

(iii) *Landed RFQ.* All annual RFQ halibut issued to an RQE will be considered landed in the year for which it is issued.

[61 FR 31230, June 19, 1996, as amended at 61 FR 35579, July 5, 1996; 61 FR 41525, Aug. 9, 1996; 61 FR 43314, Aug. 22, 1996; 62 FR 59299, Nov. 3, 1997; 66 FR 27910, May 21, 2001; 67 FR 4133, Jan. 28, 2002; 71 FR 36492, June 27, 2006; 72 FR 44809, Aug. 9, 2007; 73 FR 76166, Dec. 15, 2008; 76 FR 40633, July 11, 2011; 77 FR 29563, May 18, 2012; 78 FR 75893, Dec. 12, 2013; 83 FR 47831, Sept. 21, 2018]

**§ 679.41 Transfer of quota shares and IFQ.**

(a) *General.* (1) Except as provided in paragraph (a)(2) of this section, transfer of QS or IFQ means any transaction requiring QS, or the use thereof in the form of IFQ, to pass from one person to another, permanently or for a fixed period of time.

(2) Transactions requiring IFQ permits to be issued in the name of a hired master employed by an individual or a corporation are not transfers of QS or IFQ.

(3) Any transaction involving a transfer between IFQ and guided angler fish (GAF), as defined in § 300.61 of this title, is governed by regulations in § 300.65(c) of this title.

(b) *Transfer procedure*—(1) *Application for transfer.* An Application for Transfer of QS/IFQ (Application for Transfer) must be approved by the Regional Administrator before a person may use IFQ to harvest IFQ halibut or IFQ sablefish, whether the IFQ was the result of a direct transfer or the result of a QS transfer. An Application for Transfer will not be approved until the Regional Administrator has reviewed and approved the transfer agreement signed by the parties to the transaction. The Regional Administrator shall provide an Application for Transfer form to any person on request. Persons who submit an Application for Transfer to the Regional Administrator for approval will receive notification of the Regional Administrator's decision to approve or disapprove the Application for Transfer, and, if applicable, the reason(s) for disapproval, by mail posted on the date of that decision, unless another communication mode is requested on the Application for Transfer.

(2) *QS or IFQ accounts.* QS or IFQ accounts affected by an Application for Transfer approved by the Regional Administrator will change on the date of approval. Any necessary IFQ permits will be sent with the notification of the Regional Administrator's decision.

(c) *Application for Transfer approval criteria.* Except as provided in paragraph (f) of this section, an Application for Transfer will not be approved until the Regional Administrator has determined that:

(1) The person applying for transfer received the QS or IFQ to be transferred:

(i) By initial assignment by the Regional Administrator as provided in § 679.40(a); or

(ii) By approved transfer.

(2) The person applying to receive the QS or IFQ meets the requirements of eligibility in paragraph (d) of this section.

(3) The person applying for transfer and the person applying to receive the QS or IFQ have their notarized signatures on the Application for Transfer.

(4) There are no fines, civil penalties, or other payments due and owing, or outstanding permit sanctions, resulting from Federal fishery violations involving either person.

(5) The person applying to receive the QS or IFQ currently exists.

(6) The transfer would not cause the person applying to receive the QS or IFQ to exceed the use limits in § 679.42 (e) or (f).

(7) The transfer would not violate the provisions of paragraph (g) of this section.

(8)(i) The person applying to make or receive the IFQ or QS transfer has paid all IFQ fees that have become due as a result of an initial administrative determination.

(ii) The person applying to make or receive the IFQ or QS transfer who has not paid all IFQ fees that are due (as provided under § 679.45(a)) has timely appealed the administrative determination that IFQ fees have not been paid in full and has submitted to NMFS an amount sufficient to satisfy any disputed liability pending a final agency action.

(9) Other pertinent information requested on the Application for Transfer

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has been supplied to the satisfaction of the Regional Administrator.

(10) If the person applying to transfer or receive QS or IFQ is a CQE, the following determinations are required for each eligible community represented by that CQE:

(i) An individual applying to receive IFQ from QS held by a CQE is an eligible community resident of the eligible community in whose name the CQE is holding QS;

(ii) The CQE applying to receive or transfer QS, has submitted a complete annual report required by § 679.5 (t);

(iii) The CQE applying to transfer QS has provided information on the reasons for the transfer as described in paragraph (g)(7) of this section;

(iv) The CQE applying to receive QS is eligible to hold QS on behalf of the eligible community in the halibut or sablefish regulatory area designated for that eligible community in Table 21 to this part; and

(v) The CQE applying to receive QS has received notification of approval of eligibility to receive QS/IFQ for that community as described in paragraph (d)(1) of this section.

(11) If the person applying to receive or transfer QS is an RQE, the following determinations are required:

(i) The RQE applying to receive or transfer QS, has submitted the timely and complete annual report required by § 679.5(v);

(ii) The RQE applying to receive QS is eligible to hold QS on behalf of the charter halibut sector in IFQ regulatory area 2C or 3A; and

(iii) The RQE applying to receive QS has received notification of approval of eligibility to receive QS on behalf of the charter halibut sector in IFQ regulatory area 2C or 3A as described in paragraph (d)(1) of this section.

