

EXECUTIVE SUMMARY

In August of 2005, fishing in the Bering Sea and Aleutian Island crab fisheries began under a new share-based management program (the "program"). As a part of the program, the Council developed an economic data collection program (referred to as "economic data reports" or EDR) to provide information to analysts to assess the effects of the program and future amendments to the program. Based on reviews of the data, it has been established that certain data elements collected are not accurately or consistently reported across respondents, preventing their use for some of their intended purposes, and other elements are wholly or partially redundant with other data collection. To address these shortcomings, as well as to address what is perceived excessive costs associated with the data collection, the Council has initiated this action to revise the data collection program.

Purpose and Need Statement

To guide its action to revise the data collection program, the Council has developed the following purpose and need statement:

As a part of its Bering Sea and Aleutian Island crab rationalization (CR) program, the Council developed a comprehensive economic data collection ("EDR") program to provide information to analysts to assess the effects of the CR program and identify problems that may require future amendments to the EDR program.

Council review of the EDR program, development of the EDR metadata through PNCLAC and testimony from the industry has resulted in the identification of substantial portions of the EDR data that are inaccurate. In addition, several elements are wholly or partially redundant with other existing data collection requirements, and some components may not further the Council's objectives. The cost to industry, both directly through data submission, and indirectly through cost recovery funding of program administration, outweigh the benefits of the resultant data and greatly exceed estimates provided in the initial analysis of the EDR program and in the accompanying regulatory analyses.

To address these problems, the Council intends to amend the EDR process so that the data collected is accurate, informative to the Council, not redundant with existing reporting requirements, and can be reported by industry and administered at a reasonable cost.

The Council expressly wants to limit the EDR to the collection of data that have been demonstrated, through the development of the EDR metadata, and other reviews of the data, to be sufficiently accurate. Data collection should be structured and specific elements identified, to minimize costs while maintaining accuracy and providing the greatest information value to the management decision making process.

As analysts develop, refine, and verify methods for accurately collecting additional informative data elements the Council will consider expansion of the data collection program to include those elements. This process can also inform the future Council action regarding other existing and future EDR programs.

Alternatives

Catcher vessel Alternative 1 (status quo)

The status quo alternative would maintain the current catcher vessel data collection program, which

collects data from all catcher vessels participating in any program fishery. Data are collected in several categories. Fishing data, such as days fishing and days traveling between port and grounds are collected for each fishery. Delivery and revenue data are collected for each fishery by share type, with leased shares identified. IFQ use is collected with the vessel owner's shares distinguished from those leased from others. Crew data are collected, including payments to crew and captain by fishery, typical factor deductions and charges, and net revenue shares. Crab fishery costs (such as insurance costs and pot and gear purchases) are collected, most of which are aggregated across all crab fisheries. Fuel and bait purchases are also collected by crab fishery. Annual vessel costs (aggregated across all vessel activities) are collected including investments and repairs and maintenance, as well as fuel and fluid purchases. In addition, general annual data are also included in the collection, including all revenues and harvests, as well as days at sea and annual labor costs.

Catcher Vessel Alternative 2

The second alternative excludes many of the variables collected under the status quo. Fishing data are removed with an additional element added to collect crew port days and transiting days, aggregated across all fisheries. Landings and revenues by share type would be collected along with leased quota and lease costs. In addition, a count of the number of crew contributing shares to the vessel's harvests would be collected. Payments to captains and crew would be collected, along with the amounts of deductions and charges by crab fishery. Purchases of new pots would be collected along with gallons of fuel aggregated across all fisheries. Vessel investment, repair, and maintenance costs would be collected, along with annual insurance costs and fuel costs. The vessel's annual gross revenues and payments to labor would also be reported.

Catcher Vessel Alternative 3

Alternative 3, is similar to Alternative 2, but further reduces the data collection, limiting reporting to deliveries and revenues and crew data. Deliveries and revenues would be submitted by share type, along with pounds of shares and costs of arms' length leases. Crew port and transiting days would be reported, together with payments to captains and crews, along with deductions and charges by crab fishery.

Shore Plant and Floating Processor Alternative 1 (status quo)

The status quo collects data from every plant that operates in a crab program fishery. Production data are collected, including processing days and the amount of raw crab processed and finished pounds, as well as products by type, box size, and size. Revenue data collected include first wholesale sales by species, product, grade, size, and box size, distinguishing sales to affiliated entities from sales to unaffiliated entities. Custom processing revenues are also collected. Labor data are collected by crab fishery, including average processing positions, number of man hours, total payments to labor, and processing employee residence. Custom processing services purchased are collected by fishery, including raw and finished pounds by size, grade, and box size, as well as payments. Crab purchases are collected by share type, size, and grade. Crab processing costs are collected including fees and taxes, lease costs, and observer costs by fishery, along with processing materials, food and provision, repackaging, freight, and storage costs aggregated across all crab fisheries. General plant costs are collected, including annual fuel and fluid, investment, and repair and maintenance costs. In addition, general processing information is collected, including processing days, total gross revenues, total finished product pounds, and total labor costs.

Shore Plant and Floating Processor Alternative 2

As with the catcher vessel sector, many of the variables collected under the status quo are omitted from the second alternative. The first and last day of processing is collected. Revenues by fishery are collected, with transactions with affiliated entities separated from transactions with unaffiliated entities. Custom processing revenues are also included, along with quantities of custom processed crab products. Labor

man hours by crab fishery are collected, as are total payments to processing labor and crab processing crew by residence, each on a crab fishery basis. Custom processing services purchased are collected by crab fishery, identifying pounds of raw crab processed and finished product amounts together with the payments for services. Crab purchase data also included, by fishery and share type. Costs of IPQ leases are also collected, but processing operational costs are largely excluded from this alternative. Salaries of foremen, managers and other salaried employees, aggregated across all fisheries, are also collected. General plant costs are collected, including annual fuel and fluid, investment, and repair and maintenance costs. In addition, general processing information is collected, including processing days, total gross revenues, total finished product pounds, and total labor costs.

Shore Plant and Floating Processor Alternative 3

Alternative 3 is very similar to Alternative 2. The only difference between the two alternatives is that plant labor information are aggregated across all crab fisheries under this alternative (as opposed to being collected on a crab fishery basis under Alternative 2).

