C1 Crab Crew Share Active Participation Requirements

Final Action

Sarah Marrinan, NPFMC
Andrew Olson, NMFS
December 2023
History of action

Secretary agreed with recommendation:
Emergency rule in effect for the 2022/23 application cycle

Council meeting
June 2022
Application deadline
June 15, 2022

Council recommended emergency action for 2022/23
Council also initiated an analysis

Council meeting
April 2023

Staff tasking discussion
Staff requested clarification on the policy focus of the proposed action and provided notice of challenges with alternatives.
Council provided clarifications.

Initial Review
Analysis of the alternatives and additional concepts identified.
Council revised Alts and purpose and need. No PPA specified.

Council meeting
June 2023

Council meeting
Dec 2023

Final Review

Section 1.1, page 9-10
Acronyms and terms for reference

QS = quota share, long-term crab harvesting privilege (in “units”)

IFQ = individual fishing quota, annual issuance of crab harvesting opportunity (in pounds), often fished through crab harvesting cooperatives

CVC = Catcher vessel crew; a specific type of QS originally issued based on qualifying for C share from participation on a catcher vessel; yields CVC IFQ on an annual basis

CPC = Catcher processor crew quota share; a specific type of QS originally issued based on qualifying for C share from participation on a catcher processor vessel; yields CPC IFQ on an annual basis

Use caps = limit to the amount of a privilege that can be held or used

Active participation = can mean different things. In this action we are referencing the regulations at §§680.40(g)(2) and (3), and §680.43 which outline the requirements for issuance of CVC and CPC IFQ, including the conditions under which the withholdings of CVC and CPC IFQ or revocation of CVC and CPC QS could occur.
What are Crab C shares?

Crab Fishery TAC - 10% for CDQ & Adak = IFQ allocation

- **Owner harvest shares** (97% of IFQ allocation)
- **Catcher vessel owner (CVO) shares**
  - **A Shares** (90%, Must match with processor shares, regional delivery designation, access to binding arbitration)
  - **B Shares** (10%, no regional designation)
- **Catcher processor owner (CPO) shares**
  - **Catcher vessel C-shares (CVC)**
  - **Catcher processor C-shares (CPC)**
  - **Process onboard or deliver to any RCR**
  - **Deliver to any RCR**
- **Processor shares** (Must match with A shares, processing entity must also be a registered crab receiver)
  - **Deliver to any registered crab receiver (RCR)**

**Figure 3-1, page 19**
Active participation requirements

In order to receive an annual allocation of C share IFQ, the QS holder must have either:

1) Participated as crew in at least 1 delivery in a CR Program fishery in the previous 3 years, or

2) If the individual is an initial recipient of C shares, they could demonstrate participation by at least 30 days as crew in a commercial fishery off Alaska (federal or state of Alaska) in the previous 3 years.

To maintain C share QS holdings, the QS holder must demonstrate active participation (by the same definitions) in the previous 4 years.

There is a narrow exemption for those who hold C share in a single closed fishery.

If not, and if C shares are not transferred to an eligible applicant, all C share QS held by that individual would be revoked and C share QS pool adjusted so it still represents 3% of crab IFQ.

Intention behind these requirements is to encourage inactive holders to divest, so that C shares remain available for active captains and crew.
Existing regulations for receiving Crab C shares by transfer

• The regulations require that an individual must be a U.S. citizen with
  
  (1) at least 150 days of sea time as part of a harvesting crew in any U.S. commercial fishery; and
  
  (2) participation as crew in one of the CR Program fisheries in the 365 days prior to the date the transfer application is submitted to NMFS.

  ➢ This is different from “owner QS” which only requires #1 above

• All QS includes ‘use caps’ limiting how much QS an individual can hold.

