

**North Pacific Fishery Management Council**  
**D1 AIGKC Facility Use Caps**  
**February 10, 2023**

The Council adopts the following purpose and need statement and alternatives for analysis.

*Since implementation of the crab rationalization program in 2005, a significant percentage of crab processor shares have been acquired by participants that do not own processing facilities and are dependent on custom processing markets. Although custom processing was exempted from facility use caps for most BSAI crab fisheries in 2006, facility use caps were implemented for the Eastern Aleutian Islands golden king crab (EAG) fishery and the Western Aleutian Island red king fishery (WAI) fishery when processed east of 174° W longitude. The Council is considering eliminating the EAG and WAI processing facility use caps, to potentially increase the availability of custom processing services and the development of new product forms and markets.*

*In addition, recent declines in Bristol Bay red king crab (BBRKC) and Eastern Bering Sea (EBS) snow crab abundance have resulted in closures of commercial fishing seasons and increase the likelihood of low total allowable catch (TAC) limits in the near future. These changes have caused significant disruption to participants, including high costs and inefficiencies in the harvesting and processing of these crab species at low TAC levels. Custom processing of crab is exempt from IPQ use caps with the exception of BBRKC, EBS snow crab with a South region designation, and Western Aleutian Island golden king crab (WAG) processed east of 174° W longitude. The Council is considering adding these fisheries to the custom processing exemption, to allow participants to increase efficiency and continue to derive benefits from the fisheries.*

*The Council is considering these changes while preserving overall ownership and entity use caps in the crab program to continue to limit consolidation.*

**Alternative 1.** No action.

**Alternative 2.** Remove the EAG and WAI processing facility use caps at 50 CFR 680.7(a)(9).

**Alternative 3.** Exempt custom processing of EBS snow crab IPQ with a South region designation, BBRKC IPQ, and WAG IPQ processed east of 174° W longitude from the PQS/IPQ and processing facility use caps under the program (add to list of exempted fisheries at 50 CFR 680.42(b)(7)(ii)(A)). Regionalization would still apply.

Alternatives 2 and 3 are not mutually exclusive and both may be selected for Council action.

The Council requests the analysts examine the potential for consolidation of PQS and IPQ associated with the options for changing the facility use caps for processing Aleutian Islands golden king crab.