



# **Bering Sea and Aleutian Islands Crab Rationalization Report Fishing Year 2006/07**

**July 1, 2006–June 30, 2007**



Photograph courtesy of Forrest Bowers, BSAI Area Biologist, ADF&G

**NOAA Fisheries Service (NMFS), Alaska Region  
Restricted Access Management (RAM)  
February 2008**

Bering Sea and Aleutian Islands  
Crab Rationalization Program Report  
Fishing Year 2006/07  
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## **Purpose and Acknowledgments**

This *Crab Rationalization Program Report for Crab-Fishing Year 2006/07* provides a summary of the second year of Alaska's Bering Sea and Aleutian Islands Crab Rationalization Program (Program). The North Pacific Fishery Management Council (Council) requested this report on program activities, which includes application/appeals processing, quota issuance and distribution, arbitration, harvesting, processing, quota transfers, cost recovery fees, reporting, compliance monitoring, safety, community protection measures, and other Program features.

The report was developed by staff of the NOAA Fisheries (NMFS), Restricted Access Management (RAM) Program. Major contributors and data sources include (in alphabetic order) the Alaska Department of Fish and Game (ADF&G) staff and reports; NMFS (Alaska Fisheries Science Center, Office of Administrative Appeals [OAA], Office of Law Enforcement [OLE], and Sustainable Fisheries Division; the Stock Assessment and Fishery Evaluation Report (Crab SAFE) for the King and Tanner Crab Fisheries of the Bering Sea and Aleutian Islands Regions, September 2007; and the United States Coast Guard.

Although RAM staff compiled this report with the help of many contributors, data in this report primarily reflect RAM Program data and may differ slightly from other published materials.

Agency staff would like to acknowledge industry's continued outstanding support and cooperation in implementing and administering the Program.

Photography is courtesy of NOAA Fisheries, ADF&G, and the United States Coast Guard (USCG).



King Crab, NOAA Fisheries

## **Notes on This Report**

### **Confidentiality**

Under the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act (P.L. 109-479), fishery information required to be submitted under Fishery Management Plans, including landings data, is confidential. NOAA Administrative Order (NAO) 216-100 is the principal guidance for NOAA Fisheries employees on protocols for handling confidential data. To assure confidentiality, data must be structured or aggregated so that the identity of the submitter cannot be determined from the present release of the data or in combination with other releases. "Submitter" is applied in context for the specific data presented. Data provided by the State of Alaska may have another standard applied, as required by State statute and policy.

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Snow Crab, NOAA Fisheries

## Abbreviations

<b>ADF&amp;G</b>	Alaska Department of Fish and Game
<b>AFA</b>	American Fisheries Act
<b>BSAI</b>	Bering Sea/Aleutian Islands
<b>CDQ</b>	Community Development Quota
<b>CFVS</b>	USCG Commercial Fishing Vessel Safety Program
<b>COPPS</b>	Community Oriented Policing and Problem Solving
<b>CMP</b>	Catch Monitoring Plan
<b>CPC</b>	Catcher Processor Crew
<b>CPO</b>	Catcher Processor Owner
<b>CR</b>	Crab Rationalization
<b>CVC</b>	Catcher Vessel Crew
<b>CVO</b>	Catcher Vessel Owner
<b>EDR</b>	Economic Data Report
<b>ECC</b>	Eligible Crab Community
<b>ECCO</b>	Eligible Crab Community Organization
<b>FCVP</b>	Federal Crab Vessel Permit
<b>FMP</b>	Fishery Management Plan
<b>IFQ</b>	Individual Fishing Quota
<b>IPQ</b>	Individual Processing Quota
<b>LLP</b>	License Limitation Program
<b>MSA</b>	Magnuson-Stevens Act
<b>NA</b>	Not applicable (in tables); ellipsis points (...) indicate “not available”
<b>NMFS</b>	National Marine Fisheries Service, also known as NOAA Fisheries Service
<b>NOAA</b>	National Oceanic and Atmospheric Administration
<b>NOAA Fisheries Service</b>	Also known as NMFS
<b>Nr</b>	“Number” (in tables)
<b>OR</b>	Official Record
<b>PSMFC</b>	Pacific States Marine Fisheries Commission
<b>PQS</b>	Processor Quota Share
<b>QS</b>	Quota Share (Harvesting)
<b>RCR</b>	Registered Crab Receiver
<b>ROFR</b>	Right of First Refusal
<b>SAR</b>	Search and Rescue
<b>SCC</b>	Safety Compliance Check
<b>SFP</b>	Stationary Floating Processor
<b>TAC</b>	Total Allowable Catch
<b>USCG</b>	United States Coast Guard
<b>VMS</b>	Vessel Monitoring System

### CR Fisheries

<b>BBR</b>	Bristol Bay red king crab ( <i>Paralithodes camtschaticus</i> )
<b>BSS</b>	Bering Sea snow crab ( <i>Chionoecetes opilio</i> )
<b>BST</b>	Bering Sea Tanner crab ( <i>Chionoecetes bairdi</i> )
<b>EAG</b>	Eastern Aleutian Islands golden king crab
<b>EBT</b>	Eastern Bering Sea Tanner crab (starting 2006/07 fishing year)
<b>PIK</b>	Pribilof Islands red/blue king crab
<b>SMB</b>	St. Matthew Island blue king crab
<b>WAG</b>	Western Aleutian Islands golden king crab
<b>WAI</b>	Western Aleutian Islands red king crab
<b>WBT</b>	West Bering Tanner crab (starting 2006/07 fishing year)

## **Chapter 1 Introduction**

### **Program Overview**

The Crab Rationalization Program (Program) is a limited access privilege program that allocates BSAI crab resources among harvesters, processors, and coastal communities. The North Pacific Fishery Management Council (Council) developed the Program over a 6-year period to accommodate the specific dynamics and needs of the BSAI crab fisheries. The Program addresses previous conservation and management issues associated with the derby fishery, bycatch and associated discard mortality, safety, and the economics of the fishery, including product quality and seasons. Its purpose is to increase efficiencies, provide economic stability, and facilitate compensated reduction of excess capacity in the harvesting and processing sectors. Community interests are protected by Community Development Quota (CDQ and Adak) allocations, by regional landing and processing requirements, and by several community protection measures.



Crab mound in Chiniak, Stevens, NMFS AFSC

In January 2004 the U.S. Congress amended §313(j) of the Magnuson-Stevens Act (MSA) through the Consolidated Appropriations Act of 2004 (Public Law 108–199, section 801) to mandate the Secretary of Commerce implement by regulation the Program as recommended by the Council. NOAA Fisheries published a final rule to implement the Program on March 2, 2005 (70 FR 10174). Crab fishing under the Program began when the first rationalized fisheries opened on August 15, 2005.

#### *Fisheries*

The Program governs nine BSAI King and Tanner crab fisheries (originally eight, although the original Bering Sea Tanner crab fishery was divided after the first Program year into Eastern and Western Bering Sea Tanner fisheries).

Under the Federal BSAI King and Tanner crab FMP, the State of Alaska manages the Adak and CDQ fisheries and has certain responsibilities for quota (IFQ/IPQ) fisheries, including penalty enforcement and establishing transfer provisions, inseason monitoring, and observer coverage and permitting requirements. The Program governs three types of crab fisheries—the CDQ fisheries, an allocation of Western Aleutian Islands (WAG) golden king crab to the community of Adak, and the large individual fishing and processing quota fisheries. The Program includes nine crab fisheries. A License Limitation Program (LLP) license is no longer required for these fisheries, although one is still required for the FMP crab fisheries excluded from the Program.

#### *Sectors*

Qualified harvesters and processors were allocated quota shares (QS or PQS) in each IFQ/IPQ crab fishery based on historic and recent participation. Quota share represents an exclusive but revocable privilege that provides the holder with an annual allocation to harvest, receive, or process a specific percentage of the total allowable catch (TAC) from a fishery. The annual allocation is called IFQ for harvesters and IPQ for processors. Harvesting QS was issued based on “captain/crew” activity (“Crew QS”) or on the histories of LLP licenses held (“Owner QS”) and is either designated catcher vessel (CV) or catcher/processor (CP) shares, depending on the nature of qualifying landings. Qualifying processors were allocated processor quota share (PQS).

### Owner QS/IFQ

Most harvesting QS (97 percent of the initial QS “pool”) was issued to qualified LLP holders as catcher vessel “owner” (CVO) or catcher/processor “owner” (CPO) QS. Crab harvested under catcher vessel IFQ permits must be delivered raw. Catcher/processor IFQ represents both a harvest and an onboard processing privilege and has no regional designation or delivery requirement. Catcher Vessel “owner” (CVO) IFQ is issued annually in two classes, Class A and Class B. Crabs harvested with Class A IFQ must be delivered to a processor holding unused individual processing quota (IPO). Class A IFQ landings also are subject to a regional delivery requirement. Crabs harvested with Class B IFQ can be delivered to any processor and are not regionally designated. Class B IFQ provides ex-vessel price negotiating leverage to harvesters and some operational flexibility. New harvesters can enter the fishery by purchasing or leasing CVO or CPO QS/IFQ from current holders. A person not initially issued QS may obtain Owner QS by transfer: if an individual, by demonstrating 150 days of harvesting experience; if a nonindividual person (corporation, partnership, or other entity), by being at least a 20 percent shareholder.

### Crew QS/IFQ

To protect their interests in the fisheries and provide long-term benefits, captains and crew with historic and recent participation were allocated three percent of the initial QS pool. Catcher Vessel Crew (CVC) IFQ must be delivered raw to any shore-based processors. CPC QS and IFQ include a harvesting and onboard processing privilege. Crew QS and IFQ can be transferred only to eligible individuals who must demonstrate recent crab fishery participation. Leasing of Crew IFQ is permitted before July 1, 2008. After that, leasing will be permitted only in the case of a documented medical hardship or loss of fishing vessel. Before July 1, 2008 Crew IFQ also is not subject to regional delivery requirements or Class A/B designation. New individuals can enter the fishery by purchasing or leasing CVC and CPC QS/IFQ from current holders.

### Processor PQS/IPQ

Qualified processors were allocated processor quota share (PQS) in each Program crab fishery. PQS represents an exclusive but revocable privilege to receive deliveries of a specific portion of the annual TAC from a fishery. Individual Processing Quota (IPQ), the annual allocation of pounds of crab based on the PQS, is issued for 90 percent of the CVO IFQ and is regionally designated for use in receiving/processing crab. PQS allocations are based on processing history and are transferable, including the leasing of IPQ and the sale of PQS, subject to caps and community protection measures. New processors can enter the fishery in any of five ways: by purchasing or leasing PQS or IPQ, purchasing crab harvested with Class B IFQ, as CDQ groups, or as the Adak community entity. Custom processing is allowed, but a person can receive Class A IFQ crab only under IPQ permits that person holds.

### *Transfers*

The Program allows for transfer of QS/IFQ and PQS/IPO, either by sale or lease, subject to recipient eligibility, use caps, and limits on leasing provisions. Transfers may occur anytime except from August 1 until IFQ is issued for a fishery. Cooperatives may transfer IFQ to or from other cooperatives.

### *Use and Vessel Caps*

Use caps limit the amount of quota a person may hold or use. Separate caps limit the amount of IFQ that vessels may annually harvest. These caps prevent negative effects from an excessive consolidation of shares.

### *Crab Harvesting Cooperatives*

A group of four or more distinct QS holders (not affiliated with the other members in that cooperative) may voluntarily form a crab-harvesting cooperative. Crab harvesting cooperatives do not hold QS; they hold and use only the IFQ assigned to the cooperative by members. To receive a cooperative IFQ permit, crab harvest cooperatives must annually apply by August 1 to NOAA Fisheries. Cooperatives must use Hired Masters to harvest cooperative IFQ, and vessels used must be owned in part by a cooperative

member. To encourage cooperative formation, vessels used exclusively to harvest crab cooperative IFQ are not subject to use caps and crew “owner onboard” requirements. Crab harvesting cooperatives are free to associate with one or more processors to the extent allowed by antitrust law.

### *Regionalization*

The regional delivery requirements for QS and PQS preserve historic geographic distribution of landings and resultant fishery revenues in fishery-dependent economies. Communities in the Pribilof Islands are the prime beneficiaries of this provision. Two regional designations were created in most Program fisheries. The North region comprises all areas in the Bering Sea north of 56°20' N.

### *Community Protection Measures*

The Program includes several provisions to protect specific eligible communities from adverse effects of the Program. Those communities designated as “eligible” were those with three percent or more of the qualified historic landings in any Program crab fishery. The nine eligible crab communities (ECCs) enjoy community protection measures, such as the two-year “Cooling Off” provision, the “Right of First Refusal (ROFR), sea time waivers, and other community provisions. Under “Cooling Off,” until July 1, 2007, only 10% of the IPQ based on processing history from the ECCs (with limited exceptions) could be used outside those communities, except for approved hardships.

ECCs, except for Adak, have a ROFR on the transfer of PQS and IPQ originating from processing history in the community if the transfer will result in relocation or use of shares outside the community. Adak is not eligible for the ROFR provision because it receives a direct allocation of Western Aleutian Islands golden king crab.

### *Community Development Quota (CDQ), Adak, and Community Purchase Allocations*

Fishing is conducted under an authorized allocation, and QS and IFQ is not required to harvest under these provisions. All crab must be delivered to a registered crab receiver (RCR). An RCR does not need IPQ to receive CDQ, Adak, and Community Purchase crab.

### CDQ

The CDQ Program provides the means for starting or supporting commercial fisheries business activities that will result in an ongoing, regionally based, fisheries-related economy in Western Alaska. The CDQ program was extended to include the Eastern Aleutian Islands golden king crab fishery and the Western Aleutian Islands red king crab fishery. In addition, the CDQ allocations in all crab fisheries covered by the Program increased from 7.5 to 10 percent of the TAC.

### Adak Community Allocation

The community of Adak receives an annual allocation of 10 percent of the TAC of Western Aleutian Islands golden king crab. There is no CDQ allocation for this fishery.

### Community Purchase

Any non-CDQ community in which 3 percent or more of any crab fishery was historically processed can form a nonprofit entity to receive QS, IFQ, PQS and IPQ transfers on behalf of the community. The nonprofit entity is called “an eligible crab community organization (ECCO).”

### *Protections for Participants in Other Fisheries (“Sideboard Limits”)*

The Program greatly increases the flexibility for crab fishermen to choose when to fish their IFQ; with this increased flexibility comes increased opportunity to participate in other fisheries. “Sideboard Limits” restrict the group of affected vessels to their historical collective landings in all GOA groundfish fisheries (except the fixed-gear sablefish fishery) and prevent spillover effects of the Program.

Sideboards apply both to specific vessels and to groundfish LLP licenses derived from the history of those vessels. Any sideboarded vessel or vessel fishing under an LLP with sideboards is subject to annual

GOA groundfish sideboard limits. NOAA Fisheries manages sideboards through fleetwide sideboard-directed fishing closures in Federal waters and for the parallel fishery in State waters.

#### *Monitoring and Enforcement*

NOAA Fisheries and the State coordinate crab fishery monitoring and enforcement. Measures include use of certified scales, monitoring of landed catch weight and species composition, bycatch, and deadloss to estimate total fishery removals. The USCG also participates in at-sea compliance monitoring, playing a crucial role in safety compliance and Search and Rescue (SAR) operations. Harvesters and processors may not exceed amounts authorized by permits. Landings in excess of available IFQ/IPQ will be forfeited, and additional penalties may apply.

#### *Landings Reporting*

Mandatory electronic landings reporting for all Program fisheries (CDQ, Adak, and Quota) supports real-time account management and compliance monitoring. The eLandings system offers both internet and e-mail options for data submittal.

#### *Economic Data Collection*

The Program includes a comprehensive economic data collection-reporting requirement to aid the Council and NOAA Fisheries in assessing the success of the Program and in developing amendments necessary to mitigate unintended consequences. The data will be used to study economic effects of the Program on harvesters, processors, and communities.

#### *Cost Recovery and Fee Collection*

NOAA Fisheries established a cost recovery fee system, required by §304(d)(2) of the MSA, to recover actual costs directly related to the management and enforcement of the Program. The harvesting and processing sectors pay equal shares of the crab cost recovery fees; these fees are based on the ex-vessel value of all crab harvested under the Program, including Quota, CDQ and Adak crab. The fee may not exceed 3 percent of the annual ex-vessel value. Within this limit, the collection of up to 133 percent of the actual costs of management and enforcement under the Program is authorized. Twenty-five percent of cost recovery fees may be directed to a planned crew loan program.

#### *Crew Loan Program*

To aid captains and crew in purchasing QS, a low-interest loan program (similar to the loan program under the halibut and sablefish IFQ program) has been recommended by the Council. Loan money would be accessible only to active participants to purchase harvesting (Owner and Crew) QS. Under the Federal Credit Reform Act of 1990 (FCRA), Federal loans require a subsidy cost and loan ceilings, neither of which have been authorized yet for BSAI crab QS loans. Consequently, NOAA Fisheries can make no BSAI crab QS loans unless and until Congress takes action.

#### *Arbitration System*

BSAI crab fisheries have a history of contentious price negotiations. The Arbitration System was developed to resolve failed price negotiations arising from the creation of QS/IFQ and PQS/IPQ. To ensure fair price negotiations, the Arbitration System includes a provision for open negotiations among IPO and IFQ holders and various negotiation approaches, including a share-matching approach, a lengthy season approach, and a binding arbitration procedure. The arbitration process begins preseason with a market report for each fishery, prepared by an independent market analyst selected by the PQS and QS holders and an arbitrator's establishing a nonbinding fleetwide benchmark price formula. The nonbinding price guides negotiations, and Arbitration System participants select Contract Arbitrators who assist in binding arbitration.

The binding arbitration procedure is a last best (or final) offer format. For each IFQ holder or cooperative, the arbitrator selects between the IFQ holder's offer and the IPQ holder's offer. After the arbitrator provides a decision, an eligible IFQ holder with uncommitted IFQ could opt-in to the completed contract

by accepting all terms of the arbitration decision as long as the IPQ holder held sufficient uncommitted IPQ.

All CVO QS/IFQ and PQS/IPQ holders must participate by joining an Arbitration Organization by May 1 of each year.

#### *Program Review*

In April 2007 the Council initially reviewed the PQS, binding arbitration, and crew share components of the Program and continues to consider changes to these program elements. In October 2008, the Council will conduct a preliminary 3-year review of the Program. A full 5-year review of the Program is scheduled for 2010. Additional reviews will be ongoing every 5 years. These reviews are intended to objectively measure the success of the Program in achieving the goals and objectives specified in the Council's Problem Statement and the MSA. Reviewers will examine effects of the Program on vessel owners, captains, crew, processors, and communities, and include an assessment of options to mitigate negative effects.

#### *Program Information*

Detailed information about all aspects of the Crab Rationalization Program is on our website at [www.alaskafisheries.noaa.gov/sustainablefisheries/crab/crfag.htm](http://www.alaskafisheries.noaa.gov/sustainablefisheries/crab/crfag.htm). A Program Contacts section is at the back of this document.

### **Changes to the Crab Rationalization Program, 2006/07**

Since NMFS published the final rule implementing the Program, NOAA Fisheries implemented a number of changes for the 2006/07 fishing year. These changes include:

- Technical corrections.
- Division of Tanner crab into two separate fishing stocks (eastern and western Bering Sea Tanner crab) and issuance of QS/PQS for these two fisheries.
- New Arbitration System deadlines for establishing contracts and joining an Arbitration Organization.
- Application of Gulf of Alaska sideboards to federally permitted vessels fishing in the State of Alaska parallel fisheries and removal of sideboards from some vessels.
- A change to the economic data report submission deadline date from May 1 to June 28.
- A change to the Cost Recovery fee calculation to provide timely and efficient notice of fee obligations while ensuring consistency with all applicable statutes (APA [5 U.S.C. 501, 701]). The modification does not affect ex-vessel value determination nor change the current structure and administration of the standard prices calculated for the ex-vessel values for the Program. This final rule was published in September 2006 (71 FR 44231, September 5, 2006).

#### *Overview of Substantive Changes*

##### Tanner crab QS and PQS

In October 2005, the Council adopted Amendment 20 to the FMP, which modified the allocation of QS and PQS for Bering Sea Tanner crab to accommodate management of geographically separate Tanner crab stocks. NMFS published a final rule implementing Amendment 20 on June 7, 2006 (71 FR 32862). NOAA Fisheries reissued Tanner crab QS and PQS as two separate pools, one for a fishery (EBT) east of 166° W. longitude, and one for a fishery (WBT) west of 166° W. longitude. Tanner crab QS and PQS holders received one unit of East Bering Tanner crab QS or PQS and one unit of West Bering Tanner QS or PQS for each unit of existing Bering Sea Tanner QS or PQS held. This change was necessary to coordinate QS and PQS with State of Alaska management of the two distinct Tanner crab fisheries.

### Arbitration Deadlines

In February 2006, the Council adopted Amendment 21 to the FMP to provide a mechanism ensuring that a binding arbitration proceeding could occur early in the fishing season and in accordance with the Program. NOAA Fisheries published a final rule implementing Amendment 21 on July 14, 2006 (71 FR 40030). This final rule accommodates the existing stock assessment and TAC announcement processes by linking the timing for initiating share matching and a binding arbitration proceeding to the issuance of IFQ and IPQ, including a five-day assessment period for negotiated commitments. These new deadlines provide harvesters and processors with effective methods for resolving price disputes under the arbitration system, consistent with the intent of the Program.

### Gulf of Alaska Sideboards

The purpose of the sideboard limits is to prevent vessels that traditionally participated in the Bering Sea snow crab fishery from using the flexibility of the Program to increase their or others' participation in the GOA groundfish fisheries, primarily the GOA Pacific cod fishery. On July 6, 2006, NMFS published a final rule (71 FR 38298) to correct two aspects of the sideboard limits in the regulations implementing the Program. One change removed the sideboard limits from vessels with landings that did not yield Bering Sea snow crab QS. The second change clarified that sideboard limits apply to federally permitted vessels while fishing in the State parallel groundfish fisheries.