<table>
<thead>
<tr>
<th>Fishery</th>
<th>QS use cap as a % of the initial C share pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBR, BSS, EBT, WBT</td>
<td>2%</td>
</tr>
<tr>
<td>PIK, SMB</td>
<td>4%</td>
</tr>
<tr>
<td>EAG, WAG, WAI</td>
<td>20%</td>
</tr>
</tbody>
</table>

Section 3.2.1, page 19-20
Recent past circumstances (e.g., COVID-19 pandemic, crab stock declines, recent BBRKC and BSS fishery closures) and possibly future circumstances may be making it more difficult for C share holders to achieve active participation as required to retain QS.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>C share holder 1</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>QS revoked</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A = active, 0 = not active; crab year = July 1 through June 30

Purpose and Need: Section 1.2, page 10
Alternatives – no Preliminary Preferred Alternative identified

Alternative 1 - No action

Alternative 2 - Modify the CVC QS and CPC QS recency requirements

  Option 1: Restart the recent participation requirement when the final rule is implemented and reissue all revoked CVC and CPC QS starting in 2019 and until the final rule is implemented.

  Option 2: Authorize the Regional Administrator to suspend the CVC QS and CPC QS active participation requirement in years when the combined BBR, BSS, WBT and EBT crab combined TAC is below a certain threshold. If the TAC threshold is not met, NMFS would not count this year for C share holders that did not provide evidence of active participation. Threshold options:

    Sub-option 1: 25 Mlb; Sub-option 2: 15 Mlb; Sub-option 3: 10 Mlb

Option 3: Revise the eligibility requirements for CVC and CPC QS holders to receive annual IFQ and retain QS holdings to be the same for initial recipients and new entrants.

Alternative 3 - Remove the active participation requirement at §680.40 for existing CVC and CPC QS holders to receive annual IFQ and retain QS. Maintain eligibility requirements at §680.41(c) to receive CVC or CPC QS by transfer. Reissue all revoked CVC and CPC QS starting in 2019 and until the final rule is implemented.
Section 3.1 Statutory Authority

Section 3.2. Management of the BSAI Crab Fisheries
   3.2.1 Crab Rationalization Management
   3.2.2 C Share Requirements Under Amendment 31
   3.2.3 Management Timeline for Crab Fisheries - updated

Section 3.3 Description of the Fisheries
   3.3.1 Fishery Status and TACs - updated
   3.3.2 Fishery Value and Price
   3.3.3 Vessels and Crew
   3.3.4 Quota Share Holders - updated
   3.3.5 C Share Quota Markets
   3.3.6 C Share Active Participation Data - updated

Registered address for CVC and CPC QS holders, 2023

<table>
<thead>
<tr>
<th>Registered address</th>
<th>Individuals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>WA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seattle MSA</td>
<td>29</td>
<td>73</td>
</tr>
<tr>
<td>Edmonds</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Other WA</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>AK</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anchorage MSA</td>
<td>13</td>
<td>42</td>
</tr>
<tr>
<td>Homer</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Kodiak</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Other AK</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>All OR</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>All other states</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>160</td>
</tr>
</tbody>
</table>

Table 3-9, page 39
Alternative 1, no action

Current regulations remain in place.

It is expected more C share holder would be in a position of needing to transfer QS or failing to meet active participation requirements given less opportunity to crew, as shown by:

• Recent low TACs and closed fisheries (Figure 3-2)
• **Limited number of vessels (Table 3-3)**
• Limited number of crew positions (Table 3-4)

Expected to be very limited market for C shares – particular in closed fishery.

