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NOAA FISHERIES PREPARES FOR BUYBACK BIDDING

The National Oceanic and Atmospheric Administration's National Marine Fisheries Service (NOAA Fisheries) announced today the opening of bidding in the Bering Sea and Aleutian Island crab buyback. The National Oceanic and Atmospheric Administration (NOAA) is an agency of the U.S. Department of Commerce.

The bidding opens on March 5, 2004. NOAA Fisheries today published the buyback's bid invitation and bidding contract in the Federal Register. Bidders will have until April 23, 2004, to bid for buyback payments.

"This is a chance for the crab fishery to reduce its excess competition," said Bill Hogarth, director of NOAA Fisheries. "We will pay volunteers to retire their fishing permits, histories and vessels. Although we're administering and financing this, it's really the crab fishery determining if it can, at a reasonable cost, reallocate limited crab resource among fewer harvesters. If it works, the real benefit is the long-term \$100 million Federal loan which can end excess competition overnight, rather than piecemeal over many years."

Crab license holders may not bid until they receive the bidding packages that NOAA Fisheries will mail to them on or about February 27, 2004. Bidders' individual circumstances and judgment determines the amounts for which they offer to retire their crab fishing capacity. Bid offers are irrevocable.

After bidding closes, NOAA fisheries will state each bid's amount as a percentage of the bidder's landed crab values, and accept bids with the lowest percentages until the \$100 million runs out. A referendum will follow to see if crab license holders accept a landing fee for repaying the buyback loan. If they do, NOAA Fisheries will advise accepted bidders and complete the buyback. If not, the buyback ceases and bidders have no further bid obligation.

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Hogarth said that, “although this is a reverse auction, it’s still an auction.” The buyback’s objective is to pay those who want to leave and increase crab allocations for those who want to remain. If a bid is too high, the bidder’s objective may fail. If all bids are too high, everyone’s objective may fail because the fee referendum may fail.

“Bidders need to gather around the kitchen table with their loved ones and see what makes sense for them,” said Hogarth. “Although no one knows how this will turn out, we hope the buyback achieves everyone’s objective.” For more information, visit our [Vessel Buyback Page](http://www.nmfs.noaa.gov/ocs/financial_services/buyback.htm) (http://www.nmfs.noaa.gov/ocs/financial_services/buyback.htm).

NOAA Fisheries is dedicated to protecting and preserving our nation’s living marine resources, and the habitat on which they depend, through scientific research, management and enforcement. Our stewardship of these resources benefits the nation by supporting coastal communities that depend upon them, while helping to provide safe and healthy seafood to consumers and recreational opportunities for the American public.

NOAA is dedicated to enhancing economic security and national safety through the prediction and research of weather and climate-related events and providing environmental stewardship of our nation’s coastal and marine resources.

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On the Web:

NOAA - <http://www.noaa.gov>

NOAA’s Fisheries - <http://www.nmfs.noaa.gov>