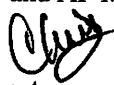


MEMORANDUM

TO: Council, SSC and AP Members  
FROM: Chris Oliver   
Executive Director  
DATE: January 30, 2013  
SUBJECT: Rights of First Refusal (ROFR) revisions final action

ESTIMATED TIME 8 HOURS (All C-4 items)
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ACTION REQUIRED

(a) Final Action

BACKGROUND

Under the crab rationalization program, a community that meets certain thresholds for historical processing received rights of first refusal on transfers of processing shares derived from processing that occurred in that community. Over the course of several meetings, the Council has considered actions to amend the rights of first refusal to make those rights more effective. In addition, the Council has expressed concern that the Aleutia Corporation, the holder of rights of first refusal on behalf of Aleutians East Borough, was not informed of a transfer of Bristol Bay red king crab processor shares on which it held a right of first refusal and what thereby denied the ability to exercise that right. To address this concern, the Council has requested the analysis of an action that would provide Aleutia Corporation with an allocation of processor shares approximately equal to the amount of shares included in the transfer. At its October 2012 meeting, the Council directed staff to release its analysis of alternatives for final action at this time. An executive summary of that analysis is attached (Item C-4(a)(1)).