• Figure 3-7 demonstrates recent QS and PQS sales

Section 3.4.1, page 41-43

### Number of active vessels, 2015/16 - 2022/23

<table>
<thead>
<tr>
<th>Season</th>
<th>BBR</th>
<th>BSS</th>
<th>EAG</th>
<th>EBT</th>
<th>WAG</th>
<th>WBT</th>
<th>SMB</th>
<th>All fisheries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>64</td>
<td>70</td>
<td>3</td>
<td>49</td>
<td>2</td>
<td>62</td>
<td></td>
<td>80</td>
</tr>
<tr>
<td>2016/17</td>
<td>63</td>
<td>63</td>
<td>4</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td>72</td>
</tr>
<tr>
<td>2017/18</td>
<td>61</td>
<td>63</td>
<td>4</td>
<td>10</td>
<td>3</td>
<td>34</td>
<td></td>
<td>70</td>
</tr>
<tr>
<td>2018/19</td>
<td>55</td>
<td>61</td>
<td>3</td>
<td>8</td>
<td>3</td>
<td>36</td>
<td></td>
<td>66</td>
</tr>
<tr>
<td>2019/20</td>
<td>56</td>
<td>59</td>
<td>3</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td>66</td>
</tr>
<tr>
<td>2020/21</td>
<td>47</td>
<td>62</td>
<td>3</td>
<td></td>
<td>3</td>
<td>41</td>
<td></td>
<td>67</td>
</tr>
<tr>
<td>2021/22</td>
<td>42</td>
<td></td>
<td>3</td>
<td></td>
<td>3</td>
<td>20</td>
<td></td>
<td>48</td>
</tr>
<tr>
<td>2022/23</td>
<td></td>
<td></td>
<td>3</td>
<td>17</td>
<td>3</td>
<td>14</td>
<td></td>
<td>22</td>
</tr>
</tbody>
</table>

From Table 3-3 page 32
Alternative 1, no action: C share holder examples

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>C share holder 1</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>QS revoked</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C share holder 2</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; 0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C share holder 3</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 3-8 Hypothetical C share holder scenarios for status quo

A = active, 0 = inactive; BBR = Bristol Bay red king crab; Bering Sea snow crab; QS = quota share; IFQ = Individual Fishing Quota; RAM = Restricted Access Management
Crab seasons are from July 1 - June 30.
3 options – *not* mutually exclusive from each other

Option 1: “Restart” C Share active participation requirements and reissue C Share QS that is revoked in the interim.

Option 2: Provide NMFS Regional Administrator the authority to suspend C Share active participation requirements under low TACs. Threshold options:

- Sub-option 1: 25 Mlb;
- Sub-option 2: 15 Mlb;
- Sub-option 3: 10 Mlb

Option 3: Expand what qualifies as active participation for non-initial issuee C share holders to include participation in non-BSAI crab fishing (e.g., any other State of Alaska fishing)

Options paraphrased here, stated in Section 2, page 11
### Alternative 2, Option 1: C share holder examples

**Option 1:** “Restart” C Share Active Participation Requirements and Reissue C Share QS that is Revoked in the Interim

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>C share holder 1</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>QS revoked</td>
<td>Reissued; A</td>
<td>0</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>C share holder 2</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFO withheld; 0</td>
<td>QS revoked</td>
<td>Reissued; 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFO withheld; 0</td>
</tr>
<tr>
<td>C share holder 3</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFO withheld; A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>A</td>
<td>0</td>
<td>A</td>
</tr>
</tbody>
</table>

Figure 3-9 Hypothetical C share holder scenarios under Alt 2, Option 1

A = active, 0 = inactive, BBR = Bristol Bay red king crab, BSS = Bering Sea snow crab, QS = quota share, IFQ = Individual Fishing Quota, RAM = Restricted Access Management

‘Crab years’ are from July 1- June 30.
Alternative 2, Option 1: Restart C Share Active Participation Requirements and Reissue C Share QS Revoked in the Interim

Impacts to current C share holders
- Will benefit C share holder that had QS revoked between 2019 and implementation of rule.
- The restart of the requirement would provide all C share holders addition years of leniency.

Impacts to monitoring and enforcement
- Reissuing C share QS would likely require an additional application process
- Restarting the requirement would not likely add to a monitoring or enforcement burden.

Market Impacts
- The restart of the requirement could delay when a C share holder chooses to sell
- The restart of the requirement may provide an opportunity for C share holders to sell into a more stable market, depending on the future crab stock status.

