

MEMORANDUM

TO: Council, SSC and AP Members  
FROM: Chris Oliver *Chris*  
Executive Director  
DATE: May 29, 2009  
SUBJECT: Crab management

ESTIMATED TIME 12 HOURS (All C-3 items)
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ACTION REQUIRED

- (b) Review discussion papers
  - 1) Right of first refusal modifications
  - 2) Western Aleutian Islands golden king crab regionalization and processor quota issues
  - 3) Extinguishing processor quota
  - 4) Leasing restrictions
- (c) Discuss plan for 5-year review of the program

BACKGROUND

- (b) Review discussion papers

At its October 2008 meeting, the Council received the three-year review of the BSAI crab rationalization program. Upon receiving that report and public testimony, the Council developed a purpose and need statement and proposed alternatives to modify the crab rationalization program. This possible amendment package focuses on crew issues and the redesignation of owner quota share and crew quota share, the development of regional fishery associations to address crew issues, and an industry proposal to facilitate crew acquisition of quota share. A copy of that motion is attached as Item C-3(b)(1). In addition, the Council tasked staff to produce discussion papers concerning four topics: two possible revisions to management of the Western Aleutian Islands golden king crab fishery to address unutilized individual fishing quota; potential extinguishment of processor quota shares from all fisheries; and measures to address the effects of leasing on crew and crew compensation.

At its February 2009 meeting, the Council accepted a staff recommendation that the discussion papers be prepared prior to staff proceeding with the analysis of possible modifications to the crab rationalization program, as those discussion papers could lead to further modifications to the program. In response to the Council, staff has prepared the attached four discussion papers for consideration at this meeting (see Items C-3(b)(2), (3), (4), and (5)).

(c) Discuss plan for 5-year review of the program

In adopting the BSAI crab rationalization program, the Council elected to define a series of reports and reviews to ensure that the program meets its intended purpose. Specifically, the motion establishing the program includes the following:

The Council directs staff to prepare an analysis for delivery to the Council 18 months after fishing begins under the program. The analysis is to examine the effects of the 90/10 A share/B share split and the binding arbitration program on the distribution of benefits between harvesters and processors. After receiving the analysis, the Council will consider whether the A share/B share split and the arbitration program are having their intended effects and, if not, whether some other A share/B share split is appropriate. In addition, staff shall the prepare an analysis of the application of the 90/10 Class A/Class B split and regionalization to captain and crew shares (C shares) for consideration by the Council 18 months after fishing begins under the program. The analysis is to examine the landings patterns of C shares to determine whether the distribution of landings among processors and communities of C shares differs from the distribution of landings of the general harvest share pool. After receiving the analysis, the Council will consider whether to remove the 90/10 Class A/Class B split from C shares, which is scheduled to take effect three years after the beginning of fishing under the program.

RAM Division in conjunction with State of Alaska will produce annual reports regarding data being gathered with a preliminary review of the program at 3 years.

Formal program review at the first Council Meeting in the 5th year after implementation to objectively measure the success of the program, including benefits and impacts to harvesters (including vessel owners, skippers and crew), processors and communities by addressing concerns, goals and objectives identified in the Crab Rationalization problem statement and the Magnuson Stevens Act standards. This review shall include analysis of post-rationalization impacts to coastal communities, harvesters and processors in terms of economic impacts and options for mitigating those impacts. Subsequent reviews are required every 5 years.

In the past week, the last of the season's crab fisheries have closed, completing fishing in the fourth year of the program. Annual reports, the 18-month review, and the three-year review have all been completed as requested by the Council, providing the Council with a relatively complete view of the performance of the fishery under the program at various times. In addition, the analysis of amendments proposed by the Council should supplement those reports by providing the Council with additional information relevant to the performance of the fisheries.

Given the Council's request for a comprehensive review of the program after its 5<sup>th</sup> season, the time needed to complete such a review, the different reviews and reports already available to the Council, and the ongoing analyses, it is appropriate for the Council to begin consideration of the scope of the 5-year review. While the Council has already received several analyses and reports that describe the performance of the program, it should view the upcoming review as an opportunity to gain increased understanding of the program's performance to date, in addition to simply gaining more current information concerning recent changes in the program's operation. This agenda item is intended to allow the Council to begin the scoping process for this report.