



Bering Sea and Aleutian Islands Crab Rationalization Program Report Fishing Year 2005/06



Bristol Bay red king crab, Dutch Harbor, Alaska

Photo is courtesy of NOAA Fisheries

**Alaska Region, NOAA Fisheries (NMFS)
Restricted Access Management (RAM)
December 2006**

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Crab Rationalization Program Report
Fishing Year 2005/06**



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Purpose and Acknowledgments

This *Crab Rationalization Program Report for Crab Fishing Year 2005/06* provides a summary of the first 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 include 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; NOAA Fisheries (Alaska Fisheries Science Center, Office of Administrative Appeals [OAA], Office of Law Enforcement [OLE], RAM Program, 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, compiled September 2005; and the United States Coast Guard.

Agency staff would like to acknowledge industry's outstanding support and cooperation during initial phases of the Program.

Photography is courtesy of NOAA.

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Abbreviations

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

Fisheries

| | |
|------------|---|
| BBR | Bristol Bay red king crab |
| BSS | Bering Sea snow crab |
| BST | Bering Sea Tanner crab |
| PIK | Pribilof Islands red/blue king crab |
| SMB | St. Matthew blue king crab |
| EAG | Eastern Aleutian Islands golden king crab |
| WAG | Western Aleutian Islands golden king crab |
| WAI | Western Aleutian Islands red king crab |
| EBT | East Bering Tanner crab (starting 2006/07 year) |
| WBT | West Bering Tanner crab (starting 2006/07 year) |

Program Overview

PURPOSE

The Crab Rationalization Program (Program) allocates BSAI crab resources among harvesters, processors, and coastal communities. The Council developed the Program over a 6-year period to accommodate the specific dynamics and needs of the BSAI crab fisheries. The Program builds on the Council's experiences with the halibut/sablefish Individual Fishing Quota (IFQ) program and the American Fisheries Act (AFA) cooperative program for Bering Sea pollock. The Program is a dedicated access privilege program that balances the interests of several groups who depend on these fisheries. The Program addresses conservation and management issues associated with the derby fishery, bycatch and associated discard mortality, and safety of crab fishermen by ending the race for fish. Share allocations to harvesters and processors, together with incentives to participate in crab harvesting cooperatives, will increase efficiencies, provide economic stability, and facilitate compensated reduction of excess capacities in the harvesting and processing sectors. Community interests are protected by Community Development Quota (CDQ) allocations and regional landing and processing requirements, as well as by several community protection measures.

HISTORY

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). As amended, §313(j)(1) requires the Secretary of Commerce to approve and implement by regulation the Program, as it was approved by the North Pacific Fishery Management Council (Council). In June 2004, the Council consolidated its actions on the Program into Amendment 18 to the FMP. Additionally, in June 2004, the Council developed Amendment 19 to the FMP, which represents minor changes necessary to implement the Program. NMFS published a final rule to implement Amendments 18 and 19 on March 2, 2005 (70 FR 10174). Crab fishing under the Program began on August 15, 2005.

FISHERIES AND EXCLUSIONS

The first year, the Program applied to the following 8 BSAI crab fisheries (of 22 Alaska and FMP crab stocks): Bristol Bay red king crab (*Paralithodes camtschaticus*), Western Aleutian Islands (Adak) golden king crab (*Lithodes aequispinus*) - west of 174°W. long., Eastern Aleutian Islands (Dutch Harbor) golden king crab - east of 174°W. long., Western Aleutian Islands (Adak) red king crab - west of 179°W. long., Pribilof Islands blue king crab (*P. platypus*) and red king crab, St. Matthew Island blue king crab, Bering Sea snow crab (*Chionoecetes opilio*), and Bering Sea Tanner crab (*C. bairdi*). Golden king crab is also known as brown king crab. In this document, the phrases “crab fishery” and “crab fisheries” refer to these fisheries, unless otherwise specified. A License Limitation Program (LLP) license is no longer required to participate in these crab fisheries, but one is still required for the FMP crab fisheries excluded from the Program.

The following FMP crab fisheries are excluded from the Program: the Norton Sound red king crab fishery, which is operated under a vessel registration intended to protect the interests of local, small-vessel participants, the Aleutian Islands snow and bairdi Tanner crab fishery, the Aleutian Islands red king crab fishery east of 179° W. long., and the Bering Sea golden king crab, scarlet king crab (*L. couesi*), triangle Tanner crab (*C. angulatus*), and grooved Tanner crab (*C. tanneri*) fisheries.

HARVESTING SECTOR

Qualified harvesters were allocated quota share (QS) in each crab fishery based on recent fishery participation. Quota share represents an exclusive but revocable privilege that provides the QS holder with an annual allocation to harvest a specific percentage of the total allowable catch (TAC) from a fishery.

IFQs are the annual allocations of pounds of crab for harvest that represent a QS holder's percentage of the TAC. A harvester's allocation of QS for a fishery was based on the landings made by his or her vessel in that fishery. Specifically, each allocation is the harvester's average annual portion of the total qualified catch during a specific qualifying period. Qualifying periods were selected to balance historical and recent participation. Different periods were selected for different fisheries to accommodate closures and other circumstances in the fisheries in recent years.

Either QS is designated catcher vessel (CV) shares or catcher/processor (CP) shares, depending on the nature of the LLP license and whether the qualifying harvests were processed onboard the harvesting vessel. Catcher vessel IFQ is issued in two classes, Class A IFQ and Class B IFQ. Crabs harvested with Class A IFQ must be delivered to a processor holding unused processing quota. Class A IFQ landings also are subject to a regional delivery requirement. Under this regional requirement, landings will be delivered either in a North or in a South region (in most fisheries). Crabs harvested with Class B IFQ can be delivered to any processor and are not regionally designated. Landings in excess of available IFQ will be forfeited in all cases. Class B IFQ provides ex-vessel price negotiating leverage to harvesters. For each region of each fishery, the allocation of Class B IFQ is 10 percent of the total allocation of IFQ to the CV sector.

Transfer of QS and IFQ, either by sale or lease, is allowed subject to limits, including caps on the amount of shares a person may hold or use. To be eligible to receive transferred QS or IFQ, a person must be an initial recipient of QS, a CDQ group, an eligible crab community entity, or meet specific eligibility criteria.

Separate caps limit the amount of QS and IFQ a person can hold and limit the use of IFQ onboard a vessel. These caps prevent negative effects from an excessive consolidation of shares, prohibited by the MSA. Different caps were chosen for the diverse fisheries because fleet characteristics and resource dependence vary across crab fisheries. Separate caps on QS holdings are established for CDQ groups, which represent rural western Alaska communities. Processor holdings of QS are limited by caps on vertical integration. Quota shareholders can retain and use initial allocations of QS above the caps.

CREW SECTOR

To protect their interests in the fisheries, crew with historic and recent participation were allocated 3 percent of the initial QS pool. These shares provide long-term benefits to captains and crew. The allocation to crew was based on the same qualifying years and computational method used for QS allocations to LLP licenseholders. Crew (C) QS was issued as CVC QS and CPC QS, depending on activity in the qualifying years. To ensure that Crew QS and IFQ benefit at-sea participants in the fisheries, Crew IFQ can be used only when the IFQ holder is onboard the vessel unless it is assigned to a cooperative.

CV Crew IFQ (CVC IFQ) must be delivered to shore-based processors for processing. CVC IFQ is not subject to specific delivery requirements through June 30, 2008. However, starting July 1, 2008, CVC IFQ will be subject to the Class A IFQ/Class B IFQ distinction with commensurate regional delivery requirements unless the Council determines, after review, not to apply these designations. In April 2007 the Council intends to review CVC IFQ landing patterns to determine whether the distribution of landings among processors and communities of CVC IFQ differs from the distribution of IFQ landings.

CPC QS and IFQ include a harvesting and onboard processing privilege. Crab harvested with CPC IFQ also can be delivered to shore-based processors.

Crew QS and IFQ can be transferred to eligible individuals. Leasing of Crew IFQ is permitted before July 1, 2008. After June 30, 2008 leasing will be permitted only in the case of a documented hardship (such as a medical hardship or loss of vessel) for the term of the hardship, subject to a maximum of 2 years over a 10-year period. Use caps apply to individual Crew QS holdings.

PROCESSING SECTOR

Qualified processors were allocated processor quota share (PQS) in each crab fishery. PQS represents an exclusive but revocable privilege to receive deliveries of a specific portion of the annual TAC from a fishery. The annual allocation of pounds of crab based on the PQS is IPQ, which is issued for 90 percent of the IFQ allocated harvesters, equaling the amount of IFQ allocated as Class A IFQ. Processor privileges do not apply to the remaining TAC allocated as Class B IFQ or for Crew IFQ until July 1, 2008. IPQ is regionally designated for processing (corresponding to the regional designation of the Class A IFQ).

PQS allocations are based on processing history during a specified qualifying period for each fishery. A processor's initial allocation of PQS in a fishery equaled its share of all qualified pounds of crab processed in the qualifying period. Processor shares are transferable, including the leasing of IPQs and the sale of PQS, subject to caps and to community protection measures. IPQs can be used without transfer at any facility or plant operated by a processor. New processors can enter the fishery in any of five ways: by purchasing PQS or IPQ, purchasing crab harvested with Class B IFQ, as CDQ groups, or as the Adak community entity.

A PQS holder is limited to holding 30 percent of the PQS issued for a fishery, except that initial allocations of shares above this limit can be retained and used. In addition, in the snow crab fishery, no processor is permitted to use or hold in excess of 60 percent of the IPQs issued for the northern region.

CATCHER/PROCESSOR SECTOR

Catcher/processors (CPs) have a unique position in the Program because they participate in both the harvesting and processing sectors. Qualified CPs were allocated CP QS in accordance with the allocation rules for QS for all qualified catch that was processed onboard. These shares represent a harvest privilege and an onboard processing privilege. The regional administrator allocates Catcher/Processor QS without regional designation.

CRAB HARVESTING COOPERATIVES

Harvesters may form voluntary crab harvesting cooperatives to collectively harvest their IFQ holdings. A minimum membership of four unique QS holders is required for crab harvesting cooperative formation. A crab-harvesting cooperative is required to apply for a crab harvesting cooperative IFQ permit, which displays the aggregate amount of IFQ in each crab fishery yielded by the collective QS holdings of the members.

Subject to NMFS approval, IFQ can be transferred among crab harvesting cooperatives. For intercooperative transfers, the crab-harvesting cooperative designates the crab harvesting cooperative member engaged in the transaction to apply the use cap of that member to the IFQ being transferred. Crab harvesting cooperative members are allowed to leave a crab-harvesting cooperative or change crab harvesting cooperatives annually before the August 1 deadline for the annual crab harvesting cooperative IFQ permit application. Vessels used exclusively to harvest crab harvesting cooperative IFQ are not subject to use caps. 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 preserve historic geographic distribution of landings in the fisheries. Communities in the Pribilof Islands are the prime beneficiaries of this regionalization provision. Two regional designations were created in most fisheries. The North region comprises all areas in the Bering Sea north of 56°20' N. The South region is all other areas. Legal landings in a region in the qualifying years resulted in QS and PQS designated for that region. Catcher vessel QS, Class A IFQ, PQS,

and IPQ are regionally designated. Crab harvested with regionally designated IFQ are required to be delivered to a processor in the designated region. Likewise, a processor with regionally designated IPQ is required to accept delivery of and process crab in the designated region.

The Program has two exceptions to the North/South regional designations. In the Western Aleutian Islands golden king crab fishery, 50 percent of the Class A IFQ and IPQ is designated as west shares to be delivered west of 174° W, regardless of historic landing locations in the fishery. The remaining 50 percent of the Class A IFQ and IPQ has neither regional designation nor regional delivery requirement. A second exception is the Bering Sea Tanner crab fishery, which has no regional designation. This fishery is primarily concurrent with the regionalized Bristol Bay red king crab and Bering Sea snow crab fisheries, making the regional designation of Tanner crab landings unnecessary.

COMMUNITY PROTECTION MEASURES

The Program includes several provisions to protect communities from adverse effects from the Program. Communities eligible for community protection measures are those with 3 percent or more of the qualified landings in any crab fishery included in the Program. NMFS has determined that the following crab communities meet this criterion: Adak, Akutan, Unalaska, Kodiak, King Cove, False Pass, St. George, St. Paul, and Port Moller. All of these communities are identified as eligible crab communities (ECCs) for community protection measures.

“Cooling Off” Provision

Until July 1, 2007, PQS and IPQ based on processing history from the ECCs cannot be transferred from those communities. The use of IPQ outside the community during this period is limited to 10 percent of the IPQ and for specific hardships. PQS and IPQ from three crab fisheries are exempt from the cooling off provision: Tanner crab, Western Aleutian Islands red king crab, and Western Aleutian Islands golden king crab.

IPQ Issuance Limits

IPQ issuance limits are established to limit the annual issuance of IPQ in seasons when the Bristol Bay red king crab or snow crab TAC exceeds a threshold amount. Under these circumstances, Class A IFQ issued in excess of these thresholds will not be required to be delivered to a processor with IPQ but will be subject to the regional delivery requirements.

Sea Time Waiver

Sea time eligibility requirements for the purchase of QS are waived for CDQ groups and community entities in ECCs, allowing those communities to build and maintain local interests in harvesting. CDQ groups and ECCs are eligible to purchase PQS but are not permitted to purchase Crew QS.

Right of First Refusal (ROFR)

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. The City of Kodiak and the Kodiak Island Borough in the Gulf of Alaska (GOA) have a ROFR on the transfer of PQS and IPQ from communities in the GOA north of 56°20' N. Adak is not eligible for the ROFR provision because Adak receives a direct allocation of Western Aleutian Islands golden king crab.

COMMUNITY DEVELOPMENT QUOTA (CDQ) PROGRAM AND COMMUNITY ALLOCATIONS

Started by the Council in 1992, 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. Under the Program, 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. The increase does not apply to the CDQ allocation of Norton Sound red king crab because this fishery is excluded from the Program.

Adak Community Allocation

The community of Adak receives an annual allocation of 10 percent of the TAC of Western Aleutian Islands golden king crab. The Adak Community Development Corporation, with a board of directors elected by the community, was incorporated with the State of Alaska on June 15, 2005 as the nonprofit entity representing Adak. For 2005/06 crab harvested under this allocation was processed in both Adak and Dutch Harbor.

Community Purchase

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

ECCOs must submit an application to become an ECCO and the Regional Administrator must approve that application. This application is required to establish a person's eligibility to receive QS, PQS, IFQ, or IPQ by transfer, if the person is an ECCO. To date, no ECCOs have formed.

PROTECTIONS FOR PARTICIPANTS IN OTHER FISHERIES (“SIDEBOARDS”)

The Program greatly increases the flexibility for crab fishermen to choose when to fish for their IFQ, and this increased flexibility provides crab fishermen with increased opportunity to participate in other fisheries. Restrictions on participation in other fisheries, also called sideboards, restrict sideboarded vessels harvests to their historical landings in all GOA groundfish fisheries (except the fixed-gear sablefish fishery). Restrictions are applied to specific vessels and restrict landings using a groundfish LLP license derived from the history of a vessel so restricted, even if that LLP license is used on another vessel. Groundfish sideboards in the GOA are managed by NOAA Fisheries 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. Harvesting and processing activity are monitored for compliance with the implementing regulations. Methods for catch accounting and catch monitoring generate data to provide accurate and reliable round weight accounting of the total catch and landings to manage QS and PQS accounts, prevent overages of IFQ and IPQ, and determine regionalization requirements and fee liabilities. 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 and monitoring.

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. An Economic Data Report (EDR) containing cost, revenue, ownership, and employment data is collected first for three historic years and then annually from the harvesting and processing sectors. The data will be used to study economic effects of the Program on harvesters, processors, and communities. Pursuant to §313(j) of the MSA, the data and identifiers are also used for program enforcement and qualification for QS. With limited exceptions, participation in the data collection

process is mandatory for all participants in the crab fisheries.

