

BSAI Crab Cooperative Report Reference and Updated EDR Tables¹

North Pacific Fishery Management Council

BACKGROUND

The Congressional-lead rationalization of the Bering Sea Aleutian Islands (BSAI) crab fishery in 2005 was a response to significant issues in crew safety, resource conservation, bycatch management and economic instability for competing parties of the previous derby-style fishery. Despite the improvements in most of these areas, criticisms have been raised by some stakeholders as a result of rationalization. The program's 5-year review highlighted these issues, which included the social and economic concerns of:

- (1) the transfer of quota share (QS) among non-active participants;
- (2) the high lease rates for individual fishing quota (IFQ);
- (3) the amount of the lease rate that is charged against crew compensation;
- (4) and a decline in the percent of gross vessel revenue attributed to crew compensation.

These concerns prompted the Council to request the presentation of two analyses at the February 2013 meeting. The first analysis was an initial review of a Regulatory Impact Review/ Initial Regulatory Flexibly Act analysis (RIR/IRFA) evaluating the Council's management options for promoting transfers of QS to those who have maintained active participation in that fishery. The second was a discussion paper that considered addressing lease rates, crew compensation, and active participation through flexible cooperative management. The discussion paper suggested the utility of an annual cooperative report in understanding cooperatives' self-management of these issues.

After hearing these presentations from Council staff and testimony from stakeholders, the Council chose no immediate regulatory action. Instead the Council chose to send a letter² to each of the crab cooperatives requesting that they voluntarily describe measures the cooperative is taking to address these issues. The letter called for any relevant information or data to support their members' efforts and a description of the level of participation in these efforts. It informed the BSAI crab cooperatives that these reports would determine if the Council would attempt to take regulatory action in the future. These voluntary reports were intended to be a reoccurring submission in October of each year³.

For this 2013/2014 season there were ten cooperatives registered with the National Marine Fisheries Service (NMFS). The cooperatives include:

- (1) Alaska King Crab Harvesters Co-op
- (2) Aleutian Island Co-op
- (3) Alternative Crab Exchange (ACE)
- (4) Coastal Villages Crab Co-op
- (5) Crab Producers and Harvesters LLC
- (6) Dog Boat Co-op
- (7) Independent Crabbers Co-op
- (8) Inter-cooperative Exchange (ICE)
- (9) R& B Co-op
- (10) Trident Affiliated Crab Harvesting Co-op

¹ Prepared by Sarah Marrinan, NPFMC staff; Persons consulted Michael Fey, PSMFC, Mark Fina, US Seafoods

² See attachment for the full letter

³ The first round of reporting was initially scheduled to be on the agenda for the October 2013 Council meeting, but was rescheduled to the December 2013 meeting.

In addition, the Alaska Bering Sea Crabbers (ABSC) is a 501 c-5 trade association that represents the policy interests of members across several cooperatives and comprising 70 percent of the QS.

UPDATED CRAB ECONOMIC DATA REPORT (EDR) TABLES

Every year since 2006⁴, participants of the rationalized crab program have been required to provide economic data to the Pacific States Marine Fisheries Commission (PSMFC) in order to assist the Council and NMFS in assessing the success of the program. These Economic Data Reports (EDR) contain cost, revenue, ownership and employment data. The discussion paper presented to the Council in February of 2013 used these data to illustrate how captain and crew compensation has changed over time in the crab fisheries.

An updated account of economic statistics for this fishery is provided in this section to serve as a reference for the Council when receiving the cooperative reports. The February 2013 discussion paper acts as a starting point for the information provided as well as insight to this information. The previous discussion paper provided EDR ranging from 1998 to 2011. These tables have been updated to include preliminary 2012 data⁵. They focus specifically on the Bristol Bay red king crab fishery (BBR) and the Bering Sea *C. opilio* (snow crab) fishery (BSS) as these fisheries, along with the golden king crab fishery constituted the majority of the fleet before and after rationalization. However, issues of confidentiality arise in the golden king crab fishery and are therefore not included among data presented here.

The BBR rationalization went into effect in the summer of 2005. Table 1 demonstrates that while harvest levels significantly increased, the fleet consolidated to an average of less than half of their sizes in the years preceding⁶.

