

DRAFT Council Motion for Item C-5 BSAI Crab Rationalization
June 10, 2002

Prologue: The following motion incorporates the preferred portions of the “Draft Council Motion for item C-5 BSAI Crab Rationalization,” dated April 14, 2002, as outlined in the Bering Sea Crab Rationalization Program Alternatives – Public review Draft (pages 12-33) issued in May 2002. For ease of reference, the numbering system of the April 14, 2002 motion is retained here. However, only those preferred elements of the April motion are included here. This motion advances a VOLUNTARY THREE PIE COOPERATIVE, designed to recognize the prior economic interests and importance of the partnership between harvesters, processors and communities.

C-5 BSAI Crab Rationalization

BSAI Crab Rationalization Problem Statement

Vessel owners, processors and coastal communities have all made investments in the crab fisheries, and capacity in these fisheries far exceeds available fishery resources. The BSAI crab stocks have also been highly variable and have suffered significant declines. Although three of these stocks are presently under rebuilding plans, the continuing race for fish frustrates conservation efforts. Additionally, the ability of crab harvesters and processors to diversify into other fisheries is severely limited and the economic viability of the crab industry is in jeopardy. Harvesting and processing capacity has expanded to accommodate highly abbreviated seasons, and presently, significant portions of that capacity operate in an economically inefficient manner or are idle between seasons. Many of the concerns identified by the NPFMC at the beginning of the comprehensive rationalization process in 1992 still exist for the BSAI crab fisheries. Problems facing the fishery include:

Resource conservation, utilization and management problems;
Bycatch and its' associated mortalities, and potential landing deadloss;
Excess harvesting and processing capacity, as well as low economic returns;
Lack of economic stability for harvesters, processors and coastal communities; and
High levels of occupational loss of life and injury.

The problem facing the Council, in the continuing process of comprehensive rationalization, is to develop a management program which slows the race for fish, reduces bycatch and its associated mortalities, provides for conservation to increase the efficacy of crab rebuilding strategies, addresses the social and economic concerns of communities, maintains healthy harvesting and processing sectors and promotes efficiency and safety in the harvesting sector. Any such system should seek to achieve equity between the harvesting and processing sectors, including healthy, stable and competitive markets.

Elements of the Crab Rationalization Program

Harvesting Sector Elements

Harvester shares shall be considered a privilege and not a property right.

1.1 Crab fisheries included in the program are the following fisheries subject to the Federal FMP for BSAI crab:

- Bristol Bay red king crab
- Brown king (AI Golden king) crab
- Adak (WAI) red king crab – West of 179° W
- Pribilof Islands blue and red king crab
- St. Matthew blue king crab
- Opilio (EBS snow) crab
- Bairdi (EBS Tanner) crab

3. Exclude the EAI Tanner, WAI Tanner, Dutch Harbor (EAI) red king crab, and Adak (WAI) red king crab east of 179° West longitude.
- 1.2 Persons eligible to receive an initial allocation of QS must be:
 - Option 1. Any person that holds a valid, permanent, fully transferable LLP license.
- 1.3 Categories of QS/IFQs
 - 1.3.1 Crab Fishery Categories - QS/IFQs will be assigned to each of the crab fisheries included in the program as identified in paragraph 1.1 except Dutch Harbor red king, EAI Tanner, and WAI Tanner and WAI red king crab east of 179° West longitude.
 - 1.3.1.1 Brown king crab (AI golden king crab) option.
 - Option 1. Split into two categories: Dutch Harbor (EAI) brown king crab (east of 174° W long.) and Western Aleutian Islands brown king crab (west of 174° W long.).
 - 1.3.2 Harvesting sector categories - QS/IFQs will be assigned to one of the following harvesting sector categories:
 - a. catcher vessel (CV), or
 - b. catcher/processor (CP)

QS-IFQ for the Catcher/Processor sector is calculated from the crab that were both harvested and processed onboard the vessel. This shall confer the right to harvest and process crab aboard a catcher processor in accordance with section 1.7.2.
 - 1.3.3 Processor delivery categories - QS/IFQs for the CV sector shall be assigned to the following two processor delivery categories (the percentage split between class A/B shares is defined under the Processing Sector Elements, 2.4):
 - (a) Class A – allow deliveries only to processors with unused PQs
 - (b) Class B – allow deliveries to any processor, except catcher processors
 - 1.3.4 Regional Categories - QS/IFQs for the CV sector is assigned to regional categories. The two regions are defined as follows (see Regionalization Elements for a more detailed description of the regions):

North Region - All areas on the Bering Sea north of 56° 20' N. Latitude.

