

**Draft Council Motion
BSAI Crab Rationalization Program
December 2007**

C-2(a) – Preliminary Review of revisions to active participation requirements for use and acquisition of C shares

The following alternatives are advanced for analysis:

Options for revision of active participation requirements for C share holders:

To receive an annual allocation of IFQ, a C share holder must have participated in:

Option A: at least one delivery in a fishery subject to the crab rationalization program in the 3 years preceding the application for IFQ.

Option B: 30 days of State of Alaska or Federal fishing in the 3 years preceding the application for IFQ.

Suboption: Establish a mechanism for the annual allocation of C share IFQ to ensure that 3 percent of the TAC is available to active C share holders

Suboption: If a C share holder has not participated in at least one delivery in a rationalized crab fishery in the preceding 5 seasons, that C share holder will be required to divest of all C share holdings. This provision will not require individuals to divest of Quota Share until 5-10 years after implementation of the crab program.

Options to address current transition:

For a period of 5 or 7 years from the implementation of the program, C shares can also be acquired by an individual who:

- 1) is a U.S. citizen,
- 2) has at least 150 days of sea time as part of a harvesting crew in any U.S. commercial fishery (historic participation), and

Option 1: received an initial allocation of C shares

Option 2: demonstrates participation in a rationalized crab fishery during

- a. 3 of the 5 seasons or
- b. 2 of the 3 seasons

immediately preceding implementation of the crab rationalization program.

C-3(b) – Final Action to exempt C shares from the 90/10 A share/B share split and all regional and processing share landing requirements.

The Council identified the following as its preferred alternative:

Alternative 2: C shares are indefinitely exempt from the 90/10 A share/B share split, with all C shares exempt from regional and processing share landing requirements.

C-3(c) – Final action to exempt certain custom processing from processing share use caps

The Council identified the following as its preferred alternative:

Fisheries and Regions:

Custom processing will be exempt from use caps in the following regions and fisheries:

The North region of the Bering Sea *C. opilio* fishery (analyzed here for regulation change from MSA reauthorization – not optional)

Option 1) the Western Aleutian Islands golden king crab fishery,

Suboption 2: West designated or Undesignated shares processed in the West region

- Option 2) the Western Aleutian Islands red king crab fishery,
- Option 3) the Eastern Aleutian Islands golden king crab fishery,
- Option 4) the St. Matthew Island blue king crab fishery, and
- Option 5) the Pribilof Islands red and blue king crab fishery

Definition of custom processing exemption:

Option 1) Physical processing of crab at a facility owned by an entity does not count toward the cap of the entity (only processor share holdings count toward an entity's cap).

Locations qualified for the exemption:

Custom processing will qualify for the exemption provided that processing is undertaken in the applicable fishery and region at:

- Option 2) a shore plant, or a floating processor that is moored at a dock or docking facilities (e.g. dolphins, permanent mooring buoy) in a harbor in a community that is a first or second class city or home rule city, except for the community of Atka, where a floating processor may anchor at any location, provided that it is within the municipal boundary.

Facility cap

Outside of the West region, no facility may process more than 60% of

- a) EAI golden king crab
- b) WAI red king crab

Provisions to protect interests of the community of origin

Option 2) In the event that processing shares currently or formerly subject to a right of first refusal are transferred from the initial recipient, custom processing of shares in the community of origin will not be counted toward cap of the processing plant (the shares would only count toward the cap of the share holder).

C-3(d) – Final action to allow for the post-delivery transfer of IFQ

The Council identified the following as its preferred alternative:

Purpose of post-delivery transfers

Post-delivery transfers would be allowed exclusively to cover overages.

Shares used for post-delivery transfers

Post-delivery transfers of the following shares are permitted:

- B share IFQ
- A share IFQ (provided a processor simultaneously commits matching IPQ)
- C share IFQ
- Catcher processor IFQ
- IPQ

Limits on the magnitude of a post-delivery transfer

None

Limits on the number of post-delivery transfers

None

No person shall be permitted to begin a fishing trip, unless the person holds unused IFQ.

Limits on the time to undertake a post-delivery transfer

All post-delivery transfers must be completed by the end of the crab fishing year (June 30th).

Eligibility for post-delivery transfers

All harvesters

C-3(e) – Review of the workplan for the 3 year review of the crab rationalization program

The Council received this report and chose to take no action on this matter.

D-4 – Staff tasking

BSAI Crab Rationalization Loan Program

The Council requests staff to provide a discussion paper on the definition of terms for the pending BSAI crab rationalization loan program. NMFS Financial Services Division requires recommendation of terms defined in the MSA and analysis for use in the rule making process.

According to the original BSAI crab rationalization program motion passed by the Council, these funds are to be available for captains and crew and for active participants only.

Crew definition:

Define crew as currently in regulation. Under the existing definition, crew encompasses captains and crew.

Active participation definition:

1. is a U.S. citizen
2. has at least 150 days of sea time as part of a harvesting crew in any U.S. commercial fishery (historic participation) and
3. has made at least one delivery in a fishery subject to the crab rationalization program in
 - a. the 3 years prior to the loan, or
 - b. 2 of the 3 years prior to the loan.

Additional terms in the MSA requiring definition:

Fishermen who fish from small vessels:

In the BSAI rationalized crab fisheries this is to be defined as “fishermen who fish from any or all vessels.”

First time purchase of individual fishing quota by entry level fishermen is to be defined through analysis of the following options:

Maximum threshold quota share holdings to qualify for the loan program, by fishery:

Bristol Bay red king crab, Bering Sea *C. opilio*, and Eastern and Western Bering Sea *C. bairdi* fisheries ownership thresholds:

- a) 0.05%, b) 0.1%, c) 0.25%, or d) 0.5%

Pribilof red and blue king crab and Saint Matthew Island blue king crab fisheries ownership thresholds:

- a) 0.1%, b) 0.2%, c) 0.5%, or d) 1.0%

Aleutian Islands red and golden king crab fisheries ownership thresholds:

- a) 0.5%, b) 1.0%, c) 2.5%, or d) 5.0%

Loan cap amounts per individual:

- a) \$150,000/year
- b) \$300,000/year
- c) \$450,000/year

Additionally, the Council directs staff to develop a range of possible loan cap amounts per individual, across all fisheries and years. A program-wide loan cap amount per individual would limit the total loan amount an individual could receive under the BSAI crab rationalization loan program across the life of the program.