North Pacific Fishery Management Council Agenda Item C-4: Tanner Crab Custom Processing Exemption 6/10/2016

The Council adopts the purpose and need statement and recommends Alternative 2 without suboption 1 as its preferred alternative.

Purpose and Need:

Tanner crab processing facilities have consolidated to the extent that the IPQ use caps are constraining on the ability for the processing sector to process the entire allocation of Tanner crab without exceeding the caps. This then strands the portion of the Tanner crab allocation in excess of the caps from being harvested because sufficient processing facilities relative to the use caps do not exist **in the Bering Sea region**. In the 2015/2016 Tanner crab season, the gross ex-vessel value for this 10 percent of the Class A IFQ for EBT and WBT crab was estimated at \$3.4 million. Without relief from the restriction, harvesters, processors, and communities would lose the potential benefits from the stranded portion of crab. Management objectives would include providing relief from the processing use caps so that the full Tanner crab allocation could be harvested and processed.

<u>Alternative 2</u> – Add BS (Bering Sea) Tanner crab to the list of crab fisheries in FMP Chapter 11, section *Clarification and Expressions of Council Intent*, and §680.42(b)(7) for which custom processing arrangements do not count against the IPQ use cap.