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 crab cost recovery fees are paid in equal shares by the harvesting and processing sectors and are based on the ex-vessel value of all crab harvested under the Program, including CDQ and Adak crab. NOAA Fisheries also entered into a cooperative agreement with the State of Alaska to use IFQ cost recovery funds in State management and observer programs for BSAI crab fisheries. The crab cost recovery fee is prohibited from exceeding 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, which provides for fuller reimbursement of management costs after allocation of 25 percent of the cost recovery fees to the 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) will be created. This program will be funded by 25 percent of the cost recovery fees as required by the MSA. Loan money will be accessible only to active participants to purchase either QS or Crew QS. Quota share purchased with loan money will be subject to all use and leasing restrictions applicable to Crew QS for the term of the loan.

The loan program will not be available for the 2006/07 crab fisheries. Under the Federal Credit Reform Act, Federal loans require a subsidy cost and loan ceilings, neither of which have been authorized for BSAI crab QS loans. Consequently, NOAA Fisheries can make no BSAI crab QS loans unless Congress takes action. Additionally, the legislation authorizing the Program requires implementing regulations. Because regulations involve a lengthy development and approval process, the loan program is delayed until all of these elements are in place.

ARBITRATION SYSTEM

Purpose

BSAI crab fisheries have a history of contentious price negotiations. Harvesters have often acted collectively to negotiate an ex-vessel price with processors, which at times delayed fishing. The Arbitration System was developed to resolve failed price negotiations arising from the creation of QS/IFQ and PQS/IPQ. The complications include price negotiations that could continue indefinitely and result in costly delays and the “last person standing” problem where the last Class A IFQ holder deliveries will have a single IPQ holder to contract with, effectively limiting any ability to use other processor markets for negotiating leverage. To ensure fair price negotiations, the Arbitration System includes a provision for open negotiations among IPQ and IFQ holders and various negotiation approaches. This includes (a) a share-matching approach in which IPQ holders make known to unaffiliated IFQ holders the amount of uncommitted IPQ they have available so that IFQ holders can indicate an intent to deliver uncommitted IFQ catch to IPQ holders; (b) a lengthy season approach that allows parties to postpone binding arbitration until sometime during the season; and (c) a binding arbitration procedure to resolve price disputes between an IPQ holder and eligible IFQ holders.

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 the establishment of a nonbinding fleetwide benchmark price formula by an arbitrator who has consulted with fleet representatives and processors. Information provided by the sectors for these reports is historical in nature and at least 3 months old. This nonbinding price guides the above-described negotiations. Information sharing among IPQ and IFQ holders, collective negotiations, and release of arbitration results is limited to minimize the antitrust risks

of participants in the Program. The participants in the Arbitration System also select Contract Arbitrators who assist in binding arbitration.

Mandatory Participation

All CVO QS/IFQ and PQS/IPQ holders must participate by joining an Arbitration Organization by May 1 of each year. This organization establishes contracts with the three groups of experts, gives copies of the reports to its members, and collects fees for the Arbitration System. CVC IFQ holders are not required to join an arbitration organization until the 2008/09 fishing year.

The binding arbitration procedure is a last best (or final) offer format. The IPQ holder, each IFQ holder, and each crab harvesting cooperative can submit an offer. For each IFQ holder or cooperative, the arbitrator selects between the IFQ holder's offer and the IPQ holder's offer. After an arbitration decision is provided, 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.

PROGRAM REVIEW

In April 2007 the Council will review the PQS, binding arbitration, and crew share components of the Program. After July 1, 2008, the Council will conduct a preliminary 3-year review of the Program. A full 5-year review of the Program will be undertaken in 2010. Additional reviews will be conducted 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.

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.

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 Crab Rationalization Program (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 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;
- ✓ 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.

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^a and harvests^a, 2003–2005 and for 2005/06

| Years ^b | | BBR | | PIK (Red) | | SMB | | EAG | |
|--------------------|--|------------|--|----------------|------------|----------------|------------|--------------|--|
| 2003 | | 1,167,040 | | Fishery Closed | | Fishery Closed | | No Fishery | |
| | | 1,166,662 | | | | | | | |
| 2004 | | 1,135,326 | | Fishery Closed | | Fishery Closed | | No Fishery | |
| | | 1,133,013 | | | | | | | |
| 2005 ^c | | No Fishery | | No Fishery | No Fishery | No Fishery | No Fishery | No Fishery | |
| | | | | | | | | | |
| 2005/06 | | 1,832,900 | | Fishery Closed | | Fishery Closed | | 300,000 | |
| | | 1,830,877 | | | | | | Confidential | |

^a All weights are in raw (unprocessed) crab pounds. Harvests reflect landed weights, including sold, personal use, and deadloss.

^b A crab-fishing year is from July 1 to June 30. Before the 2005/06 season, fisheries occurred within a single calendar year and are listed as such. Starting with the 2005/06 season, the fisheries occur over the change of the calendar year.

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

Table 2.2 Number of vessels participating in CDQ crab fisheries, 2003–2005 and for 2005/06

| Number of Vessels Fishing CDQ | | | | |
|-------------------------------|-----------------|------------------|-----------------|-----------------|
| Years | BBR | BSS ^b | BST | EAG |
| 2003 | 13 | 10 | Closed | 0 |
| 2004 | 12 | 10 | Closed | 0 |
| 2005 | NA ^c | 9 | NA ^c | NA ^c |
| 2005/06 | 13 | 15 | 6 | 3 |

^a Adak fishery is confidential and is not included in this table because fewer than four vessels participated in the fishery.

^b The 2005 BSS fishery began before the program took effect, so there are separate harvest and allocation data for BSS calendar year 2005 and BSS 2005/06 fisheries (first 2005 BSS fishery = Jan 15, 2005–March 23, 2005; second 2005/06 BSS fishery = Oct 15, 2005–May 31, 2006).

^c NA = not applicable.

ADAK COMMUNITY ALLOCATION

Fishery Facts

Oversight: State managed commercial fishery (under the FMP)

Allocation: 10% of WAG golden king crab

Allocation in pounds: 270,000

Harvest: Confidential

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). As the nonprofit entity representing the community, the Adak Community Development Corporation (ACDC) receives the allocation. 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.

Like the CDQ allocations, crab harvested under the Adak allocation is subject to some requirements that apply to all crab fisheries under the Program, including: permitting, recordkeeping and reporting, a 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 crab harvested under this allocation was processed in both Adak and Dutch Harbor. ACDC expects to use proceeds from the Adak crab allocation to contribute to the community boat harbor and related facilities.

► Adak Island sits centrally amid the Andreanof Islands of Southwest Alaska along the partially submerged volcanic Aleutian chain. Photograph is courtesy of NOAA Fisheries.



Quota Share and Processor Quota Share

THE INITIAL QS/PQS APPLICATION PROCESS

QS/PQS Facts

60-day closed Application Period

543 Distinct Applicants
(including nonindividuals)

509 Distinct Persons Initially Issued Quota

91 Distinct Persons denied eligibility claims by
RAM
(as of 6/30/06)

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 facilitate the process, NOAA Fisheries distributed information and application materials by mail, online (www.fakr.noaa.gov), by facsimile (FAX), and in person on request.

Along with written information, a number of public workshops were held in Alaska, Washington, and Oregon to ensure that applicants gained a thorough understanding of the Program and application process.

Official Record

To support QS and PQS eligibility determinations, RAM assembled the Official Record (OR). To prepare the OR, RAM used the best available State and Federal licensing, landing, processing, vessel ownership and LLP permit information. Then RAM mailed applications to persons the OR indicated were eligible. Each such person received a personalized, nonconfidential summary based on eligibility criteria and was invited to apply for QS and/or PQS.

Application Processing

In the 2005/06 crab-fishing year, RAM received and processed applications from 543 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. If claims on an application differed from the OR and were not sufficiently supported by attached documentation, RAM provided applicants written notice of the issues and a single 30-day period in which to submit supporting evidence. At the end of the evidentiary period, applications were again reviewed; substantiated claims were approved and the OR amended accordingly. Claims that remained unsubstantiated or were contested by other applicants were denied in an Initial Administrative Determination (IAD). In the IAD RAM reviewed the applicant's participation, provided a copy of regulations, and a 60-day opportunity to appeal disapproved claims to the Office of Administrative Appeals (OAA). The IAD set out the nature of the dispute, discussed the relevant evidence and regulatory requirements, made a formal determination on the applicant's claims, and explained the appeal process. By the end of the 2005/06 crab fishing year, NOAA Fisheries had issued 91 IADs, some of which were appealed.

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.

Eligibility

“Potential eligibility” reflects RAM’s eligibility expectations from the OR before start of the application period. As claims were reviewed, some persons’ eligibility status changed. Table 3.1 shows how initial eligibility estimates and numbers of applicants varied from the actual numbers of QS/PQS initial recipients.

Table 3.1 Comparison of OR eligibility expectations to numbers of applicants and initial QS/PQS recipients

| Quota type | Nr potentially eligible ^b | Nr potentially eligible who applied ^{b,c} | Nr potentially eligible who did not apply ^b | Nr applicants (eligible or not) ^b | Nr initial issuees ^{b,c,d,e} |
|--|--------------------------------------|--|--|--|---------------------------------------|
| Crew ^a | 250 | 233 | 17 | 272 | 231 |
| Owner ^e | 238 | 238 | 0 | 252 | 270 |
| Processor | 26 | 25 | 1 | 35 | 26 |
| Number of distinct applicants ^f | 499 | 478 | 21 | 543 | 509 |

^a Throughout this document, QS issued to individuals based on State permits held and fish tickets signed is referred to as “crew quota.”

^b Numbers of persons by Quota type are not additive because some applied for or were issued quota in more than one type of quota.

^c Joint holders of LLP licenses were counted once as a potentially eligible person (column 2), but if the quota award was split, each joint LLP holder receiving quota is counted as an initial issuee in column 5.

^d Number of persons initially issued QS and/or PQS.

^e QS issued to persons based on LLP licenses held is referred to as “owner quota.”

^f Actual number of distinct (individual and nonindividual) persons.

Results of the Application Process

Appeals are ongoing as of the date of this report; however, 509 persons have been initially issued some type of QS or PQS. Table 3.2 summarizes these data.

Table 3.2 Number of persons initially issued QS/PQS by fishery and quota type

| Fishery | Quota type | Nr persons ^a |
|---------|--|-------------------------|
| BBR | Crew ^b | 181 |
| | Owner ^c | 251 |
| | Processor | 17 |
| | <i>Number unique persons all quota types</i> | <i>437</i> |
| BSS | Crew ^b | 155 |
| | Owner ^c | 241 |
| | Processor | 20 |
| | <i>Number unique persons all quota types</i> | <i>403</i> |
| BST | Crew ^b | 176 |
| | Owner ^c | 258 |
| | Processor | 23 |
| | <i>Number unique persons all quota types</i> | <i>443</i> |
| EAG | Crew ^b | 13 |
| | Owner ^c | 15 |
| | Processor | 8 |
| | <i>Number unique persons all quota types</i> | <i>35</i> |
| PIK | Crew ^b | 40 |
| | Owner ^c | 112 |
| | Processor | 14 |
| | <i>Number unique persons all quota types</i> | <i>159</i> |
| SMB | Crew ^b | 72 |
| | Owner ^c | 135 |
| | Processor | 12 |
| | <i>Number unique persons all quota types</i> | <i>216</i> |
| WAG | Crew ^b | 12 |
| | Owner ^c | 9 |
| | Processor | 15 |
| | <i>Number unique persons all quota types</i> | <i>33</i> |
| WAI | Crew ^b | 4 |
| | Owner ^c | 30 |
| | Processor | 9 |
| | <i>Number unique persons all quota types</i> | <i>43</i> |

^a Within fisheries, numbers of persons are not additive because some persons were issued more than one type of quota.

^b “Crew” quota type includes catcher vessel (CVC) and catcher processor crew (CPC) sectors.

^c “Owner” quota type includes catcher vessel (CVO) and catcher processor owner (CPO) sectors.

Appeals

The OAA adjudicates appeals of IADs. Once an appeal Decision is issued, an appellant has a limited time in which to request reconsideration. A final Decision, unless stayed, takes effect 30 days after the date the Decision is issued. As of November 2006, 14 crab eligibility-related appeals were filed with OAA, as summarized in Table 3.3. As of this date, no decisions have been finalized.

Additional IADs issued, appeals filed, and Final Agency Actions taken on appeals effective in succeeding crab-fishing years will be reflected in future reports.

Table 3.3 RAM determinations issued through June 30, 2006 for QS/PQS eligibility and appeals filed

| Determination/appeal reason | Nr IADs issued (by 6/30/06) ^a | Nr appeals filed (through November 2006) ^b |
|--|--|---|
| Program eligibility | 42 | 6 |
| Application untimely | 1 | 1 |
| Claim for additional fishery | 23 | 3 |
| Claim for additional pounds for existing fishery or another sector for a fishery | 20 | 2 |
| IAD issued due to conflicting claims | 0 | 0 |
| Claim for different regional percentages of quota | 0 | 0 |
| Multiple claims | 5 | 2 |
| <i>Total IADs issued by 6/30/06 and appeals on those determinations</i> | 91 | 14 |

^a IADs issued after June 30, 2006 will be reported in future reports.

^b Appeals filed after November 2006 will be reported in future reports.

Annual Seasons, Caps, Permits, and Arbitration

CRAB SEASONS

The crab-fishing year began July 1, 2005 and ended on June 30, 2006. The State of Alaska sets specific crab-fishing seasons for each crab fishery. Table 3.4 displays opening and closing dates for Program fisheries.

Table 3.4 2005/06 Crab fishing seasons

| BSAI crab fishery | Opening | Closing | IFQ type and allocation |
|-------------------|------------------|--|-------------------------|
| BBR | October 15, 2005 | January 15, 2006 | IFQ/CDQ |
| BSS | October 15, 2005 | May 15, 2006 East Sub District May 31, 2006 West Sub District | IFQ/CDQ |
| BST | October 15, 2005 | March 31, 2006 | IFQ/CDQ |
| EAG | August 15, 2005 | May 15, 2006 | IFQ/CDQ |
| PIK | Closed | | |
| SMB | Closed | | |
| WAG | August 15, 2005 | May 15, 2006 | IFQ /Adak |
| WAI | Closed | | |

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. The type of use cap that applies depends on the type of person that holds the quota. Most use caps are typically 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 some cases, “affiliation” with other quotaholders is considered.

Vessel use caps limit the amount of IFQ that can be fished on a vessel in any crab-fishing year. Vessels used solely to harvest IFQ held by crab cooperatives, or to harvest Crew IFQ, are exempt from these caps.

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

<http://www.alaskafisheries.noaa.gov/sustainablefisheries/crab/rat/ram/0506quotacaps.pdf>

QS/PQS POOLS AND TACs

The QS and PQS pools are the sum 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 pool 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/IPQ computation formula for a fishery and IFQ type, unadjusted for affiliation or other limitations is:

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

Once it is used in IFQ/IPQ computations, a 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 entirely 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. Additional information on quota share pools is available at the following NMFS web address:

<http://www.alaskafisheries.noaa.gov/sustainablefisheries/crab/rat/ram/0506crabpools.pdf>

Tables 3.5 and 3.6 display QS and PQS pools and ratios for the first rationalized crab season.

Table 3.5 QS pools and ratios, 2005/06

| Fishery | Owners (QS units) | Crew (QS units) | Ratios (QS units:IFQ pounds) |
|---------|----------------------|--------------------|---------------------------------|
| BBR | 390,215,245 | 12,000,335 | 24.27 |
| BSS | 976,437,427 | 30,249,267 | 29.89 |
| BST | 194,475,250 | 6,004,198 | 136.75 |
| EAG | 9,700,156 | 299,989 | 3.70 |
| PIK | 29,149,017 | 899,993 | Closed |
| SMB | 29,384,190 | 900,007 | Closed |
| WAG | 38,800,000 | 1,200,058 | 16.46 |
| WAI | 58,201,414 | 1,800,045 | Closed |

Table 3.6 PQS pools and ratios, 2005/06

| Fishery | PQS units | Ratios (QS units:IPQ pounds) |
|---------|-------------|---------------------------------|
| BBR | 399,015,296 | 29.03 |
| BSS | 994,650,758 | 37.48 |
| BST | 199,218,901 | 167.84 |
| EAG | 9,999,859 | 4.46 |
| PIK | 30,000,002 | Closed |
| SMB | 29,999,998 | Closed |
| WAG | 39,999,387 | 35.06 |
| WAI | 59,999,081 | Closed |

ANNUAL PERMITS

NOAA Fisheries may issue annual permits for the Program only if a person has 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.