Catcher Processor Alternative 1 (status quo)

The status quo catcher processor data collection is similar to the status quo data collection of the other sectors. Fishing data, such as days fishing and days traveling between port and grounds are collected for each fishery. Production data are collected including processing days and the amount of raw crab processed and finished pounds, as well as products by type, box size, and size. Revenue data collected include first wholesale sales by species, product, grade, size, and box size, distinguishing sales to affiliated entities from sales to unaffiliated entities. Custom processing revenues are also collected. Harvest crew data are collected, including payments to crew and captain by fishery, typical factor deductions and charges, and net revenue shares. Data are also collected on processing crew, including number of processing crew and their payment. Custom processing services purchased are collected by fishery, including raw and finished pounds, as well as size, grade, and box size, as well as payments. Crab purchases are collected by share type, size, and grade. Crab fishery costs, such as insurance costs, pot and gear purchases, are collected, most of which are aggregated across all crab fisheries. Fuel and bait purchases are also collect by crab fishery. Crab processing costs are also collected including processing materials, repackaging, freight, and storage costs aggregated across all crab fisheries. Annual vessel costs (aggregated across all vessel activities) are collected including investments and repairs and maintenance, as well as fuel and fluid purchases. General annual data are also included in the collection, including all revenues, together with total pounds of raw fish and crab and total pounds of finished product, as well as days at sea, days of processing, and annual labor costs.

Catcher Processor Alternative 2

The second alternative scales back the data collection considerably. Revenue data (from both sales of products and custom processing) are collected, as under the status quo. Leasing information is collected by crab fishery, as well as a count of the crew on the vessel who contribute shares to the vessels harvests. Payments to captains and crew are collected, as are the amounts of any deductions and charges. Crew port days and transiting days are also collected, along with harvesting crew license information and processing crew residence information. Custom processing services purchased are collected by crab fishery, identifying pounds of raw crab processed and finished product amounts together with the payments for services. Crab purchase data also included, by fishery and share type. Purchases of new pots would be collected along with gallons of fuel aggregated across all fisheries. Vessel investment, repair, and maintenance costs would be collected, along with annual insurance costs and fuel costs. The vessels annual gross revenues and payments to labor would also be reported. General annual data are also included in the collection, including all revenues, together with total pounds of raw fish and crab and total pounds of finished product, as well as days at sea, days of processing, and annual labor costs.

Catcher Processor Alternative 3

Alternative 3 is very similar to Alternative 2. Alternative 3 differs in that it collects only leasing costs for arm's length leases and omits the collection of the number of crew contributing shares to a vessel's harvests. Alternative 3 also excludes the collection of crew license numbers and processing crew residence information. Pot purchase data are also omitted from the collection under Alternative 3, as well as vessel investment, repair, and maintenance costs, and insurance information. Other than these differences, Alternatives 2 and 3 are the same.

Effects of the alternatives

Under the status quo catcher vessel alternative, analysts are provided data to understand whether different share types bring different landings prices in the fisheries. In addition, captain and crew compensation levels are available, which can be examined relative to vessel revenues, vessel harvests, and fishing time. By combining vessel investment costs and repairs and maintenance costs, analysts can gain a perspective on the relative spending for vessel upkeep and improvements. These can be examined across the fleet and over time to understand spending patterns relative to effort in the fisheries. The last section of the data collection provides data concerning overall activities of a vessel. These data are the only source of data concerning total days at sea, total vessel revenues, and total labor costs. Through these elements, analysts can compare operations in crab fisheries with a vessel's total operations to develop a basic understanding of the role crab operations relative to a vessel's total operations for these factors. While the status quo alternative provides these benefits, a substantial portion of the submitted data are of poor or unknown quality, and thereby, provide no benefit. The burden associated with reporting under the status quo alternative is high (relative to the other alternatives). In the case of vessels that pool shares for fishing in a cooperative, developing lease data often requires several simplifying assumptions and substantial effort to unbundle cooperative fishing records. Location of purchase information requires respondents to sift through records to attempt to separate purchases by location. These data are also problematic, as matching acquisitions to location of purchase may not be possible through some invoices. Processing these data also is a substantial burden on agency staff and contractors. Yet, these data should not be relied on in analyses due to quality concerns. Although some elements of the status quo alternative provide data that are useful for examining some factors in the fisheries, a large share of the data elements collected provide no additional information, at a substantial cost to submitters and the agency.

The second catcher vessel alternative would reduce the reporting and management burdens substantially from the status quo. Yet, the analytical utility of the data collection would not change substantially, as many of the omitted elements are deemed to be unreliable. Analysts would be able to examine landings revenues by share type, crew compensation, and certain cost elements. Although fuel costs by fishery would be eliminated, pot purchase information would be improved, by removing the purchase of used pots (which are not very informative of vessel level operations due to pot sharing arrangements).

The third catcher vessel alternative is similar to the second alternative, with a few specific differences. Lease data reporting is limited to arm's length leases, which should improve the informativeness of those data, as well as reduce the burden associated with reporting. On the other hand, the omission of all collection of cost data leaves analysts to draw inferences from other data to assess cost changes in the fishery. While it may not be feasible to collect reliable comprehensive cost information, certain reliable elements (including those collected under the second alternative) may provide some direct information concerning operational cost changes in the fishery. The costs of this alternative are reduced, by elimination of comprehensive lease information and all cost elements; however, the elimination of all cost information from this alternative reduces the information available to analysts under this alternative.

Under the status quo shore-based and floating processor alternative, production and sales data are collected by crab grade and size and box size. Although these data appear to provide little information

under current processing and grading practices, should those practices change in the future, it is possible that these data could be informative. Revenue data also distinguish sales to affiliated companies, which reveal differences in pricing practices for internal sales. Custom processing revenues, which are not collected elsewhere, provide some information concerning the price of processing services and their value in the fisheries. Crab purchase data provide information concerning landing prices by share type, which are unavailable from other sources. In addition, total plant labor costs provide data concerning payments to labor that cannot be obtained otherwise. The status quo also collects substantial data that are not reliable, including processing costs and labor data by crab fishery. In many cases, these data reporting requirements impose a substantial burden, as efforts must be undertaken to develop a method of apportioning costs to different fishery operations. These require processors to review not only crab operational data, but also data from those other fisheries. These data also impose a substantial burden on the agency, which must process those data for use by analysts.

The second shore-based and floating processor alternative maintains the collection of most revenue data and custom processing services purchased, but eliminates the collection of production and most labor data. Scaling back from the status quo would prevent analysts from examining changes in production by box size or crab size or grade. Crab purchase information would continue to be collected allowing analysts to examine purchases by share type. Almost all crab processing and plant costs would be eliminated. The collection of those data under the status quo is not informative, as elements are typically pro rated and not reported consistently or accurately. Labor data would continue to be collected under this alternative, but (as noted) these data are not accurately reported, limiting their value.