South Region - All areas not included in the North Region.
- 1.4 Initial allocation of QS
 - 1.4.1 Calculation of initial QS distribution will be based on legal landings excluding deadloss.
 - (a) Calculation of QS distribution. The calculation is to be done, on a vessel-by-vessel basis, as a percent of the total catch, year-by-year during the qualifying period. Then the sum of the yearly percentages, on a fishery-by-fishery basis, is to be divided by the number of qualifying years included in the qualifying period on a fishery-by-fishery basis to derive a vessel's QS.

For each of the fisheries for which such a vessel holds valid endorsement for any years between the sinking of the vessel and the entry of the Amendment 10 replacement vessel to the fishery and was active as of June 10, 2002, allocate QS according to 50% of the vessel's average history for the qualifying years unaffected by the sinking.

(b) Basis for QS distribution.

Option 1. For eligibility criteria in paragraph 1.2, the distribution of QS to the LLP license holder shall be based on the catch history of the vessel on which the LLP license is based and shall be on a fishery-by-fishery basis. The underlying principle of this program is one history per vessel.

(Option 1) Persons who have purchased an LLP, with GQP, EQP and RPP qualifications to remain in a fishery may obtain a distribution of QS on the history of either the vessel on which the LLP is based or on which the LLP is used, NOT both. License transfers for purposes of combining LLPs must have occurred by January 1, 2002.

(Old Option 3) In cases where the fishing privileges (i.e. moratorium qualification or LLP license) of an LLP qualifying (i.e. GQP, EQP, RPP and Amendment 10 combination) vessel have been transferred, the distribution of QS to the LLP shall be based on the aggregate catch histories of (1) the vessel on which LLP license was based up to the date of transfer, and (2) the vessel owned or controlled by the LLP license holder and identified by the license holder as having been operated under the fishing privileges of the LLP qualifying vessel after the date of transfer. Only one catch history per LLP license. The only catch histories that may be credited by transfer under this suboption are the individual catch histories of vessels that generate a valid permanent fully transferable LLP license.

1.4.2. Qualifying Periods for Determination of the QS Distribution:

1.4.2.1 Opilio (EBS snow crab)

Option 4. 1996 - 2000 (5 seasons)

a. Best 4 seasons

1.4.2.2 Bristol Bay red king crab

Option 3. 1996 - 2000 (5 seasons)

a. Best 4 seasons

1.4.2.3 Bairdi (EBS Tanner crab)

Option 2. 91/92 - 1996 (best 4 of 6 seasons)

1.4.2.4 and 1.4.2.5 Pribilof red and blue king crab

Option 2. 1994 - 1998

b. Drop one season

1.4.2.6 St. Matthew blue king crab

Option 2. 1994 - 1998

b. Drop one season

1.4.2.7 Brown king crab (based on biological seasons)

(Options apply to both Dutch Harbor (EAI) and Adak western Aleutian Island brown king crab)

Option 4. 96/97 2000/01 (all 5 seasons)

Suboption: Award each initial recipient QS based on:

b. historical participation in each region.

1.4.2.8 Adak (WAI) red king crab - west of 179° west long.

Option 1. 1992/1993 – 1995/1996 (4 seasons)

d. Best 3 seasons

1.5 Annual allocation of IFQs:

1.5.1 Basis for calculating IFQs:

Option 2. Convert GHL to a TAC and use the TAC as the basis.

1.6 Transferability and Restrictions on Ownership of QS/IFQs:

1.6.1 Persons eligible to receive QS/IFQs by transfer:

Option 2. US citizens who have had at least:

(b). 150 days of sea time

Option 3. Entities that have a U. S. citizen with 20% or more ownership and at least:

(b). 150 days of sea time

Suboption: Initial recipients of harvesting quota share grandfathered

*Definition of sea time

Option 1. Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

Option 4. Allow a CDQ organization to be exempted from the restriction for the 150 days of sea time requirement under 1.6 Transferability and Restrictions on Ownership of QS/IFQs.

