holdings	Pct Change In Total QS Holdings	Pct Initial Vess cat/ Area QS	Pct Year-end 1997 Vess cat/ Area QS
restricted	36-60 ft.	CG	16,550	0	-16,550	-100	0.0	0.0
effective individual	Freezer	SE	2,967,397	3,221,039	253,642	8.5	47.0	53.3
		WY	2,240,362	2,348,440	108,078	4.8	51.6	54.3
		CG	4,262,973	3,676,988	-585,985	-13.7	25.0	21.7
		WG	608,238	596,962	-11,276	-1.9	4.4	4.4
		BS	526,074	552,926	26,852	5.1	7.2	7.6
		AI	1,098,517	3,883,992	2,785,475	253.6	6.3	22.1
	GT 60 ft.	SE	9,257,994	9,686,843	428,849	4.6	67.7	72.0
		WY	14,422,502	15,560,586	1,138,084	7.9	44.8	48.3
		CG	22,803,689	25,698,708	2,895,019	12.7	43.1	48.6
		WG	8,534,961	8,874,315	339,354	4.0	54.8	56.9
		BS	3,131,676	2,931,672	-200,004	-6.4	40.3	37.7
		AI	5,591,244	6,427,601	836,357	15.0	49.4	56.8
	LE 60 ft.	SE	41,162,693	42,076,177	913,484	2.2	88.7	90.6
		WY	13,657,316	12,464,939	-1,192,377	-8.7	82.3	75.1
		CG	28,188,460	26,565,630	-1,622,830	-5.8	68.6	64.7
		WG	3,979,816	3,230,833	-748,983	-18.8	58.4	47.7
		BS	1,534,850	1,154,792	-380,058	-24.8	43.3	32.6
		AI	945,645	1,279,914	334,269	35.3	35.5	48.1

Table 9-4. Sablefish QS Holders by Type of Holder, Vessel Category, and Area

Person Type	Vessel Category	Area	Initial Total QS Holders	Year-end 1997 Total QS Holders	Change In Total QS Holders	Pct Change In Total QS Holders	Pct Initial Vess cat/ Area QS	Pct Year-end 1997 Vess cat/ Area QS	
corporate	Freezer	SE	20	13	-7	-35.0	46.5	34.2	
		WY	19	17	-2	-10.5	59.4	53.1	
		CG	22	19	-3	-13.6	53.7	51.4	
		WG	19	17	-2	-10.5	59.4	56.7	
		BS	16	16	0	0.0	61.5	61.5	
		AI	16	17	1	6.3	59.3	58.6	
	GT 60 ft.	SE	40	27	-13	-32.5	33.9	26.0	
		WY	44	38	-6	-13.6	33.3	31.9	
		CG	68	58	-10	-14.7	35.6	33.7	
		WG	43	38	-5	-11.6	42.2	40.9	
		BS	28	26	-2	-7.1	44.4	45.6	
		AI	31	27	-4	-12.9	49.2	45.8	
	LE 60 ft.	SE	37	24	-13	-35.1	6.7	5.7	
		WY	31	24	-7	-22.6	10.7	11.4	
		CG	45	34	-11	-24.4	10.9	11.0	
		WG	16	15	-1	-6.3	16.2	17.9	
		BS	10	12	2	20.0	17.9	23.5	
		AI	10	11	1	10.0	22.2	26.8	
	partnership	Freezer	SE	4	3	-1	-25.0	9.3	7.9
			WY	4	3	-1	-25.0	12.5	9.4
			CG	5	4	-1	-20.0	12.2	10.8
WG			5	4	-1	-20.0	15.6	13.3	
BS			4	3	-1	-25.0	15.4	11.5	
AI			4	3	-1	-25.0	14.8	10.3	
GT 60 ft.		SE	7	5	-2	-28.6	5.9	4.8	
		WY	9	4	-5	-55.6	6.8	3.4	
		CG	13	7	-6	-46.2	6.8	4.1	
		WG	7	4	-3	-42.9	6.9	4.3	
		BS	3	2	-1	-33.3	4.8	3.5	
		AI	1	1	0	0.0	1.6	1.7	
LE 60 ft.		SE	14	7	-7	-50.0	2.5	1.7	
		WY	8	6	-2	-25.0	2.8	2.8	
		CG	14	9	-5	-35.7	3.4	2.9	
		WG	5	2	-3	-60.0	5.1	2.4	
		BS	4	3	-1	-25.0	7.1	5.9	
		AI	4	2	-2	-50.0	8.9	4.9	

(Continued)

Table 9-4. Sablefish QS Holders by Type of Holder, Vessel Category, and Area

Person Type	Vessel Category	Area	Initial Total QS Holders	Year-end 1997 Total QS Holders	Change In Total QS Holders	Pct Change In Total QS Holders	Pct Initial Vess cat/ Area QS	Pct Year-end 1997 Vess cat/ Area QS
restricted	36-60 ft.	CG	1	0	-1	-100.0	0.2	0.0
effective individual	Freezer	SE	19	22	3	15.8	44.2	57.9
		WY	9	12	3	33.3	28.1	37.5
		CG	14	14	0	0.0	34.1	37.8
		WG	8	9	1	12.5	25.0	30.0
		BS	6	7	1	16.7	23.1	26.9
		AI	7	9	2	28.6	25.9	31.0
	GT 60 ft.	SE	71	72	1	1.4	60.2	69.2
		WY	79	77	-2	-2.5	59.8	64.7
		CG	110	107	-3	-2.7	57.6	62.2
		WG	52	51	-1	-1.9	51.0	54.8
		BS	32	29	-3	-9.4	50.8	50.9
		AI	31	31	0	0.0	49.2	52.5
	LE 60 ft.	SE	500	391	-109	-21.8	90.7	92.7
		WY	250	181	-69	-27.6	86.5	85.8
		CG	352	267	-85	-24.1	85.4	86.1
		WG	78	67	-11	-14.1	78.8	79.8
		BS	42	36	-6	-14.3	75.0	70.6
		AI	31	28	-3	-9.7	68.9	68.3