The third shore-based and floating processor alternative is similar to the second processor alternative. The third alternative differs in that it collects aggregate labor data, which are likely to be more accurate and informative (although these data will not be informative concerning crab fishery operations specifically). These data will also be less burdensome to report and process, in comparison to the second alternative, since they will not require proration or division by fishery.

Under the status quo catcher processor alternative, catcher processors report fishing data and production data that are largely duplicative of (or which may be estimated by through data available from) other reporting requirements. Revenue data are reported with the only current distinguishing characteristic being sales to affiliates. Data concerning IFQ (both held by a vessel owner and used by a vessel) are reported, but not accurately enough for those data to be reliable. Crew compensation under the status quo is believed to be accurate, but distinctions between harvesting and processing crews are unlikely to be accurate. Custom processing services purchased and crab purchase data are not applicable to catcher processors in most cases, but a burden arises only when they are applicable and these data are believed to be accurately reported. The extensive crab fishery and vessel cost information collected under the status quo is largely inconsistently and inaccurately reported, providing little information to analysts for fishery analysis. These data also are time consuming to report for respondents and require costly administrative processing by the agency. These factors substantially limit the benefits derived from the status quo.

The second catcher processor alternative (in a manner similar to the second catcher vessel alternative and second processor alternative) eliminates several data elements collected under the status quo. The elimination of most fishing and cost data will not only reduce industry and administrative burdens, but is also unlikely to substantially reduce the information value of the data collection program, as a whole. IFQ data are scaled back, but some of the data included in the collection are unlikely to provide useful information. Removal of some labor data from the collection could reduce the information concerning that important aspect of the fishery.

The third catcher processor alternative is very similar to the second alternative. The third alternative removes some elements that may be useful for analyses, such as information concerning the number of crew working on a vessel (both fishing and processing). At the same time, this alternative also improves on some elements, such as lease reporting, which is limited to arm's length leases only.

**PACIFIC NORTHWEST CRAB INDUSTRY ADVISORY
COMMITTEE (PNCIAC)**

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September 19, 2011

Mr. Eric Olson, Chairman
Mr. Chris Oliver, Executive Director
North Pacific Fishery Management Council
Anchorage, Alaska

Agenda Item C-3(a) Crab EDRs

Gentlemen,

Several years ago the Pacific Northwest Crab Industry Advisory Committee ("PNCIAC") was created to provide industry input to the Council as well as to the Alaska Board of Fish. For the last three years a significant amount of our work has been dedicated to a collaborative effort to improve crab program EDRs to better inform the Council about the performance of the program.

The PNCIAC is working within the framework developed by the Council, which states in part:

Council review of the EDR program, development of the EDR metadata through PNCIAC and testimony from the industry has resulted in the identification of substantial portions of the EDR data that are inaccurate. In addition, several elements are wholly or partially redundant with other existing data collection requirements, and some components may not further the Council's objectives. The cost to industry, both directly through data submission, and indirectly through cost recovery funding of program administration, outweigh the benefits of the resultant data and greatly exceed estimates provided in the initial analysis of the EDR program and in the accompanying regulatory analyses.

To address these problems, the Council intends to amend the EDR process so that the data collected is accurate, informative to the Council, not redundant with existing reporting requirements, and can be reported by industry and administered at a reasonable cost.

In this report to the Council, the PNCIAC addresses the following issues and recommendations:

1. For Catcher Vessels, the PNCIAC supports Alternatives 2 and 3, and requests that the Council identify Alternative 3 as a Preliminary Preferred Alternative.
2. For Shore Plant and Floating Processors, the PNCIAC supports Alternative 2 and 3, and requests that the Council identify Alternative 3 as a Preliminary Preferred Alternative.
3. For Catcher Processors, the PNCIAC supports Alternatives 2 and 3, but has no recommendation pertaining to a Preliminary Preferred Alternative at this time.
4. Concerning the AFSC's recent CIE Review of the Crab EDRs; the PNCIAC has these concerns and comments:
 - The PNCIAC and the NPCA were never formally notified of the CIE review, even after requesting notification several weeks prior to the event. We were able to send several representatives to the two-day meeting, but we are concerned about the lack of public notice that was provided.
 - New metadata was presented at the CIE review, which had not been previously reviewed by the PNCIAC or any of its Members. Given previously identified metadata problems, this is also a significant concern.
 - On a more positive note, some CIE reviewers stated clearly that the Council and the Industry are the "Information Consumers" for the EDR process, and as such it is up to the "Consumers" to determine both their analytical needs and the desired level of data precision.
5. The crab program is now more than five years old, and the PNCIAC recommends that the Council direct staff and stakeholders to focus on the Council's analytical needs going forward, rather than continuing to try to address pre-program data problems.

Sincerely,



Steven K. Minor
Chairman

North Pacific Fishery Management Council
205th Plenary Session – September 28 – October 4, 2011
Dutch Harbor, Alaska – The Grand Aleutian
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Public Comment of Stephen Taufen, Groundswell Fisheries Movement

RE: C-3 BSAI Crab Issues (1) Initial Review of Crab EDR RIR/IRFA re Modification of Economic Data Reports

Mr. Secretary, Chairman Olson & Council members:

The Groundswell Fisheries Movement is a public-serving advocacy in USA fisheries; and, as such, is highly concerned about the failure of the EDR program to attain an adequate level of accountability and transparency for public domain resources. We are particularly concerned about how this faulty crab privatization data program affects future EDR programs for share-based management amendments across the nation.

We favor data improvements to the status quo alternative (#1) for catcher vessels – especially regarding the leasing of quota and the rates involved, and how captains and crew are charged for those non-fishing financial market components. The primary data and calculations needed are already computed for each crewmember in order to do proper tax reporting and ledger reconciliations, so the argument of data costs being excessive is a straw man to hide the truth.

The primary elements of improved data collection involve:

- Inclusion of each crab vessel's **"reconciled fish settlement" accountings**, detailing which/whose quota is consolidated on which vessel, the rents or leases charged to the vessel and portion passed along to crews by lease, as well as the shared trip settlement expenses by categories (local and program taxes, buyback fees deducted, lease costs, fuel, bait, gear replacement and other splits); the percentages for each crewmember by name, showing individual trip settlement costs as well as total personal deductions. This is, for any qualified bookkeeper in fisheries, a simple accounting worksheet that reconciles horizontally and vertically, like the attached example.
- **Inclusion of each crab vessel's by-species/fisheries Lay Share contracts** for all captain and crewmembers, as part of the collection of data that confirms both quantitative analysis and qualitative assessment of whether or not the BSAI CR program actually meets the requirement that in order to hold quota rights, **all applicable federal laws must be obeyed by each IFQ holder.**
- **Full transparency and accountability – public rights to examine the records of quota recipients**, because the federal fisheries resources are public domain properties under international stewardship agreements granting rights of management and conservation,

not privatization. It is one thing to "propertize" and assign privileges to fish this nation's ocean resources, and altogether a different thing to "privatize" those privileges into property rights.