Section 3.4.2.1 page 44-45
Alternative 2, Option 2: Suspend C Share active participation requirements under low TACs

Three methods for the suspension of active participation requirements highlighted in the addendum:

**Method 1: ‘Restart’** - NMFS could consider C share holders “active” in the years where the threshold is triggered. (Most lenient method - if threshold is triggered often, active participation requirements would rarely apply.)

**Method 2: ‘Extra year’** - NMFS could refrain from withholding or revoking any C shares in the season following a threshold being triggered. (Least lenient method – most likely to result in situations where QS is revoked while IFQ was not withheld.)

**Method 3: ‘Skipped year’** - NMFS could exclude the years in which a threshold is triggered from the 3-year evaluation. (Similar to how accounting currently works for QS holder that only hold C share in closed fisheries)

- Method 2 is highlighted in the analysis, but all methods are within the range of impacts considered and could be implemented.
- All methods add administrative complexity.
Alternative 2, Option 1 & 2: C share holder examples – Method 1

Option 1: “Restart” C Share Active Participation Requirements and Reissue C Share QS that is Revoked in the Interim and Option 2: restart the active participation requirements after combined TAC is above the threshold

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>C share holder 1</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>QS revoked</td>
<td>Reissued; A</td>
<td>0</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>C share holder 2</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; 0</td>
<td>QS revoked</td>
<td>Reissued; QA</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; 0</td>
</tr>
<tr>
<td>C share holder 3</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; A</td>
<td>QA</td>
<td>QA</td>
<td>0</td>
<td>A</td>
<td>0</td>
<td>A</td>
</tr>
</tbody>
</table>

Is the combined TAC below the threshold?

YES, year not counted  YES, year not counted  NO  accounting restarts  NO  NO  NO

Figure AD-3 Hypothetical C share holder scenarios under Alt 2, Option 1 AND Option 2- METHOD 1 Restart

A = active, 0 = inactive; BBR = Bristol Bay red king crab; BSS = Bering Sea snow crab; QS = quota share; IFQ = Individual Fishing Quota; RAM = Restricted Access Management

‘Crab years’ are from July 1 - June 30.
### Alternative 2, Option 1 & 2: C share holder examples – Method 2

Option 1: “Restart” C Share Active Participation Requirements and Reissue C Share QS that is Revoked in the Interim and Option 2: restart the active participation requirements after combined TAC is above the threshold

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>C share holder 1</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>QS revoked</td>
<td>Reissued; A</td>
<td>0</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>C share holder 2</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; 0</td>
<td>QS revoked</td>
<td>Reissued; 0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; 0</td>
<td>QS revoked</td>
</tr>
<tr>
<td>C share holder 3</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; A</td>
<td>Yes, 2024/25 TAC lower than threshold. No IFQ withheld no QS revoked</td>
<td>Yes, 2025/26 TAC lower than threshold. No IFQ withheld no QS revoked</td>
<td>No, 2026/27 TAC greater than threshold. Participation evidence required</td>
<td>No, 2026/27 TAC greater than threshold. Participation evidence required</td>
<td>No, 2026/27 TAC greater than threshold. Participation evidence required</td>
<td>No, 2026/27 TAC greater than threshold. Participation evidence required</td>
</tr>
</tbody>
</table>

**Figure AD-1 Hypothetical C share holder scenarios under Alt 2, Option 1 AND Option 2 - METHOD 2 Extra year (included in the analysis as Option 2)**

A = active, 0 = inactive; BBR= Bristol Bay red king crab; BSS = Bering Sea snow crab; QS = quota share; IFQ = Individual Fishing Quota; Crab years are from July 1- June 30.
Alternative 2, Option 1 & 2: C share holder examples – Method 3

Option 1: “Restart” C Share Active Participation Requirements and Reissue C Share QS that is Revoked in the Interim and Option 2: restart the active participation requirements after combined TAC is above the threshold

