

December 2013  
Agenda Item C-9

December 3, 2013

Mr. Eric Olson, Chairman  
North Pacific Fishery Management Council  
605 W. 4<sup>th</sup> Avenue  
Anchorage, AK 99501-2252

Dear Chairman Olson:

The following report is submitted under Council agenda item C-9 by the Alternative Cooperative Exchange ("ACE"), a crab harvesting cooperative formed pursuant to 50 C.F.R. § 680.21.

ACE was formed by previous ICE members with the intent of maintaining and honoring all the commitments concerning active participation and crew compensation we made while we were members of ICE. Specifically, ACE has voluntarily incorporated the ROFO provisions of the ICE Membership Agreement into its ACE Membership Agreement.

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

ACE was just formed this June and did not participate in the 2012-13 fishing year. For the 2013-14 fishing year, we will continue to advise our membership of the obligation to comply with the ROFO requirement in the ACE Membership Agreement.

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

The ICE ROFO is incorporated into the ACE Membership Agreement, which each member executes. To the best of the ACE management's knowledge, no ACE member has transferred QS in breach of their ROFO obligations under the ACE Membership Agreement.

3. How effective have these measures been?

Application of the ACE ROFO requirement has resulted in crew members and active fishermen being offered the opportunity to purchase crab QS on a priority basis.

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

As with ICE, ACE supports ongoing voluntary harvester efforts to address the issue of high IFQ harvest fees. Due to the late formation of ACE, we found most IFQ harvest agreements had already been committed.

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

ACE believes most of its members operate in compliance with the ongoing voluntary harvester efforts to address the issue of high IFQ harvest fee rates. ACE has not taken steps to verify the number of its members, who are or have voluntarily limited their IFQ harvest fee rate ask or offer.

6. How effective have these measures been?

We are hoping to see positive effects in the daily rates of pay received by crab crew members during the 2012-2013 fishing year from the upcoming EDR data.

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 will continue the ACE ROFO requirement in its ACE Membership Agreement and encourage its members to continue to adhere to the voluntary harvester efforts to address the issue of high IFQ harvest fees.

Gretar Gudmundsson  
Executive Director --- ACE