(12) The person applying to receive QS assigned to vessel category B, C, or D is not a corporation, partnership, association, or other non-individual entity, except as specified in paragraph (g)(3) of this section.

(13) If the person applying to receive halibut IFQ assigned to vessel categories B, C, or D in IFQ regulatory areas 4B, 4C, or 4D is a CDQ group, the following determinations are required:

(i) The CDQ group applying to receive halibut IFQ for an IFQ regulatory area receives an annual allocation of halibut CDQ for that IFQ regulatory area pursuant to § 679.31(b)(1);

(ii) The QS holder applying to transfer halibut IFQ to a CDQ group has not transferred any halibut IFQ assigned to vessel categories B, C, or D for that IFQ regulatory area to a CDQ group during the last two consecutive fishing years;

(iii) If the IFQ to be transferred to a CDQ group results from QS that was transferred to the QS holder after December 14, 2015, the QS holder applying to transfer halibut IFQ to a CDQ group has held the underlying QS for that IFQ for a minimum of 3 years from the date NMFS approved the transfer;

(iv) If the IFQ to be transferred to a CDQ group is assigned to vessel categories B, C, or D in IFQ regulatory area 4B, the QS holder applying to transfer that halibut IFQ to a CDQ group holds fewer than 76,355 halibut QS units in IFQ regulatory area 4B; and

(v) The CDQ group applying to receive halibut IFQ has submitted a complete report if required to do so by § 679.5(w).

(d) *Eligibility to receive QS or IFQ by transfer—(1) Application for Eligibility.* All persons, except as provided in paragraphs (d)(1)(i) and (d)(1)(ii) of this section, applying to receive QS or IFQ must submit an Application for Eligibility to Receive QS/IFQ (Application for Eligibility) containing accurate information to the Regional Administrator. The Regional Administrator will not approve a transfer of IFQ or QS to a person until the Application for Eligibility for that person is approved by the Regional Administrator. The Regional Administrator shall provide an Application for Eligibility form to any person on request.

(i) An Application for Eligibility is not required for a CQE if a complete application to become a CQE, as described in paragraph (1)(3) of this section, has been approved by the Regional Administrator on behalf of an eligible community.

(ii) An Application for Eligibility is not required for a CDQ group.

(2) *Type of eligibility.* A person must indicate on the Application for Eligibility whether the eligibility sought is as:

- (i) An individual; or
- (ii) A corporation, partnership, or other non-individual entity.

(3) *Application filing order.* A person may submit the Application for Eligibility with the Application for Transfer or file the Application for Eligibility prior to submitting the Application for Transfer. If a person, as described in paragraph (d)(2)(ii) of this section, files the Application for Eligibility prior to submitting the Application for Transfer, and that person's status subsequently changes, as described in §679.42(j), that person must resubmit an Application for Eligibility before submitting, or with, the Application for Transfer.

(4) *Notification of approval.* Applicants will be notified by mail of the Regional Administrator's approval of an application for eligibility.

(5) *Notification of disapproval.* The Regional Administrator will notify the applicant if an Application for Eligibility is disapproved. This notification of disapproval will include:

- (i) The disapproved Application for Eligibility.
- (ii) An explanation of why the Application for Eligibility was not approved.

(6) *Reasons for disapproval.* Reasons for disapproval of an Application for Eligibility may include, but are not limited to:

- (i) Fewer than 150 days of experience working as an IFQ crew member, unless that person attests in the Application for Eligibility that he or she is an eligible community resident of Adak, AK, who will receive only halibut IFQ in regulatory area 4B or sablefish IFQ in the regulatory area of the Aleutian Islands subarea that is derived from QS held by a CQE on behalf of Adak, AK.
- (ii) Lack of compliance with the U.S. citizenship or corporate ownership requirements specified by the definition of "person" at §679.2.
- (iii) An incomplete Application for Eligibility.
- (iv) Fines, civil penalties, or other payments due and owing, or outstanding permit sanctions, resulting from Federal fishery violations.

(e) *Transfers of QS blocks*—(1) *General.* A QS block must be transferred as an undivided whole, unless the size of the QS block exceeds the use limits specified at §679.42. If the QS block to be transferred exceeds the use limits specified at §679.42, the Regional Administrator will divide the block into two blocks, one block containing the maximum amount of QS allowable under the QS use limits and the other block containing the residual QS.