State parallel fisheries occur in State waters but are opened at the same time as Federal fisheries in Federal waters. State parallel fishery harvests are considered part of the Federal TAC and federally permitted vessels move between State and Federal waters during the concurrent parallel and Federal fisheries. The State opens the parallel fisheries through emergency order by adopting the groundfish seasons, bycatch limits, and allowable gear types that apply in the adjacent Federal fisheries.

Table 1.1 provides the types of sideboards under the Program and the numbers of sideboarded vessels and LLP groundfish licenses to which sideboards apply.

**Table 1.1 Sideboards under the Program**

Type of sideboard	Number sideboarded fishing vessels as a result of their Bering Sea snow crab (BSS) history	Number of LLP groundfish licenses to which sideboards apply
Subject to all GOA sideboards, except Pacific cod	5	5
Subject to all GOA sideboards (including Pacific cod)	85	40
Subject to all GOA sideboards, and may not directed fish for Pacific cod	137	11
<b><i>Total number of sideboarded vessels and LLP licenses</i></b>	<b>227</b>	<b>57</b>



### *Economic Data Report (EDR)*

On July 5, 2006, NOAA Fisheries published a final rule (71 FR 38112) to change the economic data report (EDR) submission deadline from May 1 to June 28. This change provides adequate time for crab harvesters and processors participating in the Program to submit accurate and complete data on an EDR for the previous calendar year and enough time for NOAA Fisheries to issue crab permits for the current year.

## **Significant Events, Crab Year 2006/07**

### *St. George Exemption from Cooling Off Landing Requirements*

Due to the continued degraded state of the St. George breakwater and harbor from storm damage in an earlier year, in December 2005 NOAA Fisheries approved an "unavoidable circumstance" exemption from the cooling off requirement that certain IPQ must be used in St. George. The exemption does not relieve IPQ holders of the regional landing requirement. Most processors intended to share use of two stationary floating processors at St. Paul, the M/V STELLAR SEA and M/V INDEPENDENCE, to receive and process the bulk of the North region BSS crab for that fishing year. The STELLAR SEA was to initiate operations, joined by the INDEPENDENCE part way through the season. However, en route to St. Paul the STELLAR SEA sustained significant fire damage and had to return to port for repairs. The INDEPENDENCE and other facilities or vessels that could receive the volume of North Region IFQ crab were not immediately available. Although some vessels had already deployed gear and had delivery schedules, most IFQ holders (primarily cooperatives holding a variety of IFQ types) were either able to deliver onboard crab as Class B IFQ crab or to first make South region Class A IFQ deliveries. Availability of processing capacity at Dutch Harbor and other South Region ports was severely limited, and offloading schedules were much delayed for this unexpected volume of crab.

### *Issuance of PQS to Blue Dutch According to Requirement of The Coast Guard Act*

On July 11, 2006, the President signed the Coast Guard Act, which contained a provision mandating the Secretary to issue PQS for the Bristol Bay red king crab and the Bering Sea snow crab fisheries to Blue Dutch, LLC, under specific conditions. First, NMFS must issue Blue Dutch LLC PQS equal to 0.75 percent of the total number of PQS units. NMFS issued an Initial Administrative determination (IAD) on July 31, 2006 to issue Blue Dutch LLC 3,015,229 units of Bristol Bay red king crab PQS and 7,516,253 units of snow crab PQS. PQS units issued to Blue Dutch LLC were assigned a regional designation according to the procedures established in the regulations at 50 CFR 680.40(b)(2)(iv). Second, NMFS must issue IPQ for that PQS whenever the TAC for that fishery is more than 2 percent higher than the most recent TAC in effect for that fishery prior to September 15, 2005. The TAC used for this calculation is the total TAC, which includes the CDQ allocation. Accordingly, NMFS determined that it will issue Bristol Bay red king crab IPQ to Blue Dutch LLC when the TAC for that fishery is greater than 15,732,480 pounds (7,136.2 mt). NMFS will issue snow crab IPQ to Blue Dutch LLC when the TAC for that fishery is greater than 21,350,640 pounds (9,684.6 mt), as it did in the 2006/07 crab-fishing year. The Bristol Bay red king crab TAC was below the threshold for the 2006/07 crab-fishing year; therefore, NMFS did not issue Bristol Bay red king crab IPQ to Blue Dutch. NMFS issued snow crab IPQ to Blue Dutch for the 2006/07 crab-fishing year.

Tables 2.1 and 2.2 show CDQ harvests and vessel participation. ADF&G is the source for data in both tables.

## **Chapter 2 CDQ and Adak Fisheries**

### **CDQ Fishery**

The CDQ Program was created by the Council in 1992 to provide western Alaska communities an opportunity to participate in the BSAI fisheries that had been foreclosed to them because of the high capital investment needed to enter the fisheries. The Program includes all pre-existing CDQ crab allocations except for Norton Sound, created new CDQ allocations for the Eastern Aleutian Islands golden king crab and the Western Aleutian Islands red king crab fisheries, and increased CDQ crab allocations to 10% of the TAC. CDQ fisheries are managed as commercial fisheries by the State under authority deferred to it under the FMP. The State has the following varied duties:

- ✓ establishes observer coverage and permitting requirements;
- ✓ establishes transfer provisions among the CDQ groups;
- ✓ monitors catch to determine when CDQ allocations have been reached; and
- ✓ enforces penalties associated with CDQ overages.

Under the Program, compliance monitoring is shared among the State, NOAA Fisheries, OLE, and the USCG. The USCG also provides critical search and rescue services.

Crab harvested under CDQ allocations (other than Norton Sound king crab) are subject to most Federal requirements that apply to all Program fisheries, including permitting, recordkeeping and reporting, a vessel monitoring system (VMS), and cost recovery fees.

Quota Share (QS) or IFQ are not needed. CDQ crab fishing is under an authorized CDQ Group's CDQ crab allocation, and all crab must be delivered to a Registered Crab Receiver (RCR). An RCR does not need IPQ to receive CDQ crab.

CDQ groups also may participate in the Program's IFQ/IPQ fisheries as holders of both QS and PQS. First, some CDQ groups were initial recipients of QS through LLP license holdings. In addition, CDQ groups may receive QS or PQS by transfer, subject to QS use caps.

Tables 2.1 and 2.2 show CDQ harvests and vessel participation. ADF&G is the source for data in both tables.

**Table 2.1 Crab CDQ allocations and harvests, pre- and postrationalization\***

Years	Allocation harvest <sup>a</sup>	BBR	BSS <sup>a</sup>	BST	EAG	EBT <sup>b</sup>	WBT <sup>b</sup>
2003	Allocation	1,167,040	2,120,637	Fishery Closed	No Fishery	No Fishery	No Fishery
	Harvest	1,166,662	2,118,899				
2004	Allocation	1,135,326	1,782,081	Fishery Closed			
	Harvest	1,133,013	1,772,222				
2005 <sup>a</sup>	Allocation	No Fishery	1,856,337	Fishery Closed			
	Harvest		1,855,841				
Rationalized Fisheries							
2005/06	Allocation	1,832,900	3,718,400	162,000	300,000	Fishery Closed	BST Fishery
	Harvest	1,830,881	3,717,744	161,572	Confidential <sup>c</sup>		
2006/07	Allocation	1,552,700	3,656,600	No Fishery	300,000	187,500	109,400
	Harvest	1,552,135	3,655,780		Confidential <sup>c</sup>	135,458	86,952

(Source: ADF&G) \*PIK, SMB, and WAI fisheries are excluded from this table because they were closed during this period.

<sup>a</sup> The 2005 BSS fishery began before the program took effect, so there are two separate harvest and allocation data for BSS 2005 and BSS 2005/06 fisheries (first 2005 BSS fishery = Jan 27, 2005–March 23, 2005; the second, rationalized, 2005/06 BSS fishery = Oct 15, 2005– May 31, 2006).

<sup>b</sup> Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively).

<sup>c</sup> State data are confidential if fewer than four entities participated.

**Table 2.2 Number of vessels participating in CDQ crab fisheries, pre- and post-rationalization\***

Years	BBR	BSS <sup>a</sup>	BST <sup>b</sup>	EAG	EBT <sup>b</sup>	WBT <sup>b</sup>
2003	13	10	Closed	0	No Fishery	No Fishery
2004	12	10	Closed	0		
2005 <sup>a</sup>	NA <sup>c</sup>	9	NA <sup>c</sup>	NA <sup>c</sup>		
2005/06	13	15	6	3		
2006/07 <sup>c</sup>	13	12	NA <sup>b,c</sup>	3	4	8

(Source: ADF&G) \*PIK, SMB, and WAI fisheries are excluded from this table because they were closed during this period.

<sup>a</sup> The 2005 BSS fishery began before the program took effect, so there are two separate harvest and allocation data rows for BSS 2005 and BSS 2005/06 fisheries (first 2005 BSS fishery = Jan 27, 2005–March 23, 2005; second 2005/06 BSS fishery = Oct 15, 2005– May 31, 2006).

<sup>b</sup> Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively).

<sup>c</sup> NA = not applicable.

## Adak Community Allocation

### Fishery Facts, 2006/07

**Oversight:** State managed commercial fishery (under the FMP)

**Allocation:** 10% of WAG golden king crab TAC

**Allocation in pounds:** 270,000

**Harvest:** Confidential

**Number of Vessels Used:** 2

**Nonprofit representation:** ACDC

**Protections:** “Cooling off” period applies; No ROFR

Under the Program, the community of Adak receives an annual allocation of 10 percent of the TAC of Western Aleutian Islands golden king crab (WAG). The WAG fishery allocation is in an amount almost equal to the unused resource (12%) during the qualifying period.

As the nonprofit entity representing the community, the Adak Community Development Corporation (ACDC) receives the allocation. ACDC expects to use proceeds from the Adak crab allocation to contribute to the community boat harbor and fishery-related facilities. The State manages the fishery and provides an implementation review to the Council to ensure benefits derived from the allocation accrue to the community and achieve goals of the fisheries development plan.

The State has similar authority for this fishery as for the CDQ fisheries. For CDQ fisheries, IFQ and IPQ are not required to harvest or receive Adak crab (respectively). Adak crab must be delivered to an RCR. Crab harvested under the Adak allocation is subject to State, OLE, and USCG compliance monitoring, including VMS and cost recovery fees.

Because of population size and number of individuals fishing, participation and harvest data for Adak remain confidential. However, for 2005/06 and 2006/07, crab harvested under this allocation was processed in both Adak and Unalaska/Dutch Harbor.



Coral forest off Adak. Photograph courtesy of NOAA Fisheries

## **Chapter 3 Quota Fisheries (IFQ and IPQ)**

Under the Quota fisheries, applicants had a one-time closed period to apply for harvesting and processing QS. Holders of QS or PQS apply each year for an annual allocation of IFQ or IPQ; IFQ holders can assign their allocation to one or more cooperatives. Only persons who were eligible and who applied in a timely manner were issued QS or PQS.

### **The Initial QS/PQS Application Process**

#### *Application Process*

NOAA Fisheries required participants in the crab fisheries to submit applications to receive QS and PQS initially. The application period lasted 60 days and ended June 3, 2005.

To support QS and PQS eligibility determinations, RAM assembled an Official Record (OR), comprised of the best available State and Federal licensing, landing, processing, vessel ownership, and LLP permit information.

#### *Application Processing*

RAM received and processed applications from 544 distinct applicants for one or more types of quota in the eight original crab fisheries.

Applicants were free to dispute RAM's initial findings but had the burden of proof of their claims. RAM provided applicants written notice and a 30-day period in which to submit supporting evidence. At the end of the evidentiary period, claims that remained unsubstantiated were denied in an Initial Administrative Determination (IAD), and applicants received a 60-day opportunity to appeal unapproved claims to the Office of Administrative Appeals (OAA).

No disputed QS/PQS is issued until an applicant's due process rights are completely satisfied and Final Agency Action is taken on the claim.

#### *Results of the Application Process*

Numbers of initial issues of QS/PQS change as appeals are adjudicated. Once an appeal Decision is issued, an appellant and the agency have a limited time to request reconsideration. A final Decision, unless stayed, takes effect 30 days after the date the Decision is issued.

As of November 1, 2007, of 544 applicants, 509 distinct persons (94 percent) were issued some type of QS or PQS. Of twenty-four appeals, eighteen cases were eligibility-related, one was dismissed, and three Decisions have been published. Table 4.1 (Chapter 4) shows results of initial issuance by fishery and sector.

### **Annual Seasons, Caps, Permits, and Arbitration**

#### *Crab Years and Seasons*

The crab-fishing year begins July 1 and ends on June 30 of the following calendar year. The State of Alaska sets specific crab-fishing seasons for each crab fishery. Table 3.1 displays opening and closing dates for Program fisheries. Fisheries with low crab stock abundances were closed.

**Table 3.1 2006/07 Crab-fishing seasons**

BSAI crab fishery	Opening	Closing	Program fishery and allocation types
BBR	Oct 15, 2006	January 15, 2007	IFQ/CDQ
BSS	Oct 15, 2006	May 15, 2007 East Sub District May 31, 2007 West Sub District	IFQ/CDQ
EAG	Aug 15, 2006	May 15, 2007	IFQ/CDQ
EBT <sup>a</sup>	Oct 15, 2006	March 31, 2007	IFQ/CDQ
PIK	Closed		
SMB	Closed		
WAG	Aug 15, 2006	May 15, 2007	IFQ/Adak
WAI	Closed		
WBT <sup>a</sup>	Oct 15, 2006	March 31, 2007	IFQ / CDQ

<sup>a</sup> Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively).

#### *Use and Vessel Caps*

To prevent excessive share consolidation or control, use caps limit the amount of QS/IFQ and PQS/IPQ a person may hold and use. The type of use cap that applies depends on the type of person that holds the quota. Most use caps are evaluated “individually and collectively,” which means that a portion of the quota held by a shareholder, partner, or other owner of a nonindividual quotaholder is counted for that owner, in proportion to his or her ownership in the quota-holding entity. In the case of Processor Quota, “affiliation” with other quotaholders is considered. PQS is part of the use cap calculation. Table 3.2 shows the number of pounds that could be harvested on a vessel, unless that vessel was used to harvest only crew or cooperative IFQ.

**Table 3.2 Crab-year vessel IFQ caps, 2006/07**

Crab QS fishery	Vessel use cap percent of harvesting IFQ TAC	Harvesting IFQ TAC in raw crab pounds	Vessel use cap in raw crab pounds
BBR	2%	13,974,300	279,486
BSS	2%	32,909,400	658,188
EBT <sup>a</sup>	2%	1,687,500	33,750
WBT <sup>a</sup>	2%	984,600	19,692
PIK	4%	Closed	Closed
SMB	4%	Closed	Closed
EAG	20%	2,700,000	540,000
WAG	20%	2,430,000	486,000
WAI	20%	Closed	Closed

<sup>a</sup> Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively).

<sup>b</sup> The State of Alaska closed these fisheries.

More information about annual use and vessel caps are listed at the following website:

[www.alaskafisheries.noaa.gov/sustainablefisheries/crab/rat/ram](http://www.alaskafisheries.noaa.gov/sustainablefisheries/crab/rat/ram) .

*QS/PQS Pools and TACs*

The QS and PQS pools are the sums of all QS and PQS units issued for a fishery by sector (crew and owner harvester or processor). To determine the annual awards of IFQ and IPQ to QS/PQS holders and to cooperatives, NOAA Fisheries first “fixes” the pools for the year. The computations require (a) the annual QS and PQS pools, (b) each person’s QS and PQS holdings and affiliation information, and (c) the TACs for the IFQ fisheries as established by the State. The basic IFQ computation formula for a fishery and IFQ type, unadjusted for affiliation or other limitations is:

$$[\text{QS units} / \text{QS Pool}] \times \text{TAC} = \text{Annual IFQ pounds.}$$

The computation for IPQ is similar except only part of the TAC is used. Once used in IFQ/IPQ computations, an official computation of the QS or PQS pool does not change for that crab-fishing year. Note that for a variety of reasons, the annual pools differ by a small percentage from the Initial QS and PQS pools NOAA Fisheries used to determine initial quota awards. These reasons include, for example: splitting QS awards for joint LLP licenseholders, changes to the OR, QS and PQS award reductions due to regulatory cap limits, and rounding errors.

Please note that while any data challenges and appeals remain unresolved, initial issuance of quota cannot be completed. Initial issuance of QS/PQS that is delayed until after the date of annual computations will only affect future year pools and IFQ/IPQ issuance.

Tables 3.3 and 3.4, respectively, show units of QS and PQS pools and ratios by fishery in the second Program year. Fisheries with low crab stock abundances were closed.

**Table 3.3 QS pools and ratios, 2006/07**

Fishery	Owners (QS units)	Crew (QS units)	Ratios (QS units:IFQ pounds)
BBR	389,728,335	12,000,335	28.75
BSS	976,683,379	30,207,664	30.60
EAG	9,814,952	299,989	3.75
EBT <sup>a</sup>	194,631,707	6,004,198	118.90
PIK	29,149,017	899,993	Closed
SMB	29,367,773	900,007	Closed
WAG	38,800,000	1,200,058	16.46
WAI	58,201,414	1,800,045	Closed
WBT <sup>a</sup>	194,631,707	6,004,198	203.77

<sup>a</sup> Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively).

**Table 3.4 PQS pools and ratios, 2006/07**

Fishery	PQS units	Ratios (QS units:IPQ pounds)
BBR <sup>a</sup>	399,015,296	34.26
BSS <sup>a</sup>	1,002,167,011	38.37
EAG	9,999,859	4.45
EBT <sup>b</sup>	199,218,901	144.96
PIK	30,000,002	Closed
SMB	29,999,998	Closed
WAG	40,021,116	35.08
WAI	60,031,674	Closed
WBT <sup>b</sup>	199,218,901	248.45

<sup>a</sup> By direction of Congress, in 2006 NOAA Fisheries issued to one program participant “conditional” PQS units for BBR and BSS fisheries. This PQS will only be part of a pool and result in annual IPQ in years when the TACs exceed specific amounts.

<sup>b</sup> Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively).

#### *Annual Permits*

NOAA Fisheries may issue annual permits for the Program only if a person has applied timely, satisfied his or her cost recovery fee and EDR requirements, if any, and if there are no other impediments to issuing the permits.

#### Individual Fishing Quota (IFQ) and Individual Processing Quota (IPQ) Permits

IFQ and IPQ permits are generated annually, using the formula above (see QS pools and TACs) and adjusted for affiliation and other program requirements and restrictions. Examples of restrictions include persons who may not fish under the Program and persons who, by operation of law, received more QS or PQS than a cap would allow and for whom the additional quota is restricted and will not yield annual IFQ or IPQ.

A person who joins a crab-harvesting cooperative assigns his or her IFQ to the cooperative at the beginning of the crab-fishing year. In this case, all IFQ pounds appear on the annual IFQ permit issued to the cooperative. The cooperative member may receive IFQ by transfer during the year but must hold those pounds on his/her own IFQ permit.

IFQ permits are issued for a combination of harvesting sector, region, class, and fishery. IPQ permits are issued for combinations of region, right-of-first-refusal community, and cooling-off boundary area. Therefore, the number of persons holding quota or annual IFQ/IPQ and not the number of permits issued indicates potential participation in a fishery.

Table 3.5 displays the numbers of persons who were issued and the numbers who used IFQ/IPQ permits in 2006/07.



**Table 3.5 Annual IFQ and IPQ permits issued and used in 2006/07**

Type annual permit	Number of persons issued one or more IFQ/IPQ permits <sup>a</sup>	Number of IFQ/IPQ permit holders with IFQ landings	Percent of permit holders who used their permits
IFQ Crew	59	39	66
IFQ Owner	31	26	84
IPQ Processor	22	17	77

<sup>a</sup> A cooperative receives an annual IFQ permit in lieu of the members who assigned their pounds to the cooperative. Therefore, a cooperative is counted as one person holding IFQ; members who assigned IFQ to cooperatives are not counted as IFQ permit holders.

*Hired Master Permits*

Cooperatives and nonindividual IFQ permit holders must hire a master to fish their IFQ. Individual persons may hire a master for owner permits but must fish crew permits themselves. Note that a landing is a vessel offload. Both Hired Masters and IFQ permit holders use a vessel on a given trip, and both may participate in the *same* landing. Hiring a master requires that the IFQ permit holder maintains at least a 10% interest in the vessel to be fished by the Hired Master; in the case of a cooperative, that requirement may be satisfied by any member. Hired Master permits are issued for each IFQ permit and vessel combination the Master will fish. For 2006/07, a total of 154 Hired Masters were authorized to fish, and 108 (70 percent) actually did so. Hired Masters participated in 558 (98.9%) of 564 total IFQ landings. IFQ permit holders participated in 38 (6.7%) of the 564 landings.

Registered Crab Receiver Permits

NOAA Fisheries requires an annual RCR permit for any person receiving unprocessed crab from the harvester, the owner/operator of a vessel that processes crab at sea, any person holding IPQ, and any person required to submit a departure report. For shoreside operations, an RCR permit is required for each shore facility. During offloads RCRs attach a scale printout showing gross product weight to their report.

**RCR Fishery Facts, 2006/07**

63 RCR Permits issued to 24 persons

42 (66.7%) RCR permits used by 22 persons

RCRs must report crab landings electronically using the eLandings system. (See a detailed description of eLandings in the Reporting Section.) For unprocessed crab delivered by catcher vessels, the landing must be reported within 6 hours of the end of the offload. For crab processed at sea, weekly reports are due by noon on Tuesday following the end of each reporting period. For comparison between crab-fishing years, in 2005/06, 55 RCR permits were issued to 22 persons and 17 persons (77 percent of RCR permit holders) used 29 RCR permits (53 percent). More RCR permits were issued in the second than the first year, reflecting an increase in custom processing and the fact that only IPQ can be debited from a person's account.

Table 3.6 displays RCR holders with IFQ landings, the number of landings, and pounds landed.