- **Costs should be imposed on all quota recipients – especially IFQ holders who lease out shares to vessel operators.** In a similar fashion, all local and program taxes should be deducted before any leased quota rates may be contracted and shared. It is demonstrably unfair to exempt reporting by "mailbox fishermen" – especially in the case of mere commodity share traders whose alleged "market-based solution" exchanges can wreak havoc back on the fisheries economy by creating financial instrument bubbles in wrongly valued quotas.
- **Leaseholding IFQ players should be required to submit individual EDRs, as well.**

We are for data improvement that would allow better quantitative and qualitative analysis, and the crab quotas already represent a challenge to the latter – especially from the viewpoint of political economics. This is not the time to allow the self-interests of IFQ holders to use the Council committee process (PNCIAC etc.) to make bald-faced and self-serving and demonstrably false statements that *"The cost to industry outweigh the benefits of the resultant data."* As that pretends to speak for the interests of Crewmembers (captains and deckhands) and for vessel operators who lease quota under the coercive thumbs of IFQ "rights" holders and in light of non-competition on the buying side.

Now is the time to improve data, and ensure that those taking the majority of leases off from actual fisheries operations, in the form of high rents to serve "financial investor" needs, bear the lion's share of the costs of the EDR program, since they clearly receive the lion's share of benefits under this Resource Curse program, whereby the Council has largely served under Regulatory Capture – be that as a result of the Stevens Rider on 3-Pie Crab Rationalization or the industry's self-determined program regulation setting by conflicted interests.

Data Monopolization follows Coercive Monopolies of Catch Share Quotas:

It is a well known fact in history that new regimes often deliberately destruct the data and knowledge bases of former regimes they have overtaken. The main historical tool used by the winners to keep power and avoid contradictions to the rulers of the new regime is to destruct the economic philosophies and their systems. China's history of dynasties, especially the post-Ming period and the struggle between Confusionists (honoring integrity, family and good government) and Legalists (who believe in the legitimacy of power attained through "naked force and raw terror" – like the coercion of crewmembers under crab privatization) are classic cases.

Two key purposes are served by the ongoing (Legalist style) data monopolization and the concept of privatized data rights, applied to public domain resources. First — along with the complication of a set of regulations acting as an entry barrier to knowledge — is "to keep the

people ignorant.” We see that concept advancing recently under a Senate Oceans Caucus format designed to keep congressional delegates from the non-coastal states ignorant, as well. Second, is the malevolent purpose “to prevent the use of the past to discredit the present” regime.

It is the unique challenge of the NPFMC to ensure that the new regime of privatizations created by end-run legislation inserted into spending bills, in most cases by Alaska delegates, by also by Washington state federal senators – generally contrary to Senate rules and the Magnuson-Stevens Fisheries acts – does not become a model of monopolized and inaccessible data.

IPOs as government granted coercive monopolies restrain data reporting:

Individual processing quota-holders and buyers of crab have their own problems of data reporting, which we will only address herein by a reminder of what one key processor representative said before program implementation. When asked about the highly limited data the processors were willing to share, John Garner said on the federal record that they were reluctant to share more than simple direct costs because “someone might go to jail.”

We can think of no more succinct way to encapsulate the very problem of granting IPQ rights and the reasons why IPQ rights should not exist. They owe full transparency to the public.

The assignment of certain quota to a few particular winners in global crab trade is fraught with problems. IPQs represent *restraints of trade* on the buying side of the market, and guarantee the failure of capitalism and market-based solutions by eliminating the buyer-versus-buyer, and sellers-versus-buyers pressures, causing an irrational sellers’ fish ticket price which is additionally locked into place through the use of “binding arbitration” as a means of maintaining an historical ratio to wholesale prices. Wholesale prices among global affiliates with tax evading goals may bear little reflection to the economics and enforce a situation where little value-added processing occurs to benefit of the USA economy.

This also serves to depress wages for processing company line workers, as well. The Council should note the lack of any mechanism to represent those line workers’ rights, as well.

CDOs offer another layer of government-sponsored coercive monopolization:

The CDQs are operating under the ultimate form of data suppression and yet maintain superior competitive advantages when it comes to financing quota acquisitions – both on the buyers’ side and the sellers’ side (IPQ and IFQ rights, respectively). It is telling that recent complaints by IFQ holders to Washington and Oregon federal delegates point to these problems, with little appreciation that the same kind of oppression by IFQ-holders against Crewmembers has cost the latter approximately \$500 million in historical participation rights to date in the CR program.

The initial denial of 10% of the Total Allowable Catch shares was a political welfare decision for which there is little argument that it was "taken from crab fishermen" when one considers that those fishermen never owned the rights in the first place (so how could it be a takings?; albeit an unfair and inequitable and excessive share issue; but the 3-pie Rider legislative language and placement trickery established new law, not in adherence with the MSA and National Standards).

This political decision comes about from the same inherent flaw of national "ownership" being confused with stewardship-only public rights; made all the more egregious by the idea that only a few communities should receive CDQ holdings. Now, the IFQ winners see enemies on all sides and finally understand that the web of greed has left far too many spiders than the web and its catches can accommodate. They're now caught in a web made by themselves.

It is a far different matter for the crewmen; in contrast with the 87% going to former vessel owners and 3% for captains as operators, as the crew was left out in the cold from the start. Rectifying this problem commands greater EDR data, especially that reconcilable accountings and lay share contract copies be provided.

Labor is the root of all capital – investment of the first magnitude:

We are most particularly concerned with the effects on the "vessel operators" labor segment, namely captains and crewmembers and their historical privileges and rights. Their discretionary spending is of primary importance to fishery dependent coastal communities and ensuring equitable distribution of national resource benefits.

In order to "*assess the effects of the program and future amendments*" and deal with the problem "*that certain data elements collected are not accurately or consistently reported across respondents, preventing their use for some of their intended purposes,*" the best way to rectify the program is to open it up fully to transparency and accountability, obtain reconciled trip settlement accountings, and copies of all lay share contracts for each crab vessel and season.

Alternative 1, Status Quo for Harvesters/Catchers needs to be improved to expand the data collected, accordingly. Transparency and openness should apply to all sectors.