(2) *Sablefish.* QS blocks for the same IFQ regulatory area and vessel category that represent less than 5,000 lb (2.3 mt) of sablefish IFQ, based on the 1996 TAC share for fixed gear sablefish in a specific IFQ regulatory area and the QS pool for that IFQ regulatory area on January 31, 1996, may be consolidated into larger QS blocks provided that the consolidated blocks do not represent greater than 5,000 lbs (2.3 mt) of sablefish IFQ based on the preceding criteria. A consolidated block cannot be divided and is considered a single block for purposes of use and transferability. The maximum number of QS units that may be consolidated into a single QS block in each IFQ regulatory area is as follows:

- (i) Southeast Outside district: 33,270 QS.
- (ii) West Yakutat district: 43,390 QS.
- (iii) Central GOA regulatory area: 46,055 QS.
- (iv) Western GOA regulatory area: 48,410 QS.
- (v) Aleutian Islands subarea: 99,210 QS.
- (vi) Bering Sea subarea: 91,275 QS.

(3) *Halibut.* QS blocks for the same IFQ regulatory area and vessel category that represent less than 3,000 lb (1.4 mt) of halibut IFQ, based on the 1996 catch limit for halibut in a specific IFQ regulatory area and the QS pool for that IFQ regulatory area on January 31, 1996, may be consolidated into larger QS blocks provided that the consolidated blocks do not represent greater than 3,000 lb (1.4 mt) of halibut IFQ based on the preceding criteria. In Areas 2C and 3A, QS blocks for the same IFQ regulatory area and vessel category that represent less than 5,000 lb (2.3 mt) of halibut IFQ, based on the 1996 catch limit for halibut in a specific IFQ regulatory area and the QS pool

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for that IFQ regulatory area on January 31, 1996, may be consolidated into larger QS blocks provided that the consolidated blocks do not represent greater than 5,000 lb (2.3 mt) of halibut IFQ based on the preceding criteria. A consolidated block cannot be divided and is considered a single block for purposes of use and transferability. The maximum number of QS units that may be consolidated into a single block in each IFQ regulatory area is as follows:

- (i) Area 2C: 33,320 QS.
- (ii) Area 3A: 46,520 QS.
- (iii) Area 3B: 44,193 QS.
- (iv) Subarea 4A: 22,947 QS.
- (v) Subarea 4B: 15,087 QS.
- (vi) Subarea 4C: 30,930 QS.
- (vii) Subarea 4D: 26,082 QS.
- (viii) Subarea 4E: 0 QS.

(f) *Transfer of QS or IFQ with restrictions.* If QS or IFQ must be transferred as a result of a court order, operation of law, or as part of a security agreement, but the person receiving the QS or IFQ by transfer does not meet all of the eligibility requirements of this section, the Regional Administrator will approve the Application for Transfer with restrictions. The Regional Administrator will not assign IFQ resulting from the restricted QS to any person. IFQ with restrictions may not be used for harvesting halibut or sablefish with fixed gear. The QS or IFQ will remain restricted until:

(1) The person who received the QS or IFQ with restrictions meets the eligibility requirements of this section and the Regional Administrator approves an Application for Eligibility for that person; or

(2) The Regional Administrator approves the Application for Transfer from the person who received the QS or IFQ with restrictions to a person who meets the requirements of this section.

(g) *Transfer restrictions.* (1) Except as provided in paragraph (f), paragraph (g)(2), paragraph (1), paragraph (n) or paragraph (o) of this section, only persons who are IFQ crew members, or who were initially issued QS assigned to vessel categories B, C, or D, and meet the eligibility requirements in this section, may receive by transfer QS assigned to vessel categories B, C, or D, or the IFQ resulting from it.

(2) Except as provided in paragraph (g)(3) of this section, only persons who are IFQ crew members, and meet the other requirements in this section, may receive by transfer QS assigned to vessel categories B, C, or D, or the IFQ resulting from it, in IFQ regulatory area 2C for halibut or in the IFQ regulatory area east of 140° W. long. for sablefish.

(3) Individuals who were initially issued QS assigned to vessel categories B, C, or D may transfer that QS to a corporation that is solely owned by the same individual. Such transfers of QS assigned to vessel categories B, C, or D in IFQ regulatory area 2C for halibut or in the IFQ regulatory area east of 140° W. long. for sablefish will be governed by the use provisions of §679.42(i); the use provisions pertaining to corporations at §679.42(j) shall not apply.

(4) The Regional Administrator will not approve an Application for Transfer of QS assigned to vessel categories B, C, or D subject to a lease or any other condition of repossession or resale by the person transferring QS, except as provided in paragraphs (h) and (m) of this section, or by court order, operation of law, or as part of a security agreement. The Regional Administrator may request a copy of the sales contract or other terms and conditions of transfer between two persons as supplementary information to the transfer application.

(5) A CQE may not hold QS in halibut IFQ regulatory area 2C that is assigned to vessel category D.

(i) A CQE may not hold QS in halibut IFQ regulatory area 3A that is assigned to vessel category D on behalf of a community that is located in halibut IFQ regulatory areas 2C or 3B as listed in Table 21 to part 679.

(ii) In aggregate, CQEs may not hold an amount of QS in halibut IFQ regulatory area 3A that is assigned to vessel category D in excess of 1,233,740 QS units.

