Ten-Year Review of the BSAI Crab Rationalization Program

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Presentation to the Council

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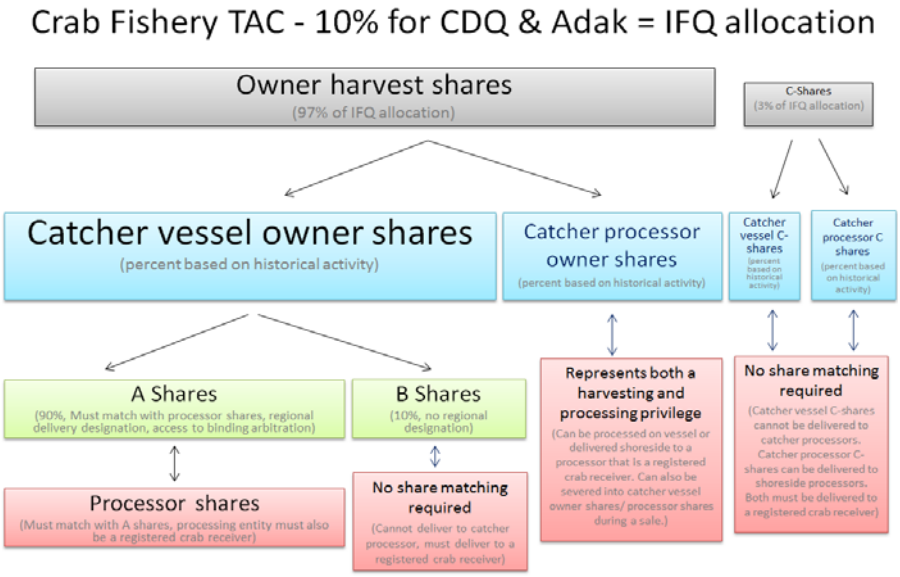
Based on the purpose and need statement, the Council was looking to:

1. [Promote] resource conservation, utilization, and [address] management problems;
2. [Reduce] bycatch and its' associated mortalities, and potential landing deadloss;
3. [Reduce] excess harvesting and processing capacity, as well as [discouraging a system that promotes] low economic returns;
4. [Promote] economic stability for harvesters, processors and coastal communities;
5. [Eradicate] the high levels of occupational loss of life and injury;
6. Address the social and economic concerns of communities;
7. Promote efficiency in the harvesting sector;
8. [Promote] equity between the harvesting and processing sectors, including healthy, stable, and competitive markets.

Page 3, Section 1.2



From Section 2.3.6, page 19, Figure 2-1

Health of the stock and biological indicators

Crab Commercial Fishery Closures, 1998/99 through 2015/16

	BBR	BSS	EAG	WAG	PIK	SMB	WAI	WBT	EBT	BST
	1998	1999	1998/99	1998/99	1998	1998	1998/99			1998/99
	1999	2000	1999/00	1999/00	1999	1999	1999/00			1999/00
	2000	2001	2000/01	2000/01	2000	2000	2000/01			2000/01
	2001	2002	2001/02	2001/02	2001	2001	2001/02			2001/02
	2002	2003	2002/03	2002/03	2002	2002	2002/03			2002/03
	2003	2004	2003/04	2003/04	2003	2003	2003/04			2003/04
	2004	2005	2004/05	2004/05	2004	2004	2004/05			2004/05
2005/06										
2006/07										
2007/08										
2008/09										
2009/10										
2010/11										
2011/12										
2012/13										
2013/14										
2014/15										
2015/16										

fishery closed

From Section 3, Figure not in review

Harvest Sector

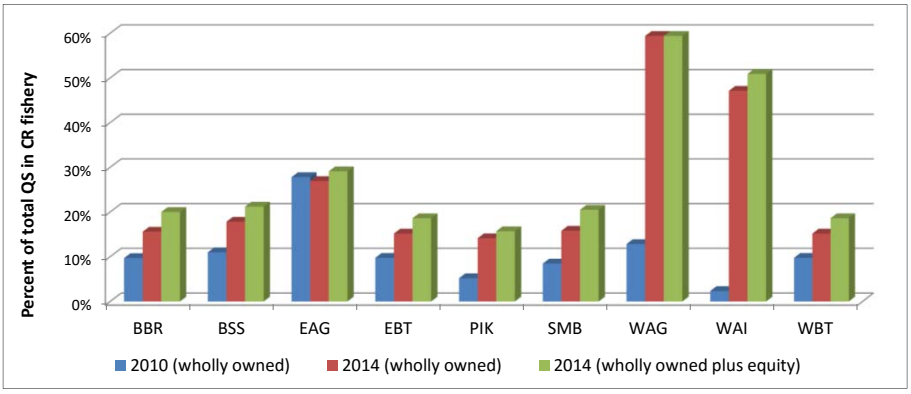
Harvest share holdings
- QS entities
- Transfers
- Current holdings