Table 1. Average Catch and average number of vessels by fishery before and after implementation of the rationalization program

Fishery	Seasons	Average number of participating vessels	Average harvest per season (Pounds)
Bristol Bay red king crab	2001, 2004	212	10,270,216
	2005/06-2011/12	70	14,114,273
Bering Sea snow crab	2001, 2004, 2005	174	21,423,479
	2005/06-2011/12	70	38,544,937

Source: Economic Data Reporting

Because the number of QS holders has changed little since implementation of the program, most of this consolidation is asserted to arise from leasing of shares. The term leasing is often used loosely to refer to short term transfers of shares. The program structure, however, complicates any discussion or consideration of these leases. To induce cooperative membership, the program includes a prohibition on transfers of annual allocations of individual fishing quota (IFQ), except by cooperatives. This prohibition, together with the operational efficiencies gained in a cooperative, has led to almost all quota share holders (i.e., holders of long term shares) joining cooperatives and almost all IFQ being held by cooperatives. A

⁴ Participants in the fishery also provided historical information from 1998, 2001, 2004 and 2005.

⁵ The 2012 EDR is currently in the process of being audited. Therefore in some of the tables staff was able to include preliminary 2012 data, while in other tables this information was not yet available.

⁶ This table depicts the same trends as the 2013 February discussion paper. Differences in values primarily result from the use of a different data sources (EDR vs. Alaska Fish and Game fish tickets) rather than from the addition of years.

cooperative receives annual allocations of IFQ based on quota share (or long term share) holdings of its members and oversees the harvest and distribution of those IFQ. Although cooperatives trade IFQ, the large majority of all transfers are within cooperatives. These intra-cooperative transfers result in little information being available to know the extent to which transfers that most people would characterize as a traditional lease (i.e., the purchase of IFQ), are the source of consolidation. Under the program's structure, those cooperative held IFQs may be harvested by any vessel registered to fish the cooperative's IFQ, without any documented transfer. Since all IFQ attributable to cooperative members' QS are allocated to the cooperative without identification of the member that contributed QS from which the allocation arises, IFQ use cannot be tracked back to a QS holder. Consequently, a vessel's harvest of IFQ cannot be assigned to a specific QS holder. Even if vessel IFQ usage could be traced to an individual QS holder, participants in the fisheries suggest that a variety of arrangements exist under which vessels coordinate harvests of IFQ by member vessels (some of which may not be considered leases).

Although masking effect of the cooperative IFQ allocations prevents identification of the specific source of IFQ use by a vessel, the complexity of share distributions and the variety of ownership structures also limits the extent to which leasing and lease rates can be fully identified. Even if it is assumed that all of the IFQ attributable to a member's QS are harvested by the vessel owned by that QS holder, the prevalence of overlapping (but not identical) ownership of vessels and QS holdings limits the ability of analysts to identify IFQ use arising from a lease (or a short term transfer at a negotiated price), rather than IFQ use arising from transfers that are simply share management arrangements by a business. Often such transfers are undertaken as a business practice among affiliated entities at non-market rates that are structured for internal management reasons, rather than at negotiated lease prices. These arrangements further complicate any understanding of leasing practices and lease rates.

Due to this sometimes complex and often unique structure of transfers that take place within and between cooperatives, IFQ lease information previously collected by the EDR has been considered to be of poor quality. The 2012 EDR (i.e., the EDR submitted in July 2013 for 2012 reporting) limited the definition of lease with the intention of limiting some of this noise and providing a clearer variable. Therefore in 2012, fishery participants filled out a table in the EDR according to the following language:

In Table 6 below, record the total pounds and monetary cost for transfers of annual CR crab fishing (IFQ, CDQ) and/or processing (IPQ) quota pounds received for your use during the previous calendar year, by CR fishery. Use the CR Fishery codes from Table A and Quota Type codes from Table B.