(6) IFQ derived from QS held by a CQE on behalf of an eligible community:

(i) In the GOA may be used only by an eligible community resident of that community.

(ii) In the Aleutian Islands subarea may be used by any person who has received an approved Application for Eligibility as described in paragraph (d) of this section prior to March 17, 2019 and only by an eligible community resident of Adak, AK, after March 17, 2019.

(7) A CQE may transfer QS:

(i) To generate revenues to provide funds to meet administrative costs for managing the community QS holdings;

(ii) To generate revenue to improve the ability of residents within the community to participate in the halibut and sablefish IFQ fisheries;

(iii) To generate revenue to purchase QS to yield IFQ for use by community residents;

(iv) To dissolve the CQE; or

(v) As a result of a court order, operation of law, or as part of a security agreement.

(8) If the Regional Administrator determines that a CQE transferred QS for purposes other than those specified in paragraph (g)(7) of this section, then:

(i) The CQE must divest itself of any remaining QS holdings and will not be eligible to receive QS by transfer for a period of three years after the effective date of final agency action on the Regional Administrator's determination; and

(ii) The Regional Administrator will not approve a CQE to represent the eligible community in whose name the CQE transferred quota for a period of three years after the effective date of final agency action on the Regional Administrator's determination.

(9) For transfers of QS to an RQE, the RQE may only receive halibut QS that is assigned to IFQ regulatory area 2C or 3A.

(10) For transfers of QS from an RQE:

(i) Quota category and block designations at time of purchase by an RQE are retained if QS is transferred to an eligible QS holder for use in the IFQ program.

(ii) NMFS will not issue any IFQ from any QS transferred from an RQE to a QS holder for use in the IFQ program for a calendar year if that QS resulted in the issuance of RFQ to an RQE during that calendar year.

(11)(i) To maintain eligibility as the RQE authorized by NMFS, the RQE must be a non-profit entity incor-

porated under the laws of the State of Alaska and recognized as exempt from Federal income tax by the Internal Revenue Service as required by paragraph (n)(1)(ii) of this section.

(ii) If the Regional Administrator determines the RQE approved by NMFS does not meet the requirements specified in paragraph (n)(1) of this section, NMFS will notify the RQE of the Regional Administrator's determination and specify that the RQE has 60 days to meet the requirements in paragraph (n)(1) of this section to maintain eligibility as the RQE authorized by NMFS.

(iii) If the RQE demonstrates to NMFS within 60 days of notification that it meets the requirements in paragraph (n)(1) of this section, NMFS will notify the RQE that it remains the authorized RQE.

(iv) If the RQE does not demonstrate to NMFS within 60 days of notification that it meets the requirements in paragraph (n)(1) of this section, NMFS will issue an initial administrative determination (IAD):

(A) Revoking authorization of the RQE;

(B) Disallowing the RQE from receiving any QS by transfer;

(C) Requiring the CQE to divest of any QS that it holds; and

(D) Withholding the issuance of RFQ based on any QS that the RQE holds.

(v) The RQE will have the opportunity to appeal the IAD through the National Appeals Office under the provisions established at 15 CFR part 906.

(h) *Transfer of IFQ.* (1) Pursuant to paragraph (a) of this section, an Application for Transfer must be approved by the Regional Administrator before a person may use any IFQ that results from a direct transfer to harvest halibut or sablefish. After approving the Application for Transfer, the Regional Administrator will change any IFQ accounts affected by the approved transfer and issue all necessary IFQ permits.

(2) IFQ resulting from categories B, C, or D QS may not be transferred separately from its originating QS, except as provided in paragraphs (d), (f), (k), (l), (m), (o), or (p) of this section.

(i) *Transfer across catcher vessel categories—(1) CDQ compensation.* Persons issued CDQ compensation QS in a catcher vessel category, pursuant to

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§ 679.41(j), and in an IFQ regulatory area in which they do not hold QS other than CDQ compensation QS, may use that CDQ compensation QS on any catcher vessel. This exemption from catcher vessel categories ends upon the first transfer of the CDQ compensation QS. CDQ compensation QS being transferred will be permanently assigned to a specific catcher vessel category as designated by the person receiving the transfer.

(2) *CDQ compensation QS definition.* For purposes of this paragraph (i), CDQ compensation QS is QS issued as compensation for halibut and sablefish harvest privileges foregone due to the CDQ Program, as provided in paragraph (j) of this section.

(j) *Compensation for CDQ allocations.* (1) The Regional Administrator will compensate persons that receive a reduced halibut QS in IPHC regulatory areas 4B, 4C, 4D, or 4E because of the halibut CDQ program by adding halibut QS from IPHC regulatory areas 2C, 3A, 3B, and 4A. This compensation of halibut QS from areas 2C, 3A, 3B, and 4A will be allocated in proportion to the amount of halibut QS foregone due to the CDQ allocation authorized by this section.