**Table 3.6 Participating Registered Crab Receivers, 2006/07**

Registered Crab Receivers				
Fishery	Number of RCR permitholders with IFQ landings <sup>a</sup>	Number of landings <sup>b</sup>	Pounds landed <sup>c</sup>	Average pounds per permitholder <sup>d</sup>
BBR	13	183	13,877,870	1,067,528
BSS	16	272	32,659,148	2,041,197
EAG	6	32	2,690,662	448,444
EBT	10	57	1,264,044	126,404
WAG	5	31	2,000,276	400,055
WBT	10	60	633,910	63,391

<sup>a</sup> A “landing” is a vessel offload.

<sup>b</sup> Counts of RCRs and number of landings are not additive across fisheries.

<sup>c</sup> Pounds are in raw crab pounds, excluding overages.

<sup>d</sup> Data are rounded.

*Federal Crab Vessel Permit (FCVP)*

NOAA Fisheries requires an annual FCVP for owners of catcher vessels, vessels that harvest and process catch at sea (catcher processor vessels), and Stationary Floating Processor vessels used in the Program.

Operation Type endorsements are SFP (Stationary Floating Processor), CPR (catcher/processor), and CV (catcher vessel). This permit has requirements for VMS and logbook reporting. In IFQ fisheries, 91 of 138 harvesting vessels with FCVPs had landings (66 percent), 88 of 131 CV permits had landings (67 percent), and 5 of 7 CP permits had landings (71 percent).

**FCVP Fishery Facts, 2006/07**

145 FCVPs issued:

- 8 endorsed for SFP vessel
- 138 endorsed for harvesting vessels
  - (131 catcher vessels and 7 catcher/processors)
  - 91 (66 percent) harvesting vessels were used

### Arbitration Facts, 2006/07

**Participants:** QS/PQS and IFQ/IPQ holders

3 experts selected; 1 third-party data provider

3 Arbitration Organizations formed:

- 1 representing harvesters unaffiliated with processors;
- 1 for harvesters affiliated with processors; and
- 1 for processors

**Reasons for Arbitration:** Crab costs and delivery terms in Bristol bay red king crab, snow, and Tanner crab fisheries

**Results:** 5 arbitration proceedings; contract arbitrator

The Arbitration System (System) is a series of steps that harvesters and processors can use to negotiate delivery and price contracts. Most of the System is regulated through private contracts among QS/IFQ holders and PQS/IPQ holders through mandatory Arbitration Organizations (AOs). The System is designed to minimize antitrust risks for crab harvesters and processors.

### Participants

Each year three groups of experts are hired: one to produce an annual market report (Market Analyst), one to determine a nonbinding price formula

for negotiations (Formula Arbitrator), and one or more experts to assist in mediation and contract negotiations (Contract Arbitrator). In addition during the 2006/07 season, a third-party data provider offered information on matching Class A IFQ and IPQ shares.

Once these experts were selected, some IFQ and IPQ holders could use a series of negotiation approaches to resolve delivery and price conflicts. The negotiation approaches are limited to IFQ holders who do not also hold PQS/IPQ and who aren't affiliated with PQS/IPQ holders (Arbitration IFQ holders). These IFQ holders can negotiate with a single IPQ holder. Contracts with the experts must limit the sharing of information.

### 2006/07 Crab-Fishing Year

As required by regulations (50 CFR Parts 679 and 680), most IFQ and IPQ holders joined AOs. The AOs mutually selected the Market Analyst, Formula Arbitrator, and Contract Arbitrator. The Market Analyst and Formula Arbitrator roles were filled by the same person. In addition, the AOs selected a third-party data provider to disseminate information between IFQ and IPQ holders—one for the golden king crab fisheries and one for other crab fisheries. This year, the fleet enhanced its ability to establish timely matches of shares through the use of an internet-based protocol developed by the third-party data provider.

### Arbitration Approach and Outcomes

During the 2006/07 year, harvesters and processors agreed to use the lengthy season approach (*see* §680.20(h)) to initiate binding arbitration proceedings. Harvesters coordinated their negotiating approach through the Inter-Cooperatives Exchange, a cooperative formed under the guidelines of the Fishermen's Collective Marketing Act. Processors are required to negotiate with harvesters individually and cannot form cooperative negotiating bodies. Negotiations failed between harvesters and processors in 4 cases, and harvesters initiated binding arbitration proceedings against several processors to address price and other delivery terms as follows:

- Bering Sea Crab Harvesting Cooperative vs. Peter Pan Seafoods, Inc.

The arbitration addressed price and delivery terms in the Tanner crab fishery.

- Fishing Associates Cooperative vs Trident Seafoods.  
The arbitration addressed price and delivery terms for the Bristol Bay red king crab fisheries.
- Fishing Associates Cooperative vs. Royal Aleutian Seafoods.  
The arbitration addressed price and delivery terms in the snow crab fishery.
- Advanced Harvesters Cooperative vs Trident Seafoods.  
The arbitration addressed a performance dispute for the snow crab fishery.

Although specific details concerning these proceedings are confidential, the contract arbitrator chose the harvester's last best offer in all four cases.

#### 2005/06 and 2006/07 Fishery Year Comparison

Compared with the 2005/06 crab season, this season's arbitration proceedings more than doubled (from two to five). Unlike last season, 2006/07 arbitration included the Bristol Bay red king crab fishery, along with the snow and Tanner crab fisheries. Although fewer experts and data providers were selected this season, the reasons for arbitration remained consistent with those in the 2005/06 season, and, again, contract arbitrators selected harvesters' offers.

#### Issues and Concerns

As anticipated, harvesters and processors had numerous questions regarding the structure of the System, the contractual arrangements among the AOs, and the timing of binding arbitration proceedings. While the specific comments and questions varied, some of the key comments from the AOs and participants in the System are summarized below. This list is not exhaustive but addresses the suite of issues that industry participants addressed during the Council's 18-month review of the Program.

In addition, the Council formed a crab advisory committee to provide additional feedback on a range of issues in the Program, but specifically, on the System. The committee has presented their findings to the Council, and future regulatory action may be initiated.

#### Key Comments from Crab Advisory Committee

- Improve data for defining the historic division of revenues in the arbitration system. Currently, Commercial Operator's Annual Report (COAR) data provide the best data and have been used by the formula arbitrator to develop the price formula in the preseason. State representatives have reviewed the process for submission of COAR data and issues with reliability, including the inability to isolate data from a single fishery or region. Committee members expressed a general belief that historic ex-vessel prices could be reliably determined using data available to both sectors, which could be compared with public sources. In some instances, bonuses and postseason adjustments might be missing from some sources, but reliable estimates of historic ex-vessel prices could be generated.
- The committee discussed harvesters' need for first wholesale price information from processors to allow for effective participation in the System and implementation of the arbitration standard. The committee generally agreed that the issue might be best addressed either through the AOs or through informal arrangements by industry, rather than through the Council process.
- Improve coordination with RAM to ensure that IFQ and IPQ transfers are timely and do not impede matching shares under the System.

In addition to these observations, the Crab Advisory Committee recommended specific regulatory action. The Council has initiated review of these suggestions.

- In the event that the AOs representing at least 50 percent of the PQS holders and at least 50 percent of the unaffiliated QS holders agree that a fishery is unlikely to open, neither a market report nor non-binding formula will be required for the fishery. Any such agreement will include provision for the production of the market report and non-binding formula, in the event that an opening is later announced for a fishery, specifying a timeline for the production of those reports.
- Under the current regulation, the market report and non-binding formula for the Aleutian Islands golden king crab fisheries are required to be completed 50 days prior to the August 15 fishery opening. Under this timeline, data from the most recent season are not available for use in development of those reports. The inability to use data from the most recent season could diminish the accuracy and quality of these reports. Postponing the due date of these reports to a later time in the preseason could allow for more complete and accurate reports that provide timely information to market participants.
- The current requirement that market reports be complete at least 50 days prior to the season prevents the inclusion of the most current and relevant pricing information in the report. In addition, the prohibition on supplements to the report prevents providing useful market information in season or after completion of the initial report. More timely and relevant market information to be used for price negotiations might be provided to participants in the fisheries if those participants are permitted to negotiate agreeable terms (including due dates) for the provision of a market report and supplements to suit their needs.
- AOs, arbitrators, market analysts, and the third party data provider should be granted immunity from lawsuits related to their acts in their respective capacities as AOs, arbitrators, market analysts, and the third party data provider. Any such immunity would not apply to breaches of contract, acts of malfeasance, or similar intentional misdeeds.

## Chapter 4 Transfers

### QS and PQS Transfers and Consolidation

Quota share and PQS were initially issued to qualifying U.S. individuals and companies or other nonindividual business entities. In Tables 4.1–4.3, those QS/PQS recipients of initial quota shares at the beginning of the Program are referred to as *initial issues*; the broader term *quotaholders* denotes persons who obtained their quota holdings by any means—as initial issues or by transfers. Over time, attrition of initial QS/PQS recipients and consolidation in total numbers of quotaholders is anticipated as quotaholders retire, rearrange business affairs for economic efficiency, move into other occupations, etc. Tables 4.1–4.2 show the beginning of consolidation in the number of harvesting and processing quotaholders. First year changes were small, in large part due to liberal IFQ/IPQ leasing privileges.

**Table 4.1 Numbers of initial issues holding QS/PQS at end of each crab-fishing year<sup>a</sup>**

Fishery	Sector	Number of initial issues <sup>a</sup>	Number of initial issues year-end 2005/06	Number of initial issues year-end 2006/07	
BBR	CPC	8	8	8	
	CVC	178	159	141	
	CPO	13	12	11	
	CVO	241	235	223	
	<b>Total number of unique persons holding harvesting QS</b>	<b>424</b>	<b>397</b>	<b>365</b>	
	Processor	17	15	15	
BSS	CPC	8	8	7	
	CVC	152	138	124	
	CPO	14	13	12	
	CVO	231	219	207	
	<b>Total number of unique persons holding harvesting QS</b>	<b>388</b>	<b>361</b>	<b>331</b>	
	Processor	20	18	17	
BST <sup>a</sup>				EBT <sup>a</sup>	WBT <sup>a</sup>
	CPC	15	15	15	15
	CVC	170	156	137	137
	CPO	14	13	12	12
	CVO	248	235	220	220
	<b>Total number of unique persons holding harvesting QS</b>	<b>425</b>	<b>397</b>	<b>361</b>	<b>361</b>
Processor	23	22	20	20	

Continued

**Table 4.1 Continued**

Fishery	Sector	Number of initial issuees <sup>a</sup>	Number of initial issuees year-end 2005/06	Number of initial issuees year-end 2006/07
EAG	CVC	13	11	11
	CPO	2	2	2
	CVO	13	13	12
	<b>Total number of unique persons holding harvesting QS</b>	<b>28</b>	<b>26</b>	<b>25</b>
	Processor	9	7	7
PIK	CVC	40	40	39
	CPO	1	1	1
	CVO	111	109	107
	<b>Total number of unique persons holding harvesting QS</b>	<b>147</b>	<b>144</b>	<b>141</b>
	Processor	14	13	13
SMB	CVC	72	69	65
	CPO	5	5	5
	CVO	131	130	121
	<b>Total number of unique persons holding harvesting QS</b>	<b>207</b>	<b>203</b>	<b>189</b>
	Processor	12	11	10
WAG	CPC	2	2	2
	CVC	8	8	8
	CPO	2	2	2
	CVO	13	12	12
	<b>Total number of unique persons holding harvesting QS</b>	<b>24</b>	<b>23</b>	<b>23</b>
	Processor	9	9	9
WAI	CPC	1	1	1
	CVC	4	4	4
	CPO	2	2	2
	CVO	29	29	30
	<b>Total number of unique persons holding harvesting QS</b>	<b>34</b>	<b>34</b>	<b>35</b>
	Processor	9	8	8

<sup>a</sup> Initial issuees were issued QS/PQS under BST. Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively). BST initial issue data are used for year-end 2005; however, EBT and WBT data are used for year-end 2006.

**Table 4.2 Numbers of all persons holding QS/PQS initially and at end of each crab-fishing year**

Fishery	Sector	Number of initial issues <sup>a</sup>	Number of quotaholders year-end 2005	Number of quotaholders year-end 2006	
BBR	CPC	8	8	8	
	CVC	178	165	153	
	CPO	13	12	12	
	CVO	241	243	236	
	<b>Total number of unique persons holding harvesting QS</b>	<b>424</b>	<b>411</b>	<b>391</b>	
	Processor	17	16	17	
BSS	CPC	8	8	7	
	CVC	152	143	134	
	CPO	14	13	13	
	CVO	231	228	221	
	<b>Total number of unique persons holding harvesting QS</b>	<b>388</b>	<b>375</b>	<b>356</b>	
	Processor	20	19	20	
BST				EBT	WBT
	CPC	15	15	15	15
	CVC	170	161	150	150
	CPO	14	13	13	13
	CVO	248	245	234	234
	<b>Total number of unique persons holding harvesting QS</b>	<b>425</b>	<b>412</b>	<b>389</b>	<b>389</b>
	Processor	23	23	23	23
EAG	CVC	13	11	11	
	CPO	2	2	2	
	CVO	13	14	13	
	<b>Total number of unique persons holding harvesting QS</b>	<b>28</b>	<b>27</b>	<b>26</b>	
	Processor	9	8	8	

Continued



**Table 4.2 Continued**

Fishery	Sector	Number of initial issuees <sup>a</sup>	Number of quotaholders year-end 2005/06	Number of quotaholders year-end 2006/07
PIK	CVC	40	40	39
	CPO	1	1	1
	CVO	111	113	107
	<b>Total number of unique persons holding harvesting QS</b>	<b>147</b>	<b>148</b>	<b>146</b>
	Processor	14	14	14
SMB	CVC	72	70	65
	CPO	5	5	5
	CVO	131	136	121
	<b>Total number of unique persons holding harvesting QS</b>	<b>207</b>	<b>210</b>	<b>204</b>
	Processor	12	12	12
WAG	CPC	2	2	2
	CVC	8	8	8
	CPO	2	2	2
	CVO	13	13	12
	<b>Total number of unique persons holding harvesting QS</b>	<b>24</b>	<b>24</b>	<b>25</b>
	Processor	9	9	9
WAI	CPC	1	1	1
	CVC	4	4	4
	CPO	2	2	2
	CVO	29	29	30
	<b>Total number of unique persons holding harvesting QS</b>	<b>34</b>	<b>34</b>	<b>37</b>
	Processor	9	9	9
<b>Total unique persons holding QS/PQS</b>		<b>509</b>	<b>487</b>	<b>457</b>

<sup>a</sup> Initial issuees were issued QS/PQS under BST. Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively). BST initial issue data are used for year-end 2005 and EBT and WBT data are used for year-end 2006.

If qualified, new quotaholders can enter the Program to receive quota by transfer. Table 4.3 shows that almost an equal number of new persons entered as left each fishery and sector in the first year. This was true even for fisheries that remained closed due to low stock abundance. During year two of the Program, quotaholders held a similar pattern of entering and leaving the Program. Table 4.3 does not include persons who bought and sold QS/PQS in the same year.

**Table 4.3 New quotaholders entering the Program and initial issues<sup>a</sup> holding no QS/PQS over time**

Fishery	Number of new persons entering Program who were not initial issues of any QS/PQS				Number of initial issues <sup>a</sup> holding no quota at end of year			
	Year One		Year Two		Year One		Year Two	
	Harvester QS	Processor PQS	Harvester QS	Processor PQS	Harvester QS	Processor PQS	Harvester QS	Processor PQS
BBR	14	1	26	2	19	0	47	1
BSS	14	1	25	3	14	0	38	1
BST	15	1	NA		19	0	46	1
EAG	1	1	1	1	0	1	1	1
EBT <sup>b</sup>	NA		28	3	NA		NA	
PIK	4	1	5	1	3	0	8	0
SMB	7	1	15	2	7	0	21	1
WAG	1	0	2	0	0	0	1	0
WAI	0	1	2	1	0	0	1	0
WBT <sup>b</sup>	NA		28	3	NA		NA	
<b>Total unique persons</b>	<b>19</b>	<b>3</b>	<b>32</b>	<b>5</b>	<b>22</b>	<b>1</b>	<b>51</b>	<b>2</b>

<sup>a</sup> For purposes of this table, “initial issuee” represents the number of initial recipients of QS or PQS in each fishery at the beginning of the Program who no longer held QS or PQS of that fishery by the end of each year of the Program.

<sup>b</sup> Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively).

## **Quota and Allocation Transfers**

Transfers may take the form of either permanent quota transfers (with or without annual IFQ/IPQ) or annual IFQ/IPQ leases. Eligibility to receive harvester QS/IFQ by transfer depends in part on the type of quota. To be eligible to receive QS or IFQ, a person must be a U.S. citizen, or a U.S. company or other nonindividual business entity. Owner QS may be received by initial QS recipients, by others who meet sea time requirements, and by CDQ groups and eligible crab community entities. Crew type QS/IFQ may be received by transfer only by individuals. If individuals are not initial quota recipients, they must meet sea time requirements, and all recipients of crew QS/IFQ must demonstrate “recent participation” in the crab fisheries before each transfer. Transfer recipients of PQS and IPQ may be any person, whether or not a U.S. citizen.

Transfers can occur anytime of the fishing year, except from August 1 until the IFQ is issued for a fishery. NOAA Fisheries must approve all transfers, and approval is subject to the following additional criteria:

- Proposed receiver’s eligibility to receive quota;
- Use caps (including quota assigned to members of a receiving cooperative in intercooperative transfers);
- Community protection measures (for PQS/IPQ);
- Whether or not the parties to the transfer are cooperatives (cooperatives may only hold IFQ and may only engage in intercooperative transfers); and
- Date (Leasing of crew IFQ is only authorized until July 1, 2008; Owner IFQ until July 1, 2010).

## **Hardship Transfers**

The Program also includes a hardship transfer provision. In the event of a hardship, a holder of CVC or CPC QS may lease the IFQ from QS for the term of the hardship. However, the holder of such QS may not lease the IFQ for more than two crab-fishing years total in any 10 crab-fishing year period. Such transfers are valid only during the crab-fishing year for which the IFQ permit is issued. The QS holder must reapply for any subsequent hardship transfers.

Program regulations allow only very limited use of IPQ outside the required “Cooling Off” boundaries. During the first two years of the Program, NOAA Fisheries approved two “Unavoidable Circumstance” exemptions to the “Cooling Off” requirements for two processors due to significant logistic and safety concerns caused by storm damage to the St. George harbor and to one due to severe icing conditions at St. Paul. During 2006/07, the two processors were again excused from required use of IPQ at St. George. The “Unavoidable Circumstance” provision does not exempt IPQ use from regional landing use requirements.

In 2007/08, the Cooling Off delivery restriction sunsets, and an IPQ holder can use its own IPQ anywhere within the region for which it is designated.

Tables 4.4 and 4.5 display both numbers and types of transfers during 2006/07. Leases continued to be the dominant transfer type due to liberal leasing provisions for processors and custom processing arrangements and a requirement that an RCR can only debit its own IPQ accounts. Most leases were between cooperatives because member QS holders almost always joined one cooperative for all crab species and cooperatives used intercooperative transfers for market flexibility. Note that the same units and pounds may have transferred multiple times within the crab year.

**Table 4.4 Transfers of harvesting QS and IFQ by fishery and transfer type in the 2006/07 fishing year**

Fishery	Sector	QS/IFQ transfer types	Number of transfers	Number of unique transferors <sup>a</sup>	Number of unique transferees <sup>a</sup>	QS units transferred <sup>b</sup>	IFQ pounds transferred <sup>b,c</sup>
BBR	Crew	Cooperative lease	11	8	7	0	29,855
	Crew	Noncooperative lease	8	8	7	0	14,863
	Crew	QS	27	21	18	1,237,670	1,744
	Owner	Cooperative lease	37	15	10	0	3,754,380
	Owner	Noncooperative lease	1	1	1	0	39,100
	Owner	QS	36	21	17	29,521,890	0
	<b>Fishery Total</b>			<b>120</b>	<b>62</b>	<b>53</b>	<b>30,759,560</b>
BSS	Crew	Cooperative lease	8	6	6	0	73,161
	Crew	Noncooperative lease	7	7	4	0	33,383
	Crew	QS	38	19	18	3,272,503	9,819
	Owner	Cooperative lease	59	15	11	0	11,863,182
	Owner	Noncooperative lease	7	5	2	0	211,539
	Owner	QS	51	21	17	64,395,900	81,136
	<b>Fishery Total</b>			<b>170</b>	<b>65</b>	<b>50</b>	<b>67,668,403</b>
BST*	Crew	QS	4	4	4	181,990	0
	Owner	QS	3	1	3	3	0
	<b>Fishery Total</b>		<b>7</b>	<b>5</b>	<b>7</b>	<b>181,993</b>	<b>0</b>
EAG	Crew	Cooperative lease	2	2	2	0	15,761
	Owner	Cooperative lease	6	4	1	0	1,144,764
	<b>Fishery Total</b>		<b>8</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>1,160,525</b>

Continued

**Table 4.4 Continued**

Fishery	Sector	QS/IFQ transfer types	Number of transfers	Number of unique transferors <sup>a</sup>	Number of unique transferees <sup>a</sup>	QS units transferred <sup>a</sup>	IFQ pounds transferred <sup>b,c</sup>
EBT*	Crew	Cooperative lease	22	10	7	0	30,114
	Crew	Noncooperative lease	4	4	4	0	1,132
	Crew	QS	20	17	16	491,486	188
	Owner	Cooperative lease	54	13	13	0	1,917,790
	Owner	Noncooperative lease	4	3	3	0	15,637
	Owner	QS	34	24	18	17,655,916	4,160
	<b>Fishery Total</b>			<b>138</b>	<b>60</b>	<b>53</b>	<b>18,147,402</b>
PIK	Crew	QS	3	2	2	48,351	0
	Owner	QS	9	5	4	960,391	0
	<b>Fishery Total</b>		<b>12</b>	<b>7</b>	<b>6</b>	<b>1,008,742</b>	<b>0</b>
SMB	Crew	QS	11	6	6	79,301	0
	Owner	QS	32	12	10	1,620,414	0
	<b>Fishery Total</b>		<b>43</b>	<b>18</b>	<b>16</b>	<b>1,699,715</b>	<b>0</b>
WAG	Crew	Cooperative lease	1	1	1	0	13,751
	Owner	Cooperative lease	9	4	1	0	336,903
	Owner	QS	1	1	1	1,646	0
	<b>Fishery Total</b>		<b>11</b>	<b>5</b>	<b>2</b>	<b>1,646</b>	<b>350,654</b>
WAI	Owner	QS	7	3	5	1,232,580	0
	<b>Fishery Total</b>		<b>7</b>	<b>3</b>	<b>5</b>	<b>1,232,580</b>	<b>0</b>
WBT*	Crew	Cooperative lease	13	8	6	0	6,125
	Crew	Noncooperative lease	4	4	4	0	661
	Crew	QS	20	17	16	491,486	110
	Owner	Cooperative lease	47	11	12	0	856,140
	Owner	Noncooperative lease	4	3	3	0	9,123
	Owner	QS	33	24	18	17,655,916	2,427
	<b>Fishery Total</b>		<b>121</b>	<b>58</b>	<b>52</b>	<b>18,147,402</b>	<b>874,586</b>
<b>All fishery totals</b>		QS	<b>329</b>	<b>56</b>	<b>47</b>	<b>138,847,443</b>	<b>99,584</b>
		Noncooperative leases	<b>39</b>	<b>20</b>	<b>15</b>	<b>0</b>	<b>325,438</b>
		Cooperative leases	<b>269</b>	<b>19</b>	<b>15</b>	<b>0</b>	<b>20,041,926</b>
		All transfers and unique persons	<b>637</b>	<b>90</b>	<b>74</b>	<b>138,847,443</b>	<b>20,466,948</b>

\* BST changed to EBT and WBT within year two of the Program but before issuance of annual IFQ for that year.