Respectfully,

Stephen R. Taufen 9/20/2011 (14:45 hrs.)

Stephen Taufen, Groundswell Fisheries Movement

+2 pgs. Appendix A – example of worksheets for crab trip settlements, reconciled.

Opilio Crab Season 2011 (TW)

IFQ Quota Stacking Method ->
(Report also who is the IFQ holder for each quota leased)
TAC units converted to Pounds

	Trip #1 Quota	Trip #2 Quota	Trip #3 Quota	Trip #4 Quota	Trip #5 Quota	Total Catch
Ex-Vessel Price/Lb. Delivered	143,513	244,258	246,827	232,505	206,982	974,185
Total Dockside Ex-Vessel Value	\$301,377.30	\$612,941.80	\$508,463.62	\$479,168.36	\$220,382.92	\$2,022,334.00

Total Catch Lbs.
Avg. 5/11
Gross Revenues Ex-Vessel (Fish Ticket)

	Trip #1	Trip #2	Trip #3	Trip #4	Trip #5	Total
Less: State & Local Taxes						
State Fish Tax 0.00%	(\$6,041.32)	(\$15,388.25)	(\$15,253.91)	(\$14,375.05)	(\$6,023.45)	(\$60,670.02)
Local/Borough Tax 0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Less: New IFQ Program 'Taxes'						
Cost Recovery (IFQ Program) 0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Crab Abatement (per lb.) 0.00%	(\$717.57)	(\$1,223.29)	(\$1,234.34)	(\$1,163.03)	(\$534.91)	(\$4,870.93)
Buyback Assessment (see below) 0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Deducted from Fish Ticket Value	-\$9,758.89	-\$16,609.54	-\$16,488.04	-\$15,538.08	-\$7,146.44	-\$65,540.95
<i>Note: Net Revenues without IFQ Program costs</i>	<i>\$292,331.57</i>	<i>\$497,558.55</i>	<i>\$492,288.71</i>	<i>\$464,787.31</i>	<i>\$213,778.43</i>	<i>\$1,961,443.97</i>
Net Fish Ticket IFQ-Revenues	\$291,618.42	\$496,332.26	\$491,975.58	\$463,630.28	\$213,236.52	\$1,956,793.05

Pre-Rate Post-Rate
(\$60,670.02)

Rate-Imposed
(\$4,870.93)

	Trip #1	Trip #2	Trip #3	Trip #4	Trip #5	Total
Less: Combined Buyback Fees & High Rents						
Buyback Rate (Alt. to above method) 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Buyback Deductions (of net revenue)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lease Rates ('high rents') 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Lease Deductions (of net revenue)	(\$145,809.21)	(\$298,932.90)	(\$245,987.79)	(\$233,815.14)	(\$106,618.26)	(\$928,763.30)
Net IFQ-Revenues After Buyback & Leases	\$145,809.21	\$297,799.35	\$245,987.79	\$231,815.14	\$106,618.26	\$1,028,029.75

Buyback-Fees
\$0.00

'Rents' Taken
(\$928,763.77)

Check Total
(\$933,634.70) \$2,022,334

	Captain John D. ALPHA	Crewman #1 John D. BAKER	Crewman #2 John D. ECHO	Crewman #3 John D. FOXTROT	Crewman #4 John D. INDIA	Crewman #5 John D. LIMA	Combined Captain & Crew Share	Vessel Share:	Check Totals:
Vessel Operators - Share Percentages							39.13%	60.86%	
Gross Share (after Taxes & Leases)	\$123,363.57	\$62,242.38	\$71,982.08	\$71,982.08	\$62,686.52	\$0.00	\$402,216.54	\$625,813.11	\$1,028,029.75
Vessel Owner/Operators Shared Trip Expenses:									
Total BAIT Charges	(\$2,057.48)	(\$1,371.65)	(\$1,200.19)	(\$1,200.19)	(\$878.71)	\$0.00	(\$6,708.23)	(\$10,437.41)	(\$17,145.64)
Total FUEL Charges	(\$14,690.24)	(\$9,799.49)	(\$8,569.30)	(\$8,569.30)	(\$6,279.95)	\$0.00	(\$47,296.29)	(\$74,522.35)	(\$122,418.64)
Total POT LOSS Deductions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Combined Trip Expenses Shared	(\$16,747.71)	(\$11,165.14)	(\$9,769.50)	(\$9,769.50)	(\$7,152.67)	\$0.00	(\$34,604.52)	(\$84,959.76)	(\$139,564.28)
Adjusted Net IFQ-Trip Settlement	\$106,615.86	\$71,077.24	\$62,192.58	\$62,192.58	\$45,533.85	\$0.00	\$347,612.12	\$540,853.35	\$888,465.47
Percent of Net Revenues as IFQ costs	5.4%	3.6%	3.2%	3.2%	2.3%	0.0%	17.7%	27.6%	
Percent of Net Fish Ticket Revenues	5.4%	3.6%	3.2%	3.2%	2.8%	0.0%	17.76%	27.6%	
Percent of Net Revenues After Buyback/Leases	10.4%	6.9%	5.0%	6.0%	4.4%	0.0%	33.8%	52.6%	
Vessel Operators Only - Split Expenses									
Total PROVISIONS (Grocery+ costs)	(\$2,044.00)	(\$2,044.00)	(\$2,044.00)	(\$2,044.00)	(\$2,044.00)	\$0.00	(\$10,220.00)	\$0.00	(\$10,220.00)
Split (Capt/4Crew) 5-ways									
Adjusted Net Take Home Settlements	\$104,571.86	\$69,033.24	\$60,148.58	\$60,148.58	\$43,489.85	\$0.00	\$337,392.12	\$540,853.35	\$878,245.47

Appendix A - Tarifen. C-3 EDR

+1 of 2 App.