(2) The Regional Administrator will compensate persons that receive a reduced sablefish QS in any BSAI IFQ regulatory area because of the sablefish CDQ program by taking sablefish QS from the IFQ regulatory areas of the GOA and allocating it in proportion to the loss suffered by persons in the BSAI area. Such additional compensation of sablefish QS will be allocated in proportion to the amount of sablefish QS foregone due to the CDQ allocation authorized by this section.

(3) Persons initially issued QS for IFQ regulatory areas in which a portion of the TAC is allocated to the CDQ Program will be compensated for halibut and sablefish harvest privileges foregone due to the CDQ Program. If a person does not hold QS in an IFQ regulatory area on the date the compensation is issued, that person's compensation will be issued as unblocked. If a person does hold QS in an IFQ regulatory area on the date compensation is issued, that person's compensation will be added to their existing QS in

that IFQ regulatory area. The resulting QS amount will be blocked or unblocked according to the criteria found at § 679.40(a). Compensation will be calculated for each non-CDQ area using the following formula:

$$Q_N = (Q_C \times QSP_N \times RATE) / (SUM_{CDQ} - [RATE \times SUM_{TAC}] (1 - RATE) \times TAC_{AVE}) (QSP_C \times [CDQ_{PCT} - RATE])$$

Where:

$Q_N$  = quota share in non-CDQ area

$Q_C$  = quota share in CDQ area

$QSP_N$  = quota share pool in non-CDQ area (as existing on January 31, 1995)

$RATE$  =  $SUM_{CDQ}$  / average of the TAC (1988–1994) for all CDQ and non-CDQ areas

$TAC_{AVE}$  = average of the TAC (1988–1994) for CDQ area

$QSP_C$  = quota share pool in CDQ area (as existing on January 31, 1995)

$CDQ_{PCT}$  = CDQ percentage for CDQ area

$SUM_{CDQ}$  = sum [ $TAC_{AVE} \times CDQ_{PCT}$ ]

$SUM_{TAC}$  = sum [ $TAC_{AVE}$ ]

(k) *Survivorship transfer privileges*—(1) On the death of an individual who holds QS or IFQ, the surviving spouse or, in the absence of a surviving spouse, a beneficiary designated pursuant to paragraph (k)(2) of this section or the estate representative, receives all QS and IFQ held by the decedent by right of survivorship, unless a contrary intent was expressed by the decedent in a will. The Regional Administrator will approve an Application for Transfer to the surviving spouse, designated beneficiary, or estate representative when sufficient evidence has been provided to verify the death of the individual.

(2) QS holders may provide the Regional Administrator with the name of a designated beneficiary from the QS holder's immediate family to receive survivorship transfer privileges in the event of the QS holder's death and in the absence of a surviving spouse.

(3) The Regional Administrator will approve an Application for Transfer of IFQ for a period of 3 calendar years following the date of death of an individual to a designated beneficiary. NMFS will allow the transfer of IFQ only resulting from the QS transferred to the surviving spouse or, in the absence of a surviving spouse, from a beneficiary from the QS holder's immediate family designated pursuant to paragraph (k)(2) of this section or from

an estate representative to a person eligible to receive IFQ under the provisions of this section, notwithstanding the limitations on transfers of IFQ in paragraph (h)(2) of this section.

(1) *Transfer of QS to CQEs.* (1) Each eligible community must designate a CQE to transfer and hold QS on behalf of that community.

(2) Each eligible community may designate only one CQE to hold QS on behalf of that community at any one time.

(3) Prior to initially receiving QS by transfer on behalf of a specific eligible community, a non-profit entity that intends to represent that eligible community as a CQE must have approval from the Regional Administrator. To receive that approval, the non-profit entity seeking to become a CQE must submit a complete application to become a CQE to the Regional Administrator, NMFS, P.O. Box 21668, Juneau, AK 99802. The Regional Administrator will provide a copy of the complete application to the Alaska Department of Community and Economic Development, Commissioner, P.O. Box 110809, Juneau, AK 99811-0809. NMFS will consider comments received from the Alaska Department of Community and Economic Development when reviewing applications for a non-profit entity to become a CQE. The Alaska Department of Community and Economic Development must submit comments on an application to the Regional Administrator, NMFS, P.O. Box 21668, Juneau, AK 99802, within 30 days of receipt of the application in order for those comments to be considered by the Regional Administrator during the approval process. If an application is disapproved, than that determination may be appealed under the provisions established at 15 CFR part 906. A complete application to become a CQE consists of:

(i) The articles of incorporation under the laws of the State of Alaska for that non-profit entity, except that a non-profit entity that is representing the Metlakatla Indian Village may provide articles of incorporation under Federal Law;

(ii) A statement indicating the eligible community, or communities, rep-

resented by that non-profit entity for purposes of holding QS;

(iii) Management organization information, including:

(A) The bylaws of the non-profit entity;

(B) A list of key personnel of the managing organization including, but not limited to, the board of directors, officers, representatives, and any managers;

(C) A description of how the non-profit entity is qualified to manage QS on behalf of the eligible community, or communities, it is designated to represent, and a demonstration that the non-profit entity has the management, technical expertise, and ability to manage QS and IFQ; and

(D) The name of the non-profit organization, taxpayer ID number, NMFS person number, permanent business mailing addresses, name of contact persons and additional contact information of the managing personnel for the non-profit entity, resumes of management personnel, name of community or communities represented by the CQE, name of contact for the governing body of each community represented, date, name and notarized signature of applicant, Notary Public signature and date when commission expires.

