

Mr. Simon Kinneen, Chairman
North Pacific Fishery Management Council
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252

March 11, 2020

RE: April 2020 Agenda Item: BSAI Crab Cooperative Reports

Dear Chairman Kinneen:

The following report is submitted for the April 2020 Council meeting by R & B Cooperative, a crab-harvesting cooperative formed pursuant to 50 C.F.R. 680.21.

R & B Cooperative is a small affiliated crab cooperative with 11 members that hold catcher vessel owner (CVO), catcher processor owner (CPO), and catcher vessel crew (CVC) quota share units issued under the BSAI crab rationalization program. We have 3 crab harvesting vessels that participated in the 2019-2020 fishery.

Following are answers to the seven questions derived from the Council's February motion concerning crab harvesting cooperatives and what they are doing to facilitate the transfer of quota share to active participants and to address high lease rates and crew compensation.

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

R & B Cooperative members generally all qualify as active participants. It has always been our practice to encourage and assist members of our crew to invest in our vessels and fishing rights. When quota share is available for sale it is always offered to our active coop members and crew first before putting on the open market. In 2018, when some QS tied to one of our harvesting vessel's ownership became available, it was purchased in house by current members and the vessel Captain. A couple members, due to recency requirements, recently sold CVC shares outside the Coop, but they were first offered to our active crews. They were sold to active participants in the BSAI crab fisheries.

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

All members of R & B Cooperative are voluntarily adhering to the measures.

3. How effective have these measures been?

This practice has been successful as evidenced by the transactions mentioned in question 1. However, at the current market prices for the QS units, most crew members have declined any offers to purchase QS as they don't see a return on it for several years to come.

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

The vessel owners in our coop do not charge lease rates on the active vessel's "own" (initial issuance plus any since purchased) quota share before crew compensation. For other leased IFQ, we pay the following lease rates on adjusted gross revenues: 55% for BSS, 65-68% for BBR, 30% for EBT/WBT, 55-60% for EAG and 31% for WAG. Central Bering Sea Fishermen Association (CDQ group) is a partner in all our active cooperative vessels and consequently we fish their BBR, EAG, BSS & EBT/WBT CDQ quota and pay similar royalty rates.

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

All members are following these guidelines.

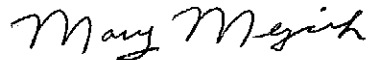
6. How effective have these measures been?

Since rationalization and the end of the race for crab, working conditions have become much safer, and crew compensation is much more stable. Our lease rates ensure our crews are well compensated and appreciate their jobs.

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 plan to continue our current measures and assist crew in acquiring QS or vessel ownership if they so desire. We feel our current practices are sufficient to address any council concerns about crew compensation and lease rates.

Respectfully,



Mary Mezich

R & B Cooperative - Manager

7215 156th St SW

Edmonds, WA 98026