

**Prince of Wales Island  
Community Holding Corporation**



***Halibut Quota Distribution Policy  
For Individual Fishing Quota (IFQ) Held on Behalf of the City of Craig  
January 1, 2005 – December 31, 2005***

**Purpose:** The purpose of this policy letter is to outline the procedures for distribution of Halibut IFQ held on behalf of the City of Craig, Alaska in the Community Quota Entity (CQE) Program. The Prince of Wales Island Holding Corporation (POWICHC) is a non-profit corporation formed under the laws of the State of Alaska and is recognized as the CQE for the City of Craig, Alaska under the National Marine Fisheries Service (NMFS) regulations governing the program. NMFS Transfer Eligibility Certificate (TEC) No. 38647 was issued December 3, 2004. Under the current bylaws of the POWICHC the board of directors must determine the method of distribution for each member community at the annual meeting. This policy letter identifies the distribution method for IFQ generated by Craig held quota shares.

**Distribution Goals:**

The POWICHC has three goals that it would like to meet in the distribution of the Craig CQE IFQ.

1. Encourage new and future halibut IFQ program participation by leasing to local eligible crew members who do not currently hold quota and to quota share holders who hold less than 1,000 current year pounds of IFQ.
2. Encourage economic growth in the industry by leasing to local eligible fishermen already established in the halibut IFQ fishery.
3. Lease all held IFQ in order to ensure funding to pay back debt overhead, pay all administrative costs and fund future expansion of the program.

**Distribution Policy:**

The following distribution policy is in effect for all IFQ held on behalf of the City of Craig for the period January 1, 2005 to December 31, 2005.

1. Distribution will be divided into two (2) categories. Fifty percent (50%) of available quota will be initially reserved for distribution to Category A fishermen.
  - a. Category A will consist of eligible fishermen (current IFQ or TEC holders) who hold a total of less than 1,000 pounds (current year calculations) of halibut quota.
  - b. Category B will consist of all eligible fishermen who hold a total of 1,000 or more pounds (current year calculations) of halibut quota.
2. Upon POWICHC receipt of IFQ certificates derived from quota share held on behalf of the City of Craig the POWICHC shall post public notice of the availability of IFQ in at least three locations (Craig City Hall, Craig Post Office and at First Bank), on the City of Craig Website and in a newspaper of local circulation for at least two weeks. This public notice will state the eligibility requirements and an address where applicants can pick up application forms and

where to mail or drop off completed applications. The public notice will also contain the lease price, based on 50% of the current local dock prices as determined by the POWICHC.

3. All applications will be sorted by receipt date and Distribution Category. At the end of the application period quota will be distributed by category to fishermen in the order that their applications were received. IFQ will be distributed until all available IFQ has been issued. If there is Category A IFQ available after all applications have been processed the remaining IFQ may be distributed to remaining Category B applicants. If there are multiple applications with the same date that would exhaust the available IFQ then the available IFQ will be equally distributed to all eligible fishermen with the same application date.
4. Additional IFQ purchased during the year will be distributed to remaining initial applicants. After all initial applicants have been leased IFQ the POWICHC will conduct public notice and application per Item 2, above, for the remaining IFQ.
5. In the event that a fisherman is deemed ineligible or declines lease of IFQ that fisherman's application shall be removed and the next eligible applicant in that distribution category will be notified of the available IFQ.
6. Applications shall be made on a form prescribed by the POWICHC. Applications not completed on the prescribed form shall not be accepted.

This policy was adopted by majority vote of the POWICHC Board of Directors on \_\_\_\_\_  
\_\_\_\_\_.

Don Pierce  
POWICHC Chairman