(iv) A statement describing the procedures that will be used to determine the distribution of IFQ to eligible community residents and non-residents of the community represented by that CQE, including:

(A) Procedures used to solicit requests from eligible community residents and non-residents to lease IFQ; and

(B) Criteria used to determine the distribution of IFQ leases among qualified community residents and non-residents and the relative weighting of those criteria.

(v) A statement of support from the governing body of the eligible community as that governing body is identified in Table 21 to this part. That statement of support is:

(A) A resolution from the City Council or other official governing body for those eligible communities incorporated as first or second class cities in the State of Alaska;

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(B) A resolution from the tribal government authority recognized by the Bureau of Indian Affairs for those eligible communities that are not incorporated as first or second class cities in the State of Alaska; but are represented by a tribal government authority recognized by the Secretary of the Interior; or

(C) A resolution from a non-profit community association, homeowner association, community council, or other non-profit entity for those eligible communities that are not incorporated as first or second class cities in the State of Alaska, and is not represented by a tribal government authority recognized by the Bureau of Indian Affairs. The non-profit entity that provides a statement of support must:

(1) Have articles of incorporation as a non-profit community association, homeowner association, community council, or other non-profit entity; and

(2) Have an established relationship with the State of Alaska Department of Community and Economic Development for purposes of representing that community for governmental functions.

(D) If an eligible community is not incorporated as a first or second class city in the State of Alaska, is not represented by a tribal government authority recognized by the Secretary of the Interior, and does not have a non-profit community association, homeowner association, community council, or other non-profit entity within that community with an established relationship with the Alaska Department of Community and Economic Development for purposes of representing that community for purposes of governmental functions, then the Regional Administrator, NMFS, will not consider any statement from a non-profit entity representing that community until that community:

(1) Is incorporated as a first or second class city in the State of Alaska;

(2) Establishes a tribal government authority recognized by the Secretary of the Interior; or

(3) Establishes a non-profit community association, homeowner association, community council, or other non-profit entity within that community

that meets the requirements established in paragraph (E) of this section.

(E) If a community described under paragraph (1)(3)(v)(D) of this section establishes a non-profit community association, homeowner association, community council, or other non-profit entity within that community, then the Regional Administrator, NMFS, will consider any recommendations from this entity to support a particular applicant after reviewing:

(1) Petitions from residents affirming that the non-profit community association, homeowner association, community council, or other non-profit entity within that community represents the residents within that community; and

(2) Comments from the State of Alaska Department of Community and Economic Development on the articles of incorporation for that non-profit entity and the ability of that non-profit entity to adequately represent the interests of that community for purposes of governmental functions.

(3) If the Regional Administrator determines that this statement of support is not adequate, than that determination may be appealed under the provisions established at 15 CFR part 906.

(4) The governing body of an eligible community as that governing body is identified in Table 21 to this part, must provide authorization for any transfer of QS by the CQE that holds QS on behalf of that eligible community prior to that transfer of QS being approved by NMFS. This authorization must be submitted as part of the Application for Transfer. That authorization consists of a signature on the Application for Transfer by a representative of the governing body that has been designated by that governing body to provide such authorization to approve the transfer of QS.

(m) *Temporary military transfers.* In the event of a military mobilization or order to report for military service affecting a QS holder that prevents him or her from being able to participate in the halibut or sablefish IFQ fisheries, the Regional Administrator may approve a temporary military transfer for the IFQ derived from the QS held by a QS holder affected by the military mobilization.



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(1) *General.* A temporary military transfer will be approved if the QS holder demonstrates that he or she is unable to participate in the IFQ fishery for which he or she holds QS because of a military mobilization, order to report for military service, or active duty military service.

(2) *Eligibility.* To be eligible to receive a temporary military transfer, a QS holder must meet all of the following requirements:

(i) Be a member of a branch of the National Guard or a member of a reserve component;

(ii) Possess one or more catcher vessel IFQ permits;

(iii) Not qualify for a hired master exception under § 679.42(i)(1);

(iv) Be in active duty military service as that term is defined at 10 U.S.C. 101(d)(1), be under a call to active service authorized by the President or the Secretary for a period of more than 30 consecutive days under 32 U.S.C. 502(f), or in the case of a member of a reserve component, have been ordered to report for military service beginning on the date of the member's receipt of the order and ending on the date on which the member reports for active duty military service.