1.6.2 Leasing of QS (leasing is equivalent to the sale of IFQs without the accompanying QS.)

Leasing is defined as the use of IFQ on vessel which QS owner holds less than 10% ownership of vessel or on a vessel on which the owner of the underlying QS is present:

Option 1. Leasing QS is allowed with no restrictions during the first five years after program implementation.

1.6.3 Separate and distinct QS Ownership Caps - apply to all harvesting QS categories pertaining to a given crab fishery with the following provisions:

a. Initial issues that exceed the ownership cap are grandfathered at their current level as of June 10, 2002; including transfers by contract entered into as of that date.

b. Apply individually and collectively to all QS holders in each crab fishery;

c. Percentage-cap options for the Bristol Bay red king crab, Opilio, Bairdi, Pribilof red and blue king crab and St. Matthew blue king crab fisheries (a different percentage cap may be chosen for each fishery):

- Option 4. 1.0% of the total QS pool for Bristol Bay red king crab.
- Option 5. 1.0% of the total QS pool for Opilio crab.
- Option 6. 1.0% of the total QS pool for Bairdi crab.
- Option 7. 2.0% of the total QS pool for Pribilof red and blue king crab.
- Option 8. 2.0% of the total QS pool for St. Matthew blue king crab.

- d. A percentage-cap of 10% is adopted for the Dutch Harbor (EAI) brown king crab, and a 10% cap for western Aleutian Island (Adak) brown king crab.
- e. A percentage-cap of 10% is adopted for WAI (Adak) red king crab west of 179° West longitude.

1.6.4 Controls on vertical integration (ownership of harvester QS by processors):

Option 2: A cap of 5% with grandfathering of initial allocations as of June 10, 2002, including transfers by contract entered into as of that date.

Option 3: Vertical integration ownership caps on processors shall be implemented using both the individual and collective rule using 10% minimum ownership standards for inclusion in calculating the cap. PQS ownership caps are at the company level.

Catcher Processor Elements

1.7.2.1.1 Catcher/Processors shall be granted CP-QS in the same manner as catcher vessels.

1.7.2.3 Allowance for Catcher/Processors:

Option 2. Catcher/Processors are allowed to purchase additional PQS from shore based processors as well as PQS from other Catcher/Processors as long as the crab is processed within 3 miles of shore in the designated region.

Option 4. Catcher/Processors may sell unprocessed crab to any processor

Option 5. Only catcher processors that both caught and processed crab onboard their qualifying vessels in any BSAI crab fishery during 1998 or 1999 will be eligible for any CP QS in any IFQ or Coop program.

Option 6. CP-QS initially issued to a catcher/processor shall not be regionally or community designated.

Option 8. The CP sector is capped at the aggregate level of initial sector-wide allocation.

1.7.2.4 Transfers to shore-based processors:

- c. Catcher/Processors shall be allowed to sell CP/QS as separate Catcher Vessel QS and PQS. The shares shall be regionally designated when sold (both shares to same region).

Other Harvester Options

1.7.3 Catch accounting under IFQs - All landings including deadloss will be counted against IFQs. Options for treatment of incidental catch are as follows:

Option 4. Discards of incidentally caught crab will be allowed

Option 5. Request ADF&G & BOF & BOF/NPFMC Joint Protocol Committee to address concerns of discard, highgrading, incidental catch and need for bycatch reduction and improved retention in season with monitoring to coincide with implementation of a crab rationalization program.

1.7.4 Use caps on IFQs harvested on any given vessel are provided for those vessels not participating in a voluntary cooperative described under section 6.1.:

Option 1.

c. Two times the ownership cap:

2.0% for BS Opilio crab

2.0% BB red king crab

2.0% BS bairdi crab

4.0% for Pribilof red and blue king crab

4.0% for St. Matthew blue king crab

20% for EAI (Dutch Harbor) brown king crab

20% for Adak (WAI) brown king crab

20% for Adak (WAI) red king crab west of 179° West longitude

1.8.1 Options for captain and crews members:

1.8.1.2 Percentage to Captain:

1. Initial allocation of 3% shall be awarded to qualified captains.

2.

a. Holders of captain QS are required to be on-board vessel when harvesting IFQ.

b. Formulate a trailing amendment to include elements contained in Sections 1.8.1.3 through 1.8.1.7

The Council Chairman will appoint an industry workgroup to develop a framework program to implement the provisions of the captain share amendments.