Examples of restrictions include persons who may not fish under the Program and persons who, by operation of law, received more QS than a cap would allow and for whom the additional QS is restricted and will not yield annual IFQ.

A person who joins a crab-harvesting cooperative assigns his or her IFQ to the cooperative for the crab-fishing year and does not receive an annual IFQ permit. 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 numbered for combinations of region, right of first refusal community, and cooling-off boundary area. Therefore, the number of permits issued is not indicative of potential participation in a fishery.

Table 3.7 displays the number of persons who were issued and those who used IFQ/IPQ permits in 2005/06.

Table 3.7 Annual IFQ and IPQ permits issued and used in 2005/06

| Type Annual Permit | Nr persons issued one or more IFQ/IPQ permits ^a | Percent of permit holders who used their permits |
|--------------------|--|--|
| IFQ Crew | 101 | 66.3 |
| IFQ Owner | 64 | 79.7 |
| IPQ Processor | 19 | 63.2 |

^a 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 all 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. Hiring a master requires that the IFQ permit holder maintains at least a 10% interest in the vessel to be fished; 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 2005/06, 176 Hired Masters were authorized to fish. Only Hired Masters reported 617 (95.6%) of 645 total IFQ landings. Only IFQ permit holders reported 12 (1.9%) of the 645 landings, and both IFQ permit holders and Hired Masters reported 16 (2.5%) of the total landings.

Registered Crab Receiver Permits

NOAA Fisheries requires an annual RCR permit for the rationalized crab fisheries. The RCR permit is required 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 with their report.

RCR Fishery Facts

55 RCR Permits issued to 22 persons

29 (53%) RCR permits were used by 17 persons

RCRs must report crab landings electronically under the

Program using the eLandings system. (Please find a detailed description of eLandings in the Reporting Section on page 60.) 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.

RCRs also are required to submit cost recovery fee payments to NOAA Fisheries and EDRs to the Pacific States Marine Fish Commission. By fishery, Table 3.8 displays RCRs with IFQ landings, the number of landings, and pounds landed.

Table 3.8 Participating Registered Crab Receivers

| Registered Crab Receivers | | | | |
|---------------------------|---|--|--------------------------|----------------------------|
| Fishery | Nr of RCR permitholders with IFQ landings | Nr of RCR permits used for IFQ landings ^a | Nr landings ^b | Pounds landed ^c |
| BBR | 13 | 16 | 259 | 16,472,400 |
| BSS | 13 | 21 | 304 | 33,248,009 |
| BST | 9 | 14 | 74 | 791,025 |
| EAG | 5 | 5 | 33 | 2,569,209 |
| WAG | 5 | 8 | 42 | 2,382,468 |

^aA “landing” is a vessel offload.

^bRCR landings are not additive across fisheries.

^cPounds exclude overages.

Federal Crab Vessel Permit (FCVP)

NOAA Fisheries requires an annual FCVP for vessels used in the crab fisheries. This permit is required for owners of catcher vessels, vessels that harvest and process catch at sea (catcher processor vessel), and Stationary Floating Processor vessels.

Operation Type endorsements are SFP (Stationary Floating Processor), CPR (catcher processor), and CAT (catcher vessel). This permit has requirements for VMS and logbook reporting.

| FCVP Fishery Facts |
|-----------------------------------|
| 154 FCVP Permits issued |
| 101 (66%) Harvesting Vessels used |
| 22 SFP vessels permitted |
| 9 (41%) SFPs participated |

ARBITRATION SYSTEM

| Arbitration Facts |
|---|
| Participants: QS/PQS and IFQ/IPQ holders |
| 4 experts selected; 2 third-party data providers |
| 4 Arbitration Organizations formed: |
| 2 representing harvesters unaffiliated with processors; |
| 1 for harvesters affiliated with processors; and |
| 1 for processors |
| Reasons for Arbitration: Crab costs and delivery terms in snow and Tanner crab fisheries |
| Results: 2 arbitration proceedings; contract arbitrator selected harvesters’ offers |

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). During the 2005/06 season, in addition, two third-party data providers offered information on matching Class A IFQ and IPQ shares.

Once these experts are selected, some IFQ and IPQ holders can 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 are not 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.

2005/06 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 role was filled by the same person for the Bristol Bay red king crab and snow and Tanner crab fisheries. A different person served the role as the Market Analyst/Formula Arbitrator for the Eastern and Western Aleutian Islands golden king crab fisheries.

In addition, the AOs selected two third-party data providers to disseminate information between IFQ and IPQ holders, one for the golden king crab fisheries, and one for other crab fisheries.

Arbitration Approach and Outcomes

During the 2005/06 year, harvesters and processors agreed to use the lengthy season approach (*see* §680.20(h)) to initiate binding arbitration proceedings. Negotiations failed between harvesters and processors in two cases, and harvesters initiated binding arbitration proceedings against two processors to address price and other delivery terms in the snow crab fishery and the Tanner crab fishery. Although specific details concerning these proceedings are confidential, the harvesters in both arbitration proceedings negotiated as a single FCMA¹ cooperative comprising numerous crab harvesting cooperatives. In both arbitration proceedings, the contract arbitrator selected the harvesters' offer.

Issues and Concerns

As anticipated, harvesters and processors had numerous questions regarding the structure of the Arbitration 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 are likely to address during the Council's 18-month review of the Program, scheduled for April 2007.

¹The Fishermen's Collective Marketing Act of 1934 allows fishermen to jointly harvest, market, and price their product without being in violation of antitrust laws.

Key Comments

- Contract arbitrators should have the authority to issue orders on the limits of their jurisdiction.
- Contract arbitrators must issue reasoned opinions to accompany their choice of last best offer.
- Arbitrations, materials submitted in arbitrations, and arbitration decisions should be public, not confidential. If arbitration information remains confidential, then the regulations should be revised to indicate what if any information can become public due to the passage of time, and how much time has to pass before the information becomes public. In addition, regulations should be revised to allow arbitration decisions to be provided to the market analyst.
- The market analyst should be able to issue draft reports for comment, and supplemental reports.
- IFQ and IPQ holders should be able to communicate to the market analyst their market expectations.
- Over time, the contract arbitrators will issue numerous procedural orders and arbitration decisions. There is about considerable uncertainty regarding the precedential value, if any, of these orders between arbitrations.
- Whether the market analyst and formula arbitrator can testify during arbitration should be clarified.
- The contract arbitrator presiding over an arbitration proceeding should be chosen by the parties to the arbitration proceeding and not solely by the IFQ holder.
- A market report and nonbinding pricing formula should be required only for fisheries expected to occur.
- NOAA Fisheries should provide updated IFQ/IPQ information directly to the third-party data provider and identify changes.
- NOAA Fisheries should clarify procedures for adjusting share matches in the event of agency errors in issuing IFQ/IPQ.

OS and PQS Transfers

INITIAL ISSUANCE OF QUOTA SHARE

Quota share and processor quota shares were initially issued to qualifying U.S. individuals and companies or other nonindividual business entities. Over time, attrition of initial QS/PQS recipients is anticipated as quotaholders retire, rearrange business affairs for economic efficiency, move into other occupations, etc. New quotaholders can enter the Program if qualified to receive the quota by transfer. Tables 3.9 and 3.10 show the beginning of consolidation in the number of harvesting QS holders. First-year changes were small, in large part due to liberal IFQ/IPQ leasing privileges.

Table 3.9 Numbers of harvesting quotaholders at start and end of 2005/06 fishing year

| Fishery | Sector | Nr of Initial issueses | Nr of QS holders as of year-end 2005 |
|---------|--------|------------------------|--------------------------------------|
| BBR | CPC | 8 | 8 |
| | CVC | 178 | 165 |
| | CPO | 13 | 12 |
| | CVO | 242 | 243 |
| BSS | CPC | 8 | 8 |
| | CVC | 151 | 143 |
| | CPO | 14 | 13 |
| | CVO | 231 | 228 |
| BST | CPC | 15 | 15 |
| | CVC | 170 | 161 |
| | CPO | 14 | 13 |
| | CVO | 248 | 245 |
| EAG | CPO | 2 | 2 |
| | CVC | 13 | 11 |
| | CVO | 13 | 14 |
| PIK | CPO | 1 | 1 |
| | CVC | 40 | 40 |
| | CVO | 111 | 113 |

Continued

Table 3.9 Continued

| Fishery | Sector | Nr of Initial issues | Nr of QS holders as of year-end 2005 |
|--|--------|----------------------|--------------------------------------|
| SMB | CPO | 5 | 5 |
| | CVC | 72 | 70 |
| | CVO | 133 | 136 |
| WAG | CPC | 2 | 2 |
| | CVC | 8 | 8 |
| | CPO | 2 | 2 |
| | CVO | 13 | 13 |
| WAI | CPC | 1 | 1 |
| | CVC | 4 | 4 |
| | CPO | 2 | 2 |
| | CVO | 29 | 29 |
| <i>Total unique persons holding QS</i> | | 489 | 486 |

At the end of 2005/06, five new persons were holding QS/PQS and 25 initial issues were not holding any type of quota.

Table 3.10 Comparison of new QS issues entering and leaving the Program by end of 2005/06

| Fishery | Nr new persons not initial issues entering Program ^a | | Nr initial issues not holding quota at end of 2005/06 | |
|---------|---|---------------|---|---------------|
| | Harvester QS | Processor PQS | Harvester QS | Processor PQS |
| BBR | 17 | 1 | 29 | 1 |
| BSS | 15 | 1 | 27 | 1 |
| BST | 20 | 1 | 32 | 1 |
| EAG | 1 | 1 | 2 | 1 |
| PIK | 6 | 1 | 4 | 1 |
| SMB | 11 | 1 | 8 | 1 |
| WAG | 2 | 0 | 2 | 0 |
| WAI | 0 | 1 | 0 | 1 |

^a Persons who bought and sold in the same year are not included in this table.

SUMMARY OF TRANSFER ACTIVITIES

Transfers may take the form of either permanent quota transfers (with or without annual IFQ/IPQ) or annual IFQ/IPQ leases. Transfers can occur any time of the fishing year, except from August 1 until the IFQ is issued for a fishery. Eligibility to receive quota 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, a U.S. company, or other nonindividual business entity. For other than through intercooperative transfers, only individuals may receive crew QS/IFQ by transfer. 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. Owner QS may be received by initial QS recipients, by others who meet the sea time requirements, and by CDQ groups and eligible crab community entities. For PQS and IPQ, transfer recipients may be any person, whether or not a U.S. citizen.

NMFS 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 this 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.

The regulation provision does not allow use of IPQ outside the required cooling off boundaries. However, during the 2005/06 crab fishery, NOAA Fisheries approved two uses of IPQ outside the required cooling off boundaries, due to significant logistic and safety concerns caused by storm damage to the St. George harbor and to severe icing conditions at St. Paul.

Tables 3.11 and 3.12 summarize first-year transfer activity. Leases between cooperatives were the dominant transfer type due to QS holders joining one cooperative for all crab species, liberal leasing provisions for processors, and custom processing arrangements.

Table 3.11 Transfers of harvesting QS/IFQ by fishery in the 2005/06 fishing year

| Fishery | Sector ^a | Transfer type | Region | Nr transfers | Nr unique transferors ^b | Nr unique transferees ^b | QS units | IFQ pounds transferred |
|---------|---------------------|----------------------|--------|--------------|------------------------------------|------------------------------------|------------|------------------------|
| BBR | CVC | QS | N | 1 | 1 | 1 | 32,600 | 0 |
| | CVC | QS | S | 23 | 21 | 16 | 1,401,687 | 21,256 |
| | CPO | QS | U | 1 | 1 | 1 | 1,569,702 | 64,688 |
| | CVO | QS | N | 5 | 3 | 5 | 175,134 | 0 |
| | CVO | QS | S | 19 | 12 | 16 | 15,162,054 | 254,194 |
| | CVC | Noncooperative lease | N | 4 | 4 | 4 | 0 | 11,312 |
| | CVC | Noncooperative lease | S | 18 | 18 | 11 | 0 | 41,425 |
| | CVC | Noncooperative lease | U | 2 | 2 | 2 | 0 | 5,468 |
| | CVO | Noncooperative lease | S | 19 | 10 | 10 | 0 | 347,190 |
| | CVC | Cooperative lease | S | 4 | 3 | 2 | 0 | 23,054 |
| | CVO | Cooperative lease | N | 22 | 5 | 5 | 0 | 1,007,895 |
| | | Total | | | 118 | 80 | 67 | 18,341,177 |
| BSS | CVC | QS | N | 13 | 13 | 11 | 1,471,544 | 28,607 |
| | CVC | QS | S | 15 | 15 | 13 | 1,408,418 | 12,427 |
| | CVC | QS | U | 2 | 1 | 2 | 202,793 | 0 |
| | CPO | QS | U | 1 | 1 | 1 | 11,997,148 | 401,451 |
| | CVO | QS | N | 22 | 15 | 18 | 15,736,489 | 199,878 |
| | CVO | QS | S | 22 | 15 | 18 | 25,232,587 | 169,591 |
| | CVC | Noncooperative lease | N | 14 | 14 | 13 | 0 | 83,337 |
| | CVC | Noncooperative lease | S | 4 | 4 | 4 | 0 | 20,142 |
| | CVC | Noncooperative lease | U | 1 | 1 | 1 | 0 | 8,944 |
| | CVO | Noncooperative lease | N | 13 | 8 | 7 | 0 | 370,249 |
| | CVO | Noncooperative lease | S | 10 | 8 | 7 | 0 | 316,250 |
| | CVC | Cooperative lease | | 9 | 6 | 5 | 0 | 58,554 |
| | CVO | Cooperative lease | | 48 | 11 | 10 | 0 | 3,198,775 |
| | | Total | | | 174 | 76 | 71 | 56,048,979 |

Continued

Table 3.11 Continued

| Fishery | Sector ^a | Transfer type | Region | Nr transfers | Nr unique transferors ^b | Nr unique transferees ^b | QS units | IFQ pounds transferred |
|---------|---------------------|----------------------|--------|--------------|------------------------------------|------------------------------------|------------|------------------------|
| BST | CVC | QS | U | 18 | 17 | 12 | 563,706 | 1,784 |
| | CVO | QS | U | 20 | 16 | 17 | 11,870,491 | 38,451 |
| | CPC | QS | U | 2 | 2 | 2 | 19,854 | 0 |
| | CPO | QS | U | 1 | 1 | 1 | 1,570,469 | 11,484 |
| | CVC | Noncooperative lease | U | 10 | 6 | 6 | 0 | 24,685 |
| | CVO | Noncooperative lease | U | 16 | 15 | 14 | 0 | 4,108 |
| | CVC | Cooperative lease | U | 34 | 8 | 7 | 0 | 255,238 |
| | CVO | Cooperative lease | U | 10 | 7 | 5 | 0 | 5,522 |
| | | Total | | | 111 | 63 | 72 | 14,024,520 |
| EAG | CVC | QS | S | 2 | 1 | 1 | 43,372 | 0 |
| | CVO | QS | S | 2 | 2 | 1 | 1,021,237 | 0 |
| | CVC | Noncooperative lease | S | 2 | 2 | 2 | 0 | 6,953 |
| | CVO | Cooperative lease | | 5 | 3 | 2 | 0 | 125,605 |
| | | Total | | | 11 | 13 | 7 | 1,064,609 |
| PIK | CVC | QS | N | 5 | 3 | 5 | 284,024 | 0 |
| | CVO | QS | S | 3 | 2 | 3 | 103,912 | 0 |
| | | Total | | | 8 | 5 | 8 | 387,936 |
| SMB | CVC | QS | N | 4 | 4 | 4 | 42,342 | 0 |
| | CVC | QS | S | 4 | 4 | 4 | 15,101 | 0 |
| | CVO | QS | N | 7 | 4 | 5 | 758,981 | 0 |
| | CVO | QS | S | 4 | 2 | 4 | 7,663 | 0 |
| | | Total | | | 19 | 10 | 11 | 824,087 |
| WAG | CVC | QS | U | 1 | 1 | 1 | 41,922 | 0 |
| | CVC | QS | W | 1 | 1 | 1 | 33,721 | 0 |
| | CVO | QS | U | 1 | 1 | 1 | 878,114 | 0 |
| | CVC | Cooperative lease | | 2 | 1 | 1 | 0 | 9,156 |
| | CVO | Cooperative lease | | 10 | 3 | 2 | 0 | 183,051 |
| | | Total | | | 15 | 10 | 6 | 953,757 |

Continued

Table 3.11 Continued

| Fishery | Sector ^a | Transfer type | Region | Nr transfers | Nr unique transferors ^b | Nr unique transferees ^b | QS units | IFQ pounds transferred |
|---------|---------------------|---|--------|--------------|------------------------------------|------------------------------------|-------------------|------------------------|
| Total | | <i>Total QS transfer and unique person QS transfer count</i> | | 199 | 52 | 42 | 91,645,065 | 1,204,242 |
| | | <i>Total noncooperative leases and unique person QS non co-op lease count</i> | | 113 | 45 | 41 | 0 | 1,240,063 |
| | | <i>Total cooperative lease and unique person QS cooperative lease count</i> | | 144 | 14 | 13 | 0 | 4,866,850 |
| | | <i>All transfers and unique persons</i> | | 456 | 107 | 92 | 91,645,065 | 7,311,155 |

^a Crew QS was issued with a regional designation; however, regionalization will not be implemented for this sector until 2008.