(3) *Application.* A QS holder may apply for a temporary military transfer by submitting an application for temporary transfer of halibut/sablefish IFQ to the Alaska Region, NMFS. NMFS will transfer, upon approval of the application, the applicable IFQ from the applicant (transferor) to the recipient (transferee). An application for temporary transfer of halibut/sablefish IFQ is available at <https://www.fisheries.noaa.gov/region/alaska> or by calling 1-800-304-4846. A complete application must include all of the following:

(i) The transferor's identity including his or her full name, NMFS person ID, date of birth, permanent business mailing address, business telephone and fax numbers, and e-mail address (if any). A temporary mailing address may be provided, if appropriate.

(ii) The transferee's identity including his or her full name, NMFS person ID, date of birth, permanent business mailing address, business telephone and fax numbers, and e-mail address (if

any). A temporary mailing address may be provided, if appropriate.

(iii) The identification characteristics of the IFQ including whether the transfer is for halibut or sablefish IFQ, IFQ regulatory area, actual number of IFQ pounds, transferor (seller) IFQ permit number, and fishing year.

(iv) Documentation of active military mobilization or deployment. This documentation must include the following:

(A) A copy of official documentation such as valid military orders or call that direct the transferor to report to active duty military service, to mobilize for a military deployment, or to report to active service.

(B) A concise description of the nature of the military deployment or active duty military service, including verification that the applicant is unable to participate in the IFQ fishery for which he or she holds IFQ permits during the IFQ season because of his/her active duty military service.

(v) The signatures and printed names of the transferor and transferee, and date.

(vi) The signature, seal, and commission expiration of a notary public.

(4) *Restrictions.* (i) A temporary military transfer shall be valid only during the calendar year for which the associated IFQ is issued.

(ii) A temporary military transfer will be issued only for the IFQ derived from the QS held by the applicant.

(5) *Temporary military transfer evaluations and appeals—(i) Initial evaluation.* The Regional Administrator will evaluate an application for a temporary military transfer submitted in accordance with paragraphs (c)(1) through (c)(9) of this section. An applicant who fails to submit the information specified in the application for a temporary military transfer will be provided a reasonable opportunity to submit the specified information or submit a revised application.

(ii) *Initial administrative determination (IAD).* The Regional Administrator will prepare and send an IAD to the applicant if the Regional Administrator determines that the application provided by the applicant is deficient or if the applicant fails to submit the specified information or a revised application.

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The IAD will indicate the deficiencies in the application, including any deficiencies with the information on the revised application. An applicant who receives an IAD may appeal under the appeals procedures set out at 15 CFR part 906.

(n) *Transfer of halibut QS to an RQE—* (1) *RQE organizational structure.* (i) The RQE must be a single entity representing IFQ regulatory Areas 2C and 3A.

(ii) The RQE must be a non-profit entity incorporated under the laws of the State of Alaska and recognized as exempt from Federal income tax by the Internal Revenue Service; and

(iii) The RQE must submit an annual report to NMFS and the Council detailing RQE activities during the prior year according to §679.5(v).

(2) *Application for Eligibility.* Prior to initially receiving QS by transfer, a non-profit entity that intends to participate in the Halibut IFQ Program and purchase and hold halibut QS in Area 2C and Area 3A as the RQE must have approval from the Regional Administrator. To receive that approval, the non-profit entity seeking to become an RQE must submit a complete “Application for a Non-profit Entity to be Designated as a Recreational Quota Entity (RQE)” (available on the NMFS Alaska Region website at <https://alaskafisheries.noaa.gov/>). NMFS will approve only one entity as the RQE. A complete application to become an RQE must include:

(i) The articles of incorporation under the laws of the State of Alaska for that non-profit entity;

(ii) Acknowledgement from the Internal Revenue Service that the non-profit entity is exempt from Federal income tax under section 501(a) of the Internal Revenue Code; and

(iii) Management organization information, including:

(A) The bylaws of the non-profit entity;

(B) A list of key personnel of the managing organization including, but not limited to, the RQE board of directors, officers, representatives, and any managers;

(C) A description of how the non-profit entity is qualified to manage QS on behalf of charter fishery participants

and a demonstration that the non-profit entity has the management, technical expertise, and ability to manage QS and RFQ;

(D) The name of the non-profit organization, taxpayer ID number, NMFS person number, permanent business mailing addresses, name of contact persons and additional contact information of the managing personnel for the non-profit entity, resumes of management personnel, name and notarized signature of applicant, and Notary Public signature and date when commission expires; and

(iv) A statement describing the procedures that will be used to determine the acquisition of funds to purchase QS.

(3) *Address for submittal of application.* Regional Administrator, NMFS, P.O. Box 21668, Juneau, AK 99802.

(4) *Approval.* NMFS will approve the first complete application received. If an application is approved, NMFS will notify the RQE by mail, unless another mode of communication is requested on the application.

(5) *Disapproval.* If an application is disapproved, that determination may be appealed under the provisions established at 15 CFR part 906.