Percent of Net Revenues to P.O. costs	\$1,961,663.94	5.3%	3.5%	3.1%	3.1%	2.2%	0.0%	17.2%	27.6%
Percent of Net Fish Ticket Revenues	\$1,956,793.05	5.3%	3.5%	3.1%	3.1%	2.2%	0.0%	17.24%	27.6%
Percent of Net Revenues After Buyback/Leases	\$1,028,029.75	10.2%	6.7%	5.9%	5.9%	4.2%	0.0%	32.6%	52.6%
Personal Deductions/Advances:									
Personal Supplies (Ratigear, Store Charges, etc.)	(\$1,250.00)	(\$3,000.00)	(\$2,000.00)	(\$2,000.00)	(\$2,000.00)	\$0.00	(\$2,000.00)	(\$2,000.00)	(\$2,000.00)
Vessel Charges on Company P.O.'s or Parts Inventory	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$2,800.00)
Captain's Credit for OS Leased	\$198,532.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$198,532.90	\$198,532.90
Cash/Check Advances during season	(\$7,500.00)	(\$1,000.00)	(\$1,000.00)	(\$2,500.00)	(\$2,000.00)	\$0.00	(\$14,000.00)	(\$14,000.00)	(\$14,000.00)
Net Paycheck after all charges & advances	\$ 294,354.76	\$ 67,533.24	\$ 58,898.58	\$ 57,308.58	\$ 41,325.86	\$ -	\$519,425.02	\$530,053.56	\$1,057,478.37

Oplilo Crab Season 2011 (TW)

PRE-RATZ TRIP SETTLEMENT

Pounds Caught (shown as equiv. to post-Ratz)	343,513	244,258	246,827	292,606	106,982	974,186
Total Dockside Ex-Vessel Value	\$301,977.30	\$371,948.80	\$508,483.62	\$479,168.36	\$220,382.92	\$1,922,334.00
Less: State & Local Taxes	(\$9,043.32)	(\$15,388.75)	(\$15,253.91)	(\$34,375.05)	(\$6,611.45)	(\$80,670.02)
Gross Trip/Season Revenues to Capt, Crew & Vessel	\$292,933.98	\$497,553.55	\$493,229.71	\$444,793.31	\$213,771.43	\$1,941,663.98

	Captain John D. ALPHA	Crewman #1 John D. BAKIR	Crewman #2 John D. ECHO	Crewman #3 John D. FOXTROT	Crewman #4 John D. INDIA	Crewman #5 John D. LIMA	Combined Captain & Crew Share	Vessel Share	Check Totals:
Regulated/Contracted LAY SHARES	11.0%	7.3%	6.4%	6.4%	4.7%	0.0%	39.13%	60.88%	
Gross Revenues for Trip/Season Settlement	\$285,399.68	\$156,939.12	\$137,316.48	\$137,316.48	\$160,585.28	\$0.00	\$767,501.03	\$1,184,162.95	\$1,961,663.98
Less: Shared Trip Expenses:									
BAIT (\$17,145.64)	(\$2,057.48)	(\$1,371.65)	(\$1,209.19)	(\$1,200.35)	(\$678.71)	\$0.00	(\$5,708.23)	(\$10,437.41)	(\$17,145.64)
FUEL (\$122,318.64)	(\$14,899.24)	(\$9,793.48)	(\$8,569.30)	(\$8,568.70)	(\$6,273.96)	\$0.00	(\$47,896.29)	(\$74,522.35)	(\$122,318.64)
POT LOSS \$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal - Shared Expenses (\$139,564.28)	(\$16,747.71)	(\$11,163.14)	(\$9,769.50)	(\$9,769.50)	(\$7,152.67)	\$0.00	(\$54,634.52)	(\$84,959.76)	(\$139,564.28)
Adjusted Gross Revenues - Trip/Season Settlement	\$1,822,099.70	\$218,651.96	\$148,787.98	\$127,546.98	\$127,546.98	\$90,382.61	\$712,896.51	\$1,109,203.19	\$1,822,099.70
Percent of AGR (Lay Share Compliant)	11.1%	7.4%	6.5%	6.5%	4.8%	0.0%	36.9%	56.5%	92.9%
Less: Vessel Operators Only - Split Expenses									
PROVISIONS (\$10,220.00)	(\$2,044.00)	(\$2,044.00)	(\$2,044.00)	(\$2,044.00)	(\$2,044.00)	\$0.00	(\$10,220.00)	\$	(\$10,220.00)
Adjusted Net Take Home Settlements	\$1,811,879.70	\$216,607.96	\$146,743.98	\$125,502.98	\$125,502.98	\$91,338.61	\$702,676.51	\$1,109,203.19	\$1,811,879.70
% Gross Revenues for Trip/Season -> Pre-Ratz	11.0%	7.3%	6.4%	6.4%	4.7%	0.0%			
Rate-Determined Settlement (before personal items)	\$104,571.66	\$69,033.24	\$60,148.59	\$60,148.58	\$49,489.86	\$0.00	\$337,392.12	\$540,853.16	\$878,245.47
% Gross Revenues for Trip/Season -> Post-Ratz	5.9%	3.5%	3.1%	3.1%	2.2%	0.0%			
BAIT-CREATED DEFICITS - due to Buyback/ITD Program	(\$112,036.13)	(\$74,600.74)	(\$65,950.40)	(\$65,354.40)	(\$47,848.75)	\$0.00	(\$365,184)	(\$568,350)	(\$933,634)
Take Home Settlement Reduction as % of Pre-Ratz \$	-51.7%	-52.0%	-52.1%	-52.1%	-52.4%	0.0%	-82.0%		

Start Nos. should also be listed, with total and net amounts for each.

All additional share of ->	7.0%
Adj. Gross Revenue	\$ 137,320.00
Adj. Net Takehome	\$ 124,120.00
Ratz created loss	\$ (84,690.00)

D R A F T
ADVISORY PANEL MINUTES
North Pacific Fishery Management Council
September 26-29, 2011
Dutch Harbor, Alaska

The following (20) members were present for all or part of the meetings:

Kurt Cochran	Jeff Farvour	Theresa Peterson
Craig Cross	Becca Robbins Gisclair	Ed Poulsen
John Crowley	Jan Jacobs	Neil Rodriguez
Julianne Curry	Bob Jacobson	Lori Swanson
Jerry Downing	Alexus Kwachka	Anne Vanderhoeven
Tom Enlow	Chuck McCallum	Ernie Weiss
Tim Evers	Matt Moir	

C-1(b) Salmon FMP

The AP recommends that the Council release the analysis for public review with Alternative 3 as their preliminary preferred alternative and include additional discussion on preventing unregistered fishing in the areas excluded from the FMP.

Motion passed 18/0.

C-3(a) Crab Economic Data Collection

The AP recommends that the Council refine the catcher vessel and processor/floating processor EDR alternatives as shown in Attachment 1. Refine catcher processor EDR alternatives to be consistent with the catcher vessel and processor changes. In addition, catcher processors should be revised to capture consistent data for any operation type (CV/Processor). *Motion passed 19/0.*

Minority Report on Crab EDR - A minority of the AP supported a motion to "recommend the Council send this to a workgroup composed of industry, crew, other stakeholder, Council and AFSC staff and other economists to refine alternatives and incorporate any relevant recommendations from the CIE review." The minority felt that the crab EDR action is a significant one and may have implications for data reporting in other catch share programs. It is therefore important to ensure that we're collecting accurate data to address the issues we want to monitor. The current alternatives take an approach of eliminating inaccurate data and additional work is warranted to develop better ways of asking for some of these data elements rather than eliminating them (leasing and crew payment details in particular). This type of work is best suited for a committee, and committee work is the approach we've used in the development of EDRs in the past. A committee can incorporate additional stakeholders and will give us the benefit of including any relevant recommendations from the CIE review.