^b These numbers are not additive because a unique person may conduct multiple quota transfers.

Table 3.12 Transfers of processing PQS and IPQ by fishery in the 2005/06 fishing year

| Fishery | PQS/IPQ transfer type | Region | Nr Transfers | Nr unique transferors ^a | Nr unique transferees ^a | PQS units | IPQ pounds ^b |
|---------|--------------------------------|--------|--------------|------------------------------------|------------------------------------|--------------------|-------------------------|
| BBR | PQS transfers | S | 1 | 1 | 1 | 37,557,492 | 0 |
| | Lease | N | 1 | 1 | 1 | 0 | 31,754 |
| | Lease | S | 9 | 7 | 5 | 0 | 2,607,103 |
| | Total nr transfers | | 11 | 8 | 7 | 37,557,492 | 2,638,857 |
| BSS | PQS transfers | S | 1 | 1 | 1 | 83,536,499 | 0 |
| | Lease | N | 4 | 3 | 3 | 0 | 4,241,561 |
| | Lease | S | 5 | 5 | 2 | 0 | 1,629,175 |
| | Total nr transfers | | 10 | 7 | 4 | 83,536,499 | 5,870,736 |
| BST | PQS transfers | U | 1 | 1 | 1 | 17,743,023 | 0 |
| | Lease | U | 6 | 6 | 3 | 0 | 230,903 |
| | Total nr transfers | | 7 | 7 | 4 | 17,743,023 | 230,903 |
| EAG | PQS transfers | S | 1 | 1 | 1 | 1,149,483 | 257,847 |
| | Lease | S | 5 | 4 | 1 | 0 | 152,718 |
| | Total nr transfers | | 6 | 5 | 1 | 1,149,483 | 410,565 |
| PIK | PQS transfers | S | 1 | 1 | 1 | 4,050,738 | 0 |
| | Total nr transfers | | 1 | 1 | 1 | 4,050,738 | 0 |
| SMB | PQS Transfers | S | 1 | 1 | 1 | 2,342,552 | 0 |
| | Total nr transfers | | 1 | 1 | 1 | 2,342,552 | 0 |
| WAG | Lease | U | 5 | 5 | 2 | 0 | 26,584 |
| | Lease | W | 5 | 5 | 2 | 0 | 23,706 |
| | Total nr transfers | | 10 | 5 | 2 | 0 | 50,290 |
| WAI | PQS transfers | S | 1 | 1 | 1 | 16,011,075 | 0 |
| | Total nr transfers | | 1 | 1 | 1 | 16,011,075 | 0 |
| Total | Total PQS transfers | | | 2 | 3 | 162,390,862 | 257,847 |
| | Total PQS leases | | | 11 | 7 | 0 | 8,943,504 |
| | Total all PQS transfers | | 47 | 12 | 9 | 162,390,862 | 9,201,351 |

^a Total number of transferors and transferees are not additive in columns as the same unique person could be involved in multiple transfers

^b Pounds are raw crab pounds, excluding overages.

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 all vessels used in the CDQ and Adak fisheries also participated in IFQ fisheries. Some fisheries remained closed, including the WAI, PIK, and SMB, which are not included in Tables 3.13 and 3.14, showing harvest effort over time and during the 2005/06 season. It is important to note, too, that the 2005 BSS fishery was open prior to implementation of the 2005/06 Program.

Figure 3.1 below shows vessel participation in the Program fisheries. The vertical line (**) denotes implementation of the Buyback program.

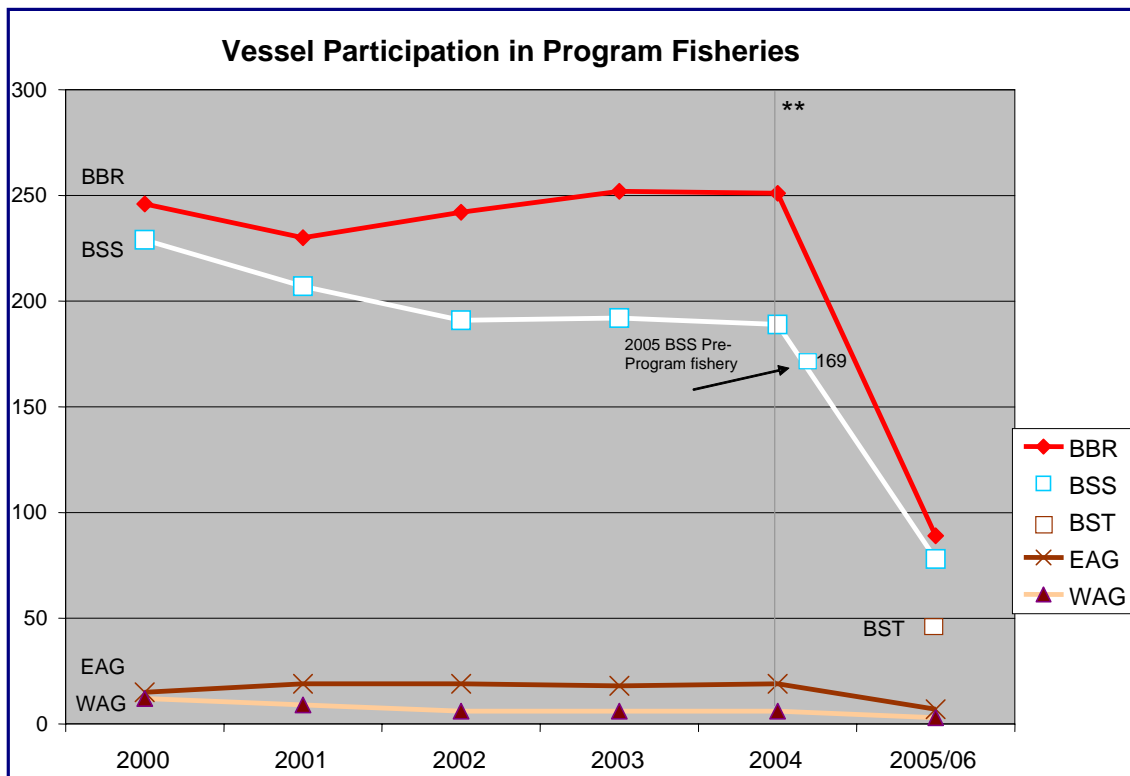


Figure 3.1 Vessel Participation in Program Fisheries

Table 3.13 Vessel Participation in the Program fisheries over time

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

^a WAI, PIK, SMB were closed all years. However, from 2001 through 2004, the Petrel Bank area was open for surveys only. Fish sold from surveys support ADF&G survey cost recovery.

^b The 2005 calendar year BSS fishery occurred before the 2005/06 Program began.

^c All Adak and CDQ vessels participated in IFQ fisheries in 2005/06.

Table 3.14 IFQ fishery effort by number of pots, vessels, days, and season length

| IFQ Fishery | Nr pots registered in fleet | Average nr pots registered per vessel | Total nr of pots pulled ^a per fleet | Average nr pots pulled per vessel | Average days fished per vessel | Season length (days) |
|------------------|-----------------------------|---------------------------------------|--|-----------------------------------|--------------------------------|----------------------|
| BBR | 15,713 | 177 | 99,573 | 1,119 | 26 | 93 |
| BSS | 13,734 | 176 | 108,397 | 1,389 | 42 | 229 |
| BST ^b | 545 | 136 | 29,693 | 691 | --- ^c | 168 |
| EAG | 8,833 | 1,262 | 21,898 | 3,128 | --- ^c | 213 |
| WAG | 4,900 | 1,633 | 27,503 | 9,168 | --- ^c | 213 |

(Source: ADF&G)

^aPot pull data are for both incidental and directed fisheries.

^bBering Sea Tanner crab pot registration data reflect directed fishery only.

^cData not currently available.

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 3.2, harvesters in all five open fisheries used this opportunity. In each fishery, landings occurred throughout the open season. In the BST fishery some landings occurred after the season closure in violation of landing requirements. In Figure 3.2, all numbers represent days (of season length or days between first and last landings).

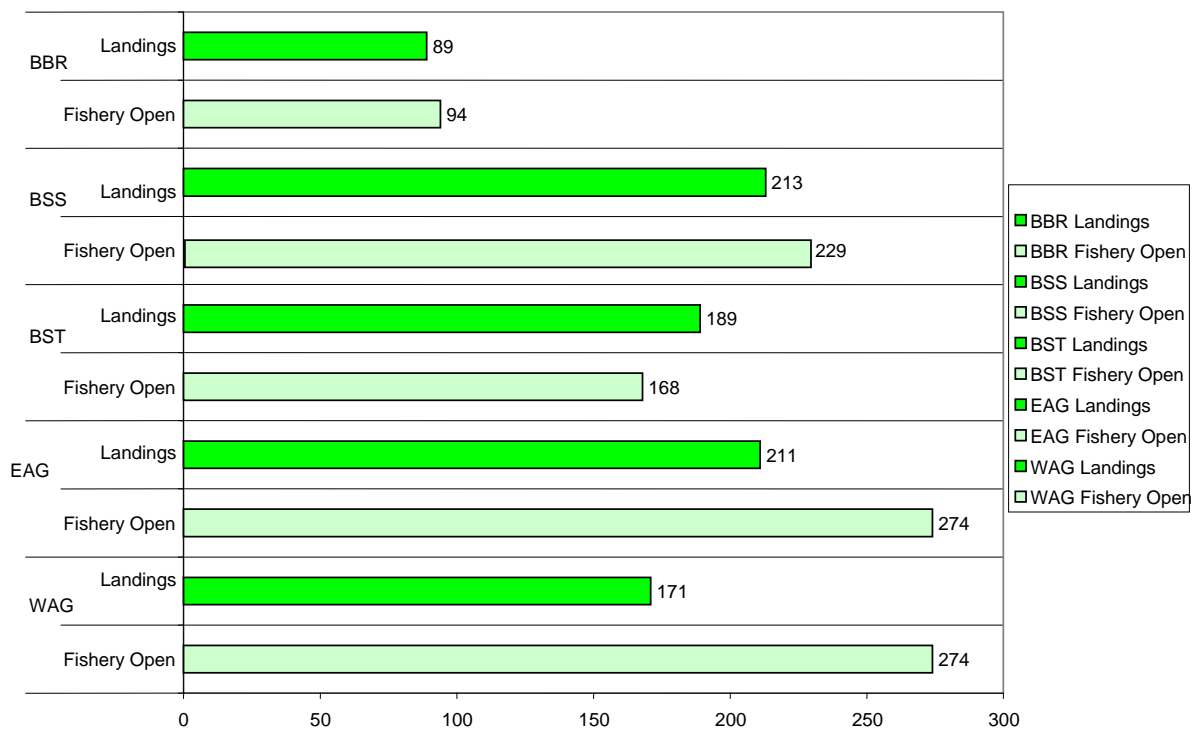


Figure 3.2 Comparison of season length with the number of days between first and last landing

ALLOCATIONS, HARVESTS, AND LANDINGS

When the last season ended on May 31, 2006, IFQ permit holders and their Hired Masters had used permits to report a total of 645 vessel landings (offloads) for the crab-fishing year. The 154 participating IFQ permit holders and their 176 Hired Masters landed in excess of 95% of the TAC for all but the Bering Sea Tanner crab fishery. The following tables show harvest by combinations of fishery, region, sector, and IFQ class.

Table 3.15 Landings by fishery^{a,b}

| Fishery | Nr IFQ Permit-holders ^c | Nr RCR Permit-holders ^c | Nr Landings | Landed pounds ^{a,b} | Sold pounds | Percent sold | Personal use pounds | Percent personal use | Deadloss pounds | Percent deadloss | IFQ TAC ^d | Percent TAC ^d landed | Overage pounds ^e | Percent overage of total landed pounds ^e |
|---------|------------------------------------|------------------------------------|-------------|------------------------------|-------------|--------------|---------------------|----------------------|-----------------|------------------|----------------------|---------------------------------|-----------------------------|---|
| BBR | 83 | 13 | 255 | 16,472,400 | 16,387,412 | 99.4 | 18,394 | 0.1 | 77,506 | 0.5 | 16,496,103 | 99.9 | 10,912 | 0.1 |
| BSS | 70 | 13 | 301 | 33,248,009 | 32,933,029 | 99.0 | 700 | 0.0 | 322,574 | 1.0 | 33,472,454 | 99.3 | 8,294 | 0.0 |
| BST | 34 | 9 | 73 | 791,025 | 773,881 | 97.8 | 2,871 | 0.4 | 14,563 | 1.8 | 1,457,986 | 54.3 | 290 | 0.0 |
| EAG | 6 | 5 | 32 | 2,569,209 | 2,545,348 | 99.1 | 80 | 0.0 | 23,781 | 0.9 | 2,699,970 | 95.2 | 0 | 0.0 |
| WAG | 3 | 5 | 42 | 2,382,468 | 2,353,155 | 98.8 | 3,502 | 0.2 | 26,306 | 1.1 | 2,430,006 | 98.0 | 495 | 0.1 |

^a Landed pounds are raw crab pounds, excluding overages.

^b Landing = vessel offloads

^c Number of permit-holders represents persons whose IFQ permits were fished.

^d IFQ TAC = TAC available; some pounds were not issuable, or amounts were rounded.

^e Overages are the amount landed in excess of amount authorized on IFQ permits.

Table 3.16 Landings by fishery and region^{a,b}

| Fishery | Region | Nr IFQ permit-holders ^c | Nr RCR permit-holders ^c | Nr Landings | Landed Pounds ^{a,b} | Sold pounds | Percent Sold | Personal use pounds | Percent personal use | Deadloss pounds | Percent deadloss | IFQ fishable pounds in region ^d | Percent IFQ TAC landed | Overage pounds ^e | Percent overage ^e |
|---------|----------------|------------------------------------|------------------------------------|-------------|------------------------------|-------------------|--------------|---------------------|----------------------|-----------------|------------------|--|------------------------|-----------------------------|------------------------------|
| BBR | N | 12 | 7 | 22 | 385,725 | 384,715 | 99.7 | 16 | 0.0 | 994 | 0.3 | 386,343 | 99.8 | 0 | 0.0 |
| | S | 44 | 10 | 224 | 14,880,820 | 14,800,968 | 99.5 | 8,211 | 0.1 | 73,018 | 0.5 | 14,885,849 | 100.0 | 1,377 | 0.0 |
| | U ^f | 56 | 13 | 99 | 1,205,855 | 1,201,729 | 98.9 | 10,167 | 0.8 | 3,494 | 0.3 | 1,223,911 | 98.5 | 9,535 | 0.8 |
| | TOTAL | 83 | 13 | 255 | 16,472,400 | 16,387,412 | 99.5 | 18,394 | 0.1 | 77,506 | 0.5 | 16,496,103 | 99.9 | 10,912 | 0.1 |
| BSS | N | 36 | 9 | 162 | 13,707,927 | 13,577,858 | 99.1 | 68 | 0.0 | 130,057 | 1.0 | 13,809,066 | 99.3 | 56 | 0.0 |
| | S | 36 | 9 | 159 | 15,619,741 | 15,448,915 | 98.9 | 270 | 0.0 | 178,794 | 1.1 | 15,685,132 | 99.6 | 8,238 | 0.1 |
| | U | 48 | 12 | 95 | 3,920,341 | 3,906,256 | 99.6 | 362 | 0.0 | 13,723 | 0.4 | 3,978,256 | 98.5 | 0 | 0.0 |
| | TOTAL | 70 | 13 | 301 | 33,248,009 | 32,933,029 | 99.1 | 700 | 0.0 | 322,574 | 1.0 | 33,472,454 | 99.3 | 8,294 | 0.0 |
| BST | U | 34 | 9 | 73 | 791,025 | 773,881 | 97.8 | 2,871 | 0.4 | 14,563 | 1.8 | 1,457,986 | 54.3 | 290 | 0.0 |
| EAG | All Regions | 6 | 5 | 32 | 2,569,209 | 2,545,348 | 99.1 | 80 | 0.0 | 23,781 | 0.9 | 2,699,970 | 95.2 | 0 | 0.0 |
| WAG | All Regions | 3 | 5 | 42 | 2,382,468 | 2,353,155 | 98.8 | 3,502 | 0.2 | 26,306 | 1.1 | 2,430,006 | 98.0 | 495 | 0.1 |

* EAG and WAG regional data are confidential; therefore, data from each fishery are combined as "All Regions."

