

North Pacific Fishery Management Council

605 W 4<sup>th</sup> Avenue, Suite 306

Anchorage, AK 99501-2252

March 10, 2022

Dear Chairman:

The following report is submitted for the April 2022 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 10 members for the 2021-22 season 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 2 crab harvesting vessels that participated in the 2021-22 fishery.

Following are answers to the seven questions derived from the Council's February 2013 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 voluntarily complies with the Right of First Offer program. It has always been our practice to encourage and assist members of our crew to invest in our vessels and fishing rights. During the past year, R & B Cooperative had one sale of CVC quota share and it was to another Coop member who did not receive an initial allocation of QS.

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, and we feel the program helps facilitate the transfers to active participants.

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: 50-55% for BSS, 65-68% for BBR, 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,



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R & B Cooperative - Manager

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