<sup>a</sup> Total number of transferors and transferees are not additive across fisheries; the same unique person could be involved in multiple transfers.

<sup>b</sup> QS may be transferred with or without annual IFQ.

<sup>c</sup> Pounds are raw crab pounds.

**Table 4.5 Transfers of processing PQS and IPQ by fishery and transfer type in the 2006/07 fishing year<sup>a</sup>**

Fishery	PQS/IPQ transfer type	Number transfers	Number Unique transferors <sup>b</sup>	Number Unique transferees <sup>b</sup>	PQS units	IPQ pounds <sup>c</sup>
BBR	Lease	7	6	4	0	2,990,201
	PQS	1	1	1	14,199,170	9,802
	<b>Fishery Total</b>	<b>8</b>	<b>7</b>	<b>5</b>	<b>14,199,170</b>	<b>3,000,003</b>
BSS	Lease	8	7	3	0	8,162,105
	PQS	2	2	2	1,470,884	6,135
	<b>Fishery Total</b>	<b>10</b>	<b>9</b>	<b>5</b>	<b>1,470,884</b>	<b>8,168,240</b>
BST*	PQS	1	1	1	20,876	0
	<b>Fishery Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>20,876</b>	<b>0</b>
EAG	Lease	4	3	1	0	129,703
	<b>Fishery Total</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>129,703</b>
EBT*	Lease	6	6	2	0	302,603
	PQS	1	1	1	3,676,006	25,359
	<b>Fishery Total</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>3,676,006</b>	<b>327,962</b>
SMB	PQS	1	1	1	12,955	0
	<b>Fishery Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>12,955</b>	<b>0</b>
WAG	Lease	9	5	3	0	198,240
	<b>Fishery Total</b>	<b>9</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>198,240</b>
WBT*	Lease	5	5	1	0	171,988
	PQS	1	1	1	3,676,006	14,796
	<b>Fishery Total</b>	<b>6</b>	<b>6</b>	<b>2</b>	<b>3,676,006</b>	<b>186,784</b>
<b>Total all transfers</b>	<b>Total PQS transfers</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>23,055,897</b>	<b>56,092</b>
	<b>Total leases</b>	<b>39</b>	<b>14</b>	<b>7</b>	<b>0</b>	<b>11,954,840</b>
	<b>Total all PQS transfers</b>	<b>46</b>	<b>16</b>	<b>9</b>	<b>23,055,897</b>	<b>12,010,932</b>

\* BST changed to EBT and WBT within year two of the Program but before issuance of annual IFQ for that year.

<sup>a</sup> WAI and PIK fisheries are excluded from this table because there were no PQS/IPQ transfers.

<sup>b</sup> Total number of transferors and transferees are not additive across fisheries; the same unique person could be involved in multiple transfers.

<sup>c</sup> Pounds are raw crab pounds.

### Average Price Per Crab QS Unit for QS Transfers

Table 4.6 shows the estimated weighted average price per crab QS unit for priced QS transfers by year, fishery, and sector for the first two Program years. Data are based on reported total transaction prices (including fees), multiplied by the number of units—not on reported dollars per unit. This table omits confidential data.

**Table 4.6 Estimated weighted average price per crab QS unit for priced QS transfers**

Year*	Fishery	Sector	Total paid (\$ amount)	Total QS units transferred	Total pounds transferred	Number of transfers	Number of distinct transferors	Number of distinct transferees	Weighted average price per QS unit
2005/06	BBR	CVC	873,724	1,221,051	17,402	21	19	14	0.72
	BBR	CVO	3,991,160	7,139,909	94,298	14	6	10	0.56
	BSS	CVC	683,516	2,793,091	38,489	25	14	12	0.24
	BSS	CVO	9,653,848	24,619,413	164,664	22	9	12	0.39
	BST	CVC	77,627	400,790	1,007	14	13	11	0.19
	BST	CVO	1,523,445	5,203,128	6,588	10	8	9	0.29
2006/07*	BBR	CVC	774,159	1,130,330	1,744	24	20	17	0.68
	BBR	CVO	29,292,901	24,420,200	0	27	17	11	1.20
	BSS	CVC	543,372	2,864,463	2,536	35	17	15	0.19
	BSS	CVO	12,618,035	48,984,237	81,136	36	17	8	0.26
	BST	CVC	15,472	138,404	0	3	3	3	0.11
	EBT	CVC	18,987	394,012	188	17	14	14	0.05
	EBT	CVO	432,038	6,577,526	4,160	17	13	8	0.07
	SMB	CVC	7,019	40,323	0	4	3	3	0.17
	WBT	CVC	13,028	372,387	110	16	13	13	0.03
	WBT	CVO	699,338	8,511,781	2,427	22	18	9	0.08

\* BST changed to EBT and WBT within year two of the Program but before issuance of annual IFQ for that year.

## Chapter 5 Vessel Effort and Landings

### *Vessel Effort*

In 2004, before the Program fishing year was underway, the Crab Capacity Reduction Program (Buyback Program) removed 25 vessels from the fleet. In 2005/06 and again in 2006/07, all vessels used in the CDQ and Adak fisheries also participated in IFQ fisheries. Some fisheries remained closed, including WAI, PIK, and SMB. It is important to note, too, that the 2005 winter BSS fishery was open in January 2005, before implementation of the Program in August 2005.

Figure 5.1 and Table 5.1 show historical vessel participation in the Program fisheries. In Figure 5.1 the vertical line (\*\*) denotes implementation of the Buyback program. Figure 5.2 shows vessel participation during the 2006/07 season. The precipitous decrease in vessels used in the crab fisheries reflects a number of factors, including removal of vessels for economic efficiency and extensive use of cooperatives.

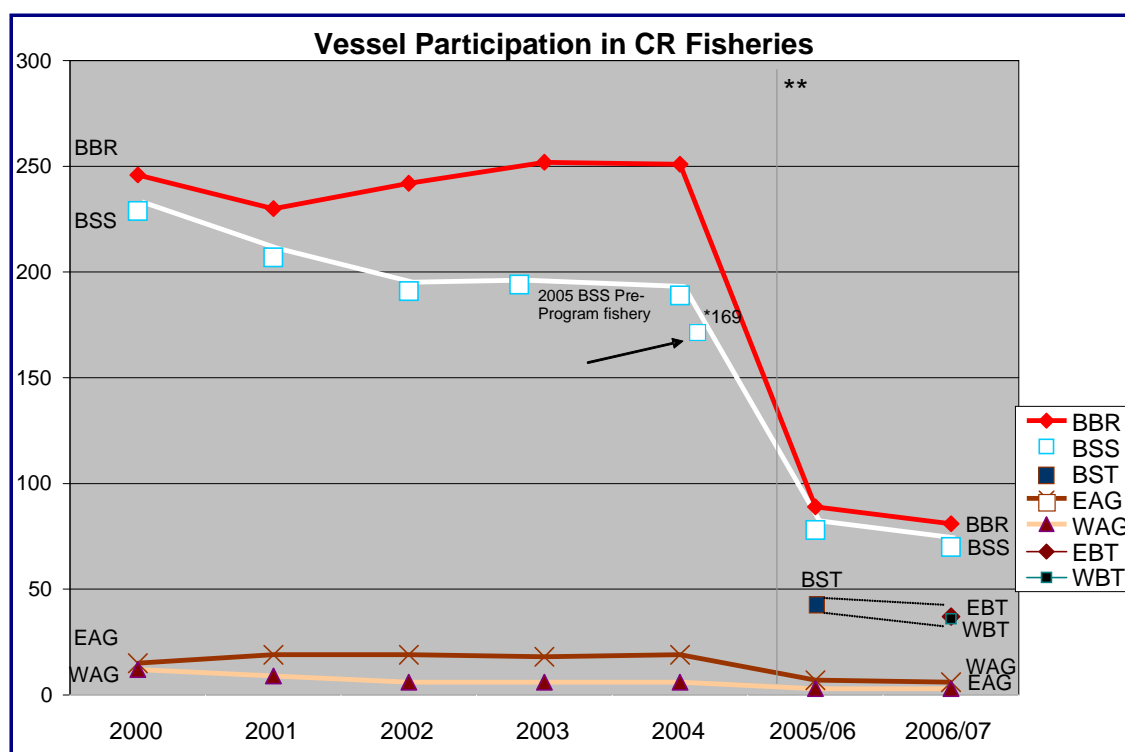


Figure 5.1 Vessel Participation in Program Fisheries, 2000–2006/07



**Table 5.1 Consolidation in vessel participation in the Program fisheries over time**

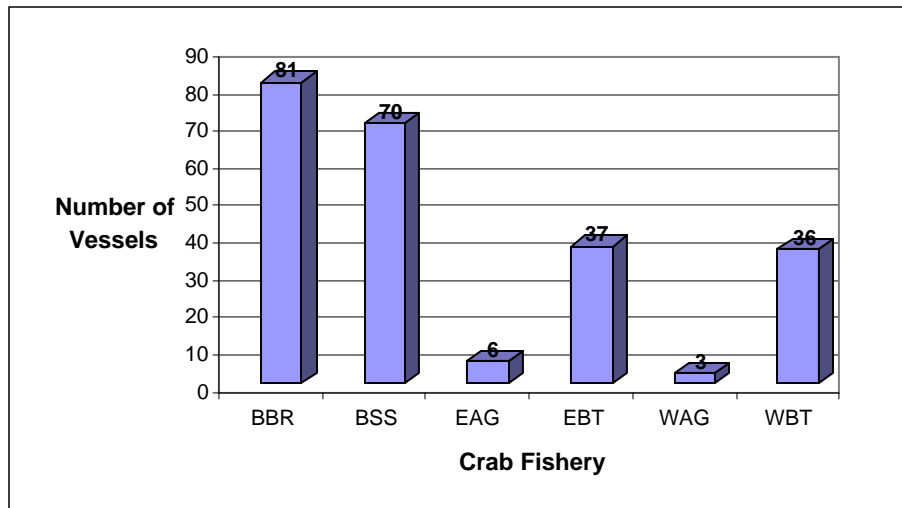
Fishery <sup>a</sup>	Year 2000	Year 2001	Year 2002	Year 2003	Year 2004	Year 2005 <sup>b</sup>	IFQ crab fisheries 2005/06 <sup>c</sup>	IFQ crab fisheries 2006/07 <sup>d</sup>
BBR	246	230	242	252	251	89	81	84
BSS	229	207	191	192	189	78	69	70
BST	Closed	Closed	Closed	Closed	Closed	43	n/a	n/a
EAG	15	19	19	18	19	7	6	6
EBT <sup>d</sup>	formerly part of BST						Closed	37
WAG	12	9	6	6	6	3	3	3
WBT <sup>d</sup>	formerly part of BST					43	38	36

<sup>a</sup> WAI, PIK, and SMB fisheries were closed throughout this period. However, from 2001 through 2004, the Petrel Bank area was open for surveys only. Fish sold from surveys support ADF&G survey cost recovery.

<sup>b</sup> The 2005 calendar year BSS fishery occurred before the 2005/06 Program began.

<sup>c</sup> All Adak and CDQ vessels participated in IFQ fisheries in 2005/06 and 2006/07.

<sup>d</sup> Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively).



**Figure 5.2 Vessel Participation in Program Fisheries, 2006/07**

Table 5.2 shows the amount of gear and average season-days used per vessel in the second Program year.

**Table 5.2 IFQ fishery effort by number of pots, vessels, days, and season length, 2006/07**

IFQ Fishery	Number pots registered in fleet	Average number of pots registered per vessel	Total number of pots pulled <sup>a</sup> per fleet	Average number pots pulled per vessel	Average days fished per vessel	Season length (days)
BBR	14,685	181	64,325	794	21	93
BSS	10,851	162	79,869	1,192	36	229
EAG	6,600	1,100	22,694	3,782	NA <sup>b</sup>	273
EBT <sup>c</sup>	3,320	175	26,487	646	20	168
WAG	4,500	1,500	23,839	7,946	NA <sup>b</sup>	273
WBT <sup>c</sup>	820	205	22,841	586	19	168

(Source: ADF&G)

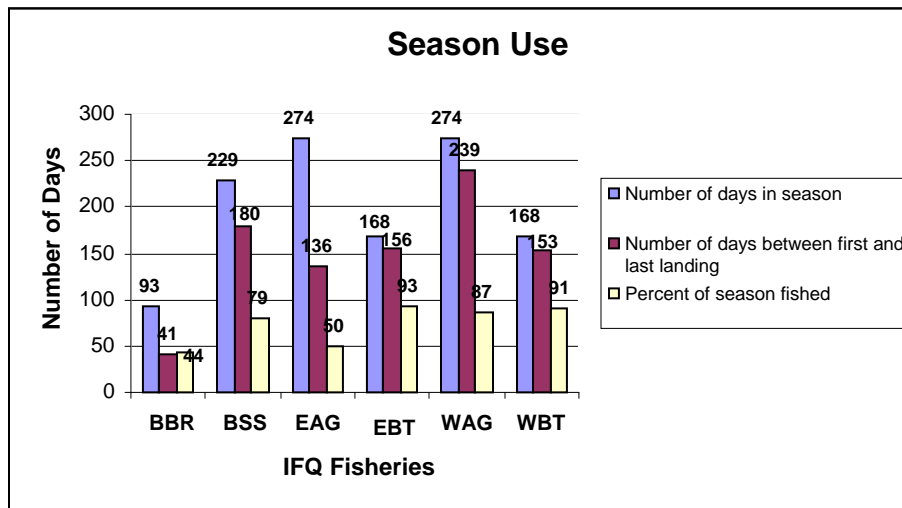
<sup>a</sup>Pot pull data are for both incidental and directed fisheries.

<sup>b</sup>Data not currently available.

<sup>c</sup>EBT and WBT crab pot registration data reflect directed fishery only.

### Season Length

One objective of the Program is to improve safety and market conditions by providing an extended season during which dedicated allocations can be harvested. As shown in Figure 5.3, harvesters in all 6 open fisheries used this opportunity. In each fishery, landings started some time after the season began and landings continued over an extended time. In a few cases, landings occurred after the season closure. In Figure 5.3, numbers represent days (either season length or days between first and last landings) and the percentage of season day-use in each IFQ fishery.



**Figure 5.3 Comparison of Season Length with the Number of Days between First and Last Landing**

## Allocations, Harvests, and Landings

When the last quota fishery (BSS West Sub District) closed on May 31, 2007, IFQ permit holders and their Hired Masters had reported a total of 564 vessel landings (offloads) for the crab-fishing year. IFQ permit holders (and their 108 Hired Masters) landed in excess of 82% of the TAC for all but the Bering Sea Tanner (EBT and WBT) crab fisheries. Tables 5.3–5.6 show harvest by combinations of fishery, region, sector, and IFQ class. Some data is confidential and cannot be shown. For a brief discussion of confidentiality, please see “Notes on This Report” before the Table of Contents.

**Table 5.3 Landings by fishery<sup>a,b</sup>**

Fishery	Number of IFQ permit-holders <sup>c</sup>	Number of RCR permit-holders	Number of landings <sup>a</sup>	Landed pounds <sup>a,b</sup>	Sum sold pounds	Percent sold	Sum personal use pounds	Percent personal use	Sum deadloss pounds	Percent deadloss	Fishable pounds <sup>d</sup>	Percent fishable pounds landed	Sum overage pounds <sup>e</sup>	Percent overage of total landed pounds <sup>e</sup>
BBR	36	13	183	13,877,870	13,778,595	99.2	10,280	0.1	98,656	0.7	13,974,292	99.3	9,661	0.1
BSS	30	16	272	32,659,148	32,320,806	98.8	266	0.0	378,839	1.2	32,909,461	99.2	40,763	0.1
EAG	4	6	32	2,690,662	2,660,686	98.8	12	0.0	31,311	1.2	2,699,982	99.7	1,347	0.1
EBT	21	10	57	1,264,044	1,257,969	99.3	723	0.1	8,414	0.7	1,687,501	74.9	3,062	0.2
WAG	3	5	31	2,000,276	1,982,418	99.0	0	0.0	19,768	1.0	2,430,005	82.3	1,910	0.1
WBT	14	10	60	633,910	615,434	97.1	20	0.0	18,456	2.9	984,595	64.4	0	0.0

<sup>a</sup> Landed pounds are raw crab pounds, excluding overages, unless noted.

<sup>b</sup> Landing = vessel offload.

<sup>c</sup> Number of permit holders represents persons whose IFQ permits were fished.

<sup>d</sup> “Fishable pounds” is slightly different from TAC available; some pounds were not issuable or amounts were rounded.

<sup>e</sup> Overages are the amounts landed in excess of amounts authorized on IFQ permits.

**Table 5.4 Landings by fishery and region<sup>a,b</sup>**

Fishery	Region <sup>c</sup>	Number of IFQ permit-holders <sup>d</sup>	Number of RCR permit-holders	Number of landings	Landed pounds <sup>a,b</sup>	Sum sold pounds	Percent sold	Sum personal use pounds	Percent personal use	Sum deadloss pounds	Percent deadloss	Fishable pounds available in region <sup>e</sup>	Percent fishable pounds	Sum overage pounds <sup>f</sup>	Percent overage <sup>e</sup>
BBR	N	8	5	17	320,754	319,665	99.7	0	0.0	1,089	0.3	328,589	2.3	0	0.0
	S	20	12	159	12,540,083	12,450,464	99.2	3,106	0.0	95,550	0.8	12,612,611	89.7	9,037	0.1
	U	32	12	78	1,017,033	1,008,466	99.1	7,174	0.7	2,017	0.2	1,033,092	7.3	624	0.1
BSS	N	18	14	140	13,481,312	13,342,357	98.9	193	0.0	154,033	1.1	13,582,635	41.0	15,271	0.1
	S	18	12	132	15,329,578	15,113,526	98.6	66	0.0	216,489	1.4	15,441,053	46.6	503	0.0
	U	27	14	82	3,848,258	3,864,923	99.8	7	0.7	8,317	0.2	3,885,773	11.7	24,989	0.7
EAG	S	3	5	29	2,494,680	2,466,135	98.8	12	0.0	29,880	1.2	2,494,680	92.4	1,347	0.1
	U	3	4	7	195,982	194,551	99.3	0	0.0	1,431	0.7	205,302	7.3	0	0.0
EBT <sup>c</sup>	U	21	10	57	1,264,044	1,257,969	99.3	723	0.1	8,414	0.7	1,687,501	74.9	3,062	0.2
WAG*	U/W	5	5	34	2,000,276	1,982,418	99.0	0	0.0	19,768	0.99	2,430,005	82.3	1,910	0.1
WBT <sup>c</sup>	U	14	10	60	633,910	615,434	97.1	20	0.0	18,456	2.9	984,595	82.3	0	0.0

\*WAG data are combined for confidentiality.

<sup>a</sup> Landed pounds are raw crab pounds, excluding overages, unless noted.

<sup>b</sup> Landing = vessel offload.

<sup>c</sup> IFQ regions are “N” = North, “S” = South, and “W” = West; “U” = no region designated. EBT and WBT are not designated regionally.

<sup>d</sup> Number of permit-holders represents persons whose IFQ permits were fished.

<sup>e</sup> “Fishable pounds available in region” is not the overall fishery TAC; it includes only the TAC available to each region.

<sup>f</sup> Overages are the amounts landed in excess of amounts authorized on IFQ permits.