Signed by: Becca Robbins Gisclair, Jeff Farvour, Tim Evers, Theresa Peterson, Alexis Kwachka, Chuck McCallum, Julianne Curry.

Data type	Data element	Alt 1. (status quo)	Alt. 2	Alt. 3
Crab purchases	Raw crab purchases by fishery - ifq type	by crab fishery	by crab fishery	by crab fishery
	Raw crab purchases by fishery - size and grade	by crab fishery		
	Raw crab purchases by fishery - pounds	by crab fishery	by crab fishery	by crab fishery
	Raw crab purchases by fishery - gross payments	by crab fishery	by crab fishery	by crab fishery
Crab processing costs	Fisheries taxes and fees - crab only	by crab fisheries		
	Processing and packing materials, equipment, and supplies - crab only	aggregated across crab fisheries		
	Food and provisions - crab only	aggregated across crab fisheries		
	Other direct crab labor costs	aggregated across crab fisheries		
	Insurance deductibles - crab only	aggregated across crab fisheries		
	Repackaging costs	aggregated across crab fisheries		
	Broker fees and promotions by fishery	by crab fishery		
	Lease (IPQ) costs	by crab fishery	by crab fishery	by crab fishery - arm's length (monetary payments)
	Observer costs	by crab fishery		
	Freight cost for plant supplies	aggregated across crab fisheries		
	Freight costs for products	aggregated across crab fisheries		
	Product storage	aggregated across crab fisheries		
	Water, sewer, and waste disposal	aggregated across crab fisheries		
	Other crab-specific costs	aggregated across crab fisheries		
General plant costs	Annual fuel, electricity, lubrication, hydraulic fluids	aggregated across all fisheries		
	Plant and equipment investments	aggregated across all fisheries		
	Repair and maintenance	aggregated across all fisheries		
	Foremen, managers, other employees and salaries	aggregated across all fisheries	aggregated across all fisheries	aggregated across all fisheries
	Other plant specific costs	aggregated across all fisheries		
General processing information	Processing days - annual total - all fisheries	aggregated across all fisheries	aggregated across all fisheries	aggregated across all fisheries
	Gross FOB revenues - annual total - all fisheries	aggregated across all fisheries	aggregated across all fisheries	aggregated across all fisheries
	Finished processed pounds - annual total - all fisheries	aggregated across all fisheries	aggregated across all fisheries	aggregated across all fisheries
	Processing labor costs - annual total - all fisheries	aggregated across all fisheries	aggregated across all fisheries-collected above	aggregated across all fisheries-collected above

Data type	Data element	Alt 1. (status quo)	Alt. 2	Alt. 3
Production	Production - dates covered by fishery	by crab fishery		
	Production - processing days by fishery	by crab fishery	Providing first and last day and number of active days	Providing first and last day and number of active days
	Raw crab processed by fishery	by crab fishery		
	Product and processed pounds by fishery	by crab fishery		
	Production - crab size and grade	by crab fishery		
	Production - box size	by crab fishery		
	Production - finished pounds	by crab fishery		
	Production - custom processing identifier	by crab fishery		
Revenues	Sales to affiliates/non-affiliates by species - product/process	by crab fishery	by crab fishery	by crab fishery
	Sales to affiliates/non-affiliates by species - crab size and grade	by crab fishery	by crab fishery	by crab fishery
	Sales to affiliates/non-affiliates by species - box size and finished pounds	by crab fishery	by crab fishery	by crab fishery (use box size categories)
	Sales to affiliates/non-affiliates by species - revenues (fob)	by crab fishery	by crab fishery	by crab fishery - FOB Alaska only
	Custom processing by species/product/process	by crab fishery	by crab fishery	by crab fishery (include pounds raw and pounds of product)
	Custom processing revenues	by crab fishery	by crab fishery	by crab fishery
Labor	Average processing positions	by crab fishery		
	Man-hours	by crab fishery	by crab fishery	aggregated across all fisheries
	Total processing labor payments	by crab fishery	by crab fishery	aggregated across all fisheries
	Crab processing employees by residence	by crab fishery	by crab fishery	aggregated across all fisheries
Custom processing services purchased	Reporting requirement			All companies contracting custom processing must report
	Custom processing services purchased - raw pounds	by crab fishery	by crab fishery	by crab fishery
	Custom processing services purchased - product and process	by crab fishery	by crab fishery	by crab fishery
	Custom processing services purchased - size and grade	by crab fishery		
	Custom processing services purchased - box size	by crab fishery		
	Custom processing services purchased - finished pounds	by crab fishery	by crab fishery	by crab fishery
	Custom processing services purchased - processing fee	by crab fishery	by crab fishery	by crab fishery

Data type	Data element	Alt 1. (status quo)	Alt 2.	Alt 3.
Fishing data	Fish ticket number	all crab fisheries	-	-
	Days fishing	by crab fishery	-	-
	Days traveling (from port to grounds) and offloading	by crab fishery	-	-
	Crew port and transiting days (from home port to port in vicinity of grounds)	-	aggregated across all crab fisheries	aggregated across all crab fisheries
Deliveries and revenues	Landings by share type - pounds	by crab fishery	by crab fishery	by crab fishery
	Deadloss by share type - pounds	by crab fishery	by crab fishery	-
	Landings by share type - revenues	by crab fishery	by crab fishery	by crab fishery
	Vessel owner's IFQ used on the vessel by share type	by crab fishery	-	-
	Vessel owner's IFQ used on other vessels by share type	-	-	-
	Leased quota by share type - pounds	by crab fishery	by crab fishery	by crab fishery- arms length monetary payments only
	Leased quota by share type - cost	-	-	-
	Leased quota by share type - crew contributing shares	by crab fishery	aggregated all crab fisheries- count of crew leasing	-
	Number of crew by fishery	by crab fishery	-	-
	Crew	Payments to crew	by crab fishery	by crab fishery
Payments to captain		by crab fishery	by crab fishery, check box for skipper/owners	by crab fishery
Labor payment details - charges and deductions		in all crab fisheries	amounts of deductions and charges by crab fishery	amounts of deductions and charges by crab fishery
Revenue shares - owner/crew/captain		by crab fishery	-	-
Crew license number/CFEC permit number		aggregated across all crab fisheries	aggregated across all crab fisheries	-
Insurance premium - crab only		aggregated across all crab fisheries and aggregated across all fisheries	-	-
Paid deductibles - crab only	aggregated across all crab fisheries	-	-	
Pot purchases - number	aggregated for all crab fisheries	aggregated all fisheries new pots only	-	
Pot purchases - cost	-	-	-	
Pot purchases - location	aggregated for all crab fisheries	-	-	
Line and other gear purchases - costs	aggregated for all crab fisheries	-	-	
Line and other gear purchases - location	aggregated for all crab fisheries	-	-	
Bait used - species/pounds by fishery	by crab fishery	-	-	
Bait used - species/cost by fishery	-	-	-	

