

BSAI Crab Rationalization Report Summary

Fishing Year 2010/11



Klas Stolpe

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NOAA's National Marine Fisheries Service (NMFS) • Alaska Region
Restricted Access Management (RAM)

alaskafisheries.noaa.gov/sustainablefisheries/crab/crfaq.htm

**BSAI Crab Rationalization (CR) Annual Report Overview
For Fishing Year 2010/11**

General Program Information and Changes

The sixth CR-fishing year, July 1, 2010–June 30, 2011, was relatively stable, with very few Program changes for harvesters and processors. Two emergency rules addressed a lack of shoreside processing capacity in the Aleutian Islands (below). Additional initial issue attrition caused little change in the total number of QS/PQS holders. One arbitration proceeding (WAG fishery, price and terms of delivery) was settled in favor of the processor. A second WAG crab price/delivery dispute was resolved outside arbitration. Inseason overage violations remained at zero due to good cooperative management and a 2009 regulation (74 FR 41092, August 14, 2009) that allows postlanding transfers until year-end to make up permit deficits. Another final rule removed the requirement for catcher/processors to use state-approved scales and to submit an offload report.

Emergency Regulations for West region

- [75 7205, February 18, 2010](#) and [75 50716, August 17, 2010](#) relieved a regional delivery and processing restriction to prevent disruption to the Aleutian Islands golden king crab fishery. These emergency actions allowed fishermen to deliver crab harvested with West-designated IFQ to processors outside the West region and processors with West-designated IPQ to process that crab outside the West region during the 2009/10 and 2010/11 crab-fishing years.

Offload Reporting Requirement Removed for Catcher/Processors

- [75 FR 56485, September 16, 2010](#). In order to reduce unnecessary paperwork burdens on the fishing industry, this final rule removed the Crab Rationalization Program requirements for catcher/processors to weigh all offloaded crab on a state-approved scale (which produces a printed record) and to submit a catcher/processor offload report. This rule was effective early in the season on September 16, 2010.

Changes to the Annual Crab Report

This year RAM added a new Hired Master Summary section, data on the percent of IFQ QS/PQS held by CDQ groups and their owned entities, showing initial issuance (2005/06) and year-end IFQ percentages (to first level ownership), and data on the percent of total IFQ crew (CVC, CPC) QS held outside cooperatives.

CDQ Fisheries

A share of most BSAI king and Tanner crab fisheries is allocated to the CDQ Program. For BBR and BSS fisheries, numbers of CDQ vessels were slightly lower than those used in 2009/10; allocations and harvests were also lower. All CDQ vessels also participated in the IFQ fisheries. Landings data remain confidential.

ADAK Fishery

The Adak Community Allocation is 10 percent of the WAG fishery total allowable catch (TAC), which was 283,500 pounds, the same as last year's allocation. Due to the small size of the fishery, harvest information remains confidential.

QS/PQS Fisheries

Appeals

- During 2010/11 the National Appeals Office (NAO, formerly known as the Office of Administrative Appeals [OAA]) completed one appeal (1 late initial issuance application affirmed). As a result of appeals during 2009/10, the count of initial issuees was increased by 1 to 511.
- One appeal case (Owner QS) was pending as of the end of the crab year but has since been resolved in the favor of the agency and is in District Court as of the date of this report. This case involves initial issuance of crab QS.

Arbitration

QS/PQS and IFQ/IPQ holders participate in the arbitration process. Arbitrations have largely regarded crab costs and delivery terms, except in 2007/08 when a procedural arbitration clarified issues surrounding the timing of price dispute resolutions. In the 2010/11 crab year, processors, for the second time, prevailed in an arbitration proceeding (WAG price/delivery terms). Another similar WAG fishery dispute was settled outside arbitration. After the end of the crab year, in a mid-October postseason arbitration, the arbitrator settled in favor of the harvester. Another postseason dispute was settled outside arbitration.