**Table 5.5 IFQ landings<sup>a</sup> by fishery and IFQ sector<sup>a,b</sup>**

Fishery	Sector	Number of IFQ permit-holders <sup>c</sup>	Number of RCR permit-holders	Number of landings	Landed pounds <sup>a,b</sup>	Sum sold pounds	Percent sold	Sum personal use pounds	Percent personal use	Sum deadloss pounds	Percent deadloss	IFQ Fishable pounds in sector <sup>d</sup>	Percent fishable pounds	Sum overage pounds <sup>e</sup>	Percent overage <sup>e</sup>
BBR	CVC	30	11	67	387,199	379,189	97.8	7,174	1.9	1,429	0.4	402,768	2.8	593	0.2
	CPC	6	6	7	14,669	14,700	100	0	0.0	0	0.0	14,669	0.1	31	0.2
	CVO	20	12	166	12,860,837	12,770,129	99.2	3,106	0.0	96,639	0.8	12,941,200	92.0	9,037	0.1
	CPO	6	7	14	615,165	614,577	99.9	0	0.0	588	0.1	615,655	4.4	0	0.0
BSS	CVC	24	12	53	899,559	911,237	99.2	2	0.0	7,226	0.8	929,338	2.7	18,906	2.1
	CPC	7	5	6	50,319	50,300	100	0	0.0	19	0.0	57,982	0.2	0	0.0
	CVO	18	14	238	28,810,890	28,455,883	98.7	259	0.0	370,522	0.8	29,023,688	2.7	18,906	2.1
	CPO	5	6	31	2,898,380	2,903,386	100	5	0.0	1,072	0.0	2,898,453	8.8	6,083	0.2
EAG*	<b>All Sectors</b>	<b>4</b>	<b>6</b>	<b>37</b>	<b>2,690,662</b>	<b>2,660,686</b>	<b>98.8</b>	<b>12</b>	<b>0.0</b>	<b>31,311</b>	<b>1.6</b>	<b>2,699,982</b>	<b>99.7</b>	<b>1,347</b>	<b>0.1</b>
EBT	CVC	12	7	14	25,710	25,049	97.4	562	2.2	99	0.4	46,358	1.5	0	0.0
	CPC	4	4	4	2,281	2,603	100	0	0.0	0	0.0	4,146	0.1	322	12.4
	CVO	17	8	49	1,189,287	1,183,752	99.3	11	0.0	8,264	0.7	1,527,008	70.5	2,740	0.2
	CPO	5	5	6	46,766	46,565	99.6	150	0.3	51	0.1	109,989	2.8	0	0.0
WAG*	<b>All Sectors</b>	<b>5</b>	<b>5</b>	<b>36</b>	<b>2,000,276</b>	<b>1,982,418</b>	<b>99.0</b>	<b>0</b>	<b>0.0</b>	<b>19,768</b>	<b>1.0</b>	<b>2,430,005</b>	<b>82.3</b>	<b>1,910</b>	<b>0.1</b>
WBT*	<b>All Sectors</b>	<b>14</b>	<b>10</b>	<b>69</b>	<b>633,910</b>	<b>615,434</b>	<b>97.1</b>	<b>20</b>	<b>0.0</b>	<b>18,456</b>	<b>2.9</b>	<b>984,595</b>	<b>64.4</b>	<b>0</b>	<b>0.0</b>

\* EAG, WAG, and WBT data are confidential by sector; therefore, data from each fishery is combined as “all sectors.”

<sup>a</sup> Landing pounds are raw crab pounds, excluding overages, unless noted.

<sup>b</sup> Landing = vessel offload.

<sup>c</sup> Number of permit-holders represents persons whose IFQ permits were fished.

<sup>d</sup> “Fishable pounds available in sector” is not the overall fishery TAC; it includes only the TAC available to each sector.

<sup>e</sup> Overages are the amounts landed in excess of amounts authorized on IFQ permits.

**Table 5.6 Landings<sup>a</sup> by fishery and IFQ class**

Fishery	IFQ Class	Number of IFQ permit-holders <sup>b</sup>	Number of RCR permit-holders	Number of landings	Landed pounds <sup>a,c</sup>	Sum sold pounds	Percent sold	Sum personal use pounds	Percent personal use	Deadloss pounds	Percent deadloss	Fishable pounds in class <sup>d</sup>	Percent fishable pounds	Sum overage pounds <sup>e</sup>	Percent overage
BBR	A	20	10	151	11,584,466	11,494,750	99.2	3,087	0.0	90,135	0.5	11,647,090	82.9	3,507	0.0
	B	17	10	79	1,276,372	1,275,379	99.5	19	0.0	6,504	0.5	1,294,110	9.1	5,530	0.4
	U <sup>f</sup>	32	12	78	1,017,033	1,008,466	99.1	7,174	0.7	2,017	0.3	1,033,092	7.3	624	0.1
BSS	A	18	12	209	25,934,706	25,645,150	98.8	191	0.0	305,106	1.1	26,121,324	78.8	15,746	0.1
	B	16	12	75	2,876,189	2,810,733	97.7	68	0.0	65,416	1.0	2,902,364	8.7	28	0.0
	U <sup>f</sup>	27	14	82	3,848,258	3,864,923	99.8	7	0.0	8,317	0.4	3,885,773	11.7	24,989	0.7
EAG*	<b>All Classes</b>	<b>9</b>	<b>6</b>	<b>40</b>	<b>2,690,662</b>	<b>2,660,686</b>	<b>98.8</b>	<b>12</b>	<b>0.0</b>	<b>31,311</b>	<b>1.2</b>	<b>2,699,982</b>	<b>99.7</b>	<b>1,347</b>	<b>0.1</b>
EBT	A	17	7	44	1,085,709	1,080,519	99.3	11	0.0	7,919	0.7	1,374,311	64.3	2,740	0.3
	B	10	6	12	103,578	103,233	99.7	0	0.0	345	0.3	152,697	6.1	0	0.0
	U <sup>f</sup>	16	10	20	74,757	74,217	98.9	712	1.0	150	0.2	160,493	4.4	322	0.4
WAG*	<b>All Classes</b>	<b>5</b>	<b>5</b>	<b>38</b>	<b>2,000,276</b>	<b>1,982,418</b>	<b>99.0</b>	<b>0</b>	<b>0.0</b>	<b>19,768</b>	<b>0.99</b>	<b>2,430,005</b>	<b>82.3</b>	<b>1,910</b>	<b>0.1</b>
WBT	A	10	8	44	548,820	530,797	96.7	20	0.0	18,003	3.3	801,857	55.7	0	0.0
	B	7	5	16	49,464	49,138	99.3	0	0.0	326	0.7	89,097	5.0	0	0.0
	U <sup>f</sup>	10	7	15	35,626	35,499	99.6	0	0.0	127	0.4	93,641	3.6	0	0.0

\* EAG and WAG data are confidential by class; therefore, data for each fishery is combined as "all classes."

<sup>a</sup> Landed pounds are raw crab pounds, excluding overages, unless noted.

<sup>b</sup> Landing = vessel offload.

<sup>c</sup> Number of permit-holders represents persons whose IFQ permits were fished.

<sup>d</sup> "Fishable pounds available in class" is not the overall fishery TAC; it includes only the TAC available to a class.

<sup>e</sup> Overages are the amounts landed in excess of amounts authorized on IFQ permits.

<sup>f</sup> IFQ class "U" = IFQ in CVC, CPC, and CPO sectors. Class "A" CVO IFQ must be delivered to RCRs with IPQ; class "B" CVO IFQ crab (like "U" IFQ) may be delivered to any RCR.

## Deadloss

Deadloss is crab that was delivered dead or in otherwise unprocessable condition, other than personal use crab. Most deadloss (>83%) was reported on Class A IFQ permits, which contain the vast majority of TAC assigned to quota fisheries.

Figure 5.4 shows crab deadloss by fishery at five-year intervals from 1990 through 2000 and IFQ-related deadloss in fishing years 2005/06 and 2006/07. Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea Tanner (EBT and WBT, respectively). Over time, fishery deadloss has declined. This figure does not reflect minimal deadloss (235 pounds) in 1995 in the WAI fishery, which was closed during the rest of the selected years.

During these five-year intervals, in 1990 the BSS fishery had the highest pre-Program deadloss, despite partial district and subdistrict closures. By 1995, BSS deadloss had declined sharply and remained relatively low, although with a slight rise (from 322,600 pounds to almost 379,000 pounds of deadloss) during the first and second years under the Program, still far below the 1990 pre-Program deadloss of nearly 1,800,000 pounds.

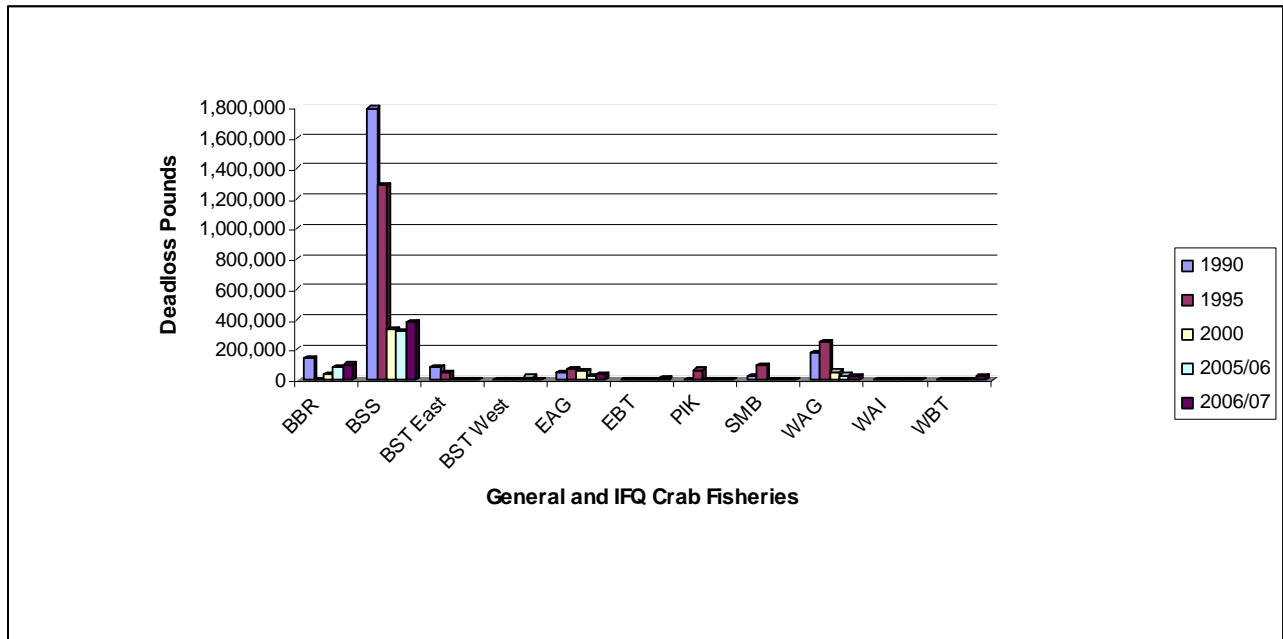


Figure 5.4 Pre-Program and Program Deadloss over Time

Tables 5.7 and 5.8 display the class of IFQ permit on which deadloss was reported. Because WAG data are confidential by class, Table 5.8 only shows data for the two largest fisheries. The tables show that little deadloss was reported and that most deadloss was reported on Class A IFQ permits.

**Table 5.7 Deadloss reported for all fisheries by IFQ permit class, 2006/07**

IFQ Class <sup>a</sup>	Landing count	Percent landed <sup>b,c</sup> as deadloss	Sum deadloss pounds	Total landed pounds <sup>c</sup> (excluding overages) as deadloss	Percent of total deadloss as reported on Class A, B, U IFQ permits <sup>a,b,c</sup>
A	440	1.1	464,176	42,117,087	83.6
B	189	1.7	78,318	4,681,819	14.1
U	214	0.2	12,950	6,327,004	2.3

<sup>a</sup> Only CVO sector IFQ is divided into Class A and B IFQ. IFQ class “U” = IFQ in CVC, CPC, and CPO sectors. Class “A” CVO IFQ must be delivered to RCRs with IPQ; class “B” CVO IFQ crab (like “U” IFQ) may be delivered to any RCR.

<sup>b</sup> Percentages may vary slightly from published data due to rounding.

<sup>c</sup> Landed pounds are in raw crab pounds, excluding overages, unless noted.

**Table 5.8 BBR and BSS deadloss by fishery<sup>a</sup> and IFQ permit class, 2006/07**

Fishery	IFQ Class <sup>b</sup>	Landing count	Percent landed <sup>c</sup> as deadloss	Sum deadloss pounds	Total landed pounds <sup>d</sup> (excluding overages) as deadloss	Percent of total deadloss reported on Class A, B, U IFQ permits <sup>a,b,c</sup>
BBR	A <sup>c</sup>	151	0.78	90,135	11,584,465	91.4
	B <sup>c</sup>	79	0.51	6,504	1,276,372	6.6
	U <sup>c</sup>	78	0.20	2,017	1,017,033	2.0
BSS	A <sup>c</sup>	209	1.18	305,106	25,934,701	80.5
	B <sup>c</sup>	75	2.27	65,416	2,876,189	17.3
	U <sup>c</sup>	82	0.22	8,317	3,848,258	2.2

<sup>a</sup> Data from other fisheries are confidential or could reveal confidential data.

<sup>b</sup> Only CVO sector IFQ is divided into Class A and B IFQ. IFQ class “U” = IFQ in CVC, CPC, and CPO sectors. Class “A” CVO IFQ must be delivered to RCRs with IPQ; class “B” CVO IFQ crab (like “U” IFQ) may be delivered to any RCR.

<sup>c</sup> Percentages may vary slightly from published data due to rounding.

<sup>d</sup> Landed pounds are in raw crab pounds, excluding overages, unless noted.



## Ports

Tables 5.9 and 5.10 show ports ranked by landings and pounds delivered in 2006/07 for all crab IFQ fisheries. Due to confidentiality, some data cannot be published. Figure 5.5 shows Program port percentages of landings over time, omitting confidential data and ports having confidential data in both Program years. For example, due to confidentiality, Figure 5.5 does not show King Cove's first Program year landing percentage, although its second year percentage is included.

**Table 5.9 Port rank by IFQ pounds landed for all Program species,\* 2006/07**

Rank	Port	Number landings <sup>a</sup>	Number IFQ permit-holders	Number RCR permit-holders	Number vessels	Pounds landed <sup>b</sup>	Percent landed
1	DUTCH/UNALASKA	253	21	10	61	23,818,970	44.8
2	AT SEA <sup>c</sup>	158	26	13	47	16,817,674	31.7
3	AKUTAN*	*	*	*	26	*	*
4	KING COVE	57	19	3	24	4,877,033	9.2
5	KODIAK*	*	*	*	12	*	*
6	ST PAUL*	*	*	*	8	*	*
7	ADAK*	*	*	*	1	*	*
*	AKUTAN, ST PAUL, ADAK*	79	15	4	30	6,296,387	11.9 <sup>d</sup>

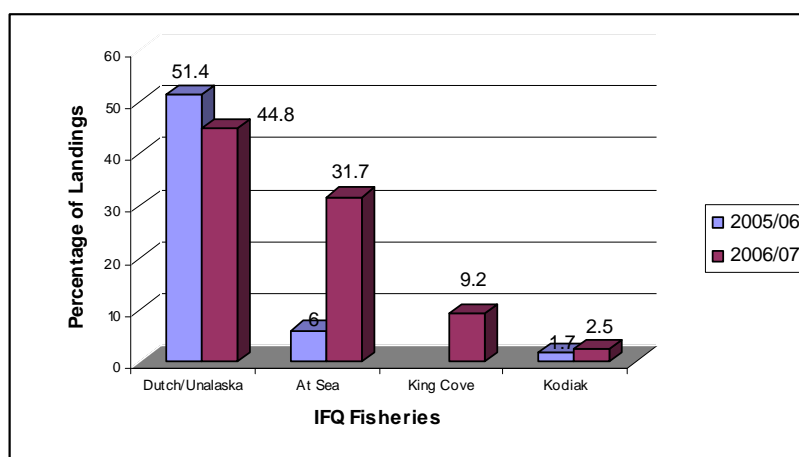
\* Akutan, Kodiak, St Paul, and Adak are ranked by pounds landed; however, because of confidentiality, some data from these fisheries are not listed (Kodiak) or data are combined on a separate row (Akutan, St Paul, Adak).

<sup>a</sup> Landing = offload.

<sup>b</sup> Landed pounds are in raw crab pounds, excluding overages.

<sup>c</sup> "At Sea" means "landings" on catcher processors and stationary floating processors.

<sup>d</sup> Percentages may vary slightly from published data due to rounding.



**Figure 5.5 Percentages of Port Landings over Time**

**Table 5.10 Number of IFQ landings in pounds<sup>a</sup> and percent by port and IFQ class**

Port <sup>b</sup>	Class A	Percent total port IFQ landings as Class A	Class B	Percent total port IFQ landings as Class B	Class U <sup>c</sup>	Percent total port IFQ landings as Class U	Class B/U	Percent total port IFQ landings as Class B/U
ADAK, AKUTAN, KODIAK, ST PAUL	Confidential							
AT SEA <sup>d</sup>	12,384,168	73.6	664,524	50.5	4,360,477	25.9	4,433,506	26.4
KING COVE <sup>b</sup>	4,260,579	87.4	*	*	*	4.1	616,454	64.0
DUTCH/UNALASKA	19,116,474	80.3	73,029	0.4	1,488,546	6.3	4,702,496	19.7

<sup>a</sup> Pounds are in raw crab pounds, excluding overages.

<sup>b</sup> Adak, Akutan, Kodiak, and St Paul data are confidential and cannot be displayed. Landings are combined (B/U) for King Cove.

<sup>c</sup> Only CVO sector IFQ is divided into Class A and B IFQ. IFQ class "U" = IFQ in CVC, CPC, and CPO sectors. Class "A" CVO IFQ must be delivered to RCRs with IPQ; class "B" CVO IFQ crab (like "U" IFQ) may be delivered to any RCR.

<sup>d</sup> "At sea" means "landings" on catcher processors and stationary floating processors.

## Cooperatives

The Fishermen's Collective Marketing Act of 1934 allows fishermen to jointly harvest, market, and price their product without being in violation of antitrust laws. Using cooperatives allows harvesting with fewer vessels and cost and revenue sharing.

A group of four or more distinct QS holders (not affiliated with the other members in that cooperative) may voluntarily form a crab-harvesting cooperative. Crab harvesting cooperatives do not hold QS; they hold and use only the IFQ assigned to the cooperative by members. To receive a cooperative IFQ permit, crab harvest cooperatives must annually apply by August 1 to NOAA Fisheries.

Cooperatives must use Hired Masters to harvest cooperative IFQ, and vessels used must be owned in part by a cooperative member. Vessels used exclusively to harvest crab cooperative IFQ are exempt from vessel use caps. Crab harvesting cooperatives are free to associate with one or more processors to the extent allowed by antitrust law.

The 19 cooperatives that formed for the 2006/07 crab-fishing year accounted for more than 82.5 percent of the harvest in every fishery. The following tables display the percent IFQ assigned to cooperatives compared with that held outside cooperatives. Tables 5.11 and 5.12 contrast cooperative and noncooperative IFQ allocations and landing performance.

The vast majority of IFQ was assigned to cooperatives, and cooperatives tended to harvest a greater percentage of their collective pounds than did noncooperative IPQ permit holders.

**Table 5.11 IFQ pounds assigned to cooperatives and landing performance over time**

Fishery	IFQ Type	Cooperative members	Number of cooperatives	Fishable pounds	Fishable pounds assigned to co-ops	Percent of pounds assigned to co-ops	Pounds landed by co-ops (excluding overages)	Percent co-op pounds landed 2006/07	Percent co-op pounds landed 2005/06
BBR	crew	143	17	406,959	363,250	89.3	360,644	100.0	99.2
	owner	246	19	13,489,904	13,285,056	98.5	13,276,691	100.0	100.0
BSS	crew	124	16	964,946	861,049	89.2	861,022	100.0	99.2
	owner	230	19	31,714,990	31,326,744	98.8	31,231,024	100.0	99.9
EBT <sup>b</sup>	crew	120	17	46,997	38,241	81.4	26,450	69.0	Fishery area was closed
	owner	240	19	1,624,335	1,580,558	97.3	1,205,916	76.0	
WBT <sup>b</sup>	crew	120	17	27,420	22,309	81.4	14,221	64.0	(BST) 35.5
	owner	240	19	947,741	922,200	97.3	619,689	67.0	(BST) 55.8

<sup>a</sup> EAG and WAG data are confidential.

<sup>b</sup> Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively). In 2005/06, the eastern area of BST was closed.

**Table 5.12 IFQ pounds held by persons outside cooperatives and landing performance over time**

Fishery	IFQ Type	Number persons holding IFQ outside of cooperatives	IFQ pounds excluding overages	IFQ pounds held outside cooperatives	Percent IFQ pounds held outside cooperatives	Pounds landed outside co-ops (excluding overages)	Percent pounds landed outside cooperatives 2006/07	Percent pounds landed outside cooperatives 2005/06
BBR	crew	19	406,959	43,709	10.7	41,224	94.3	89.4
	owner	5	13,489,904	204,848	1.5	199,311	97.3	99.2
BSS	crew	16	964,946	103,897	10.8	88,856	85.5	80.2
	owner	5	31,714,990	388,246	1.2	388,246	100.0	97.4
EAG <sup>a</sup>	crew	1	80,075	3,220	4.0	0	0.0	Confidential
	owner	0	2,619,907	0	0.0	0	0.0	
EBT <sup>b</sup>	crew	32	46,997	8,756	18.6	1,541	17.6	Fishery area was closed
	owner	9	1,624,335	43,777	2.7	30,137	68.8	
WAG	crew	1	72,903	4,173	5.7	0	0.0	0.0
	owner	0	2,357,102	0	0.0	0	0.0	0.0
WBT <sup>b</sup>	crew	32	27,420	5,111	18.6	0	0.0	(BST) 11.6
	owner	9	947,741	25,541	2.7	0	0.0	(BST) 51.6

<sup>a</sup> EAG landing data are confidential.

<sup>b</sup> Beginning with the 2006/07 crab-fishing year, IFQ was issued for two Bering Sea (bairdi) Tanner (BST) fisheries: eastern and western Bering Sea bairdi Tanner (EBT and WBT, respectively). In 2005/06, the eastern area of BST was closed.

## **Chapter 6 Community Protection Measures**

### **Community Protection Program**

The Program includes several measures to protect revenues and employment in fishery dependent coastal communities with a history of participation in these fisheries. These measures take the form of geographic landing and/or transfer restrictions on IFQ, PQS, and IPQ in five of the nine Program fisheries. There are nine Eligible Crab Communities (ECCs): Adak, Akutan, Unalaska/Dutch Harbor, False Pass, King Cove, Kodiak, Port Moller, Saint George, and Saint Paul. Of these, all but Adak have the “Right of First Refusal” on proposed sales of PQS. All nine were protected by “Cooling-off,” a temporary prohibition against use of IPQ outside of the community or borough boundary in which the IPQ was derived. Regions assigned to QS/IFQ and PQS/IPQ for most fisheries protect the Pribilof Islands in the BSAI and Kodiak Island in the GOA. The QS Community purchase measure allows new small communities to purchase QS for use by community residents.

