

**Alternative Cooperative Exchange  
Report to NPFMC  
April 2018  
Gretar Gudmundsson, President**

1) *What measures is the cooperative taking to facilitate the transfer of quota share to active participants, including crewmembers and vessel owners?* The ACE cooperative participates in the Right of First Offer (RoFO) program. Participation in the RoFO program was initially incorporated into the ACE Membership Agreement in 2012 and has remained a Membership requirement since.

2) *What is the level of participation from cooperative members regarding these measures? For the 2017 calendar year we had 320,872 lbs. of all variations of QS sold by eight ACE members with 100% compliance with ROFO.*

This consisted of 47 separate transfers of which 34 for a total of 233,943 lbs. were not subject to RoFO which means they were to currently active participants or internal transfers. The other 13 or 86,928 lbs. were subject to RoFO and all completed that process for 100% compliance to our membership agreement.

3) *How effective have these measures been?* We feel the RoFO program has been very effective in terms of facilitating QS acquisition by active participants, including crewmembers and vessel owners. The statistics we provide in the previous section are evidence in support of that assertion.

4) *What measures is the cooperative utilizing to address the issue of high lease rates, as they affect crew compensation?* ACE encourages its members to comply with the voluntary lease rate cap of 65% for BBR and 50% for BSS.

5) *What is the level of participation from cooperative members regarding these measures?* Several ACE members have their QS fished on ICE vessels. Lease rate information for that QS will be reflected in the calculations included in the ICE cooperative report. Several other ACE members have their QS fished on a vessel owned by ACE members. However, given that only one vessel within ACE is fishing ACE quota, ACE has some concerns over confidentiality and has elected not to request lease rate information.

6) *How effective have these measures been?* While we may not have lease rate information specific to ACE, we believe the EDR data clearly shows the voluntary lease rate cap to be effective at keeping

lease rates within a range deemed acceptable by the Council.

- 7) *What future measures does the cooperative plan to take to address the Council concerns over active participation and lease rates as they affect crew compensation?* ACE intends to continue participating in both the Right of First Offer (RoFO) program as well as the voluntary lease rate cap.