IFQ/IPQ Permits: Issuance and Use

Numbers of persons issued IFQ/IPQ permits and those permit holders with IFQ landings stabilized from earlier years. Initial issuees holding QS or PQS continued to exit the fisheries (from 511 to 413) but the total number of all quotaholders increased from 511 to 522, surpassing the numbers of initial quotaholders in 2005 by 11. For annual IFQ permits, cooperatives each count as one "person."

- Persons issued IFQ/IPQ: IFQ Crew = 13, IFQ Owner = 10, IPQ Processor = 18.
- Permit holders who used their permits: IFQ Crew = 77% (10), IFQ Owner = 90% (9), IPQ = 83% (15)
- Two individual IFQ permit holders (of 33, 6.1 percent) participated in 4 landings.
- Hired Masters landed 99.9% of all IFQ crab landed.
- Of 131 Hired Masters authorized to fish, 96 (73.3%) fished.
- Hired Masters participated in 828 of 832 (99.5%) total IFQ vessel landings.

Registered Crab Receivers (RCR)

RCR permits are needed to receive CR crab. More permits than actual participants are typically issued as a result of businesses using multiple facilities/platforms to receive crab. In 2010/11 the percentage of issued RCR permits that were used decreased by four percent.

- 59 Registered Crab Receiver (RCR) permits were issued to 27 persons, compared with last year's issuance of 61 permits to 26 persons.
- 20 (74%) persons used 31 (52.5%) of the issued RCR permits.

Federal Crab Vessel Permits (FCVP)

Issuance and landing patterns for each vessel permit type have remained fairly consistent over time.

- 77 of 112 (69%) FCVPs issued for harvesting vessels had landings, of which:
 - 74 of 107 CV-endorsed permits (69%) had landings, and
 - 3 of 5 CP-endorsed permits (60%) had landings.
- One of 8 SFP-endorsed permits (12.5%) received crab.

Transfers

Numbers of intercooperative leases increased (42 more than in 2009/10); numbers of noncooperative leases remained at zero because harvesting IFQ was virtually all assigned to cooperatives. Numbers of permanent harvesting QS transfers continued to decrease:

- 460 QS/IFQ transfers included 268 cooperative leases and 192 QS transfers.
- A total of 93.9 million QS units transferred; IFQ transferred totaled about 8.4 million pounds.
- The 25 PQS/IPQ transfers were all IPQ leases, less than the numbers in 2009/10 (35 PQS transfers; 31 IPQ leases).

Average Price per Crab QS Unit for QS Transfers

Estimated weighted average price per crab QS unit for priced QS transfers are based on reported total transaction prices (including fees), divided by the number of units. Only the largest fisheries are shown due to confidentiality concerns.

2010/11 Season

BBR: \$0.62–\$0.62
BSS: \$0.35–\$0.44

2009/10 Season

BBR: \$0.75–\$0.90
BSS: \$0.28–\$0.34

2008/09 Season

BBR: \$0.80–\$1.16
BSS: \$0.42–\$0.53

Consolidation–Quotaholders

Entrance and Attrition

Of 511 initial issuees of any type of QS/PQS, 413 (80.8% of initial issuance) were holding quota at year-end 2010/11. The number of initial issuees holding no QS/PQS at year-end 2010/11 was 98.

The number of all persons holding QS/PQS (initial issuees, 413, and new entrants, 109) totaled 522, for a net change of *plus eleven* from initial issuance. The number of quotaholders increased through transfers and as a result of splitting BST into two separately managed TACs for EBT and WBT.

Consolidation–Vessels

During the 2010/11 fishing year, CR fishermen used 78 vessels, the same number as in the previous year (2009/10). For a six-year comparison, the number of vessels fished: 101 in the first year, 91 in the second year, 87 in the third, 88 in the fourth, and 78 in the fifth year. Vessel participation in most fisheries remained the same, with 5 fewer vessels participating in the BBR fishery and 4 more participating in the SMB fishery.

Use of Season Lengths

ADF&G data show season lengths for the CR fisheries have remained consistent under the Program. Percentage of season use ranged from 11% (BSS, 25 season days fished of 229 available days) to 28% (WAG, 76 season days fished of 274 available days). A more general metric is number of days between first and last landing per fishery; these days ranged between 50 days (SMB) and 189 days (WAG). No illegal landings occurred after the fishing year closure.