1.8.1.3 Species specific:

1. As with vessels.

1.8.1.4 Eligibility:

1. A qualified captain is determined on a fishery by fishery basis by 1) having at least one landing in the qualifying years used by the vessels and 2) having recent participation in the fishery as defined by at least one landing per year in the fishery in the last two seasons prior to June 10, 2002.

2. A captain is defined as the individual owning the Commercial Fishery Entry Permit.

1.8.1.5 Qualification period:

1. As with vessels.

1.8.1.6 Distribution per captain:

1. QS based on landings (personal catch history based on ADF&G fish tickets) using harvest share calculation rule.
2. Captain with C/P history shall receive C/P captain QS at initial issuance. The same rule applies to C/P captain QS if they leave the C/P sector as in section 1.7.2.3

1.8.1.7 Transferability criteria:

1. Sale of QS.
 - a. QS may be purchase only by persons who are US citizens who have had at least 150 days of sea time in any of the US commercial fisheries in a harvesting capacity.
2. IFQ leasing
 - a. Captains QS are leasable for the first three years after program implementation for the following fisheries only:
Pribilof red and blue crab
St. Matthew blue crab
 - b. In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of captain quota shares may lease QS, upon documentation and approval, (similar to CFEC medical transfers) for the term of the hardship/disability or a maximum of 2 years.

1.8.1.8 Loan program

1. A low-interest rate loan program consistent with MSA provisions, for skipper and crew purchases of QS, shall be established for IFQ purchases by captains and crew members using 25% of the Crab IFQ fee program funds collected.

1.8.1.9 Captain/Crew on Board requirements

1. Holders of captain QS or qualified lease recipients are required to be onboard vessel when harvesting IFQ.
2. Captain QS ownership caps for each species are the same as vessel caps for each species (i.e. section 1.7.4).
3. Use caps on IFQs harvested on any given vessel shall not include captain QS in the calculation.

1.8.2 Overage Provisions for the Harvesting Sector:

Allowances for overages during last trip:

Option 2. Overages up to 3% will be forfeited. Overages above 3% results in a violation and forfeiture of all overage.

1.8.3 AFA Vessel Option. Eliminate harvester sideboard caps.

1.8.5 Sideboards. Sideboards shall be addressed through a TRAILING AMENDMENT.

Options:

1. Non AFA vessels that qualify for QS in the rationalized opilio crab fisheries would be limited to their
 - a. GOA groundfish catch history excluding sablefish or
 - b. Inshore pcod catch history in the GOA fisheries (with offshore pcod exempt).
2. The years for qualification would be the same as the qualifying period selected from 1.4.2.1.
 - b. Sideboard exemptions:
3. Exempt vessels from sideboards which had opilio landings in the qualifying years of:
 - Option a. <100,000 pounds
 - Option b. <70,000 pounds
 - Option c. <50,000 lbs
 - Option d. <25,000 lbs
4. Exempt vessels with more than 100, 200, or 500 tons of cod total landings in the years 95-99
5. Vessels with <10, <50 and <100 tons total groundfish landings in the qualifying period would be prohibited from participating in the GOA cod fishery.

Suboption a: Council staff should analyze economic dependency of participants in the Bering Sea Korean hair crab fishery to determine if sideboards are warranted.

2. Processing Sector Elements

Processor shares shall be considered a privilege and not a property right.

2.1 Eligible Processors - processors (including catcher-processors) eligible to receive an initial allocation of processing quota shares (PQs) are defined as follows:

- (a.) U.S. corporation or partnership (not individual facilities) that processed crab during 1998 or 1999, for any crab fishery included in the IFQ program.