Tables 6.1 and 6.2 show the percentages of processing “power” vested in the ECCs versus PQS/IPQ without Community Protection Measures (“None”) in 2006/07.

**Table 6.1 Percent PQS/IPQ assigned to ROFR eligible communities or “None”<sup>a</sup>**

Protection Measure and Community	Fishery									
	ROFR	BBR	BSS	EAG	EBT	PIK	SMB	WAG	WAI	WBT
Akutan		19.7	9.7	1.0	0.0	1.2	2.7	0.0	0.0	0.0
False Pass		3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
King Cove		12.7	6.3	0.0	0.0	3.8	1.3	0.0	0.0	0.0
Kodiak		3.8	0.1	0.0	0.0	2.9	0.0	0.0	0.0	0.0
None		3.5	2.8	0.9	100.0	0.3	64.6	100.0	100.0	100.0
Port Moller		3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
St George		0.0	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
St Paul		2.5	36.3	0.0	0.0	67.3	13.8	0.0	0.0	0.0
Unalaska		50.7	35.0	98.1	0.0	24.6	17.6	0.0	0.0	0.0
<b>Total<sup>a</sup></b>		<b>100.1</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>a</sup> Percentages may not total 100% due to rounding.

**Table 6.2 Percent PQS/IPQ assigned with Cooling Off boundaries or “None”<sup>a</sup>**

Protection Measure and Community	Fishery									
	Cooling-Off	BBR	BSS	EAG	EBT	PIK	SMB	WAG	WAI	WBT
Aleutians East Borough		39.6	16.0	1.0	0.0	5.0	5.0	0.0	0.0	0.0
Kodiak Island Borough		3.8	0.14	0.0	0.0	2.0	0.0	0.0	0.0	0.0
None		3.5	2.9	0.9	100.0	1.2	64.6	100.0	100.0	100.0
St George		0	9.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
St Paul		2.5	36.3	0.0	0.0	67.3	13.8	0.0	0.0	0.0
Unalaska		50.7	35.0	98.1	0.0	24.6	17.6	0.0	0.0	0.0
<b>Total<sup>a</sup></b>		<b>100.1</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.00</b>	<b>100.0</b>

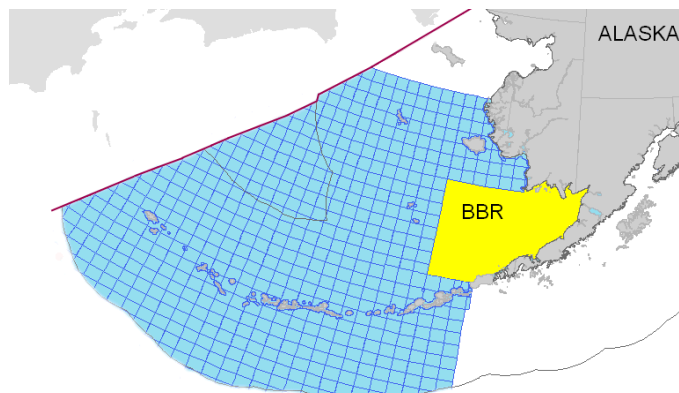
<sup>a</sup> Percentages may not total 100% due to rounding.

## Chapter 7 Fishery Summaries

### **Bristol Bay Red King Crab (BBR), 2006/07**

The Bristol Bay red king crab fishery area is defined by a northern boundary of 58° 30' N., along the east side of continental Alaska, a southern boundary of 54° 36' N., and a western boundary of 168° W., and including all waters of Bristol Bay.

The fishery was open with a TAC of 13,974,300 pounds. The season opened Oct 15, 2006 and closed Jan 15, 2007.



#### **Fishery Facts**

**Number of pots average:** 181 per vessel  
**Number of pots pulled average:** 794 per vessel  
**Harvest:** 13,877,870 raw crab lbs (excluding overages)  
**Number of vessels used:** 81  
**Port Count:** 6 (including “at sea”)  
**Landing count:** 183  
**Percentage of TAC caught:** 99.3%  
**Active RCR holders:** 16  
**Active IFQ permitholders:** 36  
**Active IPQ holders:** 10  
**Distinct persons making landings (IFQ holder or Master):** 87  
 (Source: ADF&G and NOAA Fisheries)

Table 7.1 displays the ports in which BBR crab were landed in 2006/07 and includes comparisons of pounds landed, port rank, vessel landings, and percent harvest during both Program years.

**Table 7.1 Ports used for BBR crab landings<sup>a</sup>**

Port	Pounds landed <sup>b</sup>		Port rank		Vessel landings <sup>a</sup>		Percent harvest <sup>b,c</sup>	
	Year two	Year one	Year two	Year one	Year two	Year one	Year two	Year one
DUTCH/UNALASKA	7,028,859	8,459,532	1	1	81	120	50.7	51.4
KING COVE	2,470,991	*	2	2	37	50	17.8	*
AKUTAN*	*	*	3	3	33	43	*	*
KODIAK	809,640	774,045	4	5	13	12	*	4.7
AT SEA <sup>d</sup>	660,617	914,933	5	4	12	23	4.8	6.0
ST PAUL*	*	*	6	6	7	10	*	*
<b>Total</b>	<b>13,877,870</b>	<b>16,472,400</b>			<b>183</b>	<b>259</b>	<b>99.3</b>	<b>100.0</b>

\* Data are confidential.

<sup>a</sup> A vessel landing is an offload.

<sup>b</sup> Percent harvest is the total landed pounds, excluding overages, unless noted; percents may not total 100% due to rounding.

<sup>c</sup> Harvest is raw crab pounds.

<sup>d</sup> “At-sea” means “landings” on catcher processors and stationary floating processors.

When the season ended, BBR IFQ holders or their Hired Masters had reported 183 vessel landings (offloads) of BBR crab for a total harvest of 99.3% of the available TAC. Table 7.2 displays the allocations and harvests starting five years prior to the Program and in the first and second Program years.

**Table 7.2 BBR crab fishery allocation and harvest, 2000–2006/07**

Fishery year	TAC/GHL <sup>a</sup>	Harvest <sup>b</sup>	Percent TAC or GHL landed
2000	7.7	7.6	98.7
2001	6.6	7.8	118.2
2002	8.6	8.9	103.5
2003	14.5	14.8	102.1
2004	14.3	14.3	100.0
2005/06	16.5	16.5	100.0
2006/07	13.9	13.9	99.3

(Source: ADF&G and NOAA Fisheries)

<sup>a</sup> GHL = guideline harvest level (ADF&G set GHLs for crab fisheries before Program implementation); the Program uses TAC (total allowable catch).

<sup>b</sup> Landings are in millions of raw crab pounds, excluding overages.

In the 2006/07 BBR fishery, more than 13.6 million pounds of almost 13.9 million fishable pounds (97.8% of total available IFQ) were assigned to 19 cooperatives, an increase in percent of pounds assigned in cooperatives over the first year. Table 7.3 displays pounds and percent of BBR IFQ assigned to cooperatives and, in parentheses, the 2005/06 lesser percentages assigned in the first Program year.

**Table 7.3 Pounds and percent of BBR IFQ assigned to cooperatives**

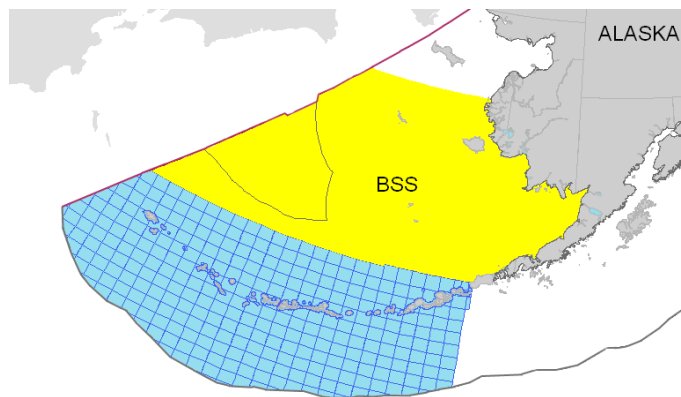
Sector	Total pounds available	Pounds assigned to cooperatives	Percent assigned to cooperatives <sup>a</sup>
CVC	392,290	350,720	89.4 (71.3)
CPC	14,669	12,530	85.4 (61.5)
CVO	12,874,249	12,669,401	98.4 (84.5)
CPO	615,655	615,655	100.0 (68.0)

<sup>a</sup> Percents may not total 100% due to rounding.

## Bering Sea Snow Crab (BSS), 2006/07

The Bering Sea snow crab fishery is open in all waters of the Bering Sea District west of 166° W., including all waters of Bristol Bay. The BSS area was defined by a northern and western boundary of the Maritime Boundary Agreement Line (U.S. and USSR 1991) southern boundary 54° 30' N., to 171°W., south to 54° 36' N.

The fishery was open with a TAC of 33,465,600 pounds. The season opened Oct 15, 2006 and closed May 15, 2007 for the East Sub District and May 31, 2007 for the West Sub District.



### Fishery Facts

**Number of pots average:** 162 per vessel  
**Number of pots pulled average:** 1,192 per vessel  
**Harvest:** 32,659,148 raw crab lbs (excluding overages)  
**Number of vessels used:** 70  
**Port Count:** 6 (including “at sea”)  
**Landings count:** 272  
**Percentage of TAC caught:** 99.2%  
**Active RCR holders:** 31  
**Active IFQ permitholders:** 30  
**Active IPQ holders:** 12  
**Distinct persons making landings (IFQ holder or Master):** 79

(Source: ADF&G and NOAA Fisheries)

Table 7.4 displays the ports in which BSS crab were landed in 2006/07 and includes comparisons of port rank, vessel landings, and percent harvest during both Program years.

**Table 7.4 Ports used for BSS crab landings<sup>a</sup>**

Port	Pounds landed <sup>b</sup>		Port rank		Vessel landings <sup>a</sup>		Percent harvest <sup>b,c</sup>	
	Year two	Year one	Year two	Year one	Year two	Year one	Year two	Year one
AT-SEA <sup>d</sup>	14,971,764	7,893,342	1	2	121	76	45.8	23.7
DUTCH/UNALASKA	12,315,298	12,451,729	2	1	107	101	37.7	37.5
AKUTAN	*	*	3	4	21	29	*	*
KING COVE	*	*	4	5	16	18	*	*
KODIAK	*	*	5	6	4	6	*	*
ST PAUL	*	7,774,571	6	3	3	78	*	23.4
<b>Total</b>	<b>32,659,148</b>	<b>33,248,009</b>			<b>272</b>	<b>304</b>	<b>99.2</b>	<b>99.4</b>

\*Data are confidential.

<sup>a</sup> A vessel landing is an offload.

<sup>b</sup> Percent harvest is the total landed pounds, excluding overages unless noted; percents may not total 100% due to rounding.

<sup>c</sup> Harvest is raw crab pounds.

<sup>d</sup> “At-sea” means “landings” on catcher processors and stationary floating processors.



When the seasons ended, 2007, BSS IFQ holders or their Hired Masters had reported 272 vessel landings (offloads) of BSS crab for a total harvest of 99% of the available TAC. Table 7.5 displays the allocations and harvests starting five years prior to the Program and in the first and second Program years.

**Table 7.5 BSS Crab fishery allocations and harvest, 2000–2006/07**

Fishery year	TAC/GHL <sup>a</sup>	Harvest <sup>b</sup>	Percent TAC or GHL landed <sup>b,c</sup>
2000	26.4	30.8	116.7
2001	25.3	23.4	92.5
2002	28.5	30.2	106.0
2003	23.7	26.3	111.0
2004	19.3	22.1	114.5
2005 <sup>d</sup>	19.4	23.0	118.5
2005/06	33.3	33.2	100.0
2006/07	32.9	32.7	99.2

(Source: ADF&G and NOAA Fisheries)

<sup>a</sup> GHL = guideline harvest level (ADF&G); the Program uses TAC (total allowable catch).

<sup>b</sup> Landings are in millions of raw crab pounds, excluding overages.

<sup>c</sup> Percents may not total 100% due to rounding.

<sup>d</sup> The 2005 BSS crab season was concluded before the Program was implemented; and data includes pre-program harvest under the Program during 2005/06.

### Cooperatives

In the 2006/07 BSS fishery, more than 13.6 million pounds of nearly 13.9 million (97.8% of total available IFQ) were assigned to 19 cooperatives, representing a substantial increase over the previous year. Table 7.6 displays pounds and percent of BSS IFQ assigned to cooperatives and, in parentheses, the 2005/06 lesser percentages assigned in the first Program year.

**Table 7.6 Pounds and percent of BSS IFQ assigned to cooperatives**

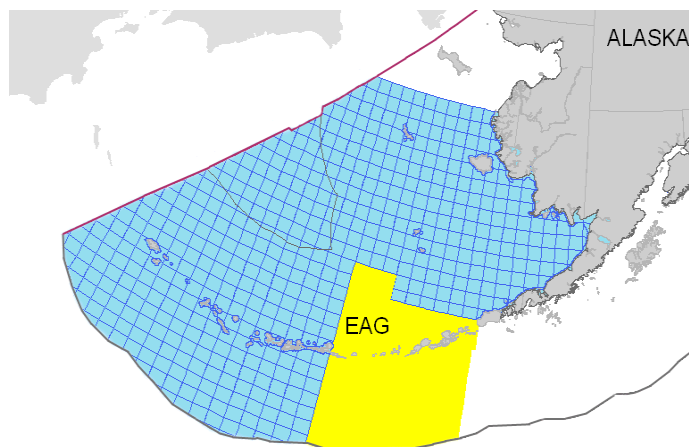
Sector	Total pounds available	Pounds assigned to cooperatives	Percent assigned to cooperatives <sup>a</sup>
CVC	906,964	817,980	90.2 (71.3)
CPC	57,982	43,069	74.3 (47.2)
CVO	28,816,537	28,428,291	98.7 (86.0)
CPO	2,898,453	2,898,453	100.0 (63.9)

<sup>a</sup> Percents may not total 100% due to rounding.

## Eastern Aleutian Islands Golden King Crab (EAG), 2006/07

The fishery area is defined by an eastern boundary of 164° 44' W., a western boundary of 174° W., and a northern boundary of 54° 36' N. west to 171° W, then north to 55° 30' N., then west to 174° W.

The fishery was open with a TAC of 2,700,000 pounds. The season opened August 15, 2006 and closed May 15, 2007.



### Fishery Facts

**Number of pots average:** 1,100 per vessel  
**Number of pots pulled average:** 3,782 per vessel

**Harvest:** 2,690,662 raw crab lbs (excluding overages)

**Number of vessels used:** 6

**Port Count:** 3 (including “at-sea”)

**Landing count:** 32

**Percentage of TAC caught:** 99.7%

**Active RCR holders:** 6

**Active IFQ permitholders:** 4

**Active IPQ holders:** 5

**Distinct persons making landings (IFQ holder or master):** 7

(Source: ADF&G and NOAA Fisheries)

Table 7.7 displays the Alaska ports in which EAG crab were landed in 2006/07 and includes comparisons of pounds landed, port rank, vessel landings, and percent harvest during both Program years.

**Table 7.7 Ports used for EAG crab landings<sup>a</sup>**

Port	Pounds landed <sup>b</sup>		Port rank		Vessel landings <sup>a</sup>		Percent harvest <sup>b,c</sup>	
	Year two	Year one	Year two	Year one	Year two	Year one	Year two	Year one
DUTCH/UNALASKA	2,648,206	2,260,997	1	1	28	28	98.42	*
AT SEA <sup>d</sup>	*	*	2	2	3	3	*	*
AKUTAN <sup>e</sup>	*		3	NA	1	0	*	NA
<b>Total</b>	<b>2,690,662</b>	*			<b>32</b>	<b>33</b>	<b>99.7</b>	<b>100.0</b>

\* Data are confidential.

<sup>a</sup> A vessel landing is an offload.

<sup>b</sup> Harvest is in raw crab pounds, excluding overages.

<sup>c</sup> Percent harvest is the total landed pounds, excluding overages.

<sup>d</sup> “At SEA” means “landings” on catcher processors and stationary floating processors.

<sup>e</sup> Akutan had no EAG crab landings in 2005/06.

When the season ended, EAG IFQ holders or their Hired Masters had reported 32 vessel landings (offloads) of EAG crab for a total harvest of 99.7% of the available TAC. Table 7.8 displays the allocations and harvests starting five years before the Program and in the second Program year.

**Table 7.8 EAG Crab fishery allocations and harvest, 2000–2006/07**

Fishery year	TAC/GHL <sup>a</sup>	Harvest <sup>b</sup>	Percent TAC or GHL landed <sup>a,b</sup>
2000	3	3.1	104.5
2001	3	3.2	105.7
2002	3	2.8	94.0
2003	3	3.0	99.0
2004	3	2.9	96.0
2005/06	2.7	2.6	96.3
2006/07	2.7	2.7	99.7

(Source: ADF&G and NOAA Fisheries)

<sup>a</sup> GHL = guideline harvest level (ADF&G); the Program uses TAC (total allowable catch).

<sup>b</sup> Landings are in millions of raw crab pounds, excluding overages.

### *Cooperatives*

In the 2006/07 EAG fishery, almost 100% of available IFQ was assigned to six cooperatives. For comparison, Table 7.9 displays pounds and percent of EAG IFQ assigned to cooperatives and, in parentheses, the 2005/06 generally lesser percentages assigned in the first Program year.

**Table 7.9 Pounds and percent of EAG IFQ assigned to cooperatives**

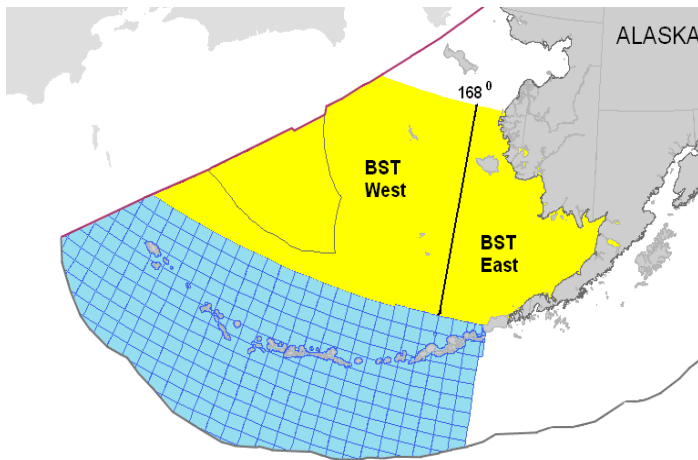
Sector	Total pounds available	Pounds to assigned cooperatives	Percent to assigned cooperatives <sup>a</sup>
CVC	80,075	76,855	96.0 (87.4)
CVO	2,494,680	2,494,680	100.0 (90.9)
CPO	125,227	125,227	100.0 (100.0)

<sup>a</sup> Percents may not total 100% due to rounding.

## East Bering Tanner (EBT), 2006/07

Beginning with the 2006/07 season, the Bering Sea Tanner crab QS is divided into eastern and western Bering Sea stocks and fisheries (“bairdi split”). NOAA Fisheries has reissued Tanner crab (*c. bairdi*) QS and PQS and the resulting IFQ and IPQ as two separate fisheries, one east of 166° W. longitude (EBT) and one west of 166° W. longitude (WBT). Tanner crab QS and PQS holders received one unit of East Bering Tanner QS or PQS and one unit of West Bering Tanner QS or PQS for each unit of existing Bering Sea Tanner QS or PQS held. This change was necessary for the coordination of QS and PQS with State of Alaska management of the two distinct Tanner crab fisheries.

The EBT fishery opened with a TAC of 1,687,500 pounds. The season opened Oct 15, 2006 and closed March 31, 2007.



### Fishery Facts

**Number of pots average:** 175 per vessel  
**Number of pots pulled average:** 646 per vessel  
**Harvest:** 1,264,044 raw crab lbs, (excluding overages)  
**Number of vessels used:** 37  
**Port Count:** 4 (including “at sea”)  
**Landing count:** 57  
**Percentage of TAC caught:** 74.9%  
**Active RCR holders:** 12  
**Active IFQ permit holders:** 21  
**Active IPQ holders:** 7  
**Distinct persons making landings (IFQ holder or master):** 40

(Source: ADF&G and NOAA Fisheries)

Table 7.10 displays the ports in which EBT crab were landed in 2006/07 and includes comparisons of pounds landed, port rank, vessel landings, and percent harvest during 2006/07 and 2005/06. BST fishery data are used in “Year one” columns. For port rank, only EBT ports used during 2006/07 are reflected in the 2005/06 BST data (St. Paul and Kodiak, rated third and sixth, respectively, in 2005/06 are not included).

**Table 7.10 Ports used for EBT crab landings<sup>a</sup>**

Port	Pounds landed <sup>b</sup>		Port rank		Vessel landings <sup>a</sup>		Percent harvest <sup>c</sup>	
	Year two	Year one	Year two	Year one	Year two	Year one	Year two	Year one
DUTCH/UNALASKA	370,826	370,826	1	1	32	28	46.9	46.9
AKUTAN	*	*	2	2	12	7	*	*
KING COVE	*	48,261	3	5	10	4	*	*
AT SEA <sup>d</sup>	48,261	*	4	4	3	13	6.1	6.1
<b>Total</b>	<b>1,264,044</b>	<b>791,025</b>			<b>57</b>	<b>74</b>	<b>74.9</b>	<b>100.0</b>

\* Data are confidential.

<sup>a</sup> A vessel landing is an offload.

<sup>b</sup> Harvest is in raw crab pounds, excluding overages.

<sup>c</sup> Percent allocation is the total landed pounds, excluding overages, unless noted.

<sup>d</sup> “At Sea” means “landings” on catcher processors and stationary floating processors.

When the season ended, EBT IFQ holders or their Hired Masters had reported 57 vessel landings (offloads) of EBT crab for a total harvest of 75% of the available TAC. Table 7.11 displays the allocations and harvests starting five years before the Program and in the second Program year.

