

March 4, 2019

Mr. Simon Kinneen
North Pacific Fishery Management Council
605 W. 4th Avenue
Anchorage, AK 99501-2252

Dear Chairman Kinneen,

Aleutian Islands Cooperative, is a crab-harvesting cooperative formed pursuant to 50 C.F.R. § 680.21, submits the following report under Council agenda item C-2.

Aleutian Islands Cooperative has 11 member entities which hold catcher vessel owner (“CVO”) and catcher vessel crew (“CVC”) quota share (“QS”) units issued under the Bering Sea and Aleutian Island (“BSAI”) crab rationalization program, which implements Amendments 18 and 19 to the Fishery Management Plan for Bering Sea and Aleutian Island King and Tanner Crabs.

The following report answers the seven (7) questions derived from the Council’s original February 2013 motion concerning measures crab harvesting cooperatives are taking or have taken to facilitate the transfer of QS to active participants, including crew members and vessel owners, and the available measures taken to address high lease rates and crew compensation.

1. What measures is the cooperative taking to facilitate the transfer of quota share to active participants, including crew members and vessel owners?

During the past year Aleutian Island Cooperative and our ten members, have had no known purchase and or sales of quota shares. Aleutian Islands Cooperative and our ten members continue to voluntarily follow the RoFO provisions.

Aleutian Island Cooperative has also encouraged and helped facilitate an application for ‘BSAI Crab ELIGIBILITY TO RECEIVE QS/PQS OR IFQ/IPQ BY TRANSFER’ for active crewmembers seeking QS.

Aleutian Island Cooperative and our eleven members were active members of ICE prior to the 2013-2014 season. We were party to the 2012-2013 ICE Membership Agreement, which included the Right of First Offer (RoFO) provisions. Although Aleutian Islands Cooperative is no longer a member of ICE, we voluntarily follow the RoFO provisions.

2. What is the level of participation from cooperative members regarding these measures?

All members follow the RoFO provisions.

3. How effective have these measures been?

We have had no known transactions this year. However, the measures have been successful to transfer crab to active participants. We have had three unique QS transfers from January 30th through November 10th, 2013. One of the transfers was from a CVO QS holding entity to a newly eligible crewmember that did not receive an initial allocation of QS. The second transfer was from a CVC QS holder to another qualified crewmember. The third transfer was an internal reorganization of a QS holding entity.

4. What measures is the cooperative utilizing to address the issue of high lease rates, as they affect crew compensation?

Aleutian Islands Cooperative's members charge the crew industry standard lease rates of 65% of adjusted gross revenues for BBR, 50% adjusted gross revenues for BBS and 30% adjusted gross revenues for EBT/WBT.

5. What is the level of participation from cooperative members regarding these measures?

All members follow these standard industry rates.

6. How effective have these measures been?

Our lease rates ensure crew is equitably compensated consistent with the industry standard.

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?

We will continue to use the RoFO guidelines and help facilitate QS transfers for active crewmembers.



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