Include only transfers of quota for which you paid the only monetary compensation, based on the market value or a price negotiated between you and the quota holder(s). Do not include quota transfers for which:

- *payment was based on a nominal (or non-negotiated) price, **or***
- *non-monetary or in-kind compensation was included in the transaction, in addition to transferred quota pounds and monetary payment, **or***
- *you did not use the quota pounds for crab harvested and/or processed by this vessel or purchased from delivering vessels by the end of the season, or re-transferred the quota pounds for use by another vessel.*

For all market-value and/or negotiated-price quota transfers, report the following:

Pounds Transferred: *Record the total pounds of transferred crab fishing (IFQ, CDQ) and/or processing (IPQ) quota used to harvest CR crab on the vessel or purchase CR crab from delivering vessels during the previous calendar year.*

Total Cost: Record the total gross cost paid as monetary compensation, before taxes or fees are deducted. Include all post-season adjustments paid as of the date of submitting this EDR, but do not report any payments not paid by this date.

It is understood that the updated EDR will not collect *all* forms of IFQ transactions. For instance this re-specification omits arm's length lease transactions that occur between a QS holder who allocates their QS among multiple vessels that they own without compensation changing hands. However the narrower scope will allow the Council a starting place for quantitatively assessing lease rates with a clearer understanding of the results, and are therefore more likely to be interpreted appropriately.

These data on lease rates are in the process of being audited and consequently are not available for evaluation. Theoretically when these data become available in the near future, Council, stakeholders and the public will have access to the cost per pounds transferred by fishery and quota type for market-value and negotiated price transfers of quota. This information may provide empirical support for further measures QS holders are taking to avoid imposing high lease rates on those seeking additional IFQ.

In addition to the forthcoming lease information, the EDR has been consistently providing data on changes in crew compensation since the onset of the program. These data may be useful to assess the effects of the program on crew.⁷ These effects vary across participants, but consolidation of catch on fewer vessels has led to crews receiving greater average annual compensation from the fisheries, but catching a substantially greater amount of crab.

In the first five years of the program, average crew pay was approximately three times the average of the three pre-program years for which data are available (1998, 2001, and 2004) (see Table 2). On average, crewmembers are making larger amounts annually than pre-rationalization. This can also be seen in Figures 1 and 2 where average crew pay is shown to be consistently greater in post-rationalization years, with the exception of 1998 in BSS. In 1998, when the TAC in the fishery was near historic highs, average crew compensation was relatively similar to the post program level (with the exception of 2011 and 2012). During that year, vessels harvested at a very high level, but vessel revenues were lower due to a lower crab price.

While the amount paid to crew has increased relative to pre-implementation, the average share of a vessel's revenues paid to crew (including the captain) have declined from approximately 35 percent in both fisheries prior to implementation of the program, to the low 20 percent range following implementation. Most (if not all) vessel owners are believed to have continued to pay crew a share of vessel revenues after deduction of certain operating expenses (such as food and fuel). The difference in compensation since implementation of the program is believed to have arisen from the deduction of lease payments (made to quota share holders who lease their IFQ to vessel owners for harvest) and mortgage payments or quota costs for purchases of quota share fished by the vessel.⁸

⁷ The most obvious effect of the rationalization program on crews arose from the contraction of the fleet. The contraction of fleets in the various fisheries to between one-third and one-half of their pre-program size has resulted in the seasonal loss of approximately 975 crew jobs in the BBR and approximately 675 crew jobs in BSS. While these losses have clearly affected a large number of individuals who were displaced, additional effects have been felt by those crew who have retained their positions in the fisheries.

⁸ While the deduction of lease payments may be the immediate source of the reduction, it should be noted that modification of crew payments (such as changing from crew share payment system to another payment system or changing the structure of deductions away from charging royalties) could result in the same payment without directly relating the changes to lease royalties (or other quota costs).

In the last three years, the TAC, the harvest, and mean revenues have fallen considerably in BBR. Figure 1 illustrates a fluctuating shape for average crew pay in BBR, which has been influenced by several market spikes: one at the onset of the program from fleet consolidation and several from red king crab price fluctuations. In 2012, the mean percent of gross vessel revenue dropped to 20.3 percent; however, the revenues and harvest from this fishery were the lowest they have been since rationalization. Additionally, the active fleet size in BBR has continued to decline every year (with the exception of 2007-2008), suggesting a trend of more leasing or quota consolidation taking place on each vessel.