**Table 7.11 BST and EBT crab fishery allocations and harvest, 2000–2006/07**

Fishery year and fishery	TAC <sup>a</sup>	Harvest	Percent of TAC or GHL landed <sup>b</sup>
2000—2004 BST	Closed		
2005/06 BST <sup>c</sup>	1,458,000	791,025	54.3
2006/07 EBT	1,687,500	1,264,044	74.9

(Source: ADF&G and NOAA Fisheries)

<sup>a</sup> TAC is the total allowable catch.

<sup>b</sup> Percents may not total 100% due to rounding.

<sup>c</sup> Although EBT and WBT were managed as a single fishery, ADF&G closed the eastern area as an inseason management measure.

### *Cooperatives*

In the 2006/07 EBT fishery, more than 1.6 million pounds of a total of almost 1.7 million pounds (96.8% of available IFQ) were assigned to 19 cooperatives, a significant increase over the amount BST was assigned the prior year. Table 7.12 displays pounds and percent of EBT IFQ assigned to cooperatives and, in parentheses, the 2005/06 lesser percentages assigned in the first Program year.

**Table 7.12 Pounds and percent of EBT IFQ assigned to cooperatives**

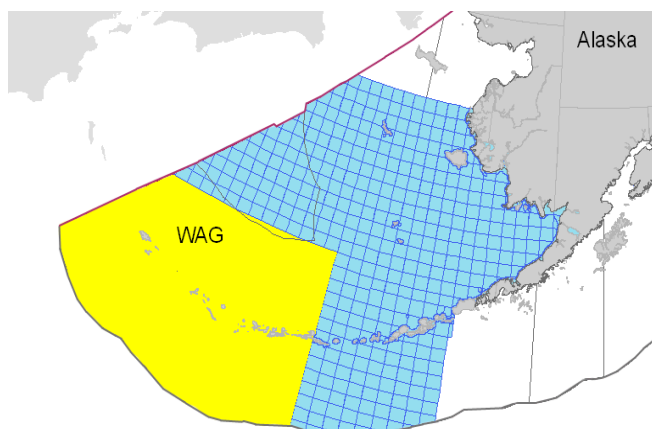
Sector	Total pounds available	Pounds assigned to cooperatives	2006/07 Percent assigned to cooperatives <sup>a</sup>
CVC	43,357	35,133	81.0 (64.2)
CPC	3,640	3,108	85.4 (44.1)
CVO	1,514,346	1,470,569	97.1 (83.9)
CPO	109,989	109,989	100.0 (73.1)

<sup>a</sup> Percents may not total 100% due to rounding.

## Western Aleutian Islands Golden King Crab (WAG), 2006/07

The fishery area is defined by eastern boundary of 174° W., along the east side of continental Alaska, a northern boundary of 55° 30' N., and a western boundary of the Maritime Boundary Line (U.S. and USSR 1991).

The fishery was open with a TAC of 2,430,000 pounds. The season opened August 15, 2006 and closed May 15, 2007.



### Fishery Facts

**Number of pots average:** 1,500 per vessel  
**Number of pots average pulled:** 7,946 per vessel  
**Harvest:** 2,000,276 raw crab lbs (excluding overages)  
**Number of vessels used:** 3  
**Port Count:** 3 (including “at sea”)  
**Landing count:** 31  
**Percentage of TAC caught:** 82.3%  
**Active RCR holders:** 5  
**Active IFQ permitholders:** 3  
**Active IPQ holders:** 4  
**Distinct persons making landings (IFQ holder or Master):** 3

(Source: ADF&G and NOAA Fisheries)

Table 7.13 displays the ports in which WAG crab were landed in 2006/07 and includes comparisons of pounds landed, port rank, vessel landings, and percent harvest during both Program years.

**Table 7.13 Ports used for WAG crab landings<sup>a</sup>**

Port	Pounds landed <sup>b</sup>		Port rank		Vessel landings <sup>a</sup>		Percent harvest <sup>b,c</sup>	
	Year two	Year one	Year two	Year one	Year two	Year one	Year two	Year one
AT SEA <sup>d</sup>	*	1,366,736	1	1	20	26	*	57.4
DUTCH/UNALASKA	*	*	2	2	8	10	*	*
ADAK	*	*	3	3	3	6	*	*
<b>Total</b>	<b>2,000,276</b>	<b>2,382,468</b>			<b>31</b>	<b>42</b>	<b>82.3</b>	<b>100.0</b>

\*Data are confidential.

<sup>a</sup> A vessel landing is an offload.

<sup>b</sup> Harvest is in raw crab pounds, excluding overages.

<sup>c</sup> Percent harvest is the total landed pounds, excluding overages, unless noted.

<sup>d</sup> “At Sea” means “landings” on catcher processors and stationary floating processors.

When the season ended, WAG IFQ holders or their Hired Masters had reported 31 vessel landings of WAG crab for a total harvest of 82.3% of the available TAC. Table 7.14 displays the allocations and harvests starting five years before the Program and in the first and second Program years.

**Table 7.14 WAG Crab fishery allocations and harvest, 2000/01–2006/07**

Fishery year	TAC/GHL <sup>a</sup>	Harvest <sup>b</sup>	Percent of TAC or GHL <sup>a,c</sup>
2000/01	2.7	2.8	103.7
2001/02	2.7	2.7	101.5
2002/03	2.7	2.6	97.8
2003/04	2.7	2.7	99.3
2004/05	2.7	2.7	99.3
2005/06	2.4	2.4	98.0
2006/07	2.4	2.0	82.3

(Source: ADF&G and NOAA Fisheries)

<sup>a</sup> GHL = guideline harvest level (ADF&G); the Program uses TAC (total allowable catch).

<sup>b</sup> Harvest is in millions of pounds, excluding overages.

<sup>c</sup> Percents may not total 100% due to rounding.

### *Cooperatives*

In the 2006/07 WAG fishery, nearly all available pounds (99.8 % of available IFQ) were assigned to five cooperatives, similar to the first Program year. Table 7.15 displays pounds and percent of WAG IFQ assigned to cooperatives and, in parentheses, the 2005/06 percent assigned in the first Program year.

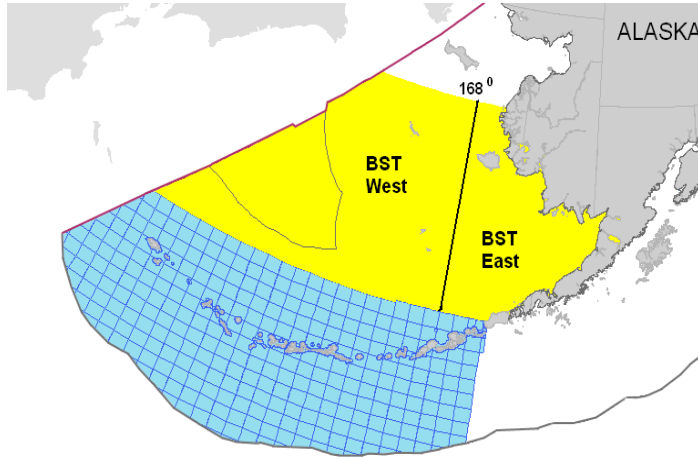
**Table 7.15 Pounds and percent of WAG IFQ assigned to cooperatives**

Sector	Total pounds available	Pounds assigned to cooperatives	Percent assigned to cooperatives <sup>a</sup>
CVC	41,914	38,303	91.4 (100.0)
CPC	30,989	30,427	98.2 (100.0)
CVO	1,267,539	1,267,539	100.0 (100.0)
CPO	1,089,563	1,089,563	100.0 (100.0)

<sup>a</sup> Percents may not total 100% due to rounding.

## West Bering Tanner (WBT), 2006/07

Beginning with the 2006/07 season, the Bering Sea Tanner crab QS is divided into eastern and western Bering Sea stocks and fisheries (“bairdi split”). NOAA Fisheries has reissued Tanner crab (*c. bairdi*) QS and PQS and the resulting IFQ and IPQ as two separate fisheries, one east of 166° W. longitude (EBT) and one west of 166° W. longitude (WBT). Tanner crab QS and PQS holders received one unit of East Bering Tanner QS or PQS and one unit of West Bering Tanner QS or PQS for each unit of existing Bering Sea Tanner QS or PQS held. This change was necessary for the coordination of QS and PQS with State of Alaska management of the two distinct Tanner crab fisheries.



### Fishery Facts

**Number of pots average:** 205 per vessel

**Number of pots pulled average:** 586 per vessel

**Harvest:** 633,910 raw crab lbs, (excluding overages)

**Number of vessels used:** 36

**Port Count:** 4 (including “at sea”)

**Landing count:** 60

**Percentage of TAC caught:** 64.4%

**Active RCR holders:** 10

**Active IFQ permit holders:** 14

**Active IPQ holders:** 8

**Distinct persons making landings** (IFQ holder or master): 36

(Source: ADF&G and NOAA Fisheries)

The fishery was open with a TAC of 984,600. The season opened Oct 15, 2006 and closed March 31, 2007.

Table 7.16 displays the ports in which WBT crab were landed in 2006/07 and includes comparisons of pounds landed, port rank, vessel landings, and percent harvest during 2006/07 and 2005/06. BST fishery data are used in “Year one” columns. For port rank, only WBT ports used during 2006/07 are reflected in the 2005/06 BST data (St. Paul and Kodiak, rated third and sixth, respectively, in 2005/06 are not included).

**Table 7.16 Ports used for WBT crab landings<sup>a</sup>**

Port	Pounds landed <sup>b</sup>		Port rank		Vessel landings <sup>a</sup>		Percent harvest <sup>c</sup>	
	Year two	Year one	Year two	Year one	Year two	Year one	Year two	Year one
DUTCH/UNALASKA	329,860	370,826	1	1	41	28	52.0	46.9
AKUTAN*	*	*	2	2	9	7	*	*
AT SEA <sup>d</sup>	20,669	48,261	3	4	5	13	3.3	6.1
KING COVE*	*	*	4	5	5	4	*	*
<b>Total*</b>	<b>633,910</b>	<b>791,025</b>			<b>60</b>	<b>74</b>	<b>64.4</b>	<b>100.0</b>

\*Data are confidential.

<sup>a</sup> A vessel landing is an offload.

<sup>b</sup> Harvest is in raw crab pounds, excluding overages.

<sup>c</sup> Percent harvest is the total landed pounds, excluding overages, unless noted.

<sup>d</sup> “At Sea” means landings by catcher processors and stationary floating processors outside of any recognized port.



When the season ended, WBT IFQ holders or their Hired Masters had reported 60 vessel landings (offloads) of WBT crab for a total harvest of 64.4 percent of the available TAC. Table 7.17 displays the allocations and harvests starting five years prior to the Program and in the first and second Program years.

**Table 7.17 BST and WBT Crab fishery allocations and harvest, 2000–2006/07**

Fishery year and fishery	TAC <sup>a</sup>	Harvest	Percent of TAC or GHLL landed <sup>b</sup>
2000—2004 BST	Closed		
2005/06 BST <sup>c</sup>	1,458,000	791,025	54.3
2006/07 WBT	984,600	633,910	64.4

(Source: ADF&G and NOAA Fisheries)

<sup>a</sup> TAC is the total allowable catch.

<sup>b</sup> Percents may not total 100% due to rounding.

<sup>c</sup> Although EBT and WBT were managed as a single fishery, ADF&G closed the eastern area as an inseason management measure.

### Cooperatives

In the 2006/07 WBT fishery, almost 1 million pounds of a total of nearly 1 million pounds (96.8% of available IFQ) were assigned to 19 cooperatives. Table 7.18 displays pounds and percent of WBT IFQ assigned to cooperatives and, in parentheses, the 2005/06 lesser percentages assigned in the first Program year.

**Table 7.18 Pounds and percent of WBT IFQ assigned to cooperatives**

Sector	Total pounds available	2006/07 Pounds assigned to cooperatives	2006/07 WBT Percent assigned to cooperatives <sup>a</sup>
CVC	25,296	20,496	81.0 (64.2)
CPC	2,124	1,813	85.4 (44.1)
CVO	883,566	858,025	97.1 (83.9)
CPO	64,175	64,175	100.0 (73.1)

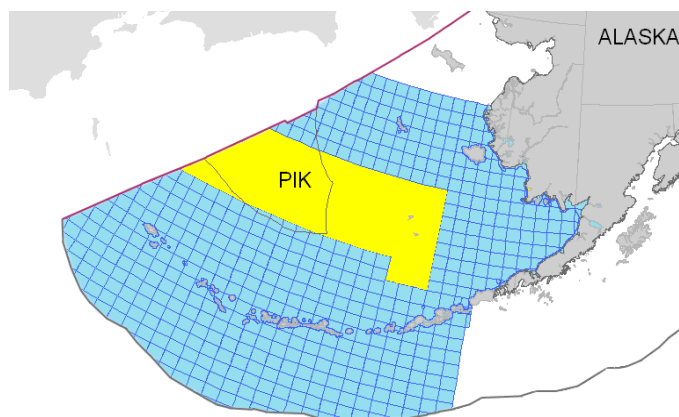
<sup>a</sup> Percents may not total 100% due to rounding.

<sup>b</sup> Although EBT and WBT were managed as a single fishery, ADF&G closed the eastern area as an inseason management measure.

## Closed Fisheries in the 2006/07 Fishing Year

### *Pribilof Islands red and blue king crab (PIK)*

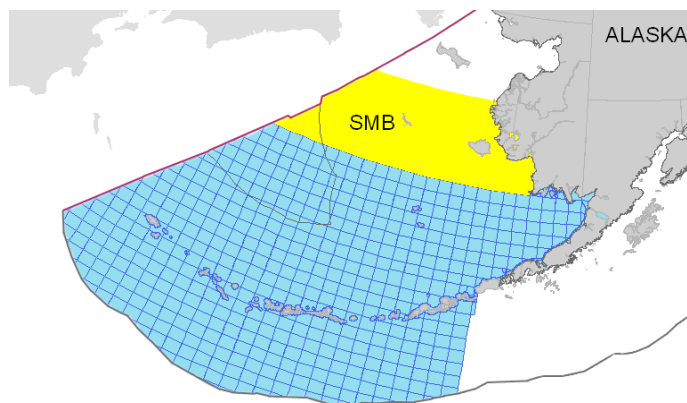
The fishery area is defined by a northern boundary of 58° 39' N., an eastern boundary of 168° W. south to 54° 36' N., then westward to 54° 36' N., 171° W., then north to 55° 30' N., 171° W., then westward to the Maritime Boundary Agreement Line (U.S. and USSR 1991).



The PIK fishery was closed for the year due to low stock abundance. (Source: SAFE)

### *St. Matthew Island blue king crab (SMB)*

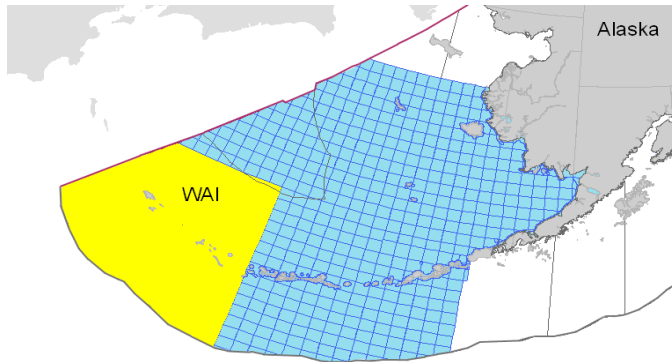
This fishery area is defined by a northern boundary of 61° 49' N., along the east side of continental Alaska, a southern boundary of 58° 30' N., and a western boundary of the Maritime Boundary Agreement (U.S. and USSR 1991).



The SMB fishery was closed for the year due to low stock abundance. (Source: SAFE)

*Western Aleutian Islands Red King Crab (WAI)*

The fishery area is defined by an eastern boundary of 179° W., a western boundary of the Maritime Boundary Agreement Line (U.S. and USSR 1991), and a northern boundary of 55° 30' N., then west to the Maritime Boundary Agreement Line.



This fishery was closed for the year due to low stock abundance (Source: SAFE).

## **Chapter 8 Safety, Compliance, and Catch Monitoring**

### **U.S. Coast Guard Vessel Safety and Compliance Monitoring for the Red King Crab Fishery**

#### **USCG Effort, Red King Crab, 2006/07**

- Completed 78 Safety Compliance Checks between October and December
- Increased deployment to 48 days, compared with 20 days during prerationalization
- Increased required cutter monitoring time from 10–14 days (prerationalization) to 135 days
- Flew almost 333 hours during the season (MH-60Js and HC-130Hs)
- Increased total costs (\$140,000) by 40 percent over last year’s air response
- Air station Kodiak flew almost 137 aircraft hours, compared with 62 hours in 2004 during “derby style” BSAI crab fisheries
- Conducted 18 at-sea boardings (22 percent of fleet vessels), compared with last year’s 20 at-sea boardings
- Found ZERO significant violations
- Six commercial crab fishermen received joint AMSEA/USCG safety training
- Responded to ZERO Program-related SAR cases during first and second years of crab rationalization

During the 2006/07 fishing year, USCG, District Seventeen, efforts to enforce crab regulations and other federal laws stressed prevention and response with preseason safety checks and trainings and at-sea boardings. Three medium- and high-endurance cutters were assigned for search and rescue and law enforcement. Air station Kodiak complemented surface operations by forward deploying a helicopter with two crews to Cold Bay, where crews found improved facilities this crab-fishing year with better heating and other amenities.

#### *Search and Rescue (SAR)*

None of the USCG’s six SAR cases was directly related to the crab fisheries. Preseason inspections promoted thorough Safety Compliance Checks and CVFS examinations at Dutch Harbor, Akutan, and Kodiak. Cessation of “derby” fishing conditions helped lower SAR cases in the crab fisheries from 2 cases (6 deaths) in 2004 to zero SAR cases during the 2005/06 and 2006/07 fishing years.

#### *Fishery Changes*

With the Program, the USCG noted the following changes that promoted safer and more efficient crab fisheries in 2006/07:

- ✓ Increased USCG presence
- ✓ Reduced “any-weather” fishing
- ✓ Smaller fleet
- ✓ Required vessel Safety Compliance Checks
- ✓ Required preseason Commercial Fishing Vessel Safety Program Decal (ADF&G)
- ✓ VMS requirements for safety and enforcement
- ✓ Effective monitoring with weekly conference calls with ADF&G biologist, Alaska Wildlife Troopers, and NOAA Fisheries
- ✓ Strong, unified partner-agency coordination

### *Enforcement: Pre-Underway*

In general, the enforcement emphasis for the Coast Guard was broken down into pre-underway and at-sea components. The pre-underway component focused on the Safety Compliance Checks (SCC), commercial fishing vessel safety exams, and mandated notification requirements. The at-sea component focused on logbook requirements, properly operating VMS, catcher processor reporting, required federal fishing permits and the Safety Standards and Stability Book compliance. Cutters targeted fishing vessels for boarding based on the following priorities:

Priority 1: Fishing vessels that did not receive a dockside SCC by Coast Guard Sector/Marine Safety Detachment (MSD) personnel during the preseason operation, during the Red King Crab fishery, or had not received a boarding at sea by Alaska Wildlife Troopers.

Priority 2: Fishing vessels that received a SCC during the preseason operation or were boarded at-sea by Alaska Wildlife Troopers.

USCG, District 17, set the goal of boarding 10 percent of the red king crab fishing vessels. They exceeded their boardings by more than twofold with 18 (22 percent) at-sea boardings.

In 2006, 81 boats participated in this fishery (prior to rationalization, there were as many as 250). Most of the fishing activity took place on the western part of the Red King Crab Savings Area (north of False Pass). Red king crab harvesting spanned from mid October to the second week in November. Average days fished were 21-days, compared with 26-days last year.

Preceding the opening of the fishery, USCG coordinated a safety inspection operation with Anchorage and MSD Unalaska to conduct Safety Compliance Checks and CVFS examinations at Dutch Harbor, Akutan, and Kodiak from October 5 to October 17. Flexibility in repositioning and coordination of surface and air assets enabled USCG to sustain continued operations over an extended period.

### *Enforcement: At-Sea Response*

On the response side of this operation, *CGC JARVIS*, *CGC MUNRO*, and *CGC STORIS* were the primary patrol cutters assigned to the crab season for both search and rescue and law enforcement. Air station Kodiak complemented surface operations by deploying an MH-60J, with two crews, to Cold Bay. The extended period of fishing activity under crab rationalization continues to pose an interesting challenge for enforcement, especially in allocating USCG resources. Managers of enforcement assets are always considering how best to manage their resources, especially when those resources are limited. In the past, the “derby” style crab fisheries were an easy fishing opener to plan for because there was a short, definitive timeline where USCG could place “steel on target.” Although these windows would fluctuate several days due to poor weather or price negotiations, it was easy for planners to manage and position crafts with relative certainty. While this is only the second year for the rationalized crab fisheries, future enforcement operations may be adjusted as new trends develop.



Jayhawk, courtesy of USCG

## NOAA Fisheries/Alaska State Trooper Compliance Monitoring

### Compliance Facts, 2006/07

**Goal:** Oversee Alaska's crab fisheries

24 overages observed:

9 BBR

8 BSS

4 EBT

1 EAG

2 WAG

### Partners

The NOAA Fisheries Office for Law Enforcement (OLE) and the U.S. Coast Guard enforce the regulations that govern allocation of the Program. The state's Alaska Department of Fish and Game (ADF&G) manages the biological aspects of the Crab Rationalization Program, and many of these regulations are enforced by the State of Alaska Department of Public Safety Troopers and Public Safety Technicians. OLE has created a partnership with the Department of Public Safety through Joint Enforcement Agreements (JEAs). These JEAs provide a mechanism for state enforcement personnel to assist OLE

in enforcing Program requirements and other federal fishing regulations. These three agencies coordinated activities throughout the season.

### Preseason Work

Prior to the season, OLE personnel met with industry to explain regulations and answer questions. OLE personnel distributed checklists and reviewed preseason information to forestall compliance problems. OLE contacted some vessel owners and captains to make sure vessels had VMS and Federal crab vessel permits. OLE also worked with crab cooperative managers and vessel representatives to resolve problems during and after the season.