^a Landed pounds are raw crab pounds, excluding overages.

^b Landing = vessel offloads

^c Number of permit-holders represents persons whose IFQ permits were fished.

^d "Fishable pounds available in region" is not the overall fishery TAC; it includes only the available TAC to each region.

^e Overages are the amount landed in excess of amount authorized on IFQ permits.

^f "U" = IFQ with no regional designation.

Table 3.17 IFQ landings^a by fishery and IFQ sector^{a,b}

| Fishery | Sector | Nr IFQ permit-holders ^c | Nr RCR permit-holders ^c | Nr Landings | Landed Pounds ^{a,b} | Sold pounds | Percent sold | Personal use pounds | Percent personal use | Deadloss pounds | Percent deadloss | Fishable pounds ^d | Percent IFQ TAC | Overage pounds ^e | Percent overage ^e |
|---------|--------------------|------------------------------------|------------------------------------|-------------|------------------------------|-------------------|--------------|---------------------|----------------------|-----------------|------------------|------------------------------|-----------------|-----------------------------|------------------------------|
| BBR | CVC | 51 | 10 | 79 | 459,178 | 454,266 | 98.9 | 5,239 | 1.1 | 872 | 0.2 | 477,165 | 96.2 | 1,199 | 0.3 |
| | CPC | 6 | 6 | 8 | 17,338 | 17,242 | 99.4 | 0 | 0.0 | 96 | 0.6 | 17,380 | 99.8 | 0 | 0.0 |
| | CVO | 44 | 10 | 231 | 15,266,545 | 15,185,683 | 99.5 | 8,227 | 0.0 | 74,012 | 0.5 | 15,272,192 | 100.0 | 1,377 | 0.0 |
| | CPO | 8 | 7 | 19 | 729,339 | 730,221 | 100.1 | 4,928 | 0.0 | 2,526 | 0.3 | 729,366 | 100.0 | 8,336 | 1.1 |
| | TOTAL | 83 | 13 | 255 | 16,472,400 | 16,387,412 | 99.5 | 18,394 | 0.0 | 77,506 | 0.5 | 16,496,103 | 99.9 | 10,912 | 0.1 |
| BSS | CVC | 42 | 9 | 61 | 905,388 | 896,434 | 99.0 | 12 | 0.0 | 8,942 | 1.0 | 951,449 | 95.2 | 0 | 0.0 |
| | CPC | 7 | 6 | 7 | 51,859 | 51,794 | 99.9 | 0 | 0.0 | 65 | 0.1 | 59,366 | 87.4 | 0 | 0.0 |
| | CVO | 38 | 10 | 267 | 29,327,668 | 29,026,773 | 99.0 | 338 | 0.0 | 308,851 | 1.1 | 29,494,198 | 99.4 | 8,294 | 0.0 |
| | CPO | 8 | 6 | 35 | 2,963,094 | 2,958,028 | 99.8 | 350 | 0.0 | 4,716 | 0.2 | 2,967,441 | 99.9 | 0 | 0.0 |
| | TOTAL | 70 | 13 | 301 | 33,248,009 | 32,933,029 | 99.1 | 700 | 0.0 | 322,574 | 1.0 | 33,472,454 | 99.3 | 8,294 | 0.0 |
| BST | <i>All Sectors</i> | 34 | 9 | 73 | 791,025 | 773,881 | 97.8 | 2,871 | 0.4 | 14,563 | 1.8 | 1,457,986 | 54.3 | 290 | 0.0 |
| EAG | <i>All Sectors</i> | 6 | 5 | 32 | 2,569,209 | 2,545,348 | 99.1 | 80 | 0.0 | 23,781 | 0.9 | 2,699,970 | 95.2 | 0 | 0.0 |

Continued

Table 3.17 Continued

| Fishery | Sector | Nr IFQ permit-holders ^c | Nr RCR permit-holders ^c | Nr Landings | Landed Pounds ^{a,b} | Sold pounds | Percent sold | Personal use pounds | Percent Personal use | Deadloss pounds | Percent deadloss | Fishable pounds ^d | Percent IFQ TAC | Overage pounds ^e | Percent overage ^e |
|---------|-------------|------------------------------------|------------------------------------|-------------|------------------------------|-------------|--------------|---------------------|----------------------|-----------------|------------------|------------------------------|-----------------|-----------------------------|------------------------------|
| WAG | All Sectors | 3 | 5 | 42 | 2,382,468 | 2,353,155 | 98.8 | 3,502 | 0.2 | 26,306 | 1.1 | 2,430,006 | 98.0 | 495 | 0.1 |

^a BST, EAG, and WAG sector data are confidential; therefore, data from each fishery are combined as "All Sectors."

^a Landing pounds are raw crab pounds, excluding overages.

^b Landing = vessel offloads

^c Number of permit-holders represents persons whose IFQ permits were fished.

^d "Fishable pounds available in sector" is not the overall fishery TAC; it includes only the TAC available to each sector.

^e Overages are the amount landed in excess of amount authorized on IFQ permits.

Table 3.18 Landings^{a,b} by Fishery and IFQ class

| Fishery | IFQ Class | Nr IFQ permit-holders ^b | Nr RCR permit-holders ^b | Nr landings | Landed Pounds ^{a,b} | Sold pounds | Percent sold | Personal use pounds | Percent personal use | Deadloss pounds | Percent deadloss | Fishable pounds ^d | Percent IFQ TAC | Overage pounds ^e | Percent overage ^e |
|---------|----------------|------------------------------------|------------------------------------|-------------|------------------------------|-------------------|--------------|---------------------|----------------------|-----------------|------------------|------------------------------|-----------------|-----------------------------|------------------------------|
| BBR | A | 44 | 9 | 206 | 13,757,569 | 13,689,235 | 99.5 | 3,347 | 0.0 | 65,944 | 0.5 | 13,760,740 | 100.0 | 957 | 0.0 |
| | B | 29 | 10 | 96 | 1,508,976 | 1,496,448 | 99.2 | 4,880 | 0.3 | 8,068 | 0.5 | 1,511,452 | 99.8 | 420 | 0.0 |
| | U ^f | 65 | 13 | 99 | 1,205,855 | 1,201,729 | 99.7 | 10,167 | 0.8 | 3,494 | 0.3 | 1,223,911 | 98.5 | 9,535 | 0.8 |
| | TOTAL | 83 | 13 | 255 | 16,472,400 | 16,387,412 | 99.5 | 18,394 | 0.1 | 77,506 | 0.5 | 16,496,103 | 99.9 | 10,912 | 0.1 |
| BSS | A | 38 | 9 | 249 | 26,402,706 | 26,131,999 | 99.0 | 199 | 0.0 | 278,746 | 1.1 | 26,545,558 | 99.5 | 8,238 | 0.0 |
| | B | 29 | 10 | 94 | 2,924,962 | 2,894,774 | 99.0 | 139 | 0.0 | 30,105 | 1.0 | 2,948,640 | 99.2 | 56 | 0.0 |
| | U ^f | 48 | 12 | 95 | 3,920,341 | 3,906,256 | 99.6 | 362 | 0.0 | 13,723 | 0.4 | 3,978,256 | 98.5 | 0 | 0.0 |
| | TOTAL | 70 | 13 | 301 | 33,248,009 | 32,933,029 | 99.1 | 700 | 0.0 | 322,574 | 1.0 | 33,472,454 | 99.3 | 8,294 | 0.0 |
| BST | A | 22 | 7 | 51 | 693,212 | 689,390 | 99.4 | 35 | 0.0 | 3,887 | 0.6 | 1,186,924 | 58.4 | 100 | 0.0 |
| | B | 14 | 6 | 23 | 54,705 | 43,870 | 80.2 | 445 | 0.8 | 10,580 | 19.3 | 131,879 | 41.5 | 190 | 0.4 |
| | U ^f | 16 | 7 | 15 | 43,108 | 40,621 | 94.2 | 2,391 | 5.5 | 96 | 0.2 | 139,192 | 31.0 | 0 | 0.0 |
| | TOTAL | 34 | 9 | 73 | 791,025 | 773,881 | 97.8 | 2,871 | 0.4 | 14,563 | 1.8 | 1,457,995 | 54.3 | 290 | 0.0 |

Table 3.18 Continued

| Fishery | IFQ Class | Nr IFQ permit holders ^c | Nr RCR permit holders ^c | Nr Landings | Landed pounds ^{a,b} | Sold pounds | Percent sold | Personal use pounds | Percent personal use | Deadloss pounds | Percent deadloss | Fishable pounds ^d | Percent IFQ TAC | Overage pounds ^e | Percent overage ^e |
|---------|-----------|------------------------------------|------------------------------------|-------------|------------------------------|-------------|--------------|---------------------|----------------------|-----------------|------------------|------------------------------|-----------------|-----------------------------|------------------------------|
| EAG* | TOTAL | 6 | 5 | 32 | 2,569,209 | 2,545,348 | 99.1 | 80 | 0.0 | 23,781 | 0.9 | 2,699,970 | 95.2 | 0 | 0.0 |
| WAG* | TOTAL | 3 | 5 | 42 | 2,382,468 | 2,353,155 | 98.8 | 3,502 | 0.2 | 26,306 | 1.1 | 2,430,006 | 98.0 | 495 | 0.1 |

* EAG and WAG data are confidential by class; therefore, fishery data are combined as "Total."

^a Landed pounds are raw crab pounds, excluding overages.

^b Landing = vessel offloads

^c Number of permit holders represents persons whose IFQ permits were fished.

^d "Fishable pounds" is not the overall fishery TAC; it includes only the TAC available by IFQ class.

^e Overages are the amount landed in excess of amount authorized on IFQ permits.

^f IFQ class "U" = CVC, CPC, and CPO sectors.

DEADLOSS

Deadloss is crab that was delivered dead or in otherwise unprocessable condition, other than personal use crab. Most deadloss (>80%) was reported on Class A IFQ permits. Table 3.19 summarizes deadloss landings by pounds and percent.

Table 3.19 Deadloss reported for all fisheries by IFQ permit class

| IFQ Class | Landing Count | Total Landed ^a | Deadloss pounds | Total landed pounds (excluding overages) as deadloss | Percent of total deadloss as reported on Class A, B, U IFQ permits |
|----------------|---------------|---------------------------|-----------------|--|--|
| A ^b | 512 | 43,699,486 | 387,429 | 0.9 | 83.4 |
| B ^b | 221 | 4,779,052 | 57,416 | 1.2 | 12.4 |
| U ^b | 246 | 6,494,296 | 19,885 | 0.3 | 4.3 |

^a Landed pounds are in raw crab pounds, excluding overages.

^b Only CVO sector IFQ is divided into Class A and B IFQ. IFQ class “U” = CVC, CPC, and CPO sectors. Class A IFQ must be delivered to an RCR with available IPQ.

PORTS

From the landings reports submitted by RCRs, RAM receives data by port when a port is reported or “At Sea” for catcher processors and stationary floating processors that receive landings outside of community boundaries. Table 3.20 shows ports ranked by landings and pounds delivered in 2005/06 for all crab IFQ fisheries. Due to confidentiality, some data cannot be published.

Table 3.20 Port rank by numbers of landings and pounds landed

| Rank | Port | Nr landings | Pounds landed ^a |
|-----------------------|---------------------|-------------|----------------------------|
| 1 | DUTCH HARBOR | 255 | 24,226,871 |
| 2 | AT SEA ^b | 132 | 10,531,484 |
| 3 | ST PAUL | 89 | 8,279,913 |
| 4 | AKUTAN | 72 | * |
| 5 | KING COVE | 67 | * |
| 6 | KODIAK | 15 | 916,474 |
| 7 | ADAK | 6 | ** |
| 8 | SITKA | 1 | * |
| <i>Total landings</i> | | 637 | 55,463,111 |

* Data are confidential

** Data cannot be displayed because simple subtraction would allow confidential data to be computed.

^a Landed pounds are in raw crab pounds, excluding overages.

^b “At Sea” means landings by catcher processors and stationary floating processors.

Table 3.21 shows the number of IFQ landings in pounds and percent by port and IFQ class.

Table 3.21 Number of IFQ landings in pounds^a and percent by port and IFQ class

| Port ^b | Class A | Percent total port IFQ landings as Class A | Class B | Percent total port IFQ landings as Class B | Class U ^c | Percent total port IFQ landings as Class U |
|---------------------|--------------|--|-----------|--|----------------------|--|
| ADAK | Confidential | | | | | |
| AKUTAN | Confidential | | | | | |
| KODIAK | 621,056 | 68 | 220,559 | 24 | 74,859 | 8 |
| ST PAUL | 7,712,323 | 93 | 376,461 | 5 | 191,129 | 2 |
| AT SEA ^d | 5,921,879 | 56 | 258,437 | 2 | 4,351,168 | 41 |
| KING COVE | Confidential | | | | | |
| DUTCH HARBOR | 19,458,233 | 80 | 3,182,196 | 13 | 1,586,442 | 7 |
| SITKA | Confidential | | | | | |

^a Pounds are in raw crab pounds, excluding overages.

^b Adak, Akutan, King Cove and Sitka data are confidential and cannot be displayed.

^c Only CVO sector IFQ is divided into Class A and B IFQ. IFQ class "U" = CVC, CPC, and CPO sectors. Class A IFQ must be delivered to an RCR with available IPQ.

^d "At sea" means landings by catcher processors and stationary floating processors.

COOPERATIVES

The Fishermen's Collective Marketing Act of 1934 (FCMA) allows fishermen to jointly harvest, market, and price their product without being in violation of antitrust laws. Under this Act, a cooperative is limited to harvesters, not processors, but processing may occur once entities form a cooperative. 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 for the purpose of applying for and fishing under a crab harvesting cooperative IFQ permit. To receive a permit, crab harvest cooperatives must annually apply by August 1. to NOAA Fisheries. Crab harvesting cooperatives do not hold QS; they hold and use only the IFQ assigned to the cooperative by members.

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 not subject to use caps. Crab harvesting cooperatives are free to associate with one or more processors to the extent allowed by antitrust law.

Distributed Effort

The 15 cooperatives that formed for the 2005/06 crab-fishing year accounted for more than 80% of the harvest in every fishery. The following tables display the percent IFQ assigned to cooperatives compared with that held outside cooperatives. Tables 3.22 and 3.23 contrast cooperative and noncooperative IFQ allocations and landing performance.