Data type	Data element	Alt 1. (status quo)	Alt 2.	Alt 3.
Crab costs	Bait used - purchase location by fishery	by crab fishery	-	-
	Fuel used - gallons by fishery	by crab fishery	aggregated all fisheries included below	by crab fishery (gallons only)
	Fuel used - cost by fishery			
	Fuel used - purchase location by fishery	by crab fishery	-	-
	Food and provisions - costs	aggregated across all crab fisheries	-	-
	Other crew expenses	aggregated for all crab fisheries	-	-
	Freight costs for landed crab	aggregated for all crab fisheries	-	-
	Storage, wharfage, delivery costs for gear	aggregated for all crab fisheries	-	-
	Observer costs - by fishery	by crab fishery	-	-
	Landing taxes and fees	aggregated across all crab fisheries	-	-
	Cooperative fees	aggregated across all crab fisheries	-	-
	Other expenses	aggregated across all crab fisheries	-	-
	Vessel costs	Vessel and equipment investment - cost	aggregated across all fisheries (excluding exclusively non-crab costs)	aggregated all fisheries, including R&M
Vessel and equipment investment - location		aggregated across all fisheries	-	-
Repair and maintenance - costs		aggregated across all fisheries	-	-
Repair and maintenance - location		aggregated across all fisheries	-	-
Insurance premium		aggregated across all fisheries	Aggregated All Fisheries	-
Fuel - gallons and cost				aggregated all fisheries
Fuel, lubrication, fluids - annual - cost		aggregated across all fisheries	Aggregated All Fisheries	-
Fuel, lubrication, fluids - annual - location		aggregated across all fisheries	-	-
Other vessel specific costs		aggregated across all fisheries	-	-
All activities	Days at sea - all activities	aggregated across all activities	-	-
	Gross revenues - all activities	aggregated across all activities	Aggregated All Fisheries	-
	Pounds - all fisheries	aggregated across all fisheries	-	-
	Tendering			check box
	Labor cost - all activities	aggregated across all activities	Aggregated All Fisheries	Aggregated All Fisheries

C-3 (a) Crab Economic Data Reports

The SSC received a staff report from Mark Fina (NPFMC) on this agenda item. Public testimony was provided by Edward Poulsen (Alaska Bering Sea Crabbers Association) and Steve Minor (Pacific Northwest Crab Industry Advisory Committee).

The SSC has long been on record commenting on the qualitative treatment of economic and social impacts in analyses that come before the Council. The legal and policy barriers to acquiring these data finally changed during MSA reauthorization and under provisions of the Crab Rationalization authorizing legislation. As a result, NMFS and the Council, with considerable assistance from industry, developed the Economic Data Reports (EDR) as a mechanism for systematically acquiring, compiling, and analyzing these critically needed data in the context of BSAI crab fisheries.

The EDR process is charting a new path that offers the potential to significantly improve the quality of the economic analyses presented to the Council. Although this process has admittedly been imperfect and a source of frustration among all parties involved, **the collection of data beyond the revenue and landings data that are typically used in Council analyses is essential.** The SSC is concerned that should the crab EDR program fail, it will adversely impact the Council's ability to improve data collection in other fisheries and will be a lost opportunity to improve the economic analyses for years to come. Paradigm shifts are not simple to achieve and mandatory economic data collection for fisheries managed by this Council is just such a shift.

The SSC commends the work of the analyst. However, the document presented to the SSC for initial review raises a number of concerns. The assertion contained in the Problem Statement and embedded in the reconsideration action that the costs of the status quo are too great and that the benefits are minimal or altogether lacking is misleading. The Problem Statement, as currently worded, frames Alternative 1 (status quo) as a non-viable option, yet lacks a substantive analysis of how the benefits and costs of the status quo compare with those of the other two alternatives presented in the document. The SSC recommends that the Council revisit its Problem Statement, avoiding statements that limits its options and to broaden the suite of alternatives that can offer a middle-ground between status-quo and abandoning the efforts and investments made to date.

The SSC acknowledges that revisions to the current EDR program are necessary. The current EDR program reportedly imposes a substantial burden on industry (average 37 hours) and a revised EDR with lower compliance costs should be considered. The SSC also recognizes that, although there are data quality issues that should be addressed in a revised EDR, the statement regarding Alternative 2 on page 44 of the Initial Review Draft incorrectly states that "the types of analyses that may be undertaken are not reduced substantially." Both action alternatives propose to eliminate collection of most/all cost information, and as a result, the quality of the analyses that may be undertaken is reduced substantially, essentially closing the door on any meaningful economic data collection. Rather than eliminate data elements with quality concerns, the SSC recommends that a middle ground be explored that continues to collect most of the key data elements in some form. This may entail scaling back the level at which the data are collected (e.g., aggregate across all crab fisheries, rather than by crab fishery). While there may still be issues about the data quality, an expectation of perfection in any complex program is simply unreasonable. Iterative improvement should be regarded as success and encouraged. As hard as it may be to carry this process forward, the need for these data has not diminished and the SSC still maintains strong support for the concept of a comprehensive Economic Data Collection Program.

The SSC also recommends that the Council reconsider whether the blind data collection process (described in section 2.4) needs to be continued. Although the SSC recognizes the importance of maintaining confidentiality, especially with the collection of cost data, it does not appear that the benefits of this added layer are justified by costs and complexities.

Finally, the formal report from CIE review of the EDR program is due next week. Although the CIE review was not intended to inform Council action, it is possible that the review may contain useful input to assist in the development of new alternatives for consideration.

The SSC requests an opportunity to review the EDR Revision document in its next iteration. **Given the concerns about the problem statement and the suite of alternatives, the SSC does not recommend release of the analysis for public review at the present time.**