### Inseason Enforcement

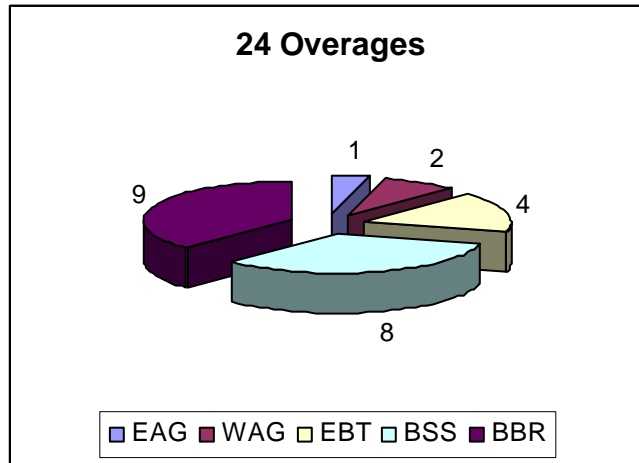
Once the season started, a primary goal of OLE was to ensure that all crab catch was weighed and reported. The Alaska State Troopers and Public Safety Technicians assisted OLE by conducting dockside boardings, inspections, and at-sea patrols. Boardings typically focused on spot checks rather than detailed reviews of permits and logbooks. Audits focused on accounting for the entire catch (including deadloss and personal use crab). The State conducts these duties under the authority of a Cooperative Enforcement Agreement. Funding and direction for these duties come through the JEAs.

### COPPS

Community Oriented Policing and Problem Solving visits were typically in response to constituent questions or for brief compliance spot checks.

### VMS

VMS is required on all catcher vessels and catcher processors that participate in the Program, including IFQ, CDQ, and Adak fisheries. VMS is used to determine vessel position and activity.



**Figure 8.1 Overage Violations in the CR fisheries, 2006/07**

Figure 8.1 illustrates the 24 overages this season: 3 observed IFQ overages of golden king crab, 9 of Bristol Bay red king crab, 4 of East Tanner crab, and 8 of Bering Sea snow crab. In the first year of the program, there were 13 IFQ overages among all fisheries. There was only one IPQ overage this season. Each violation case was forwarded to General Counsel for resolution.

## **NOAA Fisheries Compliance and Catch Monitoring**

### *Catch Monitoring Objectives for the Program*

To manage IFQ fisheries effectively, NOAA Fisheries must have data that provide reliable independent estimates of the total catch for all crab harvested.

Because fishery participants operate under their own IFQ allocations, incentives exist to underreport harvests. Based on experience gained under other quota-based programs, NOAA Fisheries anticipates catch accounting will be questioned by industry. For these reasons, NOAA Fisheries used a catch weighing system for Program fisheries that is more rigorous than that required in other crab fisheries. NOAA Fisheries also implemented new monitoring and catch weighing requirements for shoreside or floating processors taking deliveries of crab, for catcher vessels harvesting crab, and for CPs catching and/or processing crab.

### *Requirements for Crab Processing Facilities*

#### Catch Monitoring Plans (CMPs)

RCRs receiving unprocessed crab must operate under a CMP, which details how and where crab are sorted and weighed. All crab, including parts and dead or otherwise unmarketable crab, delivered to an RCR must be sorted and weighed by quota category on a scale certified by the State of Alaska. CMPs that met all of the standards were approved for 1 year, unless during the year there were changes in plant operation. NOAA Fisheries reviews a CMP with plant management annually to ensure the CMP standards continue to be met.

Beginning in 2006/07, RCRs were required to weigh all crab by quota category on a scale equipped with a printer that records the vessel name, the weight of each load in the weighing cycle, the time and date the information was printed, the total weight for the delivery, and the total cumulative weight of all species weighed on the scale.

During the 2006/07 fishing year, 14 CMPs were submitted to NOAA Fisheries for inspection and approval. There was a reduction of four CMPs submitted from the previous fishing year. During the first year, these four RCRs submitted CMPs but did not take any deliveries of CR crab. With the printout requirement in place and no plans to take any CR crab deliveries in 2006/07, these RCRs decided not to submit a CMP. Seventeen RCRs informed NOAA Fisheries in writing they would follow a CMP already authorized for a shore facility or floating processor.

#### *Requirements for Catcher Processor Vessels*

##### Daily Automatic Hopper Scales

Vessel operators that harvest and process their catch at sea must weigh crab on NOAA Fisheries-certified motion-compensated scales prior to processing. Between June and October 2006, NOAA Fisheries staff inspected and approved 5 motion-compensated hopper scales in the Puget Sound area of Washington and in Unalaska/Dutch Harbor, Alaska for all participating crab CPs. One vessel left the fishery in 2006/07 and moved quota to another catcher processor that fished for the first time in CR fishery. No major problems were reported with the hopper scales during the 2006/07 fishery.

##### Requirement for Onshore Offload

All CPs must offload at a shoreside location accessible by road or commercial air flights. All product offloaded must be weighed on scales certified by the state in which the offload occurs. Each scale must be equipped with a printer that records the weight of each load in the weighing cycle, the total weight in the offload, and the date and time of the offload. CPs must submit an offload report including the gross and net weight of the crab product offload, and must attach the scale printout.

#### *Requirements for Catcher Vessels*

##### Deliver to an RCR

Catcher vessels must deliver all retained crab to an RCR with an approved CMP and remain at the offload site until required reporting is completed. There are no exceptions for activities such as dockside sales or tendering. If holders of CVO or CVC IFQ wanted to sell their own catch to the public, each QS holder would be required to conduct the offload of crab from the vessel in accordance with the requirements described above for an RCR.



## **Chapter 9 Reporting**

### **eLandings**

#### **eLanding Facts, 2006/07**

648 IFQ and CDQ landings:

- 75 landings for Adak and CDQ
- 573 IFQ landings for IFQ:
  - ✓ 550 IFQ reports via eLandings
  - ✓ 23 IFQ “manual” reports

34 IFQ account overages in 21 offloads

The Interagency Electronic Reporting System (IERS) and its reporting component, eLandings, is a joint system developed under the partnership of NOAA Fisheries Alaska Region, ADF&G, and the International Pacific Halibut Commission (IPHC). The system was designed, developed, tested, and implemented jointly by a contractor and agency staff. Regulations for the Program require the use of the IERS by any RCR receiving shellfish from the crab fishery. The working system was introduced for the beginning of the first crab fishery openings on August 15, 2005. The system has been in use as of that date and was

extended in 2006 to allow reporting of non-Program crab, groundfish, and halibut. Future enhancements will accommodate additional fisheries.

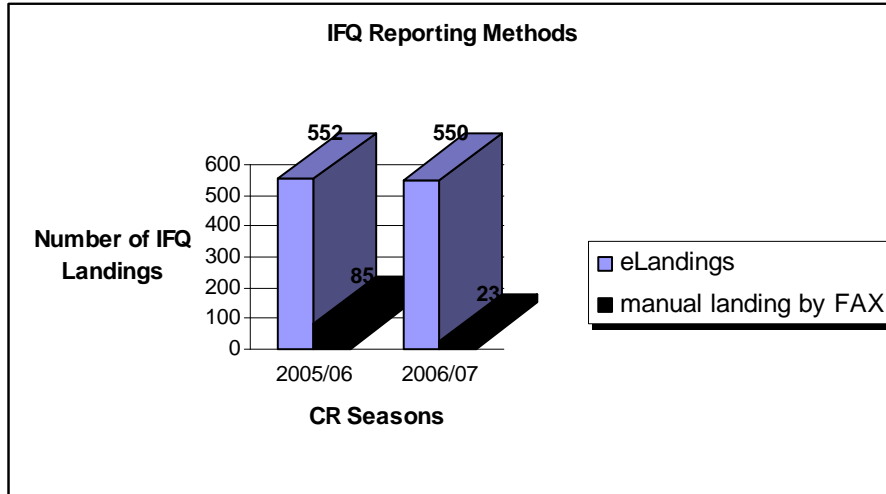
This web-based data entry system allows entry of crab landings and provides a printed fish ticket as a landing receipt, plus receipts for IFQ and IPQ account debits. Data are received into a central repository database, versioned, and used to populate separate agency management and enforcement databases. In addition, stand-alone client software allows submission of landing reports as email attachments for clients disconnected from the web (such as catcher processors).

To further support reporting timeliness requirements and in the event that eLandings system is temporarily unavailable, a backup system of paper reporting via FAX directly to NOAA Fisheries’ quota management database is available for IFQ/IPQ fisheries. For CDQ and Adak fisheries, a temporary paper Fish Ticket completed for ADF&G serves a similar purpose.

#### *Benefits*

The IERS benefits both partner agencies and processors and has helped establish better communication with industry, ensuring improvements to the system and quick resolution to issues. Feedback during this fishing year has been positive; some of the IERS benefits are listed below.

- ✓ The IERS minimizes duplicate reporting of similar information required by the partner agencies,
- ✓ allows processors to enter, edit, and summarize landings data on a web-based system,
- ✓ provides timely and accurate data entry,
- ✓ produces a Portable Document Format (PDF) for printing a fish ticket of the landing,
- ✓ allows data to be incorporated into processor data systems through import and export of Extensible Markup Language (XML) documents, and
- ✓ affords a flexible way to create common information formats and share the format and the data on the Web.



**Figure 9.1 Program Season Comparisons of IFQ Reporting Methods**

*Summary*

A total of 648 landing reports were submitted during the 2006/07 crab-fishing season. Figure 9.1 shows that of 573 landings reports with an IFQ component, 550 (95.9%) were submitted via eLandings and the remainder by FAX. This was an increase in the number of successful electronic landing report submissions from the first year when 86.6% of the IFQ landings were completed in the eLandings system. Support for the eLandings system was provided by ADF&G and NOAA Fisheries field and technical staff and the contractor. Close contact and communication with the fishing industry allowed for improvements and quick resolution of issues. Feedback has been positive.

### EDR Facts, 2006/07

Number of persons with EDR required: 284

Number of persons with EDRs required and submitted: 275

Number of persons with EDR requirement who have not submitted: 9 (inactive persons)

## Economic Data Collection

The EDR program is focused on collecting production, cost, earnings, and employment information from harvesting and processing sectors of crab fisheries to evaluate effects of the Program over time. EDR administration is carried out by a third party, Pacific States Marine Fisheries Commission (PSMFC), through a contract with the Alaska Fisheries Science Center (AFSC), Economics and Social Science Research Program.

### Implementation

Beginning in calendar year 2005, the Economic Data Collection program is based on calendar year data. The first phase of implementation focused on collection of pre-Program historical (baseline) information for 1998, 2001, and 2004. With the first season of the rationalized fishery beginning in 2005, the first year of data collection from the rationalized fishery was submitted for calendar year 2005, due in June 2006. (See *Bering Sea and Aleutian Islands Crab Rationalization Report, Fishing Year 2005/2006* for EDR program details through 2006.)

### 2006 Data Collection

EDR forms underwent minor revisions for 2007 to improve clarity of directions and disaggregate vessel landings information by harvest quota type. Also in 2007, an online web application version of the catcher-vessel survey was introduced as an additional alternative to paper and fillable-PDF form versions used in previous years. The online version reduced the time required for data processing by PSMFC by allowing data providers to enter data directly into an online database. The online form included additional directions and built-in error checking, which reduced the number of follow-up calls from PSMFC for error-correction purposes.

EDRs for the 2006 calendar year were due by June 28, 2007. Table 9.1 displays the sector totals for number of vessels and plants identified by RAM and PSMFC as subject to the reporting requirement, number of completed EDRs submitted, number of certification-only submissions, number of noncomplying vessels/plants, and number of distinct persons (including corporate entities) associated with reporting vessels/plants.

Included as part of the EDR form is a certification section on which the data submitter provides a signed certification statement indicating the data is complete and accurate. Individuals who receive notice from PSMFC that they are required to submit an EDR for the year can claim exemption from the full EDR completion by submitting a signed certification stating that they did not operate the vessel or plant in the rationalized crab fishery during the calendar year. As indicated in Table 9.1, the total number of certification-only and full EDR submissions was greater than the number of vessels or plants for which owners received notices from PSMFC, with the exception of the catcher/processor sector. This indicates that a number of individuals voluntarily submitted certified claims of exemption who did not receive a notice from PSMFC. It should also be noted, as indicated in the last row of the table, that the number of distinct persons submitting certification pages (including those providing completed EDRs) is fewer than the number of vessel- or plant-reporting entities; this is due to the fact that some individuals own or operate multiple vessels or plants and have multiple reporting requirements.

Season compliance among vessel/processor and persons was excellent; Table 9.1 shows 100% vessel/processor compliance for active participants across all sectors of the fishery. This represents an improvement over the 2005 EDR, for which owners of eleven vessels or plants did not submit required EDRs. In 2006, the nine persons who did not satisfy the EDR requirement were inactive in the fishery.

Such high compliance indicates that the EDR requirement is becoming routine for participants in a stabilizing fishery. For Program EDR comparisons, the 2005/06 historic economic data are shown within parentheses in Table 9.1.

**Table 9.1 Historic economic data report summary**

Activity	Catcher vessel EDRs	Shoreside processor EDRs	Catcher processor EDRs	Floating processor EDRs
Number of distinct vessels/processors for which one or more historic reports was required <sup>a</sup>	99 (378)	16 (29)	7 (18)	5 (13)
Number of full EDRs received	96 (673)	11 (44)	5 (25)	2 (24)
Number of Certifications received with claimed exemption	16 (512)	10 (43)	2 (26)	8 (18)
Number of vessels/processors for which no EDR or certification was received	0 (157)	0 (5)	0 (5)	0 (0)
Number of distinct persons tied to submitted EDRs and Certifications <sup>b</sup>	111 (418)	14 (29)	14 (22)	6 (13)

<sup>a</sup> Historic years = 1998, 2001, and 2004; each column represents vessel/processor EDR *totals* from these three years.

<sup>b</sup> Counts include full EDRs, Certifications only, and some empty EDRs; several owners who had not been notified of a reporting requirement by PSMFC submitted certified claims of exemption.

#### *Data Verification Audit*

As required under the EDR regulations, a data verification audit was initiated in 2006 to ascertain the accuracy of data recording in the EDR forms. The validation audit was performed by the accounting firm Aldrich Kilbride & Tatone (AKT) of Portland, Oregon. The report of their findings and audit methods employed to conduct the study was released by PSMFC in May of 2007 and is available for download on the NOAA Fisheries Alaska Region’s BSAI Crab EDR website:

[www.alaskafisheries.noaa.gov/sustainablefisheries/crab/rat/edr/edrvalidationrpt0507.pdf](http://www.alaskafisheries.noaa.gov/sustainablefisheries/crab/rat/edr/edrvalidationrpt0507.pdf).

The general findings of the audit review were that the information submitted in the EDR forms for 1998, 2001, 2004, and 2005 was supported by documentation and records. Where errors were identified, there was generally not a directional bias in the submission of the data; that is, auditors found no strategic misreporting of the information requested. Despite the specific definitions included in the EDRs, there was variability in how information was reported for a number of variables, based upon the ability to break down information in the manner requested and sophistication of accounting systems. In addition, there was significant variability in the quality of supporting documentation submitted in the EDRs, particularly for the 1998 reporting year and to a lesser degree for 2001. Information provided by the audit review and ongoing interaction with data submitters was used to improve directions and definitions in the 2006 EDR forms.

The number of relative audits performed to EDR records is presented in Table 9.2. The number (and percent) sampled is calculated only from year 2005.

**Table 9.2 Number of EDRs by type, year, and number sampled for validation review**

Sector	Number of EDRs submitted				Number Sampled	Percent sampled
	1998	2001	2004	2005		
Catcher Vessel	225	220	237	164	33	20.0
Catcher Processor	8	7	9	8	3	37.5
Stationary Floating and Shoreside Processors	24	23	20	17	5	29.4

## **Chapter 10 Loan Program and Fees**

### **Loans**

A federal loan program is recommended but has not yet been implemented for the Program. As of this writing, Congress has not taken action under the Federal Credit Reform Act to appropriate a subsidy cost or to authorize a loan ceiling for a crab loan program. Additionally, legislation authorizing the loan program requires implementing regulations, which involve a lengthy development and approval process by NOAA Fisheries. For these reasons, the loan program is delayed until all of these requirements are in place.

### **Fee Collection/Cost Recovery**

Under the MSA, costs for management and enforcement of IFQ programs are recoverable from participants, up to a maximum of 3% of the ex-vessel value of the crab. MSA Sections 304(d)(2)(A) and Section 313(j) prescribe the cost recovery framework, including the requirement for fee sharing with the State. Actual costs recovered are only those “incremental costs” associated with management and enforcement of the Program. “Incremental costs” are costs directly associated with the Program.

By statute, fees must be shared equally by the harvesting and processing sectors; by regulation, the RCRs assume the fee liability and must remit the fees to the Government. NOAA Fisheries computes the annual fee percentage that applies each crab-fishing year. Fees are owed based on total value of crab landings in money, goods, or services. NOAA Fisheries sends fee statements to RCRs based on their own reported landings, and value as computed for fee collection purposes. For crab delivered raw for processing, each RCR’s fee liability is estimated by multiplying the annual fee percentage needed to recover costs (up to 3%) by the ex-vessel value of Program crab at the time of purchase. Because catcher processors participate in both the harvesting and processing sectors, vessel owners or operators must be RCRs and are responsible for paying the entire fee liability.

Fees are due annually by July 31 for the prior crab-fishing year. Fees may be paid by check, money order, or by credit card. Penalties, interest, and administrative charges are added if an RCR becomes delinquent in payments. NOAA Fisheries cannot issue any annual crab permits to a person who owes unpaid fees. During the 2006/07 season, as in the first year, fee compliance was excellent with no outstanding debts sent to the U.S. Department of the Treasury for collection.

For the 2006/07 crab-fishing year, RCRs were sent estimated fee liability statements for total costs of \$3,939,841. The combined fishery value was set at \$119,652,929 from price information entered by the RCRs in the eLanding system at the time of delivery. Each RCR was responsible for and made payment of fees based on actual value given for all crab received under the Program. The total cost recovery fees remitted by all RCRs was \$3,045,344.

Fees collected under the Program vary yearly because annual ex-vessel value and costs fluctuate. Due to the complexity of the program and the MSA 3 percent cap, funds collected may not cover all expenses. This was in fact the case during the 2005/06 crab-fishing years. First year start-up costs exceeded the fee amount collected by 1.9 percent. The 2006/07 calculated fee percentage for crab to recover all costs was 4.8 percent, again above the MSA 3% cap. Administrative regulations for fees and cost recovery are at 50 CFR § 680.44.

As shown in Table 10.1, 2006/07 management and enforcement costs for the crab fisheries totaled \$3,939,841. Costs recovered totaled \$4,060,458.

**Table 10.1 Costs associated with management and enforcement in the Program, 2006/07**

Cost Category	RAM	SF	OMI	CG	Appeals	OLE	OLE-JEA	ADF&G	AFSC	PSMFC	Total
Personnel <sup>a</sup> / Overhead	479,799	158,000	28,291	32,592	115,300	562,149	-	270,001	98,989	136,919	1,882,039
Travel <sup>b</sup>	12,800	14,800	-	1,521	-	93,813	-	27,741	7,408	6,970	165,053
Transportation <sup>c</sup>	-	-	-	-	-	40,483	-	-	-	-	40,483
Printing	5,100	-	-	-	-	-	-	-	-	-	5,100
Contracts/ Training	100	100	-	-	-	797,890	162,608	424,888	-	48,395	1,433,981
Supplies	2,500	-	300	-	-	93,739	-	3,367	-	87,632	187,538
Equipment	-	-	-	-	-	10,032	-	-	-	-	10,032
Rent/Utilities <sup>d</sup>	40,859	16,619	7,257	423	7,247	3,967	-	-	-	41,234	117,605
Other	-	-	-	-	-	-	-	98,010	-	-	98,010
<b>Total</b>	<b>541,158</b>	<b>189,519</b>	<b>35,848</b>	<b>34,536</b>	<b>122,547</b>	<b>1,602,073</b>	<b>162,608</b>	<b>824,008</b>	<b>106,397</b>	<b>321,148</b>	<b>3,939,841</b>

<sup>a</sup> Personnel Costs include cost of living allowances (COLA) and all benefits.

<sup>b</sup> Travel includes per diem payments.

<sup>c</sup> Transportation includes shipment of items.

<sup>d</sup> Rent/Utilities/Overhead includes actual cost of space and utilities and an appropriate share of common space and services.

<sup>e</sup> Values are rounded to the nearest dollar.

Table 10.2 shows Program cost recovery during the first two crab seasons, 2005/06 and 2006/07. RAM billed seventeen (17) RCRs during the first crab season and twenty-two (22) during the second season, with 100 percent compliance each season.

**Table 10.2 Program cost recovery<sup>a</sup> over time**

Program cost category	Year two FY07	Year one FY06
Fishery value <sup>b</sup>	119,652,929	138,888,840
Total Program costs	3,939,841	4,270,881
Amount collected	4,060,458	4,166,665
Annual percentage of value billed <sup>c</sup>	3.0	3.0
Number of RCR permitholders with billable landings	22	17
Number of IFQ permitholders with billable landings	47	100

<sup>a</sup> Fee liability is calculated two ways: RCRs multiply fee percentage by CR crab ex-vessel value. CPs pay a fee percentage multiplied by the calculated standard price. Standard prices are calculated during the last quarter of each crab-fishing year; prices reflect, as closely as possible, the current crab-fishing year's average shoreside processor price by fishery and species, and any variations in reported shoreside ex-vessel values of CR crab. This value is expressed in U.S. dollars and in raw CR crab pounds. For shoreside processing facilities and CV landings, fee liability is calculated from the CR crab ex-vessel price paid at time of purchase/landing.

<sup>b</sup> "Fishery value" is the projected ex-vessel value of the catch subject to the crab cost recovery fee liability for the current year. For this chart, the value amount is rounded to the nearest dollar.

<sup>c</sup> These percentages billed were limited by the MSA statutory 3 percent cap of the ex-vessel value of the fishery in any Program year.

## Contacts

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