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>C share holder 1</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>QS revoked</td>
<td>Reissued; A</td>
<td>0</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>C share holder 2</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; 0</td>
<td>QS revoked</td>
<td>Reissued; 0 (not counted)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; 0</td>
</tr>
<tr>
<td>C share holder 3</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; A</td>
<td>0</td>
<td>0 (not counted)</td>
<td>0</td>
<td>A</td>
<td>0</td>
<td>A</td>
</tr>
</tbody>
</table>

**Figure AD-2 Hypothetical C share holder scenarios under Alt 2, Option 1 AND Option 2- METHOD 3 Skipped year**

A = active, 0 = inactive; BBR = Bristol Bay red king crab; BSS = Bering Sea snow crab; QS = quota share; IFQ = Individual Fishing Quota; RAM = Restricted Access Management

‘Crab years’ are from July 1 – June 30.
Alternative 2, Option 2: Suspend C Share active participation requirements under low TACs

Combined TAC is based on BBR, BSS, EBT, and WBT
- Because these fisheries have historically been complimentary to one another in terms of crew opportunity

But threshold would apply for all C share holders

Tradeoffs of using a combined TAC as a threshold
- Lack of preseason notice for the EAG and WAG fisheries
- Limited notice for the BBR, BSS, EBT, and WBT fisheries
- Future implications of consolidation
- All methods could increase the accounting complexity for C share holders making compliance more difficult. If the requirements do not apply for a long stretch, C share holders would be less familiar.
- All methods would increase the monitoring and enforcement burden for NMFS Restricted Access Management.
Alternative 2, Option 2: Suspend C Share active participation requirements under low TACs – Thresholds considered

Table 3-10, page 51

<table>
<thead>
<tr>
<th>Season</th>
<th>BBR TAC (Mlb)</th>
<th>BSS TAC (Mlb)</th>
<th>WBT TAC (Mlb)</th>
<th>EBT TAC (Mlb)</th>
<th>Sum (Mlb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005/06</td>
<td>18.33</td>
<td>37.18</td>
<td>1.62</td>
<td>0.00</td>
<td>57.13</td>
</tr>
<tr>
<td>2006/07</td>
<td>15.53</td>
<td>36.57</td>
<td>1.09</td>
<td>1.88</td>
<td>55.07</td>
</tr>
<tr>
<td>2007/08</td>
<td>20.38</td>
<td>63.03</td>
<td>2.18</td>
<td>3.45</td>
<td>89.04</td>
</tr>
<tr>
<td>2008/09</td>
<td>20.36</td>
<td>58.55</td>
<td>1.54</td>
<td>2.76</td>
<td>83.21</td>
</tr>
<tr>
<td>2009/10</td>
<td>16.01</td>
<td>48.01</td>
<td>0.00</td>
<td>1.35</td>
<td>65.37</td>
</tr>
<tr>
<td>2010/11</td>
<td>14.84</td>
<td>54.28</td>
<td>0.00</td>
<td>0.00</td>
<td>69.12</td>
</tr>
<tr>
<td>2011/12</td>
<td>7.83</td>
<td>88.89</td>
<td>0.00</td>
<td>0.00</td>
<td>96.72</td>
</tr>
<tr>
<td>2012/13</td>
<td>7.85</td>
<td>66.35</td>
<td>0.00</td>
<td>0.00</td>
<td>74.20</td>
</tr>
<tr>
<td>2013/14</td>
<td>8.60</td>
<td>53.98</td>
<td>1.65</td>
<td>1.46</td>
<td>65.69</td>
</tr>
<tr>
<td>2014/15</td>
<td>9.99</td>
<td>67.95</td>
<td>6.63</td>
<td>8.48</td>
<td>93.05</td>
</tr>
<tr>
<td>2015/16</td>
<td>9.97</td>
<td>40.61</td>
<td>8.40</td>
<td>11.27</td>
<td>70.26</td>
</tr>
<tr>
<td>2016/17</td>
<td>8.47</td>
<td>21.57</td>
<td>0.00</td>
<td>0.00</td>
<td>30.04</td>
</tr>
<tr>
<td>2017/18</td>
<td>6.60</td>
<td>18.96</td>
<td>2.50</td>
<td>0.00</td>
<td>28.06</td>
</tr>
<tr>
<td>2018/19</td>
<td>4.31</td>
<td>27.58</td>
<td>2.44</td>
<td>0.00</td>
<td>34.33</td>
</tr>
<tr>
<td>2019/20</td>
<td>3.80</td>
<td>34.00</td>
<td>0.00</td>
<td>0.00</td>
<td>37.80</td>
</tr>
<tr>
<td>2020/21</td>
<td>2.65</td>
<td>45.00</td>
<td>2.35</td>
<td>0.00</td>
<td>50.00</td>
</tr>
<tr>
<td>2021/22</td>
<td>0.00</td>
<td>5.60</td>
<td>1.10</td>
<td>0.00</td>
<td>6.70</td>
</tr>
<tr>
<td>2022/23</td>
<td>0.00</td>
<td>0.00</td>
<td>1.16</td>
<td>0.85</td>
<td>2.01</td>
</tr>
<tr>
<td>2023/24</td>
<td>2.15</td>
<td>0.00</td>
<td>1.32</td>
<td>0.76</td>
<td>4.23</td>
</tr>
</tbody>
</table>

