



BSAI Crab Rationalization Annual Report Overview

Fishing Year 2011/12 • July 1, 2011–June 30, 2012



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September 2012

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**BSAI Crab Rationalization (CR) Annual Report Overview
for Fishing Year 2011/12**

General Program Information and Changes

The seventh CR-fishing year, July 1, 2011–June 30, 2012, was relatively stable, with very few Program changes for harvesters and processors. An emergency rule addressed a lack of shoreside processing capacity in the Aleutian Islands, and another rule changed Gulf of Alaska groundfish sideboard restrictions. Additional initial issue attrition caused little change in the total number of QS/PQS holders. Arbitrators delayed proceedings (two WAG fishery disputes, price and terms of delivery) until October or November. One inseason overage violation occurred in the EAG fishery for the first time since 2008/09. A 2009 regulation (74 FR 41092, August 14, 2009) allows postlanding transfers until year-end to make up permit deficits.

Program Changes, Crab Year 2011/12

Sideboard Exemptions • Amendment 34

(76 FR 35772, June 20, 2011 implements Amendment 34)

NMFS has modified the Gulf of Alaska (GOA) Pacific cod and pollock sideboard exemption criteria for non-AFA crab vessels. As a result, three vessels' sideboards for Pacific cod and/or pollock were amended. Final rule [76 FR 35772](#) was effective July 20, 2011.

WAG Fishermen and Processors with West-Designated IFQ/IPQ • Amendment 37

(76 FR 35781, June 20, 2011 implements Amendment 37)

NMFS now allows holders of Western Aleutian Islands golden king crab West-designated individual fishing quota (IFQ), Western Aleutian Islands golden king crab West-designated individual processor quota (IPQ), and designated officials from the City of Adak and the City of Atka to submit an application to NMFS requesting exemption from regional delivery requirements. Regulations require West-designated golden king crab IFQ to be delivered to a West-region processor holding a matching amount of unused West-designated IPQ. Sufficient West-region processing capacity may not be available each season and an exemption from regional delivery requirements will mitigate financial hardships in the event that adequate West-region processing capacity is not available to process all West-designated IFQ. Final rule [76 FR 35781](#) was effective July 20, 2011.

Changes to the Annual Crab Report

This year RAM is now including overages in reported landings. Starting with the 09/10 crab year, accounts were allowed to go negative inseason without immediate violation. As a result, 100 percent of landed pounds was debited from accounts. Previously, the overage was not debited; instead, the remaining balance was set to zero and the overage was treated as a violation. In this report, fishery landings data from crab years 09/10 through 2011/12 include overages.

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 BBR CDQ vessels were slightly lower than those used in 2010/11; BSS CDQ vessels were slightly higher. Compared to the previous fishing year, BBR CDQ harvests were also lower and BSS harvests higher. In these fisheries, CDQ sector QS units were lower than in 2010/11; PQS units were the same. All CDQ vessels also participated in the IFQ fisheries. Landings data remain confidential.

ADAK Fishery

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

QS/PQS Fisheries

Appeals

During 2011/12 the National Appeals Office (NAO, formerly known as the Office of Administrative Appeals [OAA]) completed 3 Decisions (1 Owner QS affirmed; 2 late initial issuance applications affirmed).

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 2011/12 crab year, two arbitration proceedings (WAG price/delivery terms) were delayed until October or November 2012. The WAG fishery disputes include two related entities, APICDA and Atxam.

IFQ/IPQ Permits: Issuance and Use

Numbers of persons issued IFQ/IPQ permits and numbers of permitholders 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 = 17, IFQ Owner = 9, IPQ Processor = 17.
- Permitholders who used their permits: IFQ Crew = 76% (13), IFQ Owner = 100% (9), IPQ = 82% (14)
- Of 9 persons holding IFQ out of co-ops, 5 individual IFQ permitholders (55.5 percent) participated in 7 landings.
- Hired Masters landed 99.9% of all IFQ crab landed.
- Of 141 Hired Masters authorized to fish, 105 (74.5%) fished.
- Hired Masters participated in 1,267 of 1,274 (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.

- 63 Registered Crab Receiver (RCR) permits were issued to 26 persons, compared with last year's issuance of 59 permits to 27 persons.
- 20 (77%) persons used 39 (62%) 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.

- 78 of 106 (74%) FCVPs issued for harvesting vessels had landings, of which:
 - 75 of 106 CV-endorsed permits (71%) had landings, and
 - 3 of 5 CP-endorsed permits (60%) had landings.
- No SFP-endorsed permits were used to received crab.