In 2011, average crew compensation in BSS increased as a result of a substantial increase in the snow crab price while there was also relatively high average vessel catch. This change is demonstrated in Table 2 and Figure 2. In that year, the average price rose to slightly higher than \$2.50 per pound from approximately \$1.30 in the preceding year. In 2012, the average vessel harvested a record of more than 1.2 million pounds, bringing average crew pay also up to a record of more than \$53,000. At the same time the average percent of revenues paid to crew decreased between 2010 and 2011 by about one percentage point. The BSS fleet has not demonstrated the same consistent consolidation that BBR has demonstrated, ranging between 63 and 73 vessels post implementation.

Table 2. Average crew compensation before rationalization (1998, 2001, and 2004 through 2012)

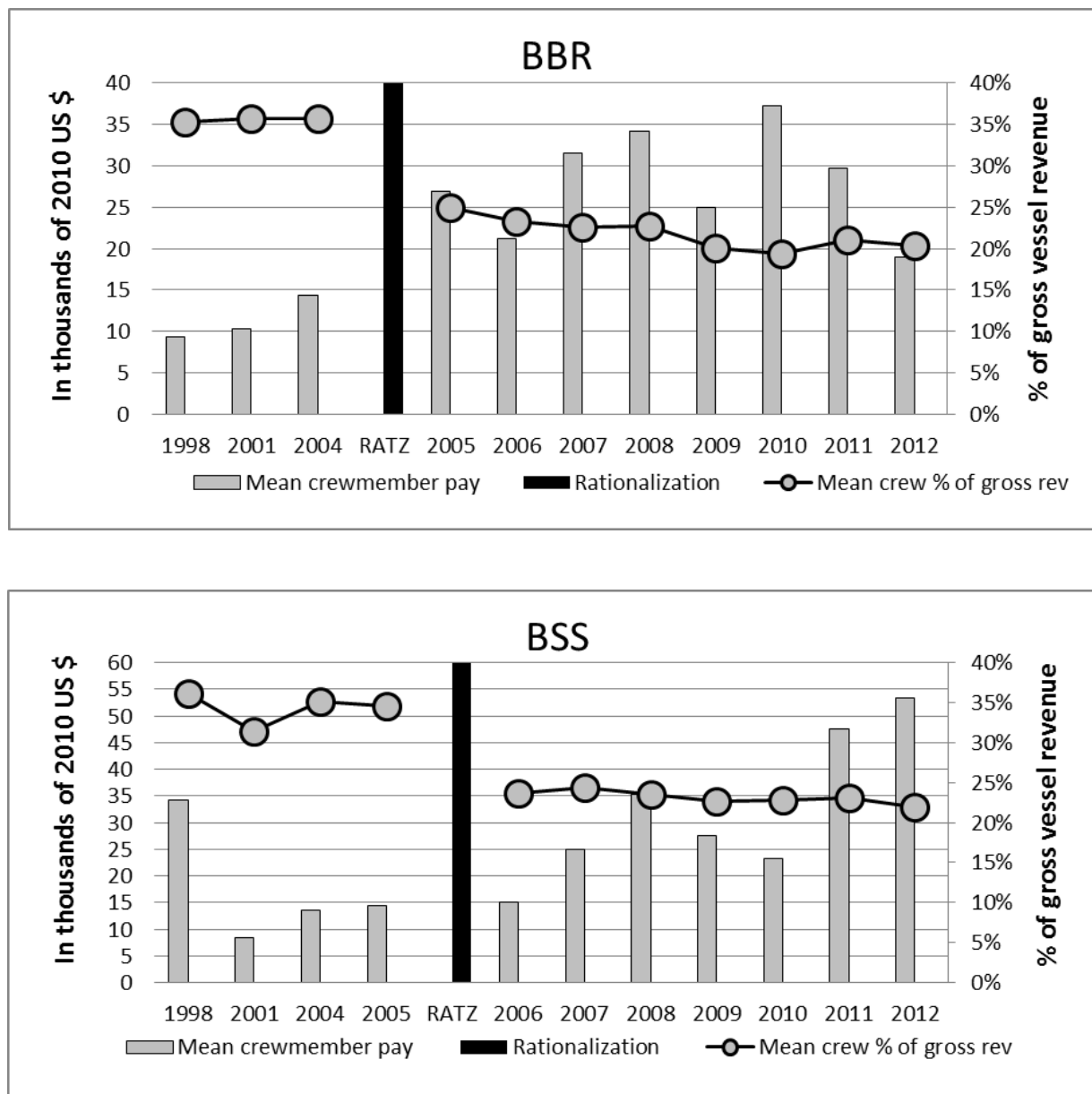
Fishery	Year	Number of vessels	Mean vessel harvest (pounds)	Mean vessel revenues (2010 \$)	Mean captain pay (2010 \$)	Mean crewmember pay (2010 \$)	Mean % of gross vessel revenues paid to crew
Bristol Bay red king crab	1998	190	56,289	200,058	23,472	9,296	35.3
	2001	182	36,195	214,053	26,400	10,374	35.7
	2004	220	58,802	317,102	36,335	14,333	35.7
	2005	83	194,812	977,373	70,781	26,951	25.0
	2006	77	192,991	799,222	54,468	21,181	23.3
	2007	70	269,194	1,254,729	79,563	31,544	22.6
	2008	75	246,932	1,299,204	80,881	34,225	22.8
	2009	67	223,270	1,056,221	61,452	24,931	20.1
	2010	61	229,189	1,689,362	93,091	37,284	19.4
	2011	58	128,209	1,290,915	76,163	29,774	21.1
	2012	56	126,283	953,902	55,627	19,034	20.3
Bering Sea snow crab	1998	162	1,098,577	832,605	99,742	34,113	36.2
	2001	158	112,589	213,587	23,003	8,365	31.4
	2004	167	123,606	289,251	34,054	13,651	35.1
	2005	147	158,943	302,038	35,440	14,529	34.6
	2006	73	453,455	546,741	39,238	15,091	23.6
	2007	63	496,195	894,148	63,685	24,994	24.4
	2008	72	780,820	1,352,927	96,052	35,179	23.5
	2009	71	721,180	1,063,090	70,635	27,550	22.7
	2010	64	700,171	900,301	58,138	23,313	22.8
	2011	65	760,386	1,880,198	122,240	47,454	23.1
	2012	69	1,210,142	2,472,440	158,118	53,379	21.9