Hardship provisions for processors that did not process crab in 1998 or 1999 but meet the following provisions:

- A processor (not Catcher/Processor) that processed opilio crab in each season between 1988 and 1997 and
- Invested significant capital in the processing platform after 1995, will be determined to be a qualified processor.
- Significant capital is defined as a direct investment in processing equipment and processing vessel improvements in excess of \$1 million.

2.2 Categories of Processing Quota Shares

2.2.1 Crab fishery categories - processing quota shares shall be issued for the same crab species identified in Section 1.1

2.2.2 Regional categories - processing quota shares will be categorized into two regions (see Regionalization Elements for description of regions):

Northern Region - All areas on the Bering Sea north of 56° 20' N. latitude

Southern Region - All areas not in the Northern region

2.3 Initial allocation of processing quota shares

Option 1. Processing quota shares shall be initially issued to Eligible Processors based on three-year average processing history¹ for each fishery, determined by the buyer of record listed on ADF&G fish tickets, as follows:

- (a) 1997 - 1999 for Bristol Bay red king crab
- (b) 1996 - 1998 for Pribilof red and blue king crab,
- (c) 1996 - 1998 for St. Matthew blue crab
- (d) 1997 - 1999 for opilio crab
- (e) EBS bairdi crab based on 50/50 combination of processing history for BBRKC and opilio
- (f) 1996/97 - 1999/00 seasons for brown king crab
- (g) The qualifying years for issuance of IPQ in the Adak (WAI) red king crab fishery west of 179° West longitude will be:

Option B. Based on Western Aleutian Islands brown king crab IPQ

Option 4. If the buyer can be determined, by NMFS using the State of Alaska Commercial Operators Annual Report, fish tax records, or evidence of direct payment to fishermen, to be an entity other than the entity on the fish ticket, then the IPQ shall be issued to that buyer.

2.4 Percentage of season's GHIL or TAC for which IPQs are distributed:

2.4.1 IPQs will be issued for a portion of the season's GHIL or TAC for each species to provide open delivery processing as a means to enhance price competition:

Option 3. 90% of GHIL (or TAC) would be issued as IPQs - the remaining 10% would be considered open delivery.

2.5 Implementation of the open delivery-processing portion of the fishery:

Catcher vessel QS/IFQs are categorized into Class A and Class B shares. Purchases of crab caught with Class A shares would count against IPQs while purchases of crab caught with Class B shares would not. Crab caught with Class B shares may be purchased by any processor on an open delivery basis.

- 2.6 Transferability of processing shares - provisions for transferability include the following:
- a. Processing quota shares and IPQs would be freely transferable, including leasing
 - b. IPQs may be used by any facility of the eligible processor (without transferring or leasing)
 - c. Processing quota shares and IPQs categorized for one region cannot be transferred to a processor for use in a different region.

¹The three-year average shall be the three-year aggregate pounds purchased by each Eligible Processor in a fishery divided by the three-year aggregate pounds purchased by all Eligible Processors in that fishery.

d. New processors may enter the fishery by purchasing IPQ or by purchasing Class B Share crab or by processing CDQ crab.

2.7 Ownership and use caps –

2.7.1 Ownership caps

Option 4. No ownership to exceed 30% of the total PQS pool on a fishery by fishery basis with initial issues grandfathered.

PQS ownership caps should be applied using the individual and collective rule using 10% minimum ownership standards for inclusion in calculating the cap. PQS ownership caps are at the company level.

2.7.2 Use Caps.

Option 3. In the Northern Region annual use caps will be at 60% for the opilio crab fishery.

2.8 Other Optional Provisions:

The crab processing caps enacted by Section 211(c)(2)(A) of the AFA would be terminated

Append Binding Arbitration Committee minutes/report to the Report to Congress as indication of direction of the Committee.

2.8.3 A private sector managed (non-governmental), binding arbitration process for failed price negotiations, between fishermen and processors will be implemented through a TRAILING AMENDMENT .