(o) *Transfer of IFQ to CDQ groups.* (1) A QS holder who holds fewer than 76,355 units of halibut QS in IFQ regulatory area 4B may transfer halibut IFQ assigned to vessel categories B, C, or D in IFQ regulatory area 4B to a CDQ group that receives an allocation of IFQ regulatory area 4B halibut CDQ if the annual commercial halibut catch limit, as defined in §300.61 of this title, for Area 4B is less than 1 million pounds in that calendar year.

(2) A QS holder in IFQ regulatory areas 4C or 4D may transfer halibut IFQ assigned to vessel categories B, C, or D in IFQ regulatory areas 4C or 4D to a CDQ group that receives an allocation of halibut CDQ in that IFQ regulatory area if the annual commercial halibut catch limit, as defined in §300.61 of this title, for Area 4CDE is less than 1.5 million pounds in that calendar year.

(3) A QS holder must meet the requirements in paragraph (c)(13) of this section to transfer halibut IFQ assigned to vessel categories B, C, or D in

IFQ regulatory areas 4B, 4C, or 4D to a CDQ group.

(4) A CDQ group that receives halibut IFQ by transfer may not transfer that halibut IFQ to any other person.

(p) *Temporary IFQ transfer for 2020.* During the 2020 IFQ fishing year only, the Regional Administrator may approve a temporary transfer for IFQ derived from categories B, C, or D QS.

(1) A QS holder may apply for a temporary transfer by submitting an Application for Temporary Transfer of Halibut/Sablefish Individual Fishing Quota to the Alaska Region, NMFS. NMFS will transfer, upon approval of the application, the applicable IFQ from the applicant (transferor) to the recipient (transferee). The application is available at <http://alaskafisheries.noaa.gov> or by calling 1-800-304-4846.

(2) [Reserved]

[61 FR 31230, June 19, 1996]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 679.41, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at [www.govinfo.gov](http://www.govinfo.gov).

EFFECTIVE DATE NOTE: At 85 FR 38104, June 25, 2020, § 679.41 was amended by revising paragraph (h)(2) and adding paragraph (p), effective June 25, 2020, through Dec. 22, 2020.

#### § 679.42 Limitations on use of QS and IFQ.

(a) *IFQ regulatory area and vessel category.* (1) The QS or IFQ specified for one IFQ regulatory area must not be used in a different IFQ regulatory area, except for the following:

(i) All or part of the QS and IFQ specified for regulatory area 4C may be harvested in either Area 4C or Area 4D.

(ii) All or part of the halibut CDQ specified for regulatory area 4D may be harvested in either Area 4D or Area 4E.

(iii) If a CDQ group is authorized to receive a transfer of halibut IFQ assigned to vessel categories B, C, or D in IFQ regulatory area 4D as specified in § 679.41(o) of this part, all or part of the halibut IFQ specified for regulatory area 4D that is held by or transferred to a CDQ group may be harvested in either Area 4D or Area 4E.

(2) The QS or IFQ assigned to one vessel category must not be used to

harvest IFQ species on a vessel of a different vessel category, except:

(i) As provided in § 679.41(i)(1) of this part (CDQ compensation QS exemption);

(ii) IFQ derived from QS held by a CQE may be used to harvest IFQ species from a vessel of any length, with the exception of IFQ derived from QS in IFQ regulatory areas 3A and 4B that are assigned to vessel category D.

(A) Halibut IFQ derived from QS assigned to vessel category D in Area 3A that is held by a CQE located in Area 3A may be used to harvest IFQ halibut on a vessel less than or equal to 60 ft (18.3 m) LOA from August 15 to the end of the IFQ fishing season.

(B) [Reserved]

(iii) In IFQ regulatory areas 3B, 4B, and 4C, category D QS and associated IFQ authorizes an IFQ permit holder to harvest IFQ halibut on a vessel less than or equal to 60 ft (18.3 m) LOA.

(iv) Halibut IFQ assigned to vessel category B, C, or D held by a CDQ group may not be used on a vessel over 51 feet LOA, irrespective of the vessel category assigned to the IFQ.

(v) In IFQ regulatory areas 2C and 3A, RFQ held by an RQE may be harvested aboard charter vessels as defined at 50 CFR 300.61 of any size, regardless of the QS category from which that RFQ originated.

(b) *Gear—(1) IFQ Fisheries.* Authorized fishing gear to harvest IFQ halibut and IFQ sablefish is defined in § 679.2.

(i) *IFQ halibut.* IFQ halibut must not be harvested with trawl gear in any IFQ regulatory area.

(ii) *IFQ sablefish.* IFQ sablefish must not be harvested with trawl gear in any IFQ regulatory area, or with pot-and-line gear in the GOA. A vessel operator using longline pot gear in the GOA to fish for IFQ sablefish must comply with the GOA sablefish longline pot gear requirements in paragraph (1) of this section.

(2) *Seabird avoidance gear and methods.* The operator of a vessel using hook-and-line gear authorized at § 679.2 while fishing for IFQ halibut, CDQ halibut, or IFQ sablefish must comply with requirements for seabird avoidance gear and methods set forth at § 679.24(e).

(c) *Permit holder aboard requirement.* Any individual who harvests halibut or