Source: Economic Data Reporting

Notes: Dollar amounts are adjusted for inflation based on CPI-U, using 2010 as the base year

Data excludes any vessels on which the crew was paid in excess of 75 percent of the vessel's gross revenues

Figure 1 and 2. Mean crew compensation and mean percent of gross vessel revenue paid to crew for BBR and BSS



Source: Economic Data Reporting

Focusing on data from those vessels that participated in both BBR and BSS carries unsurprising results (Table 3). Similar to BBR, the fraction of gross vessel revenues paid to crew demonstrates a slowing declining trend until 2011. While this trend is interrupted in 2011, the percentage falls again slightly in 2012 despite a slight increase in vessel revenues and crew pay. The fact that the mean value for percent of gross revenues paid to crew exceeds the median values after 2007, indicates that there are likely a few outliers offering their crew a higher percent of gross vessel revenue and pulling the value of mean crew compensation higher. Overall there is not a significant change in median values from 2011 to 2012 as presented in Table 3.

Table 3. Crew compensation on vessels that fished both BBR and BSS before rationalization (1998, 2001, and 2004) and after rationalization (2006 through 2012)

Year	Number of vessels	Vessel Revenues		Captain Pay		Crew Pay (excluding captain)		Percent of gross vessel revenues paid to crew (including captain)	
		Mean	Median	Mean	Median	Mean	Median	Mean	Median
1998	151	1,051,804	1,000,346	125,080	118,907	254,141	236,882	35.9	35.3
2001	143	443,071	375,825	51,175	44,172	98,951	88,538	34.1	34.3
2004	162	630,611	592,948	73,477	70,758	150,418	137,425	35.7	35.5
2006	57	1,393,091	1,281,589	101,014	98,200	198,068	183,835	23.9	24.2
2007	55	2,247,351	1,991,349	146,485	147,993	305,249	288,599	23.0	22.4
2008	61	2,775,223	2,691,152	182,992	179,879	391,931	371,523	22.6	22.4
2009	57	2,294,573	2,124,387	143,114	141,217	310,558	276,926	21.1	20.9
2010	57	2,664,483	2,412,428	154,211	152,470	328,330	319,245	19.9	19.2
2011	54	3,330,571	2,988,742	210,243	214,248	461,205	436,141	22.2	21.2
2012	54	3,634,224	3,392,900	231,509	233,059	501,567	480,487	21.8	21.0

Source: Economic Data Reporting

Notes: Dollar amounts are adjusted for inflation based on CPI-U, using 2010 as the base year

Data excludes any vessels on which the crew was paid in excess of 75 percent of the vessel's gross revenues.