Landings

During fishing year 2010/11, there were 832 landings for IFQ crab fisheries.

Table 1 Number of IFQ landings and vessels used and available TAC (percent used), for fisheries open in 2010/11

Fishery	TAC (millions of lbs.)	% TAC Used	Vessels with landings	Number of Landings
BSS	48.8	99.84	69	466
BBR	13.4	99.96	65	223
EAG	2.8	*	3	30
WAG	2.5	*	3	37
SMB	1.4	*	11	*

Source: NOAA/NMFS/Restricted Access Management

Landings for QS Cooperatives

In 2010/11, virtually 100 percent of all TACs (69 million pounds) was assigned to cooperatives. Nine cooperatives (437 members) accounted for 99% of each fishery's IFQ pounds. This fishing year, total cooperative pounds landed (and the percentages of co-op pounds landed) are confidential because so few pounds were fished outside cooperatives.

Landings outside Cooperatives

Only 6 persons held 0.05% of IFQ TAC (32,051 pounds) outside cooperatives; their harvest and percentages of IFQ noncooperative pounds landed are confidential.

QS/PQS Fishery Top Ports (and Landings)

No changes in port rank occurred this fishing year; however, the number of landings increased in each port. Of the seven ports used for CR IFQ fisheries, Dutch Harbor/Unalaska again ranked number one in IFQ pounds and numbers of landings (35% of all crab in 288 landings); St Paul ranked second (26% of all crab in 211 landings). Landings in catcher processors and stationary floating processors, or “At Sea,” remained third (18% in 140 landings), and Akutan remained fourth-ranked (landed pounds data are confidential; 104 landings). King Cove remained fifth-ranked port (landed pounds data are confidential; 69 landings). The other landing ports did not change from last year’s standings: Kodiak sixth (landed pounds data are confidential; 20 landings) and Adak with no IFQ landed crab.

Deadloss

Over all, deadloss has decreased under the Program. As expected, nearly 90 percent of total deadloss reported on IFQ class permits occurred within the IFQ A permit class. In 2010/11, IFQ fisheries reported 525,644 pounds of deadloss, a 100,000–170,000-pound decrease in deadloss compared with the previous four fishing years. Although deadloss has vastly decreased since 1990, BSS and BBR deadloss are gradually increasing due to larger TACs.

- By fishery, the highest percent deadloss for IFQ Class A was in BBR, with 0.84 percent deadloss (99,558 “A” landed BBR deadloss pounds).
- BSS deadloss was the second highest percentage (Class A) for the larger fisheries, with 0.71 percent deadloss (275,710 “A” landed BSS deadloss pounds).
- By fishery and sector, EAG’s catcher vessel crew sector had the highest rate of deadloss (confidential) of the smaller open fisheries. Also by fishery and sector in the larger fisheries, the BBR fishery catcher vessel owner sector had the next highest deadloss rate of 0.78 percent (96,125 pounds of landed deadloss). The BSS catcher vessel owner sector was close with 0.66 percent deadloss (284,805 pounds of landed deadloss).

QS/PQS GOA Groundfish Fishery Sideboards Imposed by Crab Rationalization

During the 2010/11 fishing year, the number of vessels (227) and LLP licenses (56) subject to sideboards remained unchanged.

Community Protection Program

The Program includes several measures to protect revenues and employment in fishery-dependent coastal communities with a history of participation in these fisheries. These measures take the form of geographic landing requirements and/or transfer restrictions on IFQ, PQS, and IPQ in five of the nine Program fisheries. Since the Program began, some PQS has transferred or been used outside of its ROFR community and no longer has ROFR status. Current percentages of PQS that formerly had ROFR for specific eligible communities:

BBR: King Cove, 5.26%; Kodiak, 3.53%
BSS: Kodiak, 0.13%; St George, 9.66%; St Paul, 5.38%

Reporting: Safety and Compliance

The USCG reported:

- ADF&G preregistered vessels: BBR–95; opilio–85 (this count forms basis for safety check percentages)
- Sailed 2,994 cutter hours (124.75 underway cutter days).
- Deployed aircraft 130 days, flying 294.3 aircraft hours.
- Conducted 20 at-sea boardings: 14 BBR boardings, 4 BSS (opilio) boardings, 2 SMB
- Observed/issued no significant violations.
- Conducted 63 (66% of preseason registered vessels) preseason safety checks (red king); for BSS (opilio), 65 safety checks (76% preseason registered vessels).
- Responded to zero Search and Rescue (SAR) cases in 2010/11; no sinkings, no deaths in the CR fisheries.

The NOAA Office of Law Enforcement (OLE) reported:

No significant federal violations: no IFQ or IPQ overages during the 2010/11 crab season.

Participants effectively used the postdelivery transfer provision (74 FR 41092, August 14, 2009) to cover overages by the end of the season before the overages became violations.

Catch Monitoring

There was no change in the number of motion-compensated scales from the previous year, and no major problems were reported with the hopper scales during the 2010/11 crab fisheries.

- NOAA Fisheries received 14 Catch Monitoring Plans (CMPs) for inspection and approval. Seventeen RCRs informed NOAA Fisheries in writing they would follow a CMP already authorized for a shore facility or floating processor.

eLandings

- 832 CR total IFQ landings:
 - 71 for Adak and CDQ fisheries, higher than the 66 landings in 2009/10.
 - 815 IFQ reports through eLandings of which 29 were reported “manually” by facsimile. The eLandings reports increased from 651 during the previous year.

Economic Data Collection Program (EDR)

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. Although active participants routinely comply with the EDR requirement, reporting methods still vary. Seventy-four percent of all processors electronically submitted EDR reports as PDF files, while only 3% of vessel EDRs were submitted in that manner. Most (65%) vessel EDR submitters used Web data entry forms. During 2010, only 19% of the submissions needed corrections, compared with 75% of submissions in 2005. As a result of a 2010 Pacific States Marine Fisheries Commission review (Test Plan) of EDR data, the numbers for previous years were updated to reflect submissions with more accuracy. Some processors had provided voluntary data that changed counts of submitted EDRs. Such submissions were classified as a *certification page* submission.

- Number of EDRs required: 91
- Number of EDRs submitted: 91
- 90 distinct persons had EDR requirements for calendar year 2010 and all submitted full EDRs; eighteen submitted certifications.

Loan Update

On May 5, 2010, NMFS published a proposed rule (75 FR 24549) for the Fisheries Finance Program¹ (FFP) that would allow NMFS to implement a loan program for the BSAI crab fisheries. Effective January 18, 2011, a final rule (75 FR 78619, December 16, 2010) granted captains and crew the opportunity to purchase crab QS for the 2011/12 fishing year. Although the FFP received FY11 loan authority sufficient to begin lending for BSAI crab QS, OMB approval to use that authority was not forthcoming until 3/29/11, too late for a complete loan process that fiscal year. July 5, 2011 was the first date for which an approval letter for crab QS was issued at the start of the 2011/12 crab-fishing year.

Fees and Cost Recovery

Under the Magnuson-Stevens Fishery Conservation and Management Act (MSA), costs for management and enforcement of IFQ programs are recoverable from participants, up to a maximum of 3 percent of the ex-vessel value of the crab. Program participants with unpaid fees will not receive any future crab program permits.

2010/11 Fishing Year

- The estimated value of the fishery was \$261,747,837, more than \$114 million higher than the fishery value for the previous year (\$147,188,073).
- Total Program costs were \$3,210,189. Personnel and Contracts/Training (including more Joint

Enforcement Agreements [JEAs] with the State of Alaska) remain among the highest Program costs.