Threshold options:
- Sub-option 1: 25 Mlb
- Sub-option 2: 15 Mlb
- Sub-option 3: 10 Mlb
Alternative 2, Option 2: Suspend C Share active participation requirements under low TACs

**Impacts to current C share holders**
- Will provide additional flexibility in years where there are low TACs or closed fisheries in the four fisheries that have historically provided the most crew opportunity
- Participation would still count if evidence is provided
- The more complex the accounting the more difficult to comply
- Limited notice before an exemption is determined

**Market Impacts**
- Could allow the market to stabilize prior to C share holders needing to sell
- Would not require C share holders to sell when combined TAC is low and demand is also low
- Additional flexibility and not requiring future C share holders to sell when crew opportunity is scare could add value to the C share QS
- May incentivize inactive C share holders to divest when a market opportunity arises

**Impacts to monitoring and enforcement**
- The accounting for exempt years could add to administrative complexity
- If there is more non-compliance, this add to the administrative burden as well

Section 3.4.2.2, page 52
Alternative 2, Option 3: Participation outside of BSAI crab fisheries as active participation

**Impacts to current C share holders**
- For initial C share recipients, can use 30 days in any Alaska fishery in addition to the BSAI crab fishery
- Could makes this consistent across C share holders
- Expected to provide additional opportunity, but limited data to evaluate crew diversification
- Could be particularly advantageous in times of low TAC or closed crab fisheries

**Market Impacts**
- Additional flexibility could add to the value of C share QS and potentially increase the demand, but likely not substantially
- May allow C share holders the ability to hold C share QS longer than they otherwise would

**Impacts to monitoring and enforcement**
- No change to existing monitoring and enforcement

Section 3.4.2.3, page 52-53
Alternative 3: Remove C Share active participation requirement

Policy focus

- C share provided an allocation of QS for captains with participating history
- Also, at final action for the Rationalization Program, and then later reinforced through Amendment 31 the record highlighted an interest in ensuring these QS were for active participants as well as entry opportunity for active crewmembers
- However, an accessible and fluid market for C shares does not seem to have developed for a few reasons (e.g., timing of implementation, ride-alongs, COVID-19, status of the stock)
  - Crab fisheries look different now – opportunity to evaluate the policy focus for C shares
  - Note that the P&N references “diminished opportunities for crew if crab stocks remain low”. If Alt 3 is a preferred alternatives, the Council may consider revising that last sentence of the purpose and need to focus on the reason for the action, even in the event that crab stocks rebound.