The year 2005 is omitted because BBS was prosecuted as limited entry derby and BBR was prosecuted as a shared-based fishery.

The relationship between compensation and quota consolidation becomes clearer, if the fleet is separated into quartiles of pounds fished. Table 4 splits each fleet into quartiles of vessels; the first quartile comprising of those vessel that harvest the least weight of crab and the fourth quartile of vessels harvesting the largest weight of crab. Within each year, in almost all cases, the percent of revenues paid to crew decreases as pounds of crab harvested increases. In other words, as a vessel consolidates quota (by either leasing or purchasing quota), a smaller share of the revenues of the vessel are paid to crews. Although the contractual arrangements likely differ across vessels, this pattern suggests that quota costs are being absorbed, in part, by crew.

In addition, through 2010, a downward trend in share of revenues paid to crews is suggested in the quartiles harvesting the greatest amounts of crab. This trend likely arises, in part, from an adjustment to the change to rationalization. It is unclear whether the downward trend reflects a distribution of additional costs (such as added fuel costs) that are disproportional to added revenues or simply an adjustment to the labor market (arising from vessel owners who perceive an opportunity to reduce crew compensation due to increase of supply in the labor market). This consistently declining trend is upset in 2011 for the third and fourth quartiles, as the percentage of ex vessel revenues paid to crew increased, with the exception of the third quartile in BSS. This third quartile of BSS does have an increase in percent of gross revenues paid to crew in the following year, 2012, as well as an absolute increase in average crew pay of 146 percent relative to 2010, this group's lowest paying year. This interruption to a steady decline in percent of revenue paid to crew is not necessarily a trend, however. The fourth quartile of BBR and the third quartile of BSS each lost several tenths of a percentage point of gross revenue to crew in 2012.

In addition, percent of gross revenue to crew in the first and second quartile continues to decline on average; however, these are less likely to be attributed to lease rates since these vessels are harvesting relatively less crab and therefore not likely to lease as much of their IFQ.

Table 4. Crew comp by quartile of pounds of fish (1998, 2001, 2004 through 2012)

Fishery	Year	Number of vessels	First quartile of pounds harvested				Second quartile of pounds harvested			
			Mean pounds harvested	Mean vessel revenues	Mean crew pay (excluding captain)	Percent of gross to crew (including captain)	Mean pounds harvested	Mean vessel revenue	Mean crew pay (excluding captain)	Percent of gross to crew (including captain)
Bristol Bay red king crab	1998	47-48	24,360	93,223	4,332	33.5	42,387	148,395	7,316	36.4
	2001	45-46	14,209	85,386	4,392	33.2	25,222	150,528	7,719	36.5
	2004	55	27,841	151,261	7,086	35.2	47,509	259,953	12,260	34.5
	2005	20-21	61,177	298,868	14,914	32.8	111,565	554,361	23,327	28.6
	2006	19	67,950	284,132	12,463	29.2	126,503	526,726	18,816	26.3
	2007	17-18	98,619	459,688	21,439	32.9	192,984	913,128	27,579	22.7
	2008	18-19	85,454	486,346	19,119	29.0	172,991	919,202	30,721	25.0
	2009	16-17	92,251	436,019	15,753	26.9	184,818	870,863	22,576	19.9
	2010	15	91,593	661,660	26,853	28.5	192,946	1,425,690	31,649	16.6
	2011	14-15	55,423	556,565	20,024	28.9	100,639	1,038,812	26,722	20.1
	2012	14	61,405	461,619	14,313	27.5	99,885	769,533	15,395	18.0
Bering Sea snow crab	1998	40-41	539,777	413,211	19,895	37.3	934,607	698,362	28,913	36.0
	2001	39-40	45,411	86,698	3,092	27.4	77,664	148,055	5,957	30.7
	2004	41-42	64,885	153,258	7,237	33.9	95,520	225,181	11,012	34.7
	2005	36-37	84,930	171,746	8,379	32.4	122,265	246,069	12,656	36.1
	2006	18	153,219	177,895	8,188	30.2	308,944	372,337	11,659	22.4
	2007	15-16	185,828	335,061	15,525	32.4	346,523	630,284	21,202	24.5
	2008	18	308,833	506,626	19,826	27.8	557,810	993,648	32,946	25.2
	2009	17-18	300,835	423,288	15,385	26.9	512,418	744,413	23,514	23.6
	2010	16	279,980	359,600	13,229	27.3	495,425	623,745	21,394	25.2
	2011	16	302,207	845,961	27,240	27.2	570,582	1,357,396	47,730	27.0
	2012	17	488,144	991,654	28,618	25.0	894,468	1,805,531	47,301	23.7