Harvest sector
- Fleet capacity and participation
- Harvest cooperatives and IFQ leasing
- Vessel operations
- Vessel earnings
- Crew compensation and employment

Processing Sector

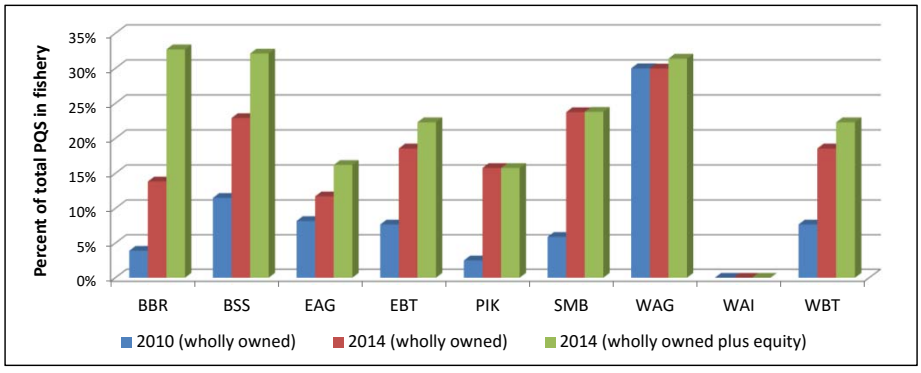
- PQS Holdings
- Processor participation and capacity
- IPQ leasing and custom processing
- Processor operations
- Processing employment

CDQ and Adak allocations- CVO/CPO holdings



From Section 8, page 157 and 158, Figure based on Table 8-2 and 8-3

CDQ and Adak allocations- PQS holdings



From Section 8, page 159 and 160, Figure based on Table 8-4 and 8-5

Crab Markets and Prices

Formula Arbitrator and Contract Arbitrators, in developing the non-binding price formula and deciding an individual arbitration, **establish a price that preserves the historical division of revenues in the fishery** while considering:

(1) current pricing;
(2) consumer and wholesale product prices;
(3) innovations and developments of the different sectors;
(4) efficiency and productivity of the different sectors;
(5) quality standards for each market;
(6) maintaining financially healthy and stable harvesting and processing sectors;
(7) safety;
(8) the timing and location of deliveries; and
(9) reasonable underages to avoid penalties.

From Section 9.2.2.1.2, page 175 and 176, Arbitration Standards

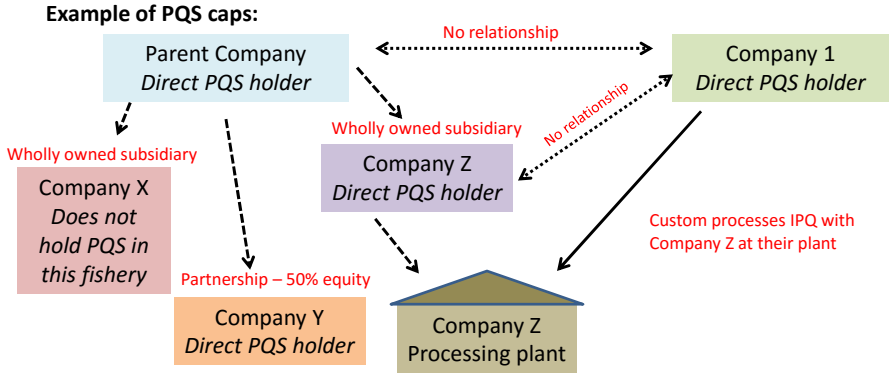
Entry Opportunities

- Challenges and opportunities in harvest sector under the CR Program:
  1) QS reaching the market
  2) Access to market opportunities
  3) QS prices and finance opportunities
  4) Willingness to invest
  5) Perception of the role of the CR Program
- Challenges and opportunities in the processing sector under the CR Program

Management, Monitoring, and Enforcement

- Section expanded to include management, monitoring, and enforcement

Example of PQS caps:



PQS holdings of Parent company, 50% of PQS from Company Y, Company Z, and custom processed IPQ from Company 1 apply to cap (unless exemptions apply based on the fishery or PQS holdings are grandfathered in above the cap).

Cost Recovery

Office	Restricted Access Management	Sustainable Fisheries	Operations Management and Information	Information Services Division	General Counsel
Primary source of expenditures	Quota management	Regulations	Cost accounting	Technical support	Legal guidance

Office	Appeals	Office of Law Enforcement	Alaska Department of Fish and Game	Alaska Fisheries Science Center	Financial Services Division	Pacific States Marine Fisheries Commission
Primary source of expenditures	Appeals	General enforcement	Extended jurisdiction/ Observers/ CDQ	Economic data reporting	Loan program and buyback	Economic data reporting/ Joint electronic reporting

From Section 13, page 219, Table 13-2

"Everybody's working for the weekend" Photo credit: Bea Detrick-Muse