Source: A. Olson
Alternative 3: Remove C Share active participation requirement

**Impacts to current C share holders**

- Will benefit C share holder that had QS revoked between 2019 and implementation of rule.
- Removing active participation requirements provides more flexibly for current C share holders to continue to hold their QS.

**Market Impacts**

- Depending on future crab stock status, may allow market to stabilize
- Removing the requirements may increase the value of the C share QS and potentially add to demand
- Inactive C share holders less likely to sell
- The market for buyers is still restricted to those that meet the requirements

**Impacts to monitoring and enforcement**

- Removes administrative challenges specific to this type of QS

Section 3.4.2.3, page 52-53
Each year C share holders must submit an annual IFQ application in order to receive IFQ. NMFS uses this application to evaluate compliance with active participation requirements and to determine if IFQ should be withheld or QS revoked.

Applicants must provide evidence demonstrating meeting participation requirements:
- ADF&G fish ticket
- Affidavit from vessel owner
- Other verifiable sources

Several layers of data review across multiple years and if closed fishery exemptions exist for each C share holder.

Each action alternative specifies reissuance of revoked QS beginning in 2019 and NMFS would implement a reissuance provision to be combined with the annual IFQ application to reduce administrative burden and complexity.

Important to consider the level of complexity created from additional exemptions and flexibility for each alternative. Increased complexity of regulations will increase challenges for the public to comply with and NMFS to administer.

Section 3.4.4, page 55–56
NMFS recommends additional regulatory changes that would clarify two components of the active participation requirements:

- Closed Fishery Exemption
- Type of activity that constitutes “active participation” in a CR program fishery.

These recommendations are not intended to change the intent of these provisions, however they do provide clarity for specific situations that are not currently addressed in regulations.
Closed Fisheries exemption

NMFS recommends a regulatory change clarifying that C share holders are exempt from active participation requirements if they hold QS in only closed CR crab fisheries.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BBR C share holder 1</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>A</td>
<td>Exempt; 0</td>
<td>A</td>
<td>0</td>
<td>A</td>
<td>Exempt; 0</td>
<td>A</td>
</tr>
<tr>
<td>BBR/BSS/SMB C share holder 2</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Qs revoked; 0</td>
<td>Reissued 0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; 0</td>
<td>QS revoked; 0</td>
<td>0</td>
</tr>
<tr>
<td>BBR/BSS/SMB C share holder 3</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IFQ withheld; 0</td>
<td>Exempt; 0</td>
<td>Exempt; 0</td>
<td>Exempt; 0</td>
<td>Exempt; 0</td>
<td>Exempt; 0</td>
<td>Exempt; 0</td>
</tr>
</tbody>
</table>

A = active, 0 = not active,  BBR= Bristol Bay red king crab, BSS= Bering Sea snow crab, SMB = St. Matthew Island blue king crab

Figure 2-1, page 16
Improve Clarity of Participation Requirements

✖ Current regulations require participation as *crew in at least one crab delivery*

✖ Add “Fishing Trip” to improve clarity for participation requirements, where C share holders must participate as *crew in at least one fishing trip where a crab delivery occurred.*

✖ “Fishing Trip” – the beginning period of when harvest of crab has commenced and ending when any processed or unprocessed crab has been offloaded or transferred from that vessel.

Section 2.5, page 14–16
Questions?

sarah.marrinan@noaa.gov
andrew.olson@noaa.gov

Thank you to contributors

- Alicia Miller, NMFS SF
- Brian Brown, NMFS RAM
- Krista Milani, NMFS SF
- Henry Tashjian, NOAA GC
- Michel Fey, AKFIN
- Kendall Henry, ADF&G
- Stephanie Warpinski, NMFS
- Jake Jacobsen, Inter-cooperative Exchange
- Edward Poulsen, Dog Boat Cooperative
- Aaron Overland, Dock Street Brokers
- Mark Fina, Silver Bay and CA Wetfish Producers Association

Source: A. Olson