Fishery	Year	Number of vessels	Third quartile of pounds harvested				Fourth quartile of pounds harvested			
			Mean pounds harvested	Mean vessel revenues	Mean crew pay (excluding captain)	Percent of gross to crew (including captain)	Mean pounds harvested	Mean vessel revenue	Mean crew pay (excluding captain)	Percent of gross to crew (including captain)
Bristol Bay red king crab	1998	47-48	60,997	216,946	9,829	35.1	96,844	339,795	15,613	36.0
	2001	45-46	35,552	213,594	10,608	37.3	69,304	403,895	18,651	35.6
	2004	55	62,574	341,485	15,406	36.7	97,283	515,708	22,581	36.3
	2005	21	209,205	1,052,886	29,527	21.5	390,937	1,971,068	39,461	17.3
	2006	19-20	203,839	851,919	22,093	21.1	364,636	1,497,367	30,843	17.1
	2007	17-18	294,186	1,360,732	34,754	19.3	482,900	2,247,087	42,022	16.0
	2008	19	282,308	1,477,511	46,188	21.8	438,476	2,270,974	40,076	15.6
	2009	17	249,735	1,181,662	31,251	19.4	358,570	1,699,858	29,603	14.7
	2010	15-16	243,171	1,782,014	42,592	17.6	379,055	2,813,163	47,372	15.1
	2011	14-15	123,352	1,235,242	30,339	19.1	228,247	2,280,372	41,397	16.6
	2012	14	123,994	909,324	18,560	18.7	219,850	1,675,135	27,868	17.1
Bering Sea snow crab	1998	40-41	1,222,998	920,991	36,958	34.7	1,686,333	1,289,783	50,411	36.8
	2001	39-40	115,683	222,009	8,788	34.0	209,994	394,623	15,501	33.5
	2004	42	128,412	302,304	15,126	36.4	204,208	473,022	21,078	35.4
	2005	37	156,099	321,685	15,881	35.8	270,478	465,132	21,032	34.0
	2006	18-19	480,291	591,992	16,652	21.8	849,371	1,018,528	23,403	20.3
	2007	16	501,859	900,706	25,553	21.3	931,170	1,675,597	37,104	19.9
	2008	18	818,908	1,450,551	36,568	21.8	1,437,727	2,460,884	51,377	19.2
	2009	18	736,305	1,069,434	29,086	21.0	1,311,810	1,979,682	41,539	19.4
	2010	16	708,306	911,548	23,582	20.3	1,316,975	1,706,312	35,047	18.6
	2011	16-17	783,536	1,953,070	46,902	19.8	1,348,463	3,277,061	66,738	18.8
	2012	17-18	1,287,522	2,692,028	58,026	20.7	2,117,085	4,293,431	78,117	18.6

Source: Economic Data Reporting

Notes: Dollar amounts are adjusted for inflation based on CPI-U, using 2010 as the base year

Data excludes any vessels by which the crew was paid in excess of 75 percent of the vessel's gross revenues