Transfers

Numbers of intercooperative leases decreased (88 fewer than in 2010/11); numbers of noncooperative leases increased to four. Numbers of permanent harvesting QS transfers continued to decrease:

- 310 QS/IFQ transfers included 180 cooperative leases and 126 QS transfers.
- 50.3 million QS units transferred; IFQ transferred totaled about 13 million pounds.
- The 28 PQS/IPQ transfers were all 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.

2011/12 Season

BBR: \$0.82–\$0.82
 BSS: \$0.64–\$0.64

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

Consolidation–Quotaholders*Entrance and Attrition*

Of 512 initial issuees with any type of QS/PQS, 409 (79.8% of initial issuance) were holding quota at year-end. The number of initial issuees holding no QS/PQS at year-end 2011/12 was 103, five more than during year-end 2010/11.

The number of all persons holding QS/PQS (initial issuees, 408 (after 1 revocation), and new entrants, 118) totaled 526, for a net change of *plus fifteen* 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 2011/12 fishing year, CR fishermen used 78 vessels, the same number as in the previous two crab years (2009/10 and 2010/11). For a multiyear 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 2 fisheries remained the same, with 3 fewer vessels participating in the BBR fishery, 2 more participating in the BSS fishery, 5 more in the WBT (closed), and 7 more in the SMB fishery.

Landings

During fishing year 2011/12, despite severe winter icing in the North Region, fishermen completed 1,274 landings for the IFQ crab fisheries. Table 1 presents vessel landings and TAC summaries (% used) by fishery. The BSS fishery was completely harvested through season and area extensions.

Table 1 Number of IFQ landings and vessels used and available TAC (percent used), for fisheries open in 2011/12

Fishery	TAC (millions of lbs.)	% TAC Used	Vessels with landings	Number of Landings
BSS	80.0	100.0	71	802
BBR	7.0	100.0	62	257
EAG	2.8	*	3	45
WAG	2.5	*	3	43
SMB	2.1	80	18	108

Source: NOAA/NMFS/Restricted Access Management

Landed Weight per CR Vessel across Fisheries

Since the first CR season (2005/06), the average IFQ crab landed weight per vessel has more than doubled (252,196 to 599,133 pounds); during crab year 2011/12, the median IFQ pounds landed per vessel was 235,257 pounds, about 64,000 more than in 2005/06 (171,533).

Landings for QS Cooperatives

In 2011/12, virtually 100 percent of all TACs (94.5 million pounds) was assigned to cooperatives. Nine cooperatives (444 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 7 persons held 0.01% of IFQ TAC (57,937 pounds) outside cooperatives; their landings 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 the top 5 ports. Landings in Kodiak remained the same as in the previous crab year (20 landings). Of the seven ports used for CR IFQ fisheries, Dutch Harbor/Unalaska again ranked number one in IFQ pounds and numbers of landings (31% of total crab pounds in 433 landings); St Paul ranked second (29% of all crab in 321 landings). Landings in catcher processors and stationary floating processors, or "At Sea," remained third (18% in 225 landings), and Akutan ranked fourth (13% in 183 landings). King Cove remained fifth-ranked port (86 landings; harvest data are confidential). Kodiak remained sixth-ranked port (20 landings; harvest data are confidential), and Adak, with 6 IFQ crab landings, ranked seventh top port (harvest data are confidential).

Deadloss

Under the Program most deadloss has been reported on Class A IFQ permits; however, Class A permits account for most TAC assigned to quota fisheries. During the 2011/12 crab year, deadloss (694,408 pounds) decreased to the smallest percentage (0.74) in 3 crab years.

QS/PQS GOA Groundfish Fishery Sideboards Imposed by Crab Rationalization

During the 2011/12 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 (rounded) percentages of PQS that formerly had ROFR for specific eligible communities:

BBR: King Cove, 5.3%; Kodiak, 3.5%

BSS: Kodiak, 0.1%; St George, 9.7%; St Paul, 5.4%

Reporting: Safety and Compliance

The USCG reported these actions:

- Deployed aircraft to St Paul for 170 days; flew 2 aircraft concurrently for 85 days (BSS)
- Conducted 22 at-sea boardings: 20 BBR boardings and 2 SMB
- Issued 1 significant observer-coverage violation to a crab vessel for an earlier violation in the Pacific Cod fishery
- Conducted 54 preseason vessel safety checks in 4 ports to reduce at-sea boardings (checked 55% of preseason registered BBR vessels and 54% of preseason registered vessels for BSS); USCG boarded 84% of fleet
- Responded to zero Search and Rescue (SAR) cases, zero sinkings, and zero deaths in the CR fisheries during crab year 2011/12

The NOAA Office of Law Enforcement (OLE) reported one overage:

- One IFQ or IPQ overage in the EAG fishery during the 2011/12 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 with the hopper scales during the 2011/12 crab fisheries.