Table 3.22 IFQ pounds assigned to cooperatives and landing performance

| Fishery | IFQ type | Cooperative members | Nr cooperatives | Available IFQ pounds | IFQ pounds assigned to cooperatives | Percent of IFQ pounds assigned to cooperatives | Pounds landed by cooperatives (excluding overages) | Percent cooperative pounds landed |
|---------|----------|---------------------|-----------------|----------------------|-------------------------------------|--|--|-----------------------------------|
| BBR | crew | 123 | 15 | 494,545 | 350,682 | 70.9 | 347,874 | 99.2 |
| | owner | 215 | 15 | 16,001,558 | 13,406,870 | 83.8 | 13,402,739 | 100 |
| BSS | crew | 206 | 15 | 1,010,815 | 706,557 | 69.9 | 700,811 | 99.2 |
| | owner | 207 | 15 | 32,461,639 | 27,272,857 | 84.0 | 27,238,064 | 99.9 |
| BST | crew | 105 | 15 | 43,564 | 27,236 | 62.5 | 9,658 | 35.5 |
| | owner | 214 | 15 | 1,414,431 | 1,175,737 | 83.1 | 656,340 | 55.8 |
| EAG | crew | 10 | 2 | 80,996 | 70,786 | 87.4 | 70,756 | 100 |
| | owner | 14 | 5 | 2,618,974 | 2,391,849 | 91.3 | 2,265,692 | 94.7 |
| WAG | crew | 9 | 4 | 72,904 | 72,904 | 100 | 71,656 | 98.3 |
| | owner | 15 | 5 | 2,357,102 | 2,357,102 | 100 | 2,310,812 | 98.0 |

Table 3.23 IFQ pounds held by persons outside cooperatives and landing performance

| Fishery | IFQ type | Nr persons holding IFQ outside of cooperatives | IFQ pounds excluding overages | IFQ pounds held outside cooperatives | Percent IFQ pounds held outside cooperative | Pounds landed outside cooperatives (excluding overages) | Percent pounds landed outside cooperative |
|---------|----------|--|-------------------------------|--------------------------------------|---|---|---|
| BBR | crew | 44 | 494,545 | 143,863 | 29.1 | 128,642 | 89.4 |
| | owner | 36 | 16,001,558 | 2,612,584 | 16.2 | 2,593,145 | 99.2 |
| BSS | crew | 41 | 1,010,815 | 319,701 | 30.1 | 256,436 | 80.2 |
| | owner | 31 | 32,461,639 | 5,188,782 | 16.0 | 5,052,698 | 97.4 |
| BST | crew | 62 | 43,564 | 16,328 | 37.5 | 1,897 | 11.6 |
| | owner | 39 | 1,414,431 | 238,694 | 16.9 | 123,130 | 51.6 |
| EAG | crew | 3 | 80,996 | 10,210 | 12.6 | Confidential | Confidential |
| | owner | 1 | 2,618,974 | 227,125 | 8.7 | | |
| WAG | crew | 0 | 72,904 | 0 | 0 | 0 | 0 |
| | owner | 0 | 5,357,102 | 0 | 0 | 0 | 0 |

Community Protection Measures

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. 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 are 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 the use of community residents.

Tables 3.24 and 3.25 show the percentages of processing “power” vested in the ECCs versus PQS/IPQ without Community Protection Measures (“None”).

Table 3.24 Percent PQS/IPQ assigned to ROFR eligible communities or “None”^a

| Fishery | | | | | | | | |
|--------------------------|--------------|-------------|------------|------------|--------------|------------|------------|------------|
| ROFR Community | BBR | BSS | BST | EAG | PIK | SMB | WAG | WAI |
| Akutan | 19.9 | 9.8 | | 1.0 | 1.2 | 2.7 | | |
| False Pass | 3.7 | | | | | | | |
| King Cove | 12.8 | 6.3 | | | 3.8 | 1.3 | | |
| Kodiak | 3.8 | 0.1 | | | 2.9 | 0.0 | | |
| None | 2.7 | 2.1 | 100 | 0.9 | 0.3 | 64.6 | 100 | 100 |
| Port Moller | 3.5 | | | | | | | |
| St George | | 9.7 | | | | | | |
| St Paul | 2.6 | 36.6 | | | 67.3 | 13.8 | | |
| Unalaska | 51.1 | 35.3 | | 98.1 | 24.6 | 17.6 | | |
| <i>Total^a</i> | <i>100.1</i> | <i>99.9</i> | <i>100</i> | <i>100</i> | <i>100.0</i> | <i>100</i> | <i>100</i> | <i>100</i> |

^a Percentages may not total 100% due to rounding.

Table 3.25 Percent PQS/IPQ assigned with cooling off boundaries or “None”^a

| Fishery | | | | | | | | |
|--------------------------|--------------|-------------|------------|------------|--------------|------------|------------|------------|
| Cooling-Off Community | BBR | BSS | BST | EAG | PIK | SMB | WAG | WAI |
| Aleutians East Borough | 39.9 | 16.1 | | 1.0 | 5.0 | 4.0 | | |
| Kodiak Island Borough | 3.8 | 0.1 | | | 2.0 | 0.0 | | |
| None | 2.7 | 2.1 | 100 | 0.9 | 1.2 | 64.6 | 100 | 100 |
| St George | | 9.7 | | | | | | |
| St Paul | 2.6 | 36.6 | | | 67.3 | 13.8 | | |
| Unalaska | 51.1 | 35.3 | | 98.1 | 24.6 | 17.6 | | |
| <i>Total^a</i> | <i>100.1</i> | <i>99.9</i> | <i>100</i> | <i>100</i> | <i>100.1</i> | <i>100</i> | <i>100</i> | <i>100</i> |

^a Percentages may not total 100% due to rounding.

Sideboards

Sideboard restrictions prevent vessel effort excess to crab fisheries as a result of the Program from increasing over historic levels in GOA groundfish fisheries. Vessels whose historic activity resulted in Bering Sea snow crab QS and any other vessels fishing under LLP groundfish licenses derived from those vessels are collectively restricted to sideboard limits of each allocated GOA groundfish species. A total of 227 vessels are affected by sideboards because of their own snow crab participation history; in addition, 57 LLP licenses derived from these vessels also had sideboard restrictions added. LLP licenses are transferable for use on other vessels; therefore, between 227 and 284 vessels will be subject to these GOA groundfish sideboards at any given time.

There are three types of sideboard restrictions; one of the following sideboards applies to each affected vessel or LLP license:

- a. subject to GOA sideboard limits, except for the limit on Pacific cod,
- b. subject to all GOA sideboard limits, including Pacific cod, or
- c. subject to all GOA sideboards, except that the vessel may not be used for any directed fishing for Pacific cod.

Persons who owned a vessel or who held an LLP license that RAM determined was affected by sideboards were afforded the opportunity to provide evidence to dispute that determination and to appeal the determination of their claim. As of the date of this publication, only one person has a sideboard appeal pending. Table 3.26 summarizes sideboards imposed under the Program.

Table 3.26 Summary of sideboards under the Program

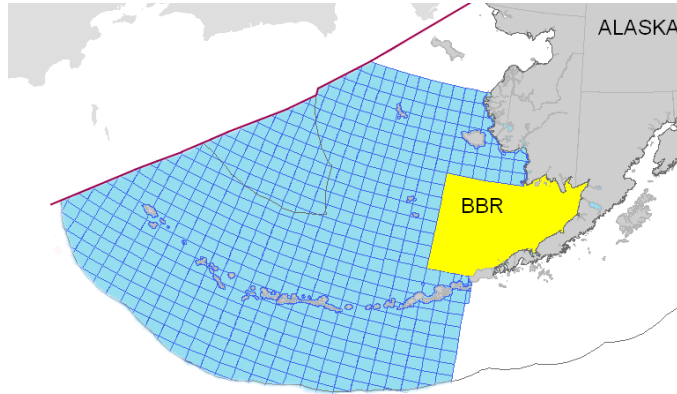
| Type of Sideboard | Nr sideboarded fishing vessels as a result of their Bering Sea snow crab history | Number of LLP groundfish licenses to which sideboards apply |
|--|--|---|
| | 5 | 5 |
| Subject to all GOA sideboards (including Pacific cod) | 85 | 40 |
| Subject to all GOA sideboards, and may not directed fish for Pacific cod | 137 | 12 |
| <i>Total number of sideboarded vessels and LLP licenses</i> | 227 | 57 |

Fishery Summaries

BRISTOL BAY RED KING CRAB (BBR)

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 and the TAC was set at 16,496,100 pounds. The season opened Oct 15, 2005 and closed Jan 15, 2006.



Fishery Facts

Number of pots average: 177 per vessel
Number of pots pulled average: 1,119 per vessel
Harvest: 16,472,400 raw crab lbs (excluding overages)
Number of vessels used: 89
Port Count: 7 (including “at sea”)
Landing count: 259
Percentage of TAC caught: 99.9%
Active RCR holders: 13
Active IFQ holders: 83
Active IPQ holders: 9
Distinct persons making landings (IFQ holder or Master): 104

Table 3.27 displays the ports in which BBR crab were landed in 2005/06.

Table 3.27 Ports used for BBR crab landings^a

| Port | Rank | Vessel landings ^a | Total landings (pounds) ^b | Percent harvest ^c |
|---------------------|------|------------------------------|--------------------------------------|------------------------------|
| DUTCH HARBOR | 1 | 120 | 8,459,532 | 51.4 |
| KING COVE | 2 | 50 | * | * |
| AKUTAN | 3 | 43 | * | * |
| AT SEA ^d | 4 | 23 | 914,933 | 6.0 |
| KODIAK | 5 | 12 | 774,045 | 4.7 |
| ST PAUL | 6 | 10 | * | * |
| SITKA | 7 | 1 | * | * |
| <i>Total</i> | | 259 | 16,472,400 | 100 |

* Indicates data are confidential

^a A vessel landing is an offload.

^b Percent harvest is the total landed pounds, excluding overages; percents may not total 100% due to rounding.

^c Harvest is raw crab pounds.

^d “At-sea” means landings by catcher processors and stationary floating processors.

When the season ended Jan 15, 2006, BBR IFQ holders or their Hired Masters had reported 89 vessel landings (offloads) of BBR crab for a total harvest of 99.9% of the available TAC. The table below displays the allocations and harvests starting 5 years prior to the Program and in the first Program year.

Table 3.28 BBR crab fishery allocation and harvest 2000–2005/06

| Fishery year | TAC/GHL ^a | Harvest ^b | Percent TAC 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 |

(Source: ADF&G and NOAA Fisheries)

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

^b Landings are in millions of raw crab pounds, excluding overages.

Cooperatives

In the 2005/06 BBR fishery, more than 13.7 million pounds of a total of almost 16.5 million fishable pounds, (83% of total available IFQ) were assigned to 15 cooperatives. Table 3.29 displays the assigned BBR IFQ by sector, total pounds available and assigned, and percent assigned to the cooperatives.

Table 3.29 Pounds and percent of BBR IFQ assigned to cooperatives

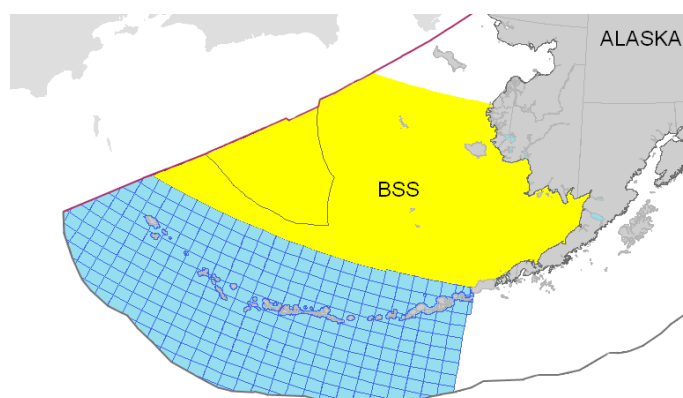
| Sector | Total pounds available | Pounds assigned to cooperatives | Percent assigned To cooperatives ^a |
|--------|------------------------|---------------------------------|---|
| CVC | 477,165 | 339,985 | 71.3 |
| CPC | 17,380 | 10,697 | 61.5 |
| CVO | 15,272,192 | 12,910,722 | 84.5 |
| CPO | 729,366 | 496,148 | 68.0 |

^a Percents may not total 100% due to rounding.

BERING SEA SNOW CRAB (BSS)

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 and the TAC was set at 33,465,600 pounds. The season opened Oct 15, 2005 and closed May 15, 2006 for the East Sub District and May 31, 2006 for the West Sub District.



Fishery Facts

Number of pots average: 176 per vessel
Number of pots pulled average: 1,389 per vessel
Harvest: 33,248,009 raw crab lbs (excluding overages)
Number of vessels used: 78
Port Count: 6 (including “at sea”)
Landings count: 304
Percentage of TAC caught: 99.4%
Active RCR holders: 13
Active IFQ holders: 70
Active IPQ holders: 9
Distinct persons making landings (IFQ holder or Master): 90

Table 3.30 displays the ports in which BSS crab were landed in 2005/06.

Table 3.30 Ports used for BSS crab landings^a

| Port | Rank | Vessel landings ^a | Total landing in pounds ^b | Percent harvest ^c |
|---------------------|------|------------------------------|--------------------------------------|------------------------------|
| DUTCH HARBOR | 1 | 101 | 12,451,729 | 37.5% |
| AT-SEA ^d | 2 | 76 | 7,893,342 | 23.7 |
| ST PAUL | 3 | 78 | 7,774,571 | 23.4 |
| AKUTAN | 4 | 29 | * | * |
| KING COVE | 5 | 18 | * | * |
| KODIAK | 6 | 6 | ** | ** |
| <i>Total</i> | | <i>304</i> | <i>33,248,009</i> | <i>99.4</i> |

* Indicates data are confidential.

** Indicates data may not be displayed because simple subtraction would allow confidential data to be computed.

^a A vessel landing is an offload.

^b Percent harvest is the total landed pounds, excluding overages; percents may not total 100% due to rounding.

^c Harvest is raw crab pounds.

^d “At-sea” means landings by catcher processors and stationary floating processors.

When the seasons ended on May 31, 2006, BSS IFQ holders or their Hired Masters had reported 304 vessel landings (offloads) of BSS crab for a total harvest of 99.4% of the available TAC. Table 3.31 displays the allocations and harvests starting 5 years prior to the Program and in the first Program year.

Table 3.31 BSS Crab fishery allocations and harvest 2000–2005/06

| Fishery year | TAC/GHL ^a | Harvest ^b | Percent of TAC landed ^{b,d} |
|-------------------|----------------------|----------------------|--------------------------------------|
| 2001 | 25.3 | 23.4 | 92.5 |
| 2003 | 23.7 | 26.3 | 111.0 |
| 2005 ^c | 19.4 | 23.0 | 118.5 |

(Source: ADF&G and NOAA Fisheries)

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

^b Landings are in millions of raw crab pounds, excluding overages.

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

^d Percents may not total 100% due to rounding.

Cooperatives

In 2005/06 The BSS fishery had 28 million pounds of nearly 33 million, (83.6 % of total available IFQ) were assigned to 15 cooperatives. Table 3.32 displays the assigned BSS IFQ by sector, total pounds available and assigned, and percent assigned to the cooperatives.

Table 3.32 Pounds and percent of BSS IFQ assigned to cooperatives

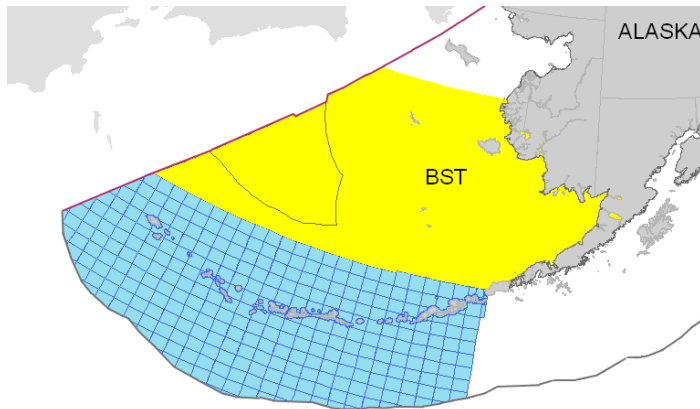
| Sector | Total pounds available | Pounds assigned to cooperatives | Percent assigned to cooperatives ^a |
|--------|------------------------|---------------------------------|---|
| CVC | 951,449 | 678,557 | 71.3 |
| CPC | 59,366 | 28,000 | 47.2 |
| CVO | 29,494,198 | 25,377,293 | 86.0 |
| CPO | 2,967,441 | 1,895,564 | 63.9 |

^a Percents may not total 100% due to rounding.

BERING SEA TANNER CRAB (BST)

For 2005/06 Bering Sea Tanner crabs was managed by ADF&G as two separate stocks divided at 166° W. Due to stock conservation issues, ADF&G only opened the western stock. The BST area was defined by a northern and western boundary of the Maritime Boundary Agreement Line (U.S. and USSR 1991) southern boundary 54° 36' N., to 171°W., south to 54° 36' N.

The fishery was open and the TAC was set at 1,458,000 pounds. The season opened Oct 15, 2005 and closed March 31, 2006.