RELEVANT EDR REVISIONS AND DATA AVAILABILITY

The EDR forms were revised by the Council in February 2013 with guidance from the Council staff, NOAA Alaska Fisheries Science Center (AFSC), NMFS and PSMFC. Along with the re-specification of QS leases the Council sought to minimize the collection of duplicate information. The February 2013 discussion paper on crab crew compensation additionally presented average daily pay for captains and crew using a variable, “number of days fished”, which was collected from the EDR up until 2011. This information can also be obtained from Alaska Fish and Game (ADFG) fish ticket data or from the Confidential Interview Form (CIF) generated through the Observer Program. Therefore the Council chose to omit this information request from the 2012 EDR. While the AFSC and PSMFC have determined that CIF data are the most reliable source for this information, this dataset begins in 2007/2008 omitting several important years post program implementation and all years pre-implementation. Preliminary assessments between CIF and EDR datasets demonstrate an average of 24 percent difference in the “days fishes” variable. While AFSC determines how and if to rectify these datasets, Council staff has chosen to omit this information due to the potential for poor quality and misinterpretation.

North Pacific Fishery Management Council

Eric A. Olson, Chairman
Chris Oliver, Executive Director



605 W. 4th Avenue, Suite 306
Anchorage, AK 99501-2252

Telephone (907) 271-2809

Fax (907) 271-2817

Visit our website: <http://www.alaskafisheries.noaa.gov/npfmc>

February 27, 2013

Trident Affiliated Crab Harvesting Corporation
Attn: Christian Assay
5303 Shilshole Ave NE
Seattle, WA 98107

Dear Mr. Assay:

At its February meeting in Portland, the Council addressed several issues related to BSAI crab fisheries. Among the items considered by the Council was a staff discussion paper concerning the use of cooperative implemented measures to facilitate quota share holdings by vessel owners and crewmembers in the crab fisheries and to address high lease rates and crew compensation issues. The Council elected to take no regulatory action at this time, in large part due to representations of cooperative representatives that voluntary measures currently being implemented by the cooperatives could effectively address the concerns which have been repeatedly articulated to the Council.

To assess the success of those efforts, the Council requests that each of the BSAI crab rationalization cooperatives voluntarily provide an annual report detailing measures the cooperative is taking to facilitate the transfer of quota share to active participants (including crew members and vessel owners) and available measures it is taking to address high lease rates and crew compensation. The annual reports should convey to the Council the effectiveness of the measures implemented through the cooperative and the estimated level of member participation in any voluntary measures, and include appropriate supporting information or data in that regard. The Council intends to schedule time during its October meeting each year for cooperatives to present any reports that they may wish to provide, beginning this October 2013. Based on feedback from the cooperatives the Council may determine whether to revisit these issues in the context of regulatory remedies.

Please let us know, through our Executive Director Chris Oliver, if you have any questions concerning this request.

Sincerely,



Eric Olson
Chairman

CC: Mark Gleason
Joe Sullivan

This letter was addressed and mailed to the following Crab Coops:

Alaska King Crab Harvester Cooperative
Attn: Lenny Herzog
916 Delaney Street
Anchorage AK 99501

Aleutian Gold Crab Cooperative
Attn: Sandra Toomey
PO Box 207
Chinook, WA 98614

Coastal Villages Crab Cooperative
Attn: Trevor McCabe
711 H Street, Suite 200
Anchorage, AK 99501

Crab Producers and Harvesters LLC
Attn: Rob Rogers
4019 21st Ave W
Seattle, WA 98199

Dog Boat Cooperative
Attn: Edward Poulsen
c/o NSEDC 420 L St, Suite 310
Anchorage AK 99501

Independent Crabbers Cooperative
Attn: Tim Abena
3103 Mill Bay Road
Kodiak, AK 99615

Inter-Cooperative Exchange (ICE)
Attn: Erling Jacobsen
PO Box 280
Lind, WA 99341

R&B Cooperative
Attn: Mary Mezich
7215 156th Street SW
Edmonds, WA 98026

Trident Affiliated Crab Harvesting Corporation
Attn: Christian Assay
5303 Shilshole Ave NE
Seattle, WA 98107

And copied to:

cc: Mark Gleason, Executive Director
Alaska Bering Sea Crabbers
5470 Shilshole Ave NW, Suite 505
Seattle, WA 98107

Joe Sullivan
Sullivan & Richards
4005 20th Ave W, Suite 221
Seattle, WA 98109