- NOAA Fisheries received 14 Catch Monitoring Plans (CMPs) for inspection and approval.
- Twenty-three (23) RCRs informed NOAA Fisheries in writing they would follow a CMP already authorized for a shore facility or floating processor.

eLandings

- 1,287 CR total IFQ landings:
 - 105 for Adak and CDQ fisheries, higher than the 71 landings in 2010/11.
 - 1,231 IFQ reports through eLandings of which 56 were reported “manually” by facsimile. The eLandings reports increased from 815 during the previous year.

Note: Fishermen amend some eLandings reports; therefore, counts of IFQ eLandings may be slightly higher than earlier landings data in this crab-year overview.

Economic Data Collection Program (EDR)

The EDR program collects 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; for example, most processors electronically submitted EDR reports as PDF files, while only a small percentage of vessel EDRs were submitted in that manner. Most 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

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.

2011/12 Fishing Year

- The estimated value of the fishery was \$286,752,062, more than \$25 million higher than the fishery value for the previous year (\$261,747,837).
- Total Program costs were \$3,364,442. 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 2011/12 crab-fishing year was set at 1.23 percent. The fee percentage for the 2012/13 fishing year is set at zero percent due to a revenue surplus that exceeded actual management, data collection, and enforcement costs during 2011/12.
- To date, 99% of persons billed have paid their fee liability; 1% of persons billed did not pay due to bankruptcy.

For all Program years, collected CR funds total \$24,202,465.

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

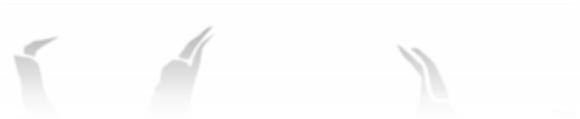
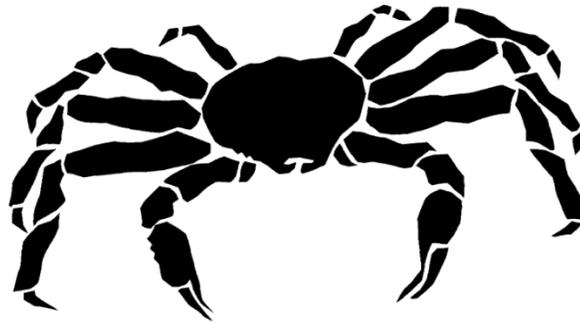
Under section 312(b) of the MSA, the NMFS has the authority to conduct a fishing capacity reduction program if funds are provided and such a program is necessary to prevent or end overfishing, rebuild stocks of fish, or achieve measurable or significant improvements in the conservation and management 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.

By August 24, 2012, fishermen had paid back 8 percent (\$7.5 million) of the original loan amount (\$97,399,356) for the BSAI King and Tanner Crab Fishing Capacity Reduction Program. Table 2 shows the loan status by fishery of the Program. The Western Aleutian Islands red king crab (WAI) and Pribilof Islands red/blue king crab (PIK) fisheries have remained closed during crab rationalization and the BSAI King and Tanner Crab Fishing Capacity Reduction Program.

Table 2 Fishery loan status of the BSAI King and Tanner Crab Fishing Capacity Reduction Program, August 24, 2012

Crab Fishery	Initial Loan Amount	Current Loan Amount	Percent Paid	Percent Owning	First Payment
BBR	\$17,129,957	12,137,448	25.0	71.0	November 1, 2005
BSS	66,410,767	66,410,767	0.0	100.0	November 8, 2005
EAG and Tanner	6,380,837	3,871,799	39.0	61.0	November 2, 2005
WAI	237,588	237,588	0.0	100.0	No payment
PIK	1,571,216	1,571,216	0.0	100.0	No payment
SMB	5,668,991	5,668,991	0.0	100.0	October 27, 2009
Total	\$97,399,356	\$89,897,809	8	92.0	November 1, 2005



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Program/Agency Contacts

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