

# Coastal Villages Crabbing Cooperative

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May 10, 2023

North Pacific Fishery Management Council

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

Anchorage, AK 99501-2252

Re: April NPFMC Meeting, Agenda Item B-11 BSAI Crab Cooperative Reports

During the February 2013 meeting the Council passed the following motion:

“The Council requests that each of the BSAI crab rationalization cooperatives voluntarily provide an annual report detailing measures the cooperative is taking to facilitate the transfer of quota share to active participants, including crew members and vessel owners, and available measurers which affect high lease rates and crew compensation. The annual reports should convey to the Council the effectiveness of the measures implemented through the cooperatives and the estimated level of member participation in any voluntary measured and include supporting information and data. These reports are requested to be delivered for the October meeting each year.”

Following is the report on behalf of Coastal Villages Crabbing Cooperative:

Coastal Villages Crabbing Cooperative (CVCC) has 9 member entities, including poundage held by two CDQ groups. CVCC poundage is primarily harvested by 2 member vessels owned and managed by CVRF, with varying levels of effort in the last several years due to BSAI crab rationalization quota reductions.

Following are Coastal Villages Crabbing Cooperative’s answers to the specific questions from the Council’s February 2013 motion:

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

Coastal Villages Crabbing Cooperative is voluntarily complying fully to the Right of First Offer (RoFO) approach developed by Alaska Bering Sea Crabbers and governed by the Inter-Cooperative Exchange, updated Summer 2018. CVCC’s harvester encourages crew members to purchase IFQ C-shares, and offers assistance to navigate the NMFS loan program for quota share purchasing.

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

All coop members in Coastal Villages Crabbing Cooperative are required to follow the RoFO provisions.

3. How effective have these measures been?

One CVCC member sold CVO quota during 2022 and the ROFO approach was followed.

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

Prior to recent fishery closures for BBR and BSS, CVCC lease rates, as a percentage of gross less taxes, remained stable at 50% for BSS and 70% for BBR for many years. EBT and WBT lease rates have similarly remained stable. Lease rates for B-shares, CDQ, and Legacy Quota are not compensated at a higher rate.

Crew shares are calculated using industry standard formulas in a simple format. However, CVCC does not permit its harvester to deduct some of the industry standard deductions from crew shares, such as Fuel, Bait, and Room & Board. Additionally, CVCC's harvester offers health and retirement benefits to captains, and maximizes opportunities for crew advancement. The small number of platforms for harvesting CVCC IFQ and CVRF CDQ affords more working opportunity for crew. Combined, CVCC believes our crew compensation is higher than for comparable industry personnel.

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

Prior to the season, all CVCC members accepted the above lease rates as well as the above discussed crew compensation standards, as outlined in the annual Co-op lease agreement.

6. "How effective have these measures been?"

CVCC believes the crew that operates within the Coastal Villages Crabbing Cooperative is compensated at or above industry standards. There is insignificant turnover amongst the crew. What turnover there is has to do with factors other than compensation.

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?"

Coastal Villages Crabbing Cooperative will continue to use the above-mentioned protocols to maximize crew compensation and assist with QS procurement for active crew members.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Lorena Rosenberger', with a stylized, looping flourish at the end.

Lorena Rosenberger, President

Coastal Villages Crabbing Cooperative