Fishery Facts

Number of pots average: 136 per vessel
Number of pots pulled average: 691 per vessel
Harvest: 791,315 raw crab lbs, (excluding overages)
Number of vessels used: 43
Port Count: 6 (including “at sea”)
Landing count: 74
Percentage of TAC caught: 54.3%
Active RCR holders: 9
Active IFQ holders: 34
Active IPQ holders: 6
Distinct persons making landings (IFQ holder or master): 45

Table 3.33 displays the ports in which BST crab were landed in 2005/06.

Table 3.33 Ports used for BST crab landings^a

| Port | Rank | Vessel landings ^a | Total harvest ^b | Percent allocations ^c |
|---------------------|------|------------------------------|----------------------------|----------------------------------|
| DUTCH HARBOR | 1 | 28 | 370,826 | 46.9 |
| AKUTAN | 2 | 7 | * | * |
| ST PAUL | 3 | 21 | 122,628 | 28.9 |
| AT SEA ^d | 4 | 13 | 48,261 | 6.1 |
| KING COVE | 5 | 4 | * | * |
| KODIAK | 6 | 1 | * | * |
| Total | | 74 | 791,025 | 100 |

* Indicates data are confidential.

^a A vessel landing is an offload.

^b Harvest is in raw crab pounds, excluding overages.

^c Percent harvest is the total landed pounds, excluding overages.

^d “At Sea” means landings by catcher processors and stationary floating processors.

When the season ended March 31, 2006, BST IFQ holders or their Hired Masters had reported 74 vessel landings (offloads) of BST crab for a total harvest of 54.3% of the available TAC. Table 3.34 displays the allocations and harvests starting 5 years prior to the Program and in the first Program year.

Table 3.34 BST Crab fishery allocations and harvest 2000–2005/06

| Fishery year | TAC/GHL ^a | Harvest | Percent of TAC landed ^b |
|--------------|----------------------|---------|------------------------------------|
| 2000–2004 | Closed | | |
| 2005/06 | 1,458,000 | 791,025 | 54.3 |

(Source: ADF&G and NOAA Fisheries)

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

^b Percents may not total 100% due to rounding.

Cooperatives

In the 2005/06 BST fishery, more than 1.2 million pounds of a total of more than 1.4 million pounds (82.5% of available IFQ) were assigned to 15 cooperatives. Table 3.35 displays the assigned BST IFQ by sector, total pounds available and assigned, and percent assigned to the cooperatives.

Table 3.35 Pounds and percent of BST IFQ assigned to cooperatives

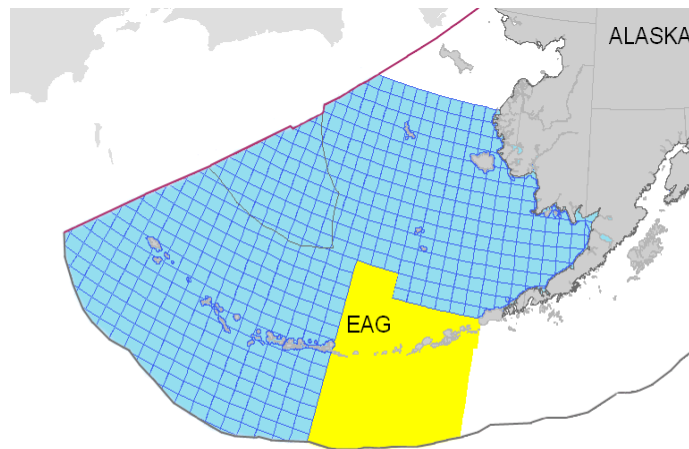
| Sector | Total pounds available | Pounds assigned to cooperatives | Percent assigned to cooperatives ^a |
|--------|------------------------|---------------------------------|---|
| CVC | 39,956 | 25,646 | 64.2 |
| CPC | 3,608 | 1,590 | 44.1 |
| CVO | 1,318,803 | 1,105,870 | 83.9 |
| CPO | 95,628 | 69,867 | 73.1 |

^a Percents may not total 100% due to rounding.

EASTERN ALEUTIAN ISLANDS GOLDEN KING CRAB (EAG)

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 and the TAC was set at 2,700,000 pounds. The season opened August 15, 2005 and closed May 15, 2006.



Fishery Facts

Number of pots average: 1,262 per vessel
Number of pots pulled average: 3,128 per vessel
Harvest 2,569,209 raw crab lbs (excluding overages)
Number of vessels used: 7
Port Count: 2 (including “at-sea”)
Landing count: 33
Percentage of TAC caught: 95.2%
Active RCR holders: 5
Active IFQ holders: 6
Active IPQ holders: 4
Distinct persons making landings (IFQ holder or master): 8

Table 3.36 displays the Alaska ports in which EAG crab were landed in 2005/06.

Table 3.36 Ports used for EAG crab landings^a

| Port | Rank | Vessel landings | Allocations | Percent harvest ^{b,c} |
|---------------------|------|-----------------|-------------|--------------------------------|
| DUTCH HARBOR | 1 | 25 | * | * |
| AT SEA ^d | 2 | 8 | * | * |
| Total | | 33 | 2,569,209 | 100% |

* Data are confidential.

^a A vessel landing is an offload.

^b Harvest is in raw crab pounds, excluding overages.

^c Percent harvest is the total landed pounds, excluding overages.

^d “At Sea” means landings by catcher processors and stationary floating processors.

When the season ended May 15, 2006, EAG IFQ holders or their Hired Masters had reported 33 vessel landings (offloads) of EAG crab for a total harvest of 95.2% of the available TAC. Table 3.37 displays the allocations and harvests starting 5 years prior to the Program and in the first Program year.

Table 3.37 EAG fishery allocations and harvest 2000–2005/06

| Fishery year | TAC/GHL ^a | Harvest | Percent TAC ^b |
|--------------|----------------------|---------|--------------------------|
| 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 |

(Source: ADF&G and NOAA Fisheries)

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

^b Landings are in millions of raw crab pounds, excluding overages.

Cooperatives

In the 2005/06 EAG fishery, almost 2.5 million pounds of the total 2.7 million pounds (91% of available IFQ) was assigned to five cooperatives. Table 3.38 displays assigned EAG IFQ by sector, total pounds available and assigned, and percent assigned to cooperatives.

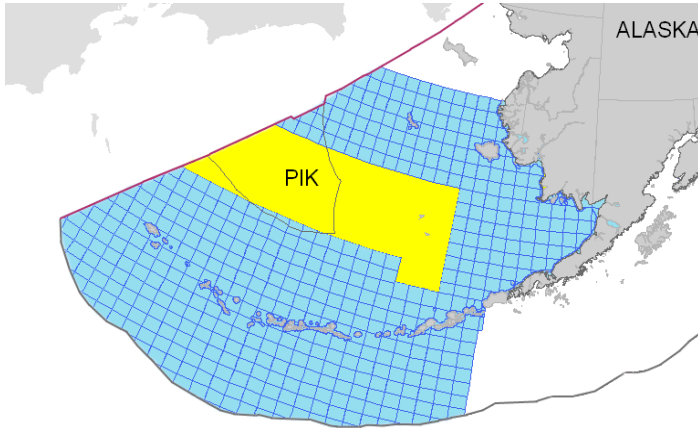
Table 3.38 Pounds and percent of EAG IFQ assigned to cooperatives

| Sector | Total pounds available | Pounds to assigned Cooperatives | Percent to assigned cooperatives ^a |
|--------|------------------------|---------------------------------|---|
| CVC | 80,996 | 70,786 | 87.4 |
| CVO | 2,492,311 | 2,265,186 | 90.9 |
| CPO | 126,663 | 126,663 | 100 |

^a Percents may not total 100% due to rounding.

PRIBILOF ISLANDS RED AND BLUE KING CRAB (PIK)

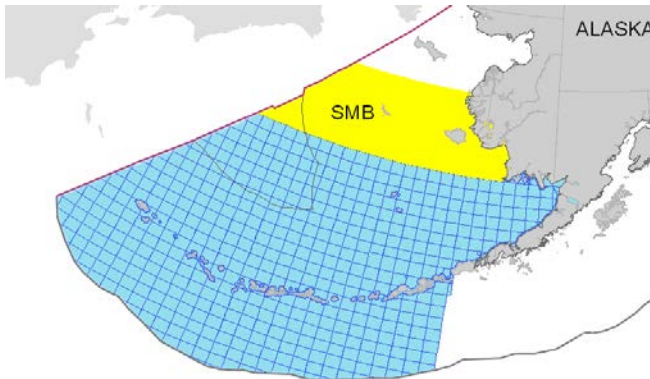
The fishery area is defined by a northern boundary of 58° 39' N., an eastern boundary of 168° W. south to 54° 36' N., then westward to 54° 36' N., 171° W., then north to 55° 30' N., 171° W., then westward to the Maritime Boundary Agreement Line (U.S. and USSR 1991).



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

ST. MATTHEW 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).

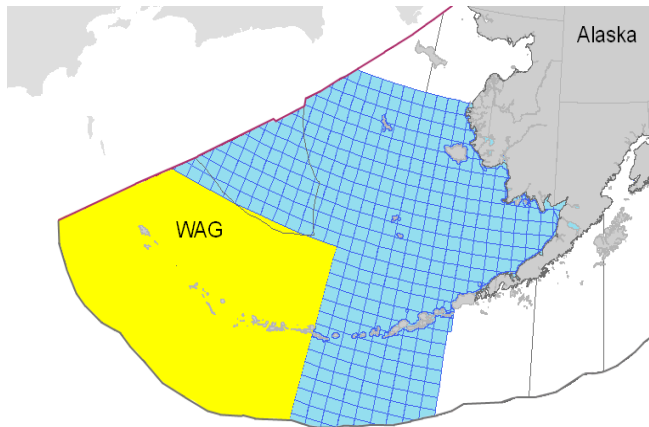


The SMB fishery was closed for the season due to low stock abundance. (Source: SAFE)

WESTERN ALEUTIAN ISLANDS GOLDEN KING CRAB (WAG)

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 and the TAC was set at 2,430,000 pounds. The season opened August 15, 2005 and closed May 15, 2006.



Fishery Facts

Number of pots average: 1,633 per vessel
Number of pots average pulled: 9,168 per vessel
Harvest: 2,382,468 raw crab lbs (excluding overages)
Number of vessels used: 3
Port Count: 3 (including “at sea”)
Landing count: 42
Percentage of TAC caught: 98%
Active RCR holders: 5
Active IFQ holders: 3
Active IPQ holders: 4
Distinct persons making landings (IFQ holder or Master): 6

Table 3.39 displays the ports in which WAG crab were landed in 2005/06.

Table 3.39 Ports used for WAG crab landings^a

| Port | Rank | Vessel Landings ^a | Total Harvest ^b | Percent Harvest ^c |
|---------------------|------|------------------------------|----------------------------|------------------------------|
| AT SEA ^d | 1 | 26 | 1,366,736 | 57.4 |
| DUTCH HARBOR | 2 | 10 | * | * |
| ADAK | 3 | 6 | * | * |
| Total | | 42 | 2,382,468 | 100 |

* Data are confidential.

^a A vessel landing is an offload.

^b Harvest is in raw crab pounds, excluding overages.

^c Percent harvest is the total landed pounds, excluding overages.

^d “At Sea” means landings by catcher processors and stationary floating processors.

When the season ended May 15, 2006, WAG IFQ holders or their Hired Masters had reported 42 vessel landings of WAG crab for a total harvest of 98% of the available TAC. Table 3.40 displays the allocations and harvests starting 5 years prior to the Program and in the first Program year.

Table 3.40 WAG fishery allocations and harvest 2000/01–2005/06

| Fishery year | TAC/GHL ^a | Harvest ^b | Percent of TAC ^c |
|--------------|----------------------|----------------------|-----------------------------|
| 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 |

(Source: ADF&G and NOAA Fisheries)

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

^b Harvest is in millions of pounds, excluding overages.

^c Percents may not total 100% due to rounding.

Cooperatives

In the 2005/06 WAG fishery, all available pounds (100% of available IFQ) were assigned to five cooperatives. Table 3.41 displays the assigned WAG IFQ by sector, total pounds available and assigned, and percent assigned to the cooperatives.

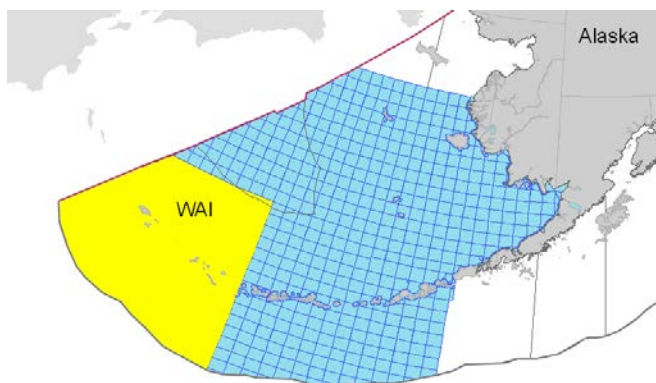
Table 3.41 Pounds and percent of WAG IFQ assigned to cooperatives

| Sector | Total pounds available | Pounds assigned to cooperatives | Percent assigned to cooperatives ^a |
|--------|------------------------|---------------------------------|---|
| CVC | 41,915 | 41,915 | 100 |
| CPC | 30,989 | 30,989 | 100 |
| CVO | 1,267,539 | 1,267,539 | 100 |
| CPO | 1,089,563 | 1,089,563 | 100 |

^a Percents may not total 100% due to rounding.

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 season due to low stock abundance (Source: SAFE).

Safety, Compliance, and Catch Monitoring

U.S. COAST GUARD VESSEL SAFETY AND COMPLIANCE MONITORING

USCG Effort

- Sailed 2,184 cutter hours (91 underway cutter days), compared with last year's 360 hours
- Deployed aircraft 110 days, compared with last year's 48 days, costing \$100,000, compared with last year's \$45,000
- Flew 275 aircraft hours, compared with last year's 94 hours
- Responded to ZERO Program-related SAR cases
- Conducted 103 dockside boardings
- Conducted 20 at-sea boardings

Found ZERO significant violations

During the 2005/06 fishing year, USCG efforts to enforce crab regulations and other federal laws stressed at-sea boardings and excluded after-hours surveillance of ports or shoreside monitoring of offloads. Cutters were used for patrol sightings and at-sea boardings, and aircraft provided names of vessels and QS holders, position, and activity.

Search and Rescue (SAR)

None of the USCG's 16 SAR cases was directly related to the

crab fisheries. Preseason inspections promoted thorough checks of safety gear, and most were completed a month before fishing began. 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 fishing year.

Fishery Changes

With the Program, the USCG noted the following changes that promoted safer and more efficient crab fisheries in 2005/06:

- ✓ Increased USCG presence (including cutter time increase from 10 days to 135 days)
- ✓ Smaller fleet
- ✓ Required vessel safety compliance checks
- ✓ Required preseason Commercial Fishing Vessel Safety Program Decal (ADF&G)
- ✓ Reduced "any-weather" fishing
- ✓ Improved partner-agency coordination
- ✓ Fewer dual inspections (due to VMS requirements)
- ✓ Reduced aerial response time (from 4 or more hours to 1 hour in most cases)

Bristol Bay Red King Crab

An Air Station Kodiak aircraft was deployed before the BBR fishery opened October 15, 2005 to provide SAR coverage. The aircraft readiness status was maintained until November 15 when the status was reduced to one crew. Aircraft operations were maintained until November 30, 2005, when 90% of the IFQ was reached and when 84% of the BBR crab fishing vessels had finished fishing.

A cutter was positioned near the main concentration of crab vessels in Bristol Bay as both a SAR presence and law enforcement tool beginning October 14, 2005. Near-continuous cutter presence in the Bristol Bay area (most BBR fishery activity) continued until mid-December, by which time 98% of the quota had been landed. Duration of required cutter time increased under the Program from 5 days to 60 days. With the introduction of at-sea boardings, the 2005/06 BBR season marked a sharp departure from the traditional

operations in past BBR fisheries; Bering Sea cutters conducted a total of 13 at-sea boardings of vessels engaged in the fishery.