The Council requests that the Binding Arbitration Committee review the following provisions when considering the development of the binding arbitration program:

- continue its efforts to refine the system of Binding Arbitration that will accomplish the goals articulated in the Council Crab Rationalization Problem Statement. The Committee should meet over the course of the summer and return with a report at the October 2002 Council Meeting.
- that the system of binding arbitration will create a mechanism to establish a minimum or formula price for all crab delivered using Class A harvesting shares.
- this minimum or formula price to be the “safety net” for the “last man standing” facing the last IPQ holder. It is intended to ensure that any harvester without market options has the option of an arbitrated minimum price.
- that there be one arbitration event per IPQ holder per season. Once through arbitration of price, price shall not be the subject of arbitration for that IPQ holder again for that season.
- that the system of price formation encourage the tradition of harvesters voluntarily engaged in collective bargaining with individual processing firms for the minimum ex-vessel price or formula in large GHL fisheries.

Listing these possible elements is not intended to restrict the committee from considering other arbitration program elements that it believes will be effective for protecting the interests of the parties.

3. Regionalization Elements

3.1 Two regions are proposed:

a. Northern Region - All areas on the Bering Sea north of 56° 20' N. latitude. (This region includes the Pribilof islands and all other Bering Sea Islands lying to the north. The region also includes all communities on Bristol Bay including Port Heiden but excludes Port Moller and all communities lying westward of Port Moller.)

b. Southern Region - All areas not in the Northern Region.

Suboption: Regional categories for deliveries of Aleutian Islands brown king crab are split into a "Western" (west of 174° West longitude) and "Eastern" (east of 174° West longitude) area. 50% of the WAI IPQ brown king crab QS shall be processed in the W AI region.

3.2 Regional categorization of processing and/or harvesting quota shares

3.2.1 Categorization will be based on all historical landings. Periods used to determine regional percentages are the same as in Section 3.2.5.

There shall be no regional designation of the bairdi fishery shares. When there is a harvestable surplus of bairdi, an open season, and the vessel has bairdi quota, bairdi will be retained and delivered as incidental catch in the red /blue king crab and opilio fisheries.

3.2.2 Options for the harvesting sector:

Option 2. Only Class A CV quota shares are categorized by region (applies to point of delivery and not point of harvest).

3.2.3 Options for the processor sector:

Option 1. Processing quota shares and IPQs are categorized by region

3.2.4 Once assigned to a region, processing and/or harvesting quota shares cannot be reassigned to a different region.

3.2.5 Options for addressing any remaining mismatch of harvesting and processing shares within the region.

1. The base years for determining processing shares and the base period for determining the share assigned to each region shall be the same.

2. If the cumulative harvester quota associated with each region differs from the total regional share, by species, the harvester share, by species, shall be adjusted, up or down, in the following manner:

a. The adjustment shall apply only to harvesters with share in both regions.

b. The adjustment shall be made on a pro rata basis to each harvester, so that the total share among those harvesters, by region, equals the total share assigned to each region.

3. The adjustment shall only be on shares that carry a regional designation; Class B quota would be excluded from the adjustment.

3.3 Delivery and processing restrictions - the following provisions apply to the delivery and processing of crab with IFQs or IPQs that are categorized by region:

- a. Crab harvested with catcher vessel IFQs categorized for a region must be delivered for processing within the designated region
- b. Crab purchased with IPQs categorized for a region must be processed within the designated region.

3.4 Alternative Regionalization/Community Protection Option: This option in its entirety will be considered as part of the trailing amendment.

Options for this trailing amendment are defined in the April 14, 2002 Council Motion plus the following options:

Trailing Amendment – Community Protection

Transfers of IPQ out of a region are prohibited.

If an owner of IPQ decides to sell the IPQ, the right of first refusal to purchase the IPQ shall be granted to cdq groups (for IPQ in the Bering Sea) or a community organization approved by the local government (for IPQ in the GOA) providing that any IPQ so purchased is processed at a facility owned at least 50% by the CDQ organization or community group.

The amount of IPQ in any year shall not exceed the percentage of the TAC for any crab species as follows:

Option 1: IPQ percentage times a TAC of 150 million pounds.

Option 2: IPQ percentage times a TAC of 200 million pounds.

4. Community Development Allocation (based on existing CDQ program):

Option 2. Expand existing program to all crab fisheries approved under the rationalization program with the exception of the Western AI brown king crab.

Option 3. Increase for all species of crab to 10%. A minimum of 25% of the total CDQ allocation must be delivered on shore.