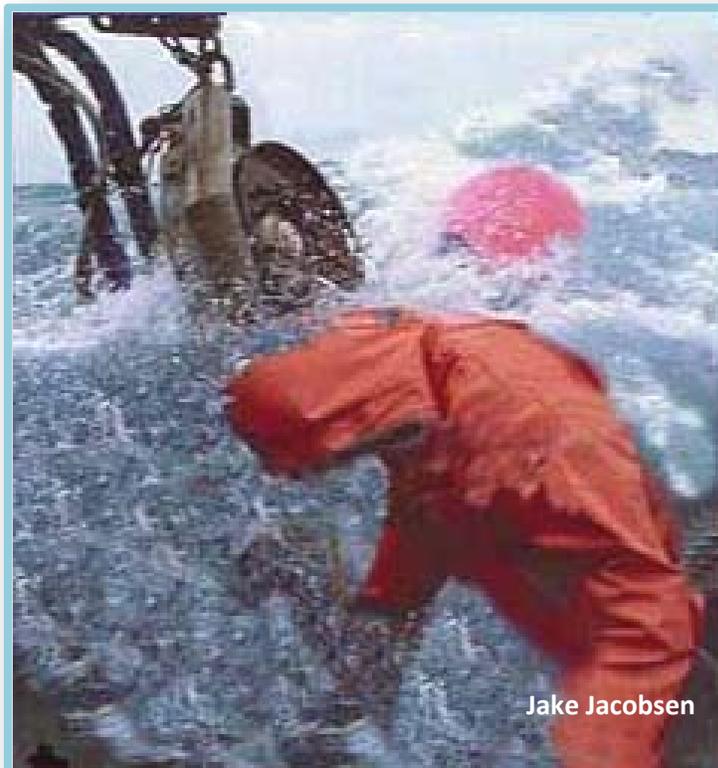
- The fee percentage for the 2010/11 crab-fishing year was set at 2.67 percent. The fee percentage for the 2011/12 fishing year is set at 1.23 (76 FR 43658, July 21, 2011).
- To date, 97.6% of persons billed have paid their fee liability; 2.4% (\$181,705.73) is outstanding.

Fishery Loan Status of the BSAI King and Tanner Crab Fishing Capacity Reduction Program

Under section 312(b) of the MSA, the NMFS has the authority to conduct a fishing capacity reduction program if funds are provided and such a program is necessary to prevent or end overfishing, rebuild stocks of fish, or achieve measurable or significant improvements in the conservation and management of a fishery. Section 312(c) of the MSA authorizes funding for such programs and allows NMFS to obtain funding through specific appropriations from industry fee systems and public, private, or nonprofit sources.

Under the authority of section 312(c) on January 12, 2004, regulations (68 FR 69331) were effective and by January 19, 2005, funding was appropriated for the BSAI King and Tanner Crab Fishing Capacity Reduction Program. Under administration of the Financial Services Division (FSD), NMFS bought back 25 BSAI crab-fishing vessels, associated fishery histories, and 62 licenses to achieve the maximum sustained reduction in BSAI crab-fishing capacity at the least cost and in minimum time. In the crab buyback program, the FSD administers an industry-funded, 30-year loan at a fixed rate of 6.54 percent.

As of August 30, 2011, Fishermen have paid back 6 percent (\$5.5 million) of the original loan amount (\$97,399,356) for the BSAI King and Tanner Crab Fishing Capacity Reduction Program.



Bringing in the Pots



Program/Agency Contacts

NOAA Fisheries (NMFS), Alaska Region
Alaska Region Website: alaskafisheries.noaa.gov

NOAA Fisheries (NMFS), Restricted Access Management
1-800-304-4846 (press “2”) or
(Juneau local number) 907-586-7202
e-mail: ram.alaska@noaa.gov
Website: alaskafisheries.noaa.gov

NOAA Fisheries (NMFS), Sustainable Fisheries Division
1-800-304-4846 (press “3”) or
(Juneau local number) 907-586-7228
Website: alaskafisheries.noaa.gov

North Pacific Fishery Management Council
907-271-2809
Website: fakr.noaa.gov/npfmc

Alaska Department of Fish and Game
Division of Commercial Fisheries
Shellfish Groundfish Division
Region IV
907-486-1825
Website: cf.adfg.state.ak.us