Bering Sea Snow Crab

An Air Station Kodiak helicopter (with two crews) deployed to St Paul Island from January 9, 2006 through February 15, 2006 and again from mid-March through early April 2006, providing search and rescue support for the BSS fleet and other vessels in the area. This fishing year produced a significant increase in USCG activity related to crab: aircraft and crew were deployed for 62 days in the Program fishery versus 18 days the prior year, and crew flew 138 flight hours in 2006, compared with 32 flight hours in 2005.

Bering Sea cutters boarded 7 vessels engaged in the BSS fishery. The USCG maintained a near-continuous cutter presence near St. Paul and Zhemchug Canyon, the area with most of the snow crab fishing activity. Duration of required cutter time increased with the Program from 10 days to 135 days.

Safety Checks

USCG prevention and response staffs coordinated extensive preseason safety efforts to ensure the fleet was well prepared. Senior staff met 9 months before the opening to identify questions and issues surrounding the Program. The USCG hosted several additional coordination and preparatory meetings in the months leading up to the opening and successfully petitioned the State of Alaska to institute 2 new safety regulations: a 24-hour pre-departure notification and a CFVS decal requirement prior to State fishery registration.

For two weeks prior to the opening of the BBR fishery in mid-October, 2005, the USCG coordinated with Anchorage and Unalaska to conduct Safety Compliance Checks (SCC) and CFVS examinations at Dutch Harbor, Akutan, King Cove, and Kodiak. The USCG conducted 79 SCCs of 108 registered vessels, or 73% of the fleet, identifying 10 discrepancies that were repaired or corrected before departure to fish. Of the 89 vessels that fished, the SCC completion rate was 88%. Safety compliance was very good; all of those that participated in the fishery had a current decal as mandated by state law.

The BSS season was a continuation of October efforts for the BBR fishery. Personnel performed 25 SCCs (in addition to the 78 in October 2005 for a total of 103). Personnel effort increased with 6 additional staff in October 2005 and 2 Anchorage staff members assisting Unalaska staff for the first week of January 2006. Two vessels were delayed from sailing until stability or equipment issues were corrected.

CG personnel issued 23 CFVS Decals to BBR vessels. Adding to regular fishing year training, 11 Discovery Channel personnel who were deployed on crab vessels to film operations were trained in cold-water survival techniques. During the 2005/06 fishing years, 20 personnel were trained in cold-water survival. Alaska Marine Safety Education Association (AMSEA) provided training with assistance from USCG personnel. Nine fishermen received Drill Conductor training. Although the first Program fishing year was costly to patrol, during the 123 boardings, USCG inspectors met with excellent crew compliance.

Vessel Monitoring System (VMS)

The NOAA Fisheries VMS database was an invaluable tool for the USCG this crab-fishing year. Although the BBR fleet is relatively contained within the "RKC Savings Area," positional information allowed USCG cutters and aircraft more effective preparation for SAR. VMS was even more important during the BSS fishery due to fleet use of a much greater geographic area than for BBR. The trend toward fewer vessels distributed over a larger area will mandate future VMS use for SAR planning and response. During 2005/06 only a few vessels had technical difficulties with their VMS equipment. The Council plans to examine VMS-related issues and consider authorizing improved VMS technologies, including two-way communication capability.

NOAA Fisheries/Alaska State Trooper Compliance Monitoring

Compliance Facts

Goal: Oversee Alaska's crab fisheries

13 overages observed:

7 BBR

6 BSS

15 NOAA fisheries boardings

97 State boardings

Partners

The USCG and NOAA Fisheries Office for Law Enforcement (OLE) enforce the regulations that govern allocation of the Program. The ADF&G manages the biological aspects of the Program, and many of these regulations are enforced by the Alaska State Troopers with the State of Alaska Department of Public Safety. 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. All parties coordinated activities throughout the season.

Preseason Work

Prior to the start of the season, OLE personnel met with industry to explain regulations and answer questions. OLE staff distributed requirement checklists and reviewed preseason information to forestall compliance problems. OLE contacted some vessel owners and captains to make sure vessels had required VMS and FCVP. OLE also worked with crab cooperative managers and vessel representatives to resolve problems within and postseason.

Inseason Enforcement

Once the season started, the main goal of OLE was to ensure that all crab catch was weighed and reported. For many encountered violations, such as logbook errors, consideration was given to the fact this was the first year of the program. State Enforcement personnel assisted OLE by conducting dockside boardings and inspections and at-sea patrols. Boardings typically focused on 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. Table 4.1 shows the number of vessel inspections by OLE and the State.

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.

Summary of OLE and State Enforcement Activities

Table 4.1 summarizes OLE and State enforcement activities during the crab-fishing season. OLE and State personnel boarded more vessels (65) in the EAG and WAG fisheries than in any other fishery.

Table 4.1 NOAA Fisheries/State Enforcement Activities

| Activities | BBR | | BSS & BST | | WAG & EAG | |
|------------|------|-------|-----------|-------|-----------|-------|
| | NMFS | State | NMFS | State | NMFS | State |
| Boardings | 6 | 38 | 0 | 3 | 9 | 56 |
| Audits | 5 | 1 | 0 | 0 | 2 | 4 |
| COPPS | 7 | 0 | 0 | 0 | 3 | 10 |

Violations. There were 13 observed overages: 7 instances for BBR and 6 for BSS in which annual IFQ permit accounts were exceeded. OLE opened investigations on 1 case of deadloss crab discarded without being reported and 1 landing for which the IFQ permit holder was not onboard as required. All cases were forwarded to NOAA General Counsel for resolution.

NOAA FISHERIES CATCH MONITORING

| Catch Monitoring Facts |
|---|
| <p>Offload Reports Submitted for Catcher Vessels</p> <p>Number of Offload Reports</p> <p>23 Offloads:</p> <ul style="list-style-type: none"> 5 in Puget Sound 3 in St Paul 15 in Dutch Harbor/Akutan <p>Pounds Monitored</p> <p>Puget Sound: 1,058,300</p> <p>St Paul: 227,318</p> <p>Dutch Harbor/Akutan: 2,507,276</p> <p>Total Pounds Monitored in Alaska: 2,734,594</p> |

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 are operating under their own IFQ allocations, they have some incentive to underreport harvests. Based on experience gained under other quota-based programs, NOAA Fisheries anticipates estimates of catch may be questioned frequently 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 RCRs 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 will review a CMP with plant management annually to ensure the CMP has been implemented and standards continue to be met.

During the first Program fishing year, 18 individual CMPs were submitted to NOAA Fisheries for inspection and approval. Seventeen RCRs informed NOAA Fisheries in writing that they would follow a CMP already authorized at a shore facility or on a processing vessel.

Requirements for Catcher Processor Vessels

Daily Automatic Hopper Scales. Operators of vessels that harvest and process their catch at sea must weigh crab on NOAA Fisheries-certified motion-compensated scales prior to processing. Between August 15, 2005 and November 11, 2006, NOAA Fisheries staff inspected and approved 5 motion-compensated hopper scales in the Puget Sound area of Washington and in Dutch Harbor, Alaska, for all crab CPs participating in the fisheries.

Few problems were reported with the hopper scales during the crab fishery. One vessel operator reported icing of the hopper scale due to the exposed location of the scale and extreme temperatures during the season. The vessel operator was able to correct the problem by increasing the shelter surrounding the scale and clearing any ice that formed on the scale. During the first few weeks of the fishery, the addition of a hopper scale prior to the entry of crab into the factory slowed down throughput. Vessels were able to adjust the workload in different areas of the factory to accommodate the bottleneck at the hopper scale, and vessel operators report that production resumed at an acceptable pace.

Requirements 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.

Reporting

E LANDINGS

| eLanding Facts |
|--|
| 736 Program landings: |
| <ul style="list-style-type: none">• 91 landings for Adak and CDQ• 645 IFQ landing reports:<ul style="list-style-type: none">• 558 IFQ reports via eLandings• 87 IFQ “manual” reports |
| 21 IFQ account overages in 16 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, in use as of that date, 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 has minimized duplicate reporting of similar information required by the partner agencies. IERS allows processors to enter, edit, and summarize landings data on a web-based system. Among the benefits to processors, the system promotes timely and accurate data entry, produces a Portable Document Format (PDF) for printing a fish ticket of the landing, and incorporates data into processor data systems through export of XML (extensible markup language) documents. The IERS system provides a flexible way to create common information formats and share both the format and the data on the Web.

Summary

In total, 736 landing reports were submitted during the first crab-fishing year. Of 645 landing reports with an IFQ component, 558 (86.5%) were submitted via eLandings and the remainder by FAX. Support for the 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 quick resolution of issues and implementation of improvements, and feedback has been positive. Multiple components of a complicated set of business rules, a new electronic system and database, and integration with an IFQ system complicated implementation and user support. However, with excellent constituent cooperation, staff effort from all agencies achieved a successful delivery and product.

ECONOMIC DATA COLLECTION

EDR Facts

Number of persons submitting EDRs 482

Number of submitted reports 1,365

With full data 766

Certification only 599

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

The Economic Data Collection program began in calendar year 2005. The first phase of implementation focused on collection of pre-Program historical information for 1998, 2001, and 2004. Because vessel and business ownership information was not the highest quality, PSMFC mailed EDR forms to approximately 485 persons who had State permits to participate in crab fisheries in historic years, or were later identified as vessel or processor leaseholders. On intensive staff follow-up it was subsequently learned that some recipients actually had no ownership, lease, or other participation during a time period that would have triggered the reporting requirement. Data entry was outsourced to CIC Research Inc., which performed double entry and error-checking in the data entry phase. Auditors were selected in April 2006 to (1) audit submitted EDRs and (2) develop protocols for identifying EDRs to undergo either random audits or for-cause audits, based on irregularly reported data. To help ensure compliance with EDR requirements, by regulation NOAA Fisheries may not issue any annual Program permits (IFQ, IPQ, RCR, FCVP, Hired Master) until outstanding EDR requirements are met.

Follow-Up Survey

In September 2005 a follow-up survey was sent to 140 EDR submitters to solicit feedback on the administration of the reporting process and identify problems with completing the reports. PSMFC received 24 responses and maintained detailed notes on calls from and to filers. Based on a review of comments from filers, NOAA Fisheries staff, and an Alaska accountant, regulatory revisions were made for subsequent reporting years, foremost in the EDR due date.

EDR Revision

Following the historical EDR data collection, a revision of the EDR form was undertaken to correct problems identified in the follow-up survey and elsewhere. Many of the issues raised in comments from filers were associated with the difficulty in obtaining information for 1998 and 2001. Issues addressed in the redesign included the following:

- ✓ clarification of terminology and directions in the EDR forms,
- ✓ elimination of some data items, and
- ✓ reorganization of the questions regarding costs and revenues from lease and sales of harvest and processor quota shares.

Economic information related to transfers was particularly problematic, given structures within the harvest sector, cooperatives, and because of regulatory constraints.

In addition to changes in the EDR forms, the submission deadline was changed from May 15 to June 28 to better accommodate the federal tax filing schedule of most individuals and businesses in the fishery.

Economic Data Collection Results

As of the July 11, 2005 deadline, 482 persons submitted 1 or more of the 1,365 total historic reports received, and thereby completely satisfied their EDR requirement. NMFS expected EDRs for approximately 440 vessels and processors; PSMFC received reports for all but 157 catcher vessels, 5 catcher processors, and 5 shoreside processors. The pool of individuals identified for receipt of EDR forms was drawn from all crab licenses in Alaska and was not limited to BSAI licenses. As such, most or all of the nonrespondents are expected to have been nonparticipants in BSAI crab fisheries. Through intensive follow-up with constituents, all QS and PQS holders received their annual IFQ and IPQ permits in a timely manner; and for only a few persons was issuance of an RCR or FCVP permit briefly delayed until EDRs were submitted. Names of nonrespondents were forwarded to OLE, and unsatisfied EDR requirements may result in enforcement actions.

In addition to historic EDRs, during 2005/06, PSMFC mailed the EDR forms for calendar year 2005 reporting. Forms have been compiled and analysis of both historic and calendar year 2005 EDR data is underway. Table 5.1 summarizes compliance with initial, historic EDR requirement.

Table 5.1 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 ^a | 378 | 29 | 18 | 13 |
| Number of full EDRs received | 673 | 44 | 25 | 24 |
| Number of Certifications received with claimed exemption | 512 | 43 | 26 | 18 |
| Number of vessels/processors for which no EDR or certification was received | 157 | 5 | 5 | 0 |
| Number of distinct persons tied to submitted EDRs ^b | 418 | 29 | 22 | 13 |

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

^b Counts include full EDRs, Certifications only, and several "empty" EDR reports (reports with no data).

Loans and Fees

LOANS

A federal loan program 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, the legislation authorizing the loan program requires implementing regulations, which involve a lengthy development and approval process. 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 §313(j) 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. RAM sent 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.

As an example, if an RCR received 1 pound of crab from a harvester with an ex-vessel value of \$1 per pound using the maximum allowable fee percentage of 3%, each sector would owe half the fee (or 1.5%); or, in this case, \$0.015. Therefore, the RCR would pay the harvester \$0.985 for that pound of crab and would additionally self-collect an additional \$0.015 per pound. The total fee payment made to NOAA Fisheries for that pound of crab by the RCR would be 3% or \$0.03. Fees for crab processed at sea are based on standard ex-vessel prices derived from all raw crab deliveries. 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.

For the 2005/06 crab-fishing year, RCRs were sent estimated fee liability statements totaling \$3,830,536, premised on an estimated combined fishery value of \$127,684,533. This estimation was derived 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 amount of cost recovery fees paid by all RCRs was \$4,166,665, based on a combined fishery value of \$138,888,840 for the 2005/06 crab-fishing year.

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, the latter by telephone or through a secure Internet connection. 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.

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% cap, funds collected may not cover all expenses. This was in fact the case during the 2005/06 crab-fishing year. As shown in the table below, first-year management and enforcement costs (including some one-time program start-up costs) totaled \$4,270,881 while costs recovered totaled only \$4,166,665. The first-year start-up costs exceeded the amount collected by 1.9%. Administrative regulations for fees and cost recovery are at 50 CFR §680.

Table 6.1 Costs associated with management and enforcement in the Program, 2005/06

| Cost Category ^{a,b,c,d} | RAM | SF | OMI | CG | Appeals | OLE | OLE-JEA | ADF&G | AFSC | PSMFC | Total |
|---------------------------------------|----------------|----------------|--------------|---------------|--------------|----------------|----------------|----------------|---------------|----------------|------------------|
| Personnel ^a / Overhead | 741,880 | 782,945 | 7,609 | 68,653 | 6,800 | 130,690 | 371,682 | 279,143 | 71,960 | 226,587 | 2,687,948 |
| Travel ^b | 19,077 | 37,253 | – | 2,167 | – | 61,589 | 144,837 | 7,086 | 11,744 | 1,802 | 285,556 |
| Transportation ^c | – | – | – | 10,987 | – | 26,071 | – | – | – | – | 37,058 |
| Printing | – | – | – | – | – | – | – | – | – | 7,384 | 7,384 |
| Contracts/ Training | 57,583 | 35,091 | – | 1,968 | – | 139,535 | – | 467,132 | – | 176,473 | 877,782 |
| Supplies | 15,180 | 800 | – | – | – | 27,295 | – | 2,674 | – | 5,444 | 51,393 |
| Equipment | 2,540 | – | – | 3,722 | – | 12,768 | – | 8,000 | – | – | 27,030 |
| Rent/Utilities ^d | 109,709 | 56,527 | 971 | 1,580 | – | 554 | – | – | – | 9,679 | 179,019 |
| Other | – | – | – | – | – | – | – | 100,580 | – | 17,130 | 117,710 |
| Total | 945,969 | 912,615 | 8,580 | 89,077 | 6,800 | 388,502 | 516,519 | 864,614 | 83,703 | 444,500 | 4,270,881 |
| Shortfall ^e (26.8%) | 23,083 | 22,269 | 209 | 2,174 | 166 | 9,724 | 12,604 | 21,098 | 2,043 | 10,846 | 93,369 |
| FY07 Recovery Cost ^e | 922,886 | 890,346 | 8,371 | 86,903 | 6,634 | 388,778 | 503,915 | 843,517 | 81,661 | 433,654 | 4,166,665 |

^a Personnel Costs include cost of living allowances (COLA) and all benefits.

^b Travel includes per diem payments.

^c Transportation includes shipment of items.

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

^e Values are rounded to the nearest dollar.

Contacts

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