Option 5. For the WAI brown king crab fishery, the percentage of resource not utilized (difference between the actual catch and GHLL) during the base period is allocated to the community of Adak. In any year, that sufficient processing exists at that location, the percentage of the difference between the GHLL and actual catch, that was not harvested in these 4 years is not to exceed 10%.

5. Program Elements

RAM Division in conjunction with State of Alaska will produce annual reports regarding data being gathered with a preliminary review of the program at 3 years.

Option 2. Formal program review at the first Council Meeting in the 5th year after implementation to objectively measure the success of the program, including benefits and impacts to harvesters (including vessel owners, skippers and crew), processors and communities by addressing concerns, goals and objectives identified in the Crab Rationalization problem statement and the Magnuson Stevens Act standards. This review shall include analysis of post-rationalization impacts to coastal communities, harvesters

and processors in terms of economic impacts and options for mitigating those impacts. Subsequent reviews are required every 5 years.

Option 5. A proportional share of fees charged to the harvesting sectors and processing sectors for management and enforcement of the IFQ/IPQ program shall be forwarded to the State of Alaska for use in management and observer programs for BSAI crab fisheries

6. Cooperative model options:

6.1 Coop model with the following elements and options:

1) Individual harvesting and processing histories are issued to both catcher and processors. (Harvesters under Section 1.3.2 a) which meet program qualifications. Processors under Section 2.1, 2.3, and 2.4 (Options 1-4) which meet qualifications of the program).

2) Cooperatives may be formed through contractual agreements among fishermen who wish to join into a cooperative associated with one or more processors holding processor history for one or more species of crab. Fleet consolidation within this cooperative may occur either by internal history leasing and vessel retirement or by history trading within the original cooperative or to a different cooperative. A coop agreement would be filed annually with the Secretary of Commerce, after review by the Council, before a coop's catch history would be set aside for their exclusive use.

3.) Suboption only : There must be at least 4 or more unique harvester quota share holders engaged in one or more crab fisheries to form a coop associated with a processor. Vessels are not restricted to deliver to a particular plant or processing company.

4. New processors may enter the fishery by purchasing IPQ or by purchase of crab caught with B share landings or by processing CDQ crab. New processors entering the fishery may associate with cooperatives.

5. Custom processing would continue to be allowed within this rationalization proposal.

7. Regional Categories: As adopted earlier

8. Duration of coop agreements.

Option 4. A harvester quota shareholder may exit the cooperative at any time after one season. One season shall mean the season established by the Alaska Board of Fisheries for the fishery associated with the quota shares held by the harvester.

10. Observer requirements: Defer observer requirements to the Alaska Board of Fisheries.

11. Length of program: Same as earlier in Section 5.

12. Option for skipper and crew members: Same as developed earlier.

13. Catch Accounting - All landings including deadloss will be counted against a vessel's quota. Options for treatment of incidental catch are as follows: Same as developed earlier.

14. The North Pacific Fishery Management Council and the National Marine Fisheries Service shall have the authority to implement a mandatory data collection program of cost, revenue, ownership and employment data upon members of the BSAI crab fishing industry harvesting or processing fish under the Council's authority. Data collected under this authority will be maintained in a confidential manner and may not be released to any party other than staffs of federal and state agencies directly involved in the management of the fisheries under the Council's authority and their contractors.

A mandatory data collection program shall be developed and implemented as part of the crab rationalization program and continued through the life of the program. Cost, revenue, ownership and employment data will be collected on a periodic basis (based on scientific requirements) to provide the information necessary to study the impacts of the crab rationalization program as well as collecting data that could be used to analyze the economic and social impacts of future FMP amendments on industry, regions, and localities. This data collection effort is also required to fulfill the Council problem statement requiring a crab rationalization program that would achieve "equity between the harvesting and processing sectors" and to monitor the "...economic stability for harvesters, processors and coastal communities". Both statutory and regulatory language shall be developed to ensure the confidentiality of these data.

Any mandatory data collection program shall include:

A comprehensive discussion of the enforcement of such a program, including enforcement actions that would be taken if inaccuracies in the data are found. The intent of this action would be to ensure that accurate data are collected without being overly burdensome on industry for unintended errors.

VOTE ON FINAL KD MOTION AS AMENDED